AN INVESTIGATION INTO ETHICS MANAGEMENT AMONGST CONTRACTORS IN KENYA – A CASE STUDY OF NAIROBI COUNTY

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DECLARATION

DECLARATION BY THE CANDIDATE

I declare that this research project is my original work and has not been presented for a degree in any other university.

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DECLARATION BY THE SUPERVISOR

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DEDICATIONS

This research project is dedicated to my God for helping me realise my purpose in life and for blessing me immensely. To my immediate family for your great encouragement in spite of enduring my long absence from home, may God continue to bless you.

ACRONYMS

CMD	Cognitive Moral Development
CSR	Corporate Social Responsibility
DV	Dependent Variable
ERC	Ethics Research Centre
GDP	Gross Domestic Product
IV	Independent Variable
KNBS	Kenya National Bureau of Statistics
NCA	National Construction Authority
NEMA	National Environment Management Authority
PCC	Pearson's Correlation Coefficient
SGR	Standard Gauge Railway
SPSS	Statistical Programme for Social Sciences

ABSTRACT

The construction industry continues to grow in terms of financial expenditure and in spurring economic development in the country; thus its importance cannot be overlooked. With this vibrancy, there are, however incessant manifestations of a myriad of malpractices hampering sustainability due to increased business uncertainties. This is in spite of the many laws in the country and government regulatory bodies.

This study hypothesised that, lack of ethics management systems in the construction companies contributes to unethical practices in the building and construction industry. Accordingly, the objectives of the study were; to establish whether construction companies in Kenya have ethics management systems; to find out the benefits of ethics management systems; to identify the challenges facing implementation of ethics management systems; and finally to explore the correlation between lack of ethics management systems and unethical practices.

The study used a descriptive survey approach where primary data was collected via structured questionnaires. The analysis of data was done using statistical analysis software.

The study findings indicate that majority of construction companies surveyed (80.6%) have an inadequate ethics management system and lack documented ethical decision-making procedures. They lack adequate ethics guidelines such as code of ethics and value statements. There was also a lack of commitment by top leadership in fostering ethics management in their respective companies as exemplified by minimal ethics infrastructure with only 10% having ethics departments.

Improved projects' performance, improved compliance with laws and regulations, reduction in misconducts and disputes were noted to be the major benefits of ethics management in the construction companies respectively. Lack of trained personnel, low organisational ethical culture, and harsh business environment were majorly impacting ethics management. The results showed that there is a positive correlation between lack of Ethics Management Systems and Unethical Practices.

The study concluded that ethics management amongst contractors in Kenya is ineffective resulting to very high ethical sacrifices by employees in the companies and predisposing decision-making to malpractices; this is because very few companies have a reliable ethics management system, have poor ethical culture, lack proper ethics management philosophy and ethics infrastructure.

The study, therefore, recommends training of ethics personnel to build ethics management human capacity, documented ethics decision-making procedures, and strong effective and dedicated leadership leading by example as the most effective ethics management strategies amongst contracting firms.

CHAPTER 1.0 - INTRODUCTION

1.1 Background of the Study

Building and construction industry in Kenya is very important as it contributes immensely to the country's economic growth and also helps to spur development at the national, societal as well as at an individual level. The 2016 Economic Survey by the Kenya Bureau of Statistics (KNBS) noted that Gross Domestic Product (GDP) grew by 5.6 %; largely because of improved output in the construction industry. Statistics further showed that both construction representing mega infrastructural projects by the Government and the real estate sector for housing projects contributed to a total of 12.5 % to GDP (Economic Survey, 2016). The financial sub-sector accordingly, reported growth which was attributed to the increased construction loans which grew from Kenya Shillings 80.4 billion in 2014 to 106.3 billion at the end of 2015 representing 32.21% (Economic Survey, 2016). The demand for housing and infrastructural development projects in Kenya has been on an upward trajectory. This growth in the industry has been due to the Government infrastructural development projects like the Standard Gauge Railway (SGR), the 10,000 Kilometres roads expansion projects, Energy projects whilst the real estate sector experienced a very resilient private sector expansion attributed to the perpetual gap of residential houses and commercial office blocks due to sustained growth in demand which further impacted the industry immensely (Economic Survey, 2016). Accordingly, the sector grew by 13.6 per cent and has been growing since 2012.

Mutisya (2015) noted that the estimated urban housing needs currently stands at 150,000 units per year while the production rate of new houses is estimated at only 20,000- 30,000 units annually. According to this, there is therefore a housing shortage of over 120,000 units per year attributed to an ever-increasing urban population, devolution and the need to realise vision 2030.

The success of this very important, ever growing and vibrant industry will be defined by how well all projects' aspects are integrated. Sound decision-making by all stakeholders or participants in the industry affects projects' delivery and ultimately the industry success at large. Bowen et al. (2008) believe that decision-making is a fundamental management function in business with some ethical ramifications and consequences to society. Ethics management in respect to economic/financial, social, legal, technology, health and safety,

political and environmental aspects of a project is therefore paramount. Ethical decision-making is therefore an essential component in the building and construction companies' functional responsibility and should be engrained in all levels of management. As noted by Cohen (1998), decision-making in organisations affects many people and businesses, has an impact on society and should therefore also meet collective social needs.

Doing business within acceptable norms or standards is significant and defines how successful an industry is. All stakeholders therefore, have a great role to play in terms of ensuring the industry's ethical standards as their aggregated conducts define an industry's ethical standards and morals. Mason (2008) observed that, in the construction industry, the degree of trustworthiness and integrity is used to measure ethical performance while doing business. Of great concern and through observation in this context are the construction companies/contractors that are largely concerned with many aspects of projects, make many decisions during project's life-cycle as well as implementing decisions of others. The greatest responsibility therefore, rests with the construction companies/contractors that carry out the actual implementation of projects and during which, a lot of project's resources are expended, critical activities are undertaken and thus, every decision they make impacts directly on projects' performance.

A study by Ethics Resource Center (ERC), (2013) in the United States of America noted that some industries are more vulnerable to ethics issues and this is dependent on the nature of their business they do. The study noted that the construction industry is not an exception particularly due to the context under which companies in the industry conduct business compounded by risks that characterise operations in the industry and the pressure to perform according to the expectations of all the parties.

Absence or limited integration of ethics and ethics management in decision-making in organisations results in limited accountability and hence ethical gaps are inevitable. This research from observations pre-supposes that; lack of ethics management systems by the construction companies manifests in unethical practices that are evident through violation of construction laws and regulations, standard business and social norms throughout projects' life cycle. As a result of this manifestation, one is left wondering thus; whether it matters to construction companies and all other players (e.g. consultants, developers etc.) in the industry how construction business is carried out in reference to ethics.

There are however legal and institutional frameworks in place to guide and regulate the construction industry's conduct and all its stakeholders in Kenya. Professionals are guided by their respective registration and regulatory bodies such as the Engineers Regulatory Board for Engineers and Board of Registration of Architects and Quantity Surveyors. Njoroge (2013) enumerated building by-laws by the local Governments, Building Codes, Procurement laws, Environmental laws, Physical Planning laws, Public Health and Safety laws, Housing laws, Land use laws, Conservation laws as well as Labour laws as some of the laws which are meant to ensure sanity in the industry by guiding decision-making. Government agencies/institutions mandated to ensure compliance such as National Environmental Management Authority (NEMA), County Governments, Ministry of Transport, Infrastructure, Housing and Urban Development have also been in place and lately, the need to oversee the construction industry and coordinate its development resulted to the establishment of the National Construction Authority (NCA), under the provisions of the National Construction Authority Act No. 41 of 2011 with a major objective of developing and publishing a Code of Conduct for the industry players with the main focus being particularly the growing number of construction companies. By all intentions and diversity of these provisions, the industry has no excuse to continue exhibiting unethical practices to the extent that is apparently witnessed.

1.2 Problem Statement

As found out by Brien (1998), Ethical failure in an organisation is very much related to the organisation's management philosophy, the culture instilled in its people and more so due to the failures of the leadership. Personal ethics is significant since it guides a person's decision-making process and the resolve of what is right or wrong. It is dependent on one's beliefs, values, personality and background. Brien (1998) also noted that personal ethics is however influenced by the value system reflected by ones employing organisation. Non-observance of industry's ethical standards in doing business and thus having a culture of unethical practices tend to over-shadow such very important personal ethics. The ultimate manifestation is the proliferation of industry's malpractices and employees getting conditioned to unethical ways of conducting business.

Vee & Skitmore (2003) observed that, the absence of professionalism and ethics makes even those ethically good to have difficulties upholding ethical standards and that observance of ethical standards means that the decision-making in organisations should not just be on the basis of economic or financial principles, but also on the ground of ethical

judgments. This encompasses transparency, accountability, fairness and adhering to construction laws and Government regulations which are vital in protecting the industry's image as well and ensuring sustainable development.

Transparency International (2005) found out that the construction industry was the highest fraudulent industry globally, providing a perfect condition for ethical dilemmas which was compounded by low-prices, aggressive competition, and unreasonably low margins. Harsh business environment faced by the contractors from tendering to handing over of completed facilities has also been postulated to justify perhaps why any attempt through the legal provisions and regulations to streamline the industry is a mere illusion (Mason, 2009). The huge investments and the industry complexities is said to predispose the industry to unethical practices but this should not be an excuse to act unethically since the effects hugely affect profitability and ultimately human life.

According to Mason (2008), the manifestation of unethical practices in Britain included; bribery/kickbacks, falsifying documents to win tenders, fraud, unwarranted contractual claims, use of substandard materials, poor workmanship, collusive tendering and non-compliance with construction-related laws. Through casual observation, in Kenya too, violation of construction laws, procedures, and Regulations, evidently demonstrate how the industry has fallen deep into misconducts. The violation ultimately manifest in the industry in form of inflated tenders, canvassing, corruption, environmental degradation, deliberately stalled projects, unsafe buildings, very expensive developments, use of short-cuts by contractors, use of sub-standard materials, use of an unapproved construction drawings, lack of supervision by qualified professionals, health and safety compromises, poor labour relations and ultimately collapsing buildings. The ultimate price paid particularly by developers is massive and expensive ranging from financial losses, loss of life of construction workers and in some cases the occupants of the buildings and the worst of tragedies are protracted and inevitable legal suits associated with third parties liabilities.

The Kenyan building and construction fraternity's quest to unravel what actually goes wrong is therefore far from over. Whilst it is imperative to promote ethics in the industry, the question remains as to whether construction companies entrench this as a management philosophy and a culture that every employee should embrace. Construction companies who are contracted to implement projects are certainly in control of many construction processes and hence susceptible to many unethical practices. The questions that remain unanswered are;

do these construction companies have ethics management systems? Is there proper integration of ethics in their decision-making? Why are the codes of conduct, code of ethics, laws and regulations not deterring unethical practices? Are they well integrated into the management functions? Is it a concern to contractors if construction processes are not up to the required standards? Or is compliance with construction laws, and regulations important to them? Does it matter to the Contractors how work is done? Or how they earn their money? The ultimate question is whether the manifestation of unethical practices is due to lack of Ethics Management Systems or lack of integration of ethics and ethics management in decision-making. There is evidently limited accountability and perhaps the obvious ethical gaps and dilemmas.

Professional bodies with clear regulatory frameworks as well as Government Agencies with outlined construction guidelines, code of conducts and ethics seem not to be having any impact in inspiring contractors to the correct ethical direction. Githui (2012) noted that, in spite of existing ethical code of conduct, the Kenyan public domain continues to witness collapsing building, unfinished and substandard constructed roads and uninspected houses. There is, therefore, doubt as to whether the code of conducts, code of ethics and existing laws result in improved ethical conduct in the industry. Starr (1983) found out that these codes and laws are just self-serving or a mere public relations effort. Codes of conduct, code of ethics alone were noted to be insufficient in ensuring ethical conduct and thus, it is imperative to supplement them with the assignment of functional responsibility (Vee and Skitmore, 2003).

National Construction Authority (NCA) by May 2016 had visited 16,356 sites, 10,405 (64%) of which were non-compliant with construction laws and regulations. Consequently, this shows clearly that even with the legal framework in terms of laws, regulations and institutions and their guidelines, the Kenyan construction industry may still be susceptible to myriads of unethical practices. Management of ethics in the industry would, therefore, require more than just laws, institutions, codes and regulations. Therefore, issues of ethics and ethics management systems by contractors are questionable and require investigation.

The study will, therefore, help investigate the presence of ethics management systems and their effectiveness in increasing ethical accountability and thus reduce the chance of ethical gaps in the building and construction industry in Kenya from the contractor's business perspective. The Importance of ethics management systems will be explored together with the challenges faced during the implementation of ethics management systems Kenyan

Construction companies. Correlation between ethics management systems and ethical decision making will also be explored. This will help in testing the study hypothesis.

1.3 Objectives of the Study

The main objective is to evaluate the use of Ethics Management in the construction industry in Kenya.

Specific Objectives;

a) To evaluate whether construction companies in Kenya have Ethics Management Systems.

b) To find out the benefits of Ethics Management in construction companies in Kenya.

c) To identify the challenges of implementing Ethics Management Systems in construction companies in Kenya.

d) To explore the correlation between lack of Ethics Management Systems and unethical practices amongst construction companies in Kenya.

1.4 Hypothesis

Based on the problem statement and the objectives, the hypotheses of this study have been formulated as follows;

Alternative Hypothesis (H_A): - Lack of Ethics Management Systems in construction companies in Kenya contributes significantly to the Building and Construction industry's unethical practices (e.g. use of substandard materials, corruption, unjustified claims, poor wages, etc.)

Null Hypothesis (H_O): Lack of Ethics Management Systems in construction companies does not contribute significantly to the Building and Construction industry's unethical practices.

1.5 Research Questions

a) Are there Ethics Management Systems in construction companies in Kenya?

b) What are the benefits of Ethics Management Systems?

c) What are the challenges faced by construction companies in Kenya in implementing Ethics Management Systems?

d) What is the correlation between Ethics Management Systems and the ethical practices amongst construction companies in Kenya?

1.6 Scope and Limitations of the Study

The construction industry has many players namely; Clients, Developers, Consultants, Contractors, Financiers, Legal Experts, Dispute Resolution Experts, etc. However, this study will focus mainly on Construction Companies as one of the key players in the industry. As stated earlier, they are at the heart of projects' implementation and are therefore indispensable. Every project must involve a contractor and focus on them will help in unearthing important aspects of ethics management.

The study will also focus on construction companies with registered offices in Nairobi County. Nairobi being the capital city of Kenya is an operating hub for many construction companies. Construction industry practices and manifestations are similar all over the country and therefore any sample representation from this County will be adequate. Also, Nairobi has the largest share of building projects, amounting to over 70% of the national total output and therefore most construction firms in the country are based there (Oketch, Cited in Kinuthia 2013).

Companies in Nairobi County will be easily accessible as opposed to those in other far counties. Less time will be taken to administer and collect questionnaires. The study will also focus on construction companies under category NCA 1. A survey by Ethics Resource Center (ERC), (2013) in America revealed that in larger companies, employees were more likely to have pressures of not complying with set standards, exhibit misconduct, and also face reprisals for reporting the wrongdoings by their colleagues; and also more likely to have ethics and compliance programs and employees are therefore more versed on ethics management.

To guarantee the legitimacy of data collected due to the nature and sensitivity of this research topic, the phrasing of questions will be done in such a way that the answers given are not self-incriminating or negative. Tabular format of responses will be highly used. The questions will also be formulated in such a manner that respondents will be encouraged to give correct information.

1.7 Significant and Justification of the Study

This study is meant to help in investigating whether Ethics Management Systems are effective reducing unethical practices in the construction industry and bring to the light the importance of Ethics Management in the construction industry, particularly by construction companies. Through the study, the construction companies will be informed on the different

issues of ethics management that are relevant to them. These will include; the importance of ethics management, the composition of an ethics management system, an analysis of the challenges encountered in ethics management will be made and ways of overcoming the same recommended. The relationship between ethics management and ethical practices in the industry will also be highlighted.

The effects of not having ethics management systems/ programmes appropriate for the Kenyan environment will also be highlighted at the end of the study in a bid to sensitize the contractors with the need to have a well-engrained system.

1.8 Operational Definitions

1.8.1 *Ethics:-*

Ethics is a system of moral principles used in judging human actions and applications good or bad, or right or wrong. It also refers to the acceptable rules of behaviour accepted by a particular class of human actions (Delbridge, 2000).

Alfred (2008), defined ethics simply as a set of principles, attitudes on "what is right or wrong" and ideas that are used to control the way a profession is practiced.

1.8.2 *Ethics Management: -*

Ethics Management refers to corporate management that besides fulfilling economic goals and legal responsibilities also meets ethical expectations imposed by society in conducting business. It, therefore, means incorporating ethics (principles and attitudes) in business management processes so that all decisions made within an organisation are seen to lime with the social norms (Surbhi, 2016).

1.8.3 *Ethical Decision-Making: -*

This is the process by which individuals use their moral base to determine whether a certain issue is right or wrong (Carlson et al. 2002).

1.8.4 *Code of Ethics: -*

According to Steven, (1994, pg 64), codes of ethics is a document containing general and obvious statements pointing to a desired behaviour and which, is used by corporations in shaping their employees behaviour and yield the required behavioural change. They are also referred to as a Value Statement. Jason (2009) defined it as a set of general principles meant to guide behaviour by outlining principles that affect decision-making in an organisation.

1.8.5 *Code of Conduct: -*

A code of conduct is a written document containing particular conducts that are acceptable or forbidden in an organisation or business entity. The aim is to provide direction on specific practices and behaviour within the organisation.

1.8.6 *Malpractice/Unethical Practice/Misconduct: -*

This refers to any business or industry practice that deviates from set moral and social norms. It is, therefore, any human action or application that is judged wrong or bad on the basis of ethical principles and attitudes.

1.8.7 *Construction Company/Contractor: -*

This refers to any business entity that is in the business of carrying out building and construction works in Kenya.

1.9 Structure of the Study

This study is ordered into Five (5) chapters. Chapter one is on the general introduction of the study in the form of a background to the study, problem statement, study objectives, study questions, and hypothesis. It also covers the scope and limitations of the study, significance, operational definitions and the organisation of the study.

Chapter two contains the literature review of the topic of Ethics Management in organisations in order to have a general view of the topic and particularly in reference to the Building and Construction Industry. There is some reference to other countries before narrowing down to Kenya. This helps to contextualize Ethics Management in Kenya. This chapter also contains the theoretical and conceptual model of this study.

Theories related to ethics are studied in order to find some theoretical answers to the problem of ethics management and try to get probable answers or solutions theoretical to the problem that is being investigated. Through the literature review, the study seeks to answer the study questions such as; are there ethics management systems in organisations? How is ethics management practiced in other nations and in Kenya? What are the challenges of ethics management in the construction industry? And finally what are the effective ways of managing ethics by the construction Companies in Kenya.

Chapter three of this study defines and discusses the research methodology embraced to address the research questions and objectives of the study. The chapter starts by justifying the research design adopted for the study. The sampling frame, sample size and sampling techniques used are also discussed. It also highlights the sources and types of data used; the

procedures and tools employed in data collection as well as data analysis and interpretation. Research variables are discussed and finally hypothesis testing methods.

Chapter Four contains data analysis, presentation, and discussions and finally, chapter five provides a summary of the key findings of the research, the conclusions emanating from the findings and also the knowledge being contributed to this topic. Recommendations and suggested areas of further research are also given in this chapter.

CHAPTER 2.0: LITERATURE REVIEW

2.0 Introduction

This chapter provides a general overview of ethics and ethics management in organisations with cross-reference to the construction industry companies. General views and aspects of ethics are reviewed followed by different theories spinning around Ethics and Ethics Management in organisations. This chapter also contains a review of other researches in this topic of ethics management. Requisite elements of a typical ethics management system are studied in order to assist in developing research parameters. This literature review helped in establishing a theoretical framework that further helped in laying a basis necessary for contextualizing ethics management in Kenyan construction industry.

2.1 Definition and General Overview of Ethics

Delbridge (2000) defined ethics as a system of moral principles, used to judge human actions and applications good or bad, right or wrong. Delbridge further defined it as the rules of conduct recognized in relation to a specific class of human actions. According to him it also referred to the moral principles of an individual and ideas that are used to govern the practice of a certain profession. He further noted that ethics is very important since an organisation is judged on the basis of how reputable it is as a result of its integrity to the business fraternity and its employees. The aggregation of the organisation's leaders and employees' ability to distinguish right or wrong makeup how a company is perceived and whether it is seen as ethical or not. This is so for an entire industry that is composed of many companies. Mason (2008) observed that, in the construction business, the degree of trustworthiness and integrity is used to measure ethical performance. Kang et al, (2004) found out that ethics management and business ethics are related to evolving issues for all businesses in the world. Both Mason (2009) and Kang et al, (2004) through research realised that there was little evidence that in the construction industry, attention to ethics management was paid in the same level as in other industries like manufacturing. As indicated by Alfred (2008), unethical practices hamper free market processes resulting to ever-spiralling construction prices. Similarly, in Kenya, housing which is a constitutional right of every Kenyan becomes very costly partly due to unethical practices and in most instances unachievable. Unethical practices hinder the growth of any industry through the introduction of unfair conduct, unfair contract terms, unfair business practices, unfair labour practices, and conflict of interest. These create socio-economic imbalances and uneven playing ground by the participants. As noted by the

Commonwealth of Australia (Cited in Adnan et al. 2012) the 'unfairly dominant parties in the industry tend to vary the nature of long-term relationships to leverage their existence in the expense of the new or weaker parties'. Fairness, integrity, and honesty have been recommended as the cornerstone upon which strong foundations of ethical practice in the business world is premised (Stuart, 2005; Adnan et al, 2011; Vee and Skirtmore, 2003 and Kang et al, 2004). According to Kang et al. (2004), ethics management was noted as a pertinent feature in construction particularly in the daily management of projects' life-cycle and business institutions.

Ethics takes the form of personal ethics, professional ethics, and business ethics and all these facets are interlinked since at the interface is the human factor. Personal Ethics according to Vee & Skitmore (2003) is a system of moral principles used to judge human actions and proposals good or bad, right or wrong whereas professional ethics refers to behaviours expected of an individual in an industry or profession and which is guaranteed by set of principles, attitudes or types of character that is used to govern the way that particular profession is practiced. On the other hand business ethics refers to norms or standards of doing business in a fair way.

Ethics is often misunderstood in the context of Corporate Governance. Good ethics is regarded as a cardinal principle for best corporate governance in organisations. Ethics is a set of moral principles and values that guide individuals on what is right or wrong whereas Corporate Governance is a framework of rules and practices by which directors ensures accountability, fairness, and transparency in a company's relationship with all its stakeholders (Njeri, 2016). Ethical values include; integrity, law, morality, equality, fairness, and trustworthiness. The choice of doing right or wrong is guided by a general rule that there is no right way of doing the wrong thing. Ethics management is effective if these values and principles are documented, communicated well and consulted in decision-making processes within organisations thus reducing the risk of non-compliance significantly. Mere definition just increases ethical sacrifice that one has to make while making decisions thus predisposing decision makers to act unethically. On the other hand, non-compliance is often the default choice if company values are not defined and thus a culture of non-compliance creeps in, in total disregard of professional, business and personal ethics and legal compliance.

There are many theories addressing the philosophical foundation of what constitute ethics as well as ethics characteristics. This research will focus on ethics and ethics management in the

field of business under which the construction industry falls. Much emphasis will be on theories and models relevant to the decision making processes which is a precursor to either ethical or unethical practices in the construction industry. Reviewing applicable concepts will ensure a clear understanding of matters pertaining to ethics management and management systems in construction companies.

2.2 Overview of Business Ethical Theories and Decision Making Models

Deontology or duty theory or non-consequentialism and consequentialism as fronted by Mitcham and Duvall (2000) are some of the modern theories of ethics. Deontology, however, bases morality on a fundamental principle of obligation irrespective of the consequences (Kant, 2003) cited in Kang 2004. Consequentialism is, on the other hand, the most preferred modern theory of ethics in construction projects (Kang, 2004). Under this theory, an activity is regarded as ethically right if its consequences are positive/favourable than adverse. This is mostly applicable in the cost-benefit analysis which then determines the feasibility of a project (encyclopaedia of philosophy, 2003).

Christabel (2011) noted that business ethics is divided into two realms; normative and descriptive ethics theories. Normative ethics is about what decision-makers should believe to be right or wrong while descriptive is about what decision-makers actually believe. According to the descriptive ethics theory, decision-making models have four major components namely; moral awareness, moral judgement, moral intent and moral behaviour which is the end result of the process (Rest, 1986). These variables are based on Cognitive Moral Development (CMD). According to the Contingency model advanced by Ferrell and Gresham (1985), individual variables such as knowledge, values, attitudes and intentions and organisational variables such as opportunity and action of others were noted as variables that affect an employee's decision-making. These variables are important in ethical decision making.

On the other hand, Person-Situation Interactionist Model advanced by Trevino (1986) starts with an ethical dilemma and proceeds to a cognitive stage where ethical decision making is moderated firstly by an individual's ego, strength and dependence and secondly, by a situational variable like organisational culture, work environment, and work characteristics. This model, therefore, establishes an interaction between an individual, a situational variable with the cognitive component to define how employees counter ethical dilemmas in organisations.

As a development to Trevino's model, Bommer et al. (1987) had a list of variables that supposedly were influencing ethical decisions by employees in organisations. These were put under five environmental variables namely; work variables (corporate goals, stated policy and corporate culture), professional variables (codes of conduct, licensing and professional meetings), personal variables (peer group, family), Government variables (legislation, administrative agencies and judicial system) and social variable (religious values, human values, cultural values and societal values). These five major variables according to these models are enhanced with individual attributes such as moral levels, self-concept, personality, personal goals, motivation and life experiences.

Wittmer (2005) came up with an integrated theoretical model based on behavioural attributes in an organisation. His theoretical ground was as follows;

> *'Ethical Decision-making = f (ethical decision processes, individual attributes, environmental factors)'*

Ethical decision processes were noted by Bommer et al. (1987) and included information acquisition, information processing, cognitive process, perceived reward, and perceived losses. Out of all the above theories and models, it is apparent that all the significant variables and attributes in ethical decision making revolve around the person or the employees, the organisation and its leadership. Personal ethics, organisational ethics and cultural as well as external environment such as the Government regulations and societal needs are emphasised. Professional ethics has also been advanced as very significant in impacting the decision process. An effective ethics management system would, therefore, contain systems to enhance personal attributes and an ethical organisational culture based on a philosophy of ethical management and professional ethics stating particular ethical requirements for the industry players. It is also clear that an effective system has to be well integrated into the day-to-day decision making by all levels of leadership. The system has to cater for individual values, the organisation internal process as well as includes some external components to cater for all external influences such as the government and society.

The figure below shows the general behavioural model for ethical decision-making process and the major attributes affecting the process (Wittmer, 2010). He further advanced his earlier model in his study on behavioural ethics in Organisation and concluded that discussing ethical issues openly, trusting one another and having a strong sense that members

of the group are committed to the same principles results to increase ethical behaviours in organisations.

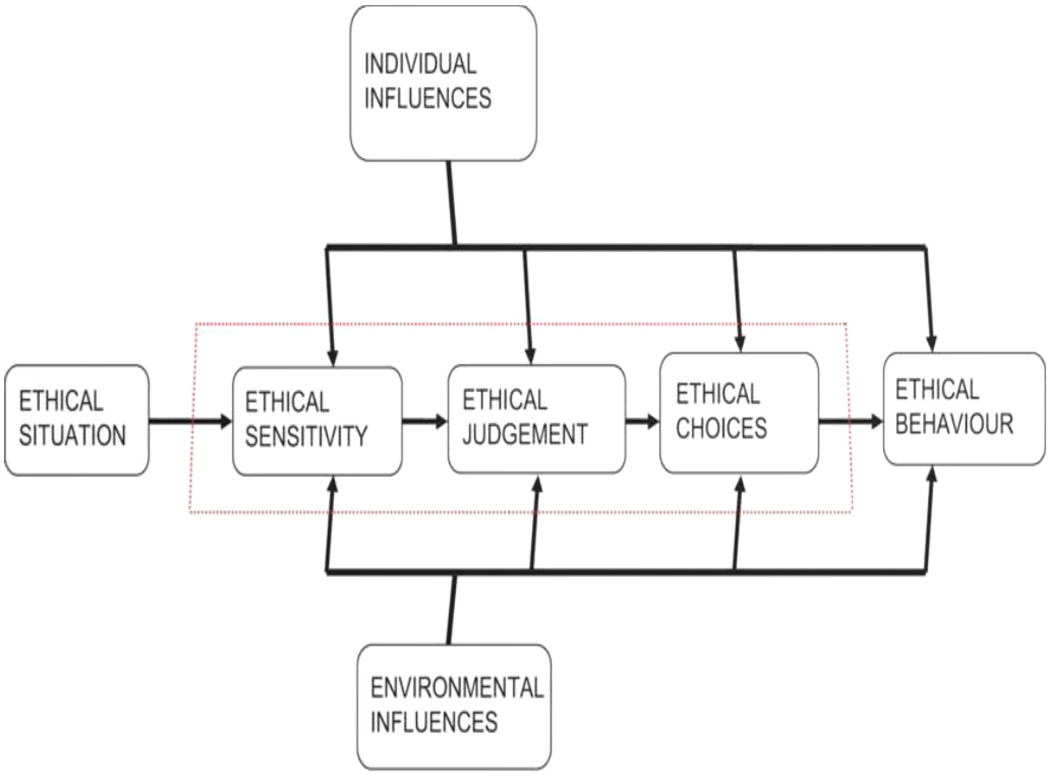

Figure 2.1 – Schematic General Behavioural Model for Ethical Decision-Making

Source: Wittmer, (2010, p.62).

2.3 Global Perspectives/Extent of Unethical Practices in the Construction Industry

Mason (2009) while prospecting for a single professional code of conduct in Britain observed that for ethical codes to be effective there is a need to incorporate them with other measures such as ensuring long term relationships, working collaboratively and high-level training or education on ethical issues because ethical codes do not operate in isolation.

This agrees with the observations made by Starr (1983) who noted that codes and laws alone are just self-serving or mere public relations efforts. In Australia as well, codes of conduct and code of ethics alone were noted to be insufficient in ensuring ethical conduct and thus, there was a need to complement them with management functional responsibilities (Vee and Skitmore, 2003). This shows that for ethics management to be effective there is a need for a comprehensive ethics management system. The Australian study focused more on the popularity of the use of the codes of ethics and codes of conduct, with about 90% subscribing to ethical codes and 45% to a code of conduct. With the high responses, it was however noted that matters related to ethics were never discussed during business meetings and from the same study, 100% of the respondents who were construction managers had witnessed or experienced unethical practices such as collusive tendering. An overall 79% of the total respondents that included Architects and Quantity Surveyors reported having been involved with unethical practices with 64% saying that the problem remained the same over years, 32% saying it had increased and only 4% felt there was a decrease.

Doran, cited in Mason (2009) through a survey on American construction industry ethical state showed that 61% believed that the industry was tainted by unethical behaviours. 84% of the respondents confirmed having witnessed unethical practices in spite of the popularity of ethical codes. A study in the United Kingdom also revealed the presence of unethical practices with respondent not even agreeing on what constitutes such practices such as corruption. All these studies show a dire need for an integrated ethics management system in the construction industry all over the world perhaps as one of the ways of reducing unethical practices and redeem the industry's tainted image. In order to achieve this, it is however very important to provide a standard system against which the players would review their compliance or ethical status. This would create consensus and understanding of the inherent aspects of ethics. The study in the United Kingdom also showed that only 31% of the respondents agreed that enacting more regulations on ethical behaviours was a good idea (Doran, cited in Mason, 2009).

2.4 Ethics and Projects' Performance

Adnan et al. (2012) noted that;

> *"The effects of unethical practices have lasting impacts detrimental to construction and engineering companies such as wasted tender expenses, tendering uncertainty,*

increased projects costs, economic damage, blackmail, criminal prosecutions, fines, blacklisting and reputational risks".

Project performance is measured on key parameters of quality, cost, time, safety, health, environmental aspects, etc. Any deviation from any of these important factors lowers projects' success and increases projects' risks and uncertainties ultimately lowering the social and economic sustainability of the building and construction industry. Unethical practices have their share of contribution to projects' failure**.** Transparency International (2005) illustrated how corruption, for example, can result to an additional 25% of the total cost of public contracting and thus wastage of public resources, missed development and unstable business environment. Adnan et al, (2011) cited a report from Malaysian Ministry of Works which indicated that 17.3% of 417 government projects in Malaysia were regarded as 'sick' and most of them were as a result of unethical behaviours amongst the projects' participants. The costs of these unethical practices in any economy would obviously be passed on to the developers or the public.

Hamzah, et al. (2010) found that unethical practices in the construction industry impacts on the quality of project performance. In Malaysia, fatalities on sites increased by 60% and this was attributed to poor management relating to poor inspection programmes, poor safety policies and lack of safety education programmes. Most of the companies were noted as not being legally compliant but were still operating. Delays in delivery of projects and more tragic incidences of collapsing buildings were also recorded.

On the other hand, a survey done in Georgia, United States of America showed that high ethical standards affected corporations' competitiveness by 83% in the short term and up to 99% in the long term. Stakeholders trust increases, improved customer relations, decreased legal problems and greater profitability (LeClair, 1987).

Alfred (2008) noted that unethical practices hamper free market processes and this result to ever-soaring construction prices. Ethics and ethics management, therefore, becomes an important factor to consider in policymaking initiative while addressing the issues of housing and shortage of the same in the country. This helps in reducing many economic imbalances and thus aid in regulating construction prices which in turn increases performance in projects delivery in the country. Ultimately, the socio-economic and environmental sustainability of projects will be improved thus improving performance.

2.5 Ethics Management in the United Kingdom and United States of America Construction Industries

Kang et al. (2004) in a study of the United Kingdom construction industry's ethical issues promoted a system approach. With the discourse of a life-cycle system approach to ethical issues having been explored, their proposal for a system approach to ethics management was endorsed. This would, however, be applied at the corporate (management and corporate governance), operational (employees and organisational culture), sector (such as social, environment) as well as in the project supply chain level (projects ethics and compliance) and system verification and validation done. Ethics management systems should, therefore, embrace diverse aspects for them to be able to handle all ethical issues in the construction industry.

Mason (2009) noted that in a bid to have Ethics management system in place, the prosecutorial arm of the United Kingdom Government was involved. The enforcement bodies within the European Union also became busy investigating allegations of unethical practices. Cartels of bid-fixing, cover pricing was unearthed, hefty fines were imposed and this sent a clear message of a deterrent in the entire industry. It was noted that out 112 companies being investigated, 40 firms had admitted the charges and 37 had applied for leniency (Mason, 2009). As noted in this study, punitive measures are therefore an important element of ethics management systems in an industry where ethical codes are unlikely to make a difference. Ethical codes were noted to be very useful in giving necessary guidelines and help players know when they are in breach of ethical statements. Ethical management systems involving collaboration and formation of long term trust-based relationships with clearly stated objectives were recommended. The study also noted that a statement emphasising the importance of risk identification to avoid situations of ethical dilemmas is very useful in ensuring ethical decision making.

Ethics Resource Center (2013) found out that coming together for a group of companies to identify and address their ethics issues certainly gives positive results. This is a collaborative effort where peers discuss challenges facing them and benchmarks with each other. Over time the industry's perceived misconduct was reduced by 24%. The study also showed that leadership within construction companies in encouraging ethical behaviour was significant. Besides the roles of leaders, an emphasis was put on ethical codes with 85% of the respondents indicating that they always consult their company's ethical codes for guidance.

Need for a feedback system from supervisors regarding subordinates ethical conduct was noted as a key feature of an ethical system with 78% confirming that this works. A system allowing reporting of ethical issues and eliminating or reducing retaliation was also found to be ideal. A strong culture, effective communication, strong leadership, feedback system was emphasized.

2.6 Ethics Management in Malaysian Construction Industry

The Malaysian Government, following cases of lower projects outcome and collapsing of the roof of the Sultan Mizan stadium introduced a raft of measures meant to curb unethical practices in the construction industry. This included Construction Industry Master Plan, codes of ethics to demand honesty and integrity from industry's participants, National Integrity Plan to inculcate values of honesty, integrity and ethics in individual and society (Adnan et al. 2012). The main focus according to these measures was to have individuals with high moral values and high ethical standards. This would reduce incidences of unfair conduct, negligence, conflict of interest, collusive tendering, fraud and bribery that were very common in the industry.

Mohamad and Aziz (2010) noted in their study that factors affecting ethics management and which would need a system approach to address them included; individuals and professional training, organisations leadership, systems and procedures during pre-contract and construction, legislation and regulation, satisfaction and accountability to end-users. This was a pointer to a system with an aspect of life-cycle approaches to ethics management.

Adnan et al. (2012) also in their recommendation after a study of Malaysia construction industry ethical issues, proposed a three-stage ethical management system; the proposal included short, medium and long term measures. First, the short term measures as proposed included the following;

a) An employee's reward and promotion systems based on their ethical conduct and values rather than work-related performance.

b) Introduction of integrity pact on bidding process particularly for the Government related bids.

c) A complaint system in all departments within a company. This would include punitive measures, penalties or even cancellation of licenses for repeated violation.

Secondly, medium-term measures were proposed as follows;

a) A quality assurance system's checks to ensure the quality of work along with ethical practices.

b) A system offering internship to instil professional and business ethics to young professionals.

c) A public awareness through the media in regard to ethical issues in a bid to form an ethical society. This is because there are so many other players in the industry besides the construction companies.

Thirdly, long term measure proposed included the following;

a) A system allowing the active role of the judiciary that helps in implementing laws to govern construction.

b) Research and development on emerging new ethical issues and challenges in both the public and the private sector.

c) Proper training and accreditation of workers on technical aspects as well as ethical issues in construction.

d) Ethics education.

e) An industry-wide code of ethics to foster an ethical environment. Of emphasis is the willingness and commitment by the legislative in enforcing it as well as the commitment by organisations management to adhere to it.

2.7 Ethics Management in Nigeria and South Africa

Oyewobi et al. (2012) noted that unethical practices in Nigeria's construction industry were hampering the country's economic growth and governance. They observed that unethical practices manifested in the form of bribery, environmental destruction, capital flight, dangerous practices, poor quality and desertion of ongoing projects and that all stages of construction were affected greatly. Ameh and Odusami (2010a) submitted that the global community viewed corruption and other unethical issues as common incidences in all construction stages of the Nigerian construction industry workforce.

Similarly, in South Africa, similarly, the construction industry is prone to multitudes of unethical practices and as noted by Bowen et al. (2007), such practices include 'collusion,

bribery, negligence, fraud, dishonesty and unfair practices among the participant in the industry'.

The Government of Nigeria in a response to the increased unethical practices and particularly corruption introduced due process in all government projects in order to check unethical performance (Olugbekan, 2001). However, Oyewobi et al. (2012) observed that unethical practices in Nigeria remained unabated and that eliminating them required the participation of the industry's stakeholders. Sensitization of the practices and their consequences was fronted as a great effort towards their reduction as well as training and introduction of checks and balances, implementing gifts and hospitality policy to increase adherence to rules and regulations in the industry.

Ameh and Odusami (2010a) postulated that consultants have a tendency to act unethically due to forces from other parties. Quantity Surveyors were noted to be under pressure from contractors to defraud the developers or clients. They, therefore, recommended the government of Nigeria to form an independent body known as "National Council for the Built Environment," in order to act as ethical facilitators, receive petitions, investigate and act on professional misconduct. This research, however, did not look at the measures that might help curb professionals' unethical practices in Nigeria.

On the other hand, Adeyinka, Jagboro and Ojo (2015) indicated that government and professional regulations are fundamental in controlling unethical practices in the construction industry in Nigeria and in influencing professionals who were noted to be very important in promoting ethics. Processes and procedures were also fronted as very important in curbing unethical practices. They further opined that goals should be clients' oriented and evaluation of clients' satisfaction should thus be done as an indicator of ethical performance in the industry. This research only looked at professional ethics and improvement of professional ethical performance in Nigeria's Industry.

Thobeka Kahlela (2018) recommended a lifecycle ethics management characterized by a well-established flow chart to help combat unethical practices by Project Managers. This included a structured procedure of mitigating unethical practices in South Africa's construction industry when they arise and though reactive, deters habitual unethical practices and also prohibits others from acting unethically. The flow charts introduced very important elements such as ethics committees, investigations, punishment, and sanctions, internal audit controls, employing qualified ethics personnel in organisations and reinforcing the effort by

use of ethics codes, open communication lines and promote whistleblowing. Another vital recommendation was for the training institutions to promote mentoring programs in the industry particularly for the new contractors joining the industry (Fanie and & Tanya, 2015). This indicates that perhaps a system approach is more adequate in handling ethics in the construction industry both is South Africa as well as in Nigeria.

2.8 Organisational Theory and Ethics Management Systems

2.8.1 Importance and Roles of Ethics in Organisational Management

Jackson (2001) noted that the construction industry suffers from unethical problems both at the corporate and operational levels on issues such as failure to protect public health, environmental issues, occupational health issues, safety and welfare, poor quality control and quality of work, abuse of client resources, improper relations with clients and contractors. These problems hinder effective organisational management in the construction industry and they are akin to all organisations in the business world. They also pose very delicate trade-offs between ethics and organisations' profitability and reputation. Hamid and Behrad (2014) stated that the role of ethics in organisations decision-making depends on the level of responsibility the organisation is willing to take.

To reduce ethical dilemmas, the management should be proactive in anticipating ethical issues in all levels of decision making. Failure to be proactive was noted to be tantamount to deviating from organisational ethical responsibility. No decision made in an organisation is devoid of ethical elements that require careful consideration. While engaging in planning, organising, motivating, communicating or any other management function, ethical decision making by managers is paramount, and use of their moral base to determine whether a certain issue is right or wrong is always at play (Hamid and Behrad, 2014). It is impossible to talk about ethics without touching on organisational values. With clear organisational responsibility on matters of ethics, employees are able to reflect the values as spelt out in the organisational charter. This increases teamwork, morale, honesty, frankness and the employees are easily motivated and ultimately productivity increases. Ethics, therefore, assist managers in organisational management since it instils in employees a sense of responsibility.

Construction companies are regarded as open systems due to their interaction with the external environments and due to this nature; they are prone to external pressures and influences. Ethics management systems should be designed to advance the company's

external image and help counter any external pressures exerted by some of the socio-economic institutions such as the Government, media, society, stakeholders (Trevino et al., 1999). Accordingly, to yield best ethical outcome, any ethics programmes implemented should be strongly related to everyday organisational accomplishments and should be supported by the top management through personal commitment.

2.8.2 Personal Ethics and Organisational Ethics Management

Personal ethics is significant since it guides a person's decision-making process and the resolve of what is right or wrong. It is so much dependent on one's beliefs, values, personality and background. Brien (1998) also noted that personal ethics is however influenced by the value system reflected by ones employing organisation. Non-observance of industry's ethical standards in doing business and thus having a culture of unethical practices tend to over-shadow such very important personal ethics. The ultimate manifestation is the proliferation of industry's malpractices and employees getting conditioned to unethical ways of conducting business. This is so because the personal sense of what is right or wrong is also over-shadowed. Vee and Skirtmore (2003) found out that business ethics should not precede personal ethics but that personal ethics should be a driving force for business ethics. Human conception of ethics affects decision-making and behaviours at a personal level.

2.8.3 Human Resource and Organisational Ethics Management Systems

Human resource management is important in promoting business ethics in organisations. Most of the well-established construction companies and particularly those registered under category NCA 1 and NCA 2 are believed to have a functioning human resource department and which is a good tool in promoting ethics. Human resource management is supposed to influence employees working life directly and personally. Throughout this literature review, ethics departments and ethics officers have been fronted as being an important element of an ethics management system. However, in absence of such departments and officers in companies' human resource departments and personnel's according to Van and Eiselen (2006) have an active and important role to play in enhancing company's ethical consciousness and enabling ethical performances. It is clear that this department helps in transmitting ethical values of a company to existing employees and also by inducting new employees joining the company.

Pabro and Ricardo (2011) however noted that in many organisations, this important aspect of ethics is not developed well within the confines of human resources management. They further suggested that the aspect of corporate ethics should be well integrated with human resources management in order to have a seamless transmission of the ethical values within the company. Under human resource management and roles, training is also an important function and element in ethics management systems. It helps in advancing moral reasoning and making sure that certain ethics management system's elements such as ethical codes and code of conducts are demystified. It was noted that if the appropriateness of codes are unclear the desired results of the code will be unattainable (Pabro and Ricardo, 2011).

Wood et al. (2004) noted that training helps in reinforcing and clarifying the value systems within an organisation as well as awakening human and natural values in an individual that may have been distorted over time. This also impacts positively on personal ethics which is in turn necessary for maintaining business or organisational ethics**.** The presence and roles of human resource management in promoting ethics in construction companies in Kenya will be investigated and particularly where ethics departments have not been established.

2.8.4 Organisational Culture and Ethics Management Systems

Janie (2015) defined organisational culture as organisational beliefs, values, attitudes, ideologies, practices, customs and Language. This is shaped by the relationship with the environment, nature of human activity and relationships. The value system of an organisation is important in shaping or maintaining personal ethics which is in turn important in ethics management. In companies that operate or employ internationally, ethics according to Kang et al. (2004) is important as it helps in interfacing different cultures and companies value system. This creates a balance both at the operational as well as in the corporate levels**.**

Employees get conditioned to the organisational culture within their place of work. This affects behavioural culture and creates a very unique mode of response to ethical issues. According to Kang et al. (2004), construction contracts are preserved in the concept of uberrimae fidei (utmost good faith) and a culture that eliminates mistrust would help in affirming this very important principle.

Egan (1998) through his research identified some very important requisite drivers for an ethical culture change in the construction industry in the United Kingdom. These included 'committed leadership, consumer focus, integrated process and team, quality driven agenda and commitment to people'. It was also noted that a culture underpinned on strong social

responsibility is important since it helps to further trust, responsibility, respect, commitment, and transparency. Therefore, a culture of continuous improvement in ethical norms is necessary for tackling emerging issues of ethics in the construction industry.

Ethics Resource Center, (2013) 'noted that a well-executed ethics program is necessary when a company is working towards a strong culture which in turn improves employee behavior. It was noted that organisational ethics improves when a company's culture is strong. Fewer unethical cases were witnessed. This relationship was summarised as follows;

Ethical Program + Culture = Reduced Ethical Risks (Ethics Resource Center, 2013)

A strong organisational culture result to more engaged workforce, reduce pressure to compromise, enhances reporting and reduces instances of retaliation. This supports the system approach of ethics management as found out throughout this body of the literature review. The importance of culture can only be emphasized. Construction companies are open systems and are therefore open to external ethical dilemmas. A strong ethical culture lowers the probability of ethical failure due to moral lapses (Melé, cited in Pabro and Ricardo, 2011).

2.8.5 Communication and Ethics Management Systems

Communication is imperative in ethics management in organisations. Ethical codes and code of conduct or any ethical charter has as a minimum to be written down or documented and for their effectiveness have to be communicated to all the concerned parties in any organisation. Effective communication, therefore, plays a major role in enhancing effective ethics management. Alfred (2008) stated that rapid communication networks and the ability to communicate affect our ethical decisions. Rarely is unethical decisions made for the lack of information but rather this is influenced by incorrect information within the networks. It is also worth noting that lack of use of the documented information on the basis of laxity in an organisation may predispose an individual to act unethically. Continuous flow of information for decision making needs to be enhanced in all management levels within an organisation.

Stuart (2005) however noted that people believe that constant communication on ethical issues may portray employees as unethical and is also seen as a way of undermining their moral autonomy; however it has been noted through the review of literature on this topic that this reduces the sacrifice that one has to make to act ethically and also further reduces chances of ethical dilemmas in decision making by employees. Organisations have to have a well-structured communication system to ensure ethical issues are well expressed thus

reducing risks. Communication also enables effective reporting of unethical behaviours. In the United States of America a study by Ethics Resource Center, (2013) noted that 74% of the employees reported having observed misconduct as compared to the other sectors average of 65%. Such reported misconduct included accepting kickbacks/bribes from suppliers or vendors, inappropriate appointments, and discrimination against employees. Retaliation on reporting of misconduct is an apparent phenomenon but effective communication would reduce it significantly. This is enhanced by a strong culture in an organisation.

2.9 The Cycle of Ethics in the Construction Industry

Kang et al. (2004) noted that ethics management in construction projects was done as an isolated activity which was also applied in a reactive mode. This was the genesis of the ineffectiveness of any effort in the United Kingdom and only happened when the reputation of the company was at stake. This research advocated for integrated management of all ethical issues within the construction industry with an aim of impacting the projects' lifecycle and the companies within the industry (Kang et al. 2004). This would ensure ethical issues are explored in all decision making levels and in all stages of the projects' life.

Hauck and Rockwell (1996) noted that construction projects are resources intensive and therefore effective utilisation of materials, labour, equipment, and financial resources is important in the entire project process. There are also many participants with differing goals as well and this makes it impossible to avoid ethical dilemmas and conflicts of interest throughout the project period right from inception to maintenance. As a result of this observation, the research advocated for the classification of ethical issues according to the project's lifecycle. This research by Hauck and Rockwell (1996) fronted an ethical system classified in stages such as planning, execution and termination phases. An ethical system following this proposal would ensure there is an analysis for each particular stage in order to identify ethical issues, suggest solutions to minimize the issues, modify the specific codes and finally reflect the changes in the organisation's codes and future ethics management.

2.10 Challenges Affecting Implementation of Ethics Management Systems

One notable challenge of ethics management is its application in isolation and in a reactive mode to an issue potentially threatening the company's reputation (Kang et al., 2004). This lack of integration inhibits any preventive measures that would otherwise ensure project's life cycle ethics management.

Brien (1998) noted that ethical failure in organisations is attributed to a failed organisational culture and also the failure of the leaders to encourage ethical practices among the employees. Value systems reflected by the employing organisations affect the ethical conduct of employees (Mason, 2009). In distinguishing ethics from legal compliance, it has been indicated that not all unethical practices are unlawful, however, Mason (2009), suggested that improving ethical standards is simply by ensuring that the law is followed to the letter and particularly where unethical conduct is also a breach of the criminal law. As established by Mason (2009), lack of enforcement is, therefore, a major challenge in the construction industry.

The other challenge would be the lack of clear ethical codes and code of conducts in companies' ethical systems. Training which has been emphasized in this literature review should be goal-oriented. Doran (2004) suggested that companies should adopt ethical codes before enhancing training on ethics. In Kenya, there are codes of conduct for the industry particularly the recent one from National Construction Authority. It is not clear however what hinders construction companies from following it to the letter. Any non-compliance to the code results automatically to unethical manifestations as noted in the background and problem statement of this research.

Sakyi and Bawole (2009) found out the following as the challenges affecting the implementation of codes and ethical systems;

> *weakness in leadership, the syndrome of leniency, lack of knowledge, ignorance about the code; weak enforcement; outdated and old codes, the difficulty of comprehending and applying the language of codes; too idealistic codes; ineffective reward and punishment system; poor public service organisational culture; weak supervision and monitoring.*

In establishing effective ethics management systems, the management financial commitments are paramount. In environments of constrained financial resources, an ethical dilemma of trade-off between ethics and profitability is inevitable. In most cases, cost cutting which does not favour ethics management systems may take precedence.

Commitment by top leadership is paramount since this will point the employees to the direction of ethical culture required in the organisations. Knowledge of ethics issues and their importance in the day-to-day life of organisations is significant. Knowledge of tools and

procedures of handling ethics dilemmas and issues emanating from the business world is key and is the basis of dealing with unethical practices. There should also be an effective reward and punishment policy or systems within the companies' structure. As noted by Wittmer, (2010) leaders should break any barrier to effective communication and sharing of bad news and reporting problems and challenges or shortcoming facing employees. There should be a reward to those who exhibit good personal and organisational values as well as sanctions to those who break and behave contrary to the expectations.

2.11 Ethics Management System Checklist

Eminently clear from the discourse in this literature review would be to have a life-cycle and a system approach to ethics management; a system that is well integrated in the decision-making processes in the construction companies. An ideal system would, therefore, have the following elements;

a) Corporate Ethics Programmes,
b) Ethical Leadership,
c) Vision Statement/Ethical Statement,
d) Ethical Codes,
e) Code of Conducts,
f) Ethics Departments and Ethics Officers,
g) Ethics Taskforce or Committee,
h) Ethics Communication Strategy,
i) Ethics Training,
j) Ethics Help Line,
k) Ethics Audit,
l) Response System – investigations, rewards, and sanctions,
m) Ethics Data Monitoring and tracking,
n) Periodic Evaluation of Ethics Efforts and Data.

The presence or absence of the above elements in an organisation's ethics management determines the success or failure of such a system. From the literature review, none is superior or adequate on its own but they all complement each other. These elements have been used as indicators in operationalising the research variables. They, consequently, form the observable evidence of the degree of presence or absence of the research variable which is detailed in sections 2.12 and 2.13 below.

2.12 Theoretical framework.

The theoretical framework in this study of Ethics Management is a summary of all the attributes developed by different theories, models and other researches and which are analysed in this literature review. These attributes guide the decision-making process which is significant in determining the nature of the end result. The end result can either be ethical or unethical depending on influences on the process. What has become clear from the literature review is that ethical decision-making process depends on the personal attributes which are further affected by the individual's organisational attributes with the latter depending on a day-to-day ethics management on a platform of a well-integrated ethics management system from inception to completion of projects and throughout the organisation's administrative and management functions. This can be represented in figure 2.2 below;

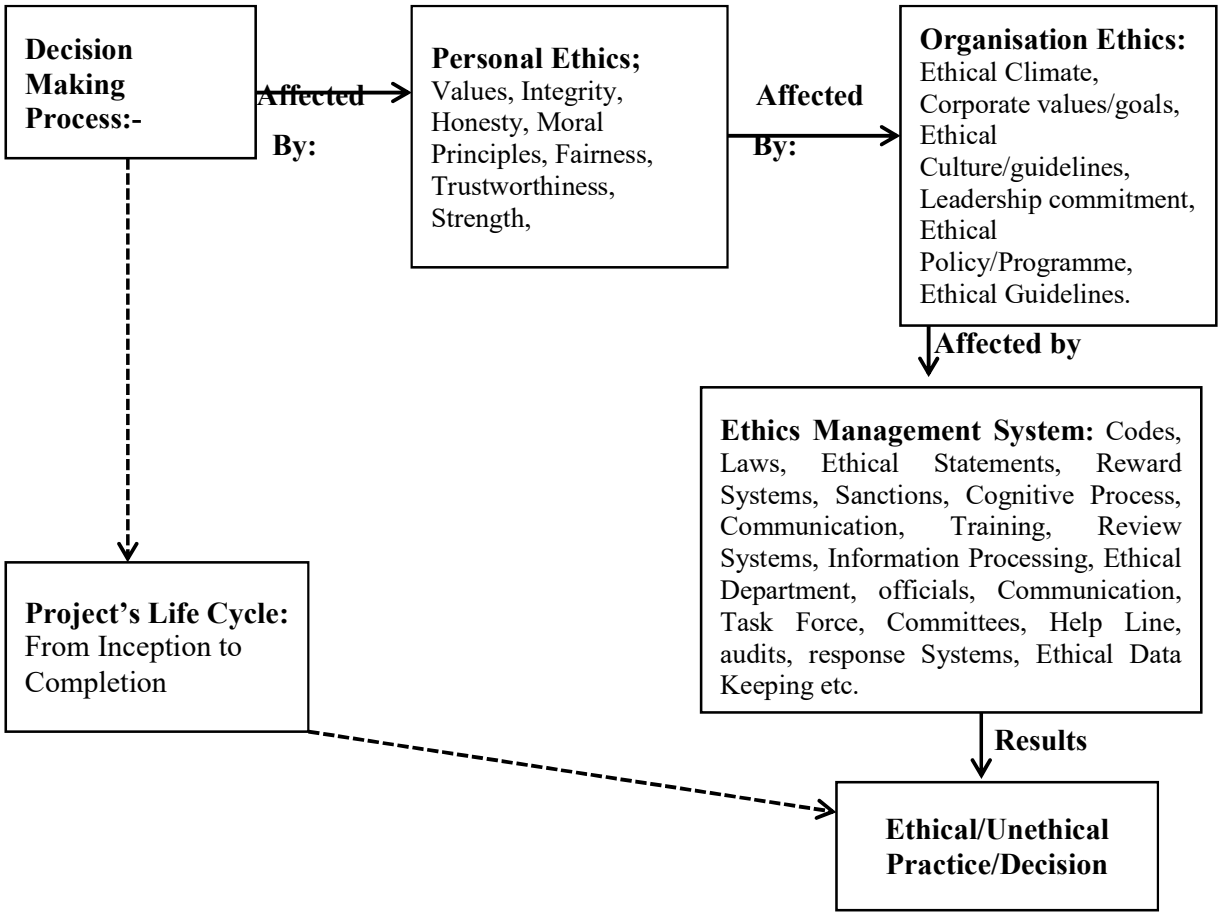

Figure 2.2 - Schematic Representation of Ethical Decision Making and Ethics Management Systems in Construction Firms (Source: Author (2018).

In summary, the following relationship between ethical decision making process, personal and organisational attributes has been established through the above literature review;

Ethical Decision-Making = *f* (personal and Organisational Attributes).

Ethical decision throughout this literature review has been noted to be an outcome of personal attributes or ethics that are influenced to a higher degree by the organisational ethical attributes and culture. Organisational culture is dependent or is in turn influenced by the organisational ethical philosophies which herald the establishment of an ethics management system with certain peculiar features as listed in section 2.10 above (Ethics management systems checklist). The general theoretical model according to Wittmer (2005) and which is close to the above representation is as follows;

'Ethical Decision making = *f* (ethical decision process, individual attributes, environmental factors)'. This model recognises and emphasises that making ethical decisions depends strongly on an ethical decision making process, the individual attributes and the environmental factors.

2.13 Conceptual Model

The Conceptual model/framework in this research helps in conceptualising and understanding the phenomenon under study. Through conceptual frame work, variables that explain the phenomenon under study are presented in a systematic manner. The conceptual model/framework is thus a set of far-reaching concepts used to elucidate the relationship between the independent variables (factors) and the dependent variable (outcome) (Makori and Memba, 2015). In this research the relationship between the variables can be presented as follows;

Ethical Practice/Behaviour/Decision =*f* (Ethics Management Systems).

Ethics Management Systems = *f* (Ethical Guidelines, Ethical Climate/culture, Ethical Infrastructure/Programs)'.

The Dependent Variable (DV) outlined in this conceptual framework is the resultant ethical practice, behaviour or decision, which is dependent on the Ethics Management System comprising of Ethical Guidelines, Ethical Climate and Ethical Infrastructure, all Independent Variables (IV) established in this study. The phenomenon under study and which is presupposed in the research hypothesis is that lack of Ethics Management Systems (IV) in construction companies in Kenya contributes to the Building and Construction industry's

unethical practices. An ideal Ethics Management System has been elaborated in this literature review. Indicators, as detailed under each variable in section 2.13 below, were used in operationalising the variables and enable collection of quantitative data and ultimately statistical data analysis.

The below model (fig 3 below) is the schematic presentation of key Variables that guided this research.

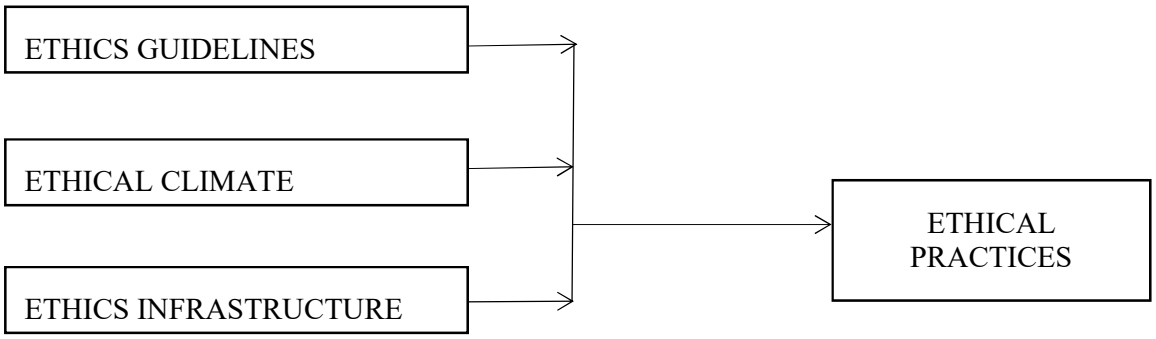

Figure 2.3–Conceptual Model.

Source: Author (2018)

2.14 Research Variables (Indicators)

From the literature review, this research has established key organisational variables that are significant in the process of ethical decision-making. Organisational variables are defined as characteristics of the decision-making process as opposed to personal variables which are regarded as the characteristics of the decision maker (Ross and Robertson, 2003). Major elements of an ideal ethics management system were grouped into three major organisational variables in this research. These variables include; guidelines (e.g. codes of ethics and any other documents guiding on ethics), ethical climate/culture (top management/leadership commitment) and ethics infrastructure (organisational structure e.g. departments, personnel, programs etc.). Trevino's (1986) model proposes that organisational variables habitually impacts an individual's ethical decision making and are thus important in ethics management. These indicators are used in operationalising the research variables.

2.14.1 Companies' Ethical Guidelines

These are written documents or documented guidelines/procedures intended by corporations to shape employees behaviour and produce any desired change of behaviour (Stevens, 1994). These documents contain guidelines for good practice and are quite important since they are

usually a product of benchmarking exercises. The industry's or the company's minimum expected code of practice is documented for ease of reference. Research has shown that presence of codes has a positive correlation to ethical recognition, judgement and intention and thus ethical decision making (Loe et al. 2000, O' Fallon and Butterifield, 2005). The presence of ethical codes, codes of conduct, ethical statements, stated companies' or organisational values and their application in daily decision making process will be explored. These guidelines include but not limited to; decision-making procedures, ethical codes, code of conduct, Value statements, ethical and vision statements. This is a categorical variable and therefore it will be easier to establish any guidelines or ethics reference documents within the construction companies.

2.14.2 Companies' Ethical Climate & Leadership

There is a very high correlation between top leadership or top management's ethical philosophy and the organisational ethical culture which further impacts heavily on employees' personal ethics (Brien, 1998). Ethical leadership is therefore very important in reducing ethical dilemmas and ultimately unethical behaviours by creating an ethical climate that is conducive. The participation of the top company's leadership in ethics management shall be explored in depth through the questionnaires. The ethical climate was defined by Victor and Cullen (1988) as the 'prevailing perceptions of typical organisational practices and procedures with ethical content'. They further observed that climates characterised by self-interest, organisational interest, less social responsibility, lack of emphasis on personal morality and laws as well as lack of professional codes are likely to be correlated with doubtful or unethical behaviours. However, emphasis on law, professional codes and social responsibility is likely to be associated with more ethical decisions (Loe et al. 2000 and O' Fallon and Butterifield, 2005). Organisation's corporate ethics programmes like Corporate Social Responsibility (CSR) paints a clear picture of an organisations ethical environment as well as the leadership commitments to good ethical practices. Trevino et al. (1998) argue that few ethical climate dimensions herald the primary features of an organisation's ethical context.

The frequency of the CSR and such other activities shall be assessed. Top management training on ethics, their own emphasis, support and roles in ethics management systems development will be explored. This manifest through how frequently they send their junior staffs for training, how often they hold induction for other staff members and their own

training on ethics and direct participation in ethics management in their organisations. Management' own initiative in the development of a professional code of ethics for use in the company will be explored as well.

2.14.3 Companies' Ethical Infrastructure

As established under literature review, a good ethical management system should have the following minimum well-established structures; ethical departments, officers, taskforce, committees, communication channels which should incorporate speaking-up line supplemented by information/advice helpline, Data collection, monitoring and tracking procedures and reporting structures. All these enable employees to air their concerns leading to a good ethical culture in organisations. The absence or presence of these elements of ethics management system will be established through the questionnaires.

An ideal system as established in the literature review, should incorporate an effective periodic evaluation of ethics efforts, successes and failures; a clear response systems characterised by investigation, rewards for consistent in practicing good ethics, adherence to company's ethical standards and practices as well as sanctions in the event of breach of the organisation's ethical standards and good practice. Structured and frequent training of employees particularly those in decision-making ranks should be well established. The system should also have well-structured auditing strategies. This can be done internally or through an external agency. Communication channels should also be enhanced throughout the organisation. This allows free consultations of junior staff with their leaders. The study will also establish the presence or absence of these elements and their frequency in regards to ethics management in construction companies. According to Johnson (2015), a more pro-active ethics system should also have scheduled ethics training programs.

CHAPTER 3.0 - RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

The main objective of this research study is to investigate Ethics Management in reducing unethical practices in Kenya's construction industry and explore the correlation between Lack of Ethics Management and Unethical Practices. The unethical practices as established in the problem statement of this research are clearly exhibited throughout the construction industry, particularly through construction companies. In achieving this, the study's specific objectives are; to determine any presence of ethics management systems within the construction companies' management functions, find out the benefits of having ethics management systems in place, establish any challenges faced while implementing ethics management systems and finally explore the correlation between ethics management systems and ethical practices.

This chapter describes the research design used in conducting the research. In this section also, the following are discussed in details; the sampling frame or the target population, the specific sampling techniques used, sample size calculation, data collection tools and methods, the measurement of variables, the techniques and procedures of the data analysis. The chapter also highlights the hypothesis testing methods used in this research.

3.2 Research Design

According to Creswell (2009), research design is the overall plan and procedures that span the decision from overall assumptions to a detailed method of data collection and analysis. Three commonly research design employed by researchers include; quantitative, qualitative and mixed research design. This research employed both quantitative as well as qualitative design but with some bias to quantitative methods. Data collection tools used allowed very few open-ended questions that would yield qualitative data.

Descriptive survey research approach was used in this research. According to Mugenda and Mugenda (2003), descriptive survey 'determines and reports the way things are' describes possible behaviour, attitudes, values, and characteristics of a population on the basis of one or more variables. Descriptive research according to Williams (2007) involves identifying attributes of a specific phenomenon based on observation or exploration of the correlation between two or more phenomenon. A descriptive survey research study was, therefore, the most appropriate since it would help in determining the current status of ethics management

systems in the construction industry in Kenya, get quantifiable information from the sample and be able to use the data in testing the hypothesis. Descriptive research will help in describing the existing status of ethics management by getting individual perceptions, attitudes, behaviour or values in regards to ethics and ethics management in the construction industry in Kenya. Mutisya (2015) noted that a 'survey research is appropriate where the individual respondents are the units of analysis and primary data which is not available elsewhere is required to describe the population'. He further noted that a survey also allows data to be collected from a 'number of respondents' and therefore it will make it possible to investigate any presence of ethics management systems available in the industry, importance of managing ethics, challenges faced in implementing ethics management systems and explore the correlation between ethics management and ethical behaviours or practices in the construction companies in Kenya. Kinuthia (2013) stated that survey research is a desirable approach where there is no treatment or control introduced in the variables. No control will be introduced in this research in regards to the way the construction firms manage their ethics on a daily basis. Similarly, Kothari (1990) affirmed that a descriptive survey method means that the researcher does not control the variables but can only report 'what happened or what is happening'.

The research employs both quantitative as well as qualitative methods. Some questions in the questionnaire will yield hard data which according to Mugenda and Mugenda (2003) is needed to meet the required objectives. Questions yielding qualitative data like opinion, attitudes will also be used. Using both methods will help in avoiding bias that each method obviously has.

A questionnaire was used as the tool of data collection in this research. It, however, yielded both quantitative data thus allowing correlational research and qualitative data analysis. Data presentation and analysis was done statistically (quantitative analysis) as well as into subjective assessment of attitudes (qualitative analysis) by arranging the data into themes and sub-themes.

3.3 Measurement of variables

The quality of measurement of independent as well as dependent variables is significant in research. This research deals with social and behavioural concepts which are difficult to define and measure; indicators were therefore used as a basis of operationalising the research variables as a way of establishing the criteria of determining their existence. The indicators

were then subjected to different measurements such as ordinal measurement scale (Likert type items) to quantitative methods such as interval scales and data presented in terms of means, standard deviation and percentages.

3.4 Population of Study/Sampling Frame

This study focused on Construction Companies as one of the key players in the building and construction industry in Kenya. As stated in the problem statement section of this research, they are at the heart of projects' implementation process and are therefore indispensable. Every project must involve a contractor and focus on them will help in unearthing myriads of issues of ethics management and get any relationship between ethics management and ethical or unethical practices.

The target population in this research is composed of all Construction Companies registered by the National Construction Authority (NCA) and with registered offices in Nairobi County. NCA, which is a government entity, is mandated through National Construction Authority Act No. 41 of 2011 to register, maintain and publish a register of all registered contractors in Kenya and therefore it is an authentic source of the information required in this research. Nairobi is the capital city of Kenya and due to its vibrancy is an operating hub for many construction companies in Kenya. Construction industry practices and manifestations are similar all over the country and therefore any sample representation from Nairobi County may be adequate. Nairobi is also said to have the largest share of building projects, amounting to over 70% of the national total output and therefore most construction Companies in the country are based there (Oketch, Cited in Kinuthia 2013). According to the currently published register of contractors, 84% of NCA 1 Contractors have registered offices in Nairobi (NCA, 2018). Therefore, a case study of Nairobi County will be appropriate for the study.

The sample population for the study also focused on construction companies registered under category NCA 1. Under the NCA registration, NCA 1 is the highest category of registration endorsed to handle projects of unlimited value followed by NCA 2 category with a limit of Kshs 500 Million per project. NCA 8 is the lowest level comprising of the newly formed very small companies in terms of capacity, employees number and management structure and which can only handle projects of up to Kshs 10 Million. NCA further accredits contractors into three major categories namely; building, specialist (e.g. electrical contractors) and roads and other civil works. There is a high possibility of employees in large companies to face

pressures to compromise standards, observe misconduct, and experience retaliation for reporting wrong doing (Ethics Resource Centre, (2013).

The study also revealed that large organisations were more likely to have ethics and compliance programs and employees are therefore likely to be more versed on ethics management. The sample population was therefore considered to be the number of NCA 1 registered contractors and who appear in the most recent published register during the period of carrying out this research. The research further narrowed down to consider only those contractors registered under building works category only. Table 3.1 below summarises the sampling frame/sample population from where the sample size is calculated.

Table 3.1: Population of the Study - No. of Registered Contractors under NCA 1and NCA 2 categories

Registration Category	Total Registered in Kenya	Total Registered Under Building Category in Kenya	Total Registered Under Building Category in Nairobi
NCA 1	1041	325	269

Source: National Construction Authority as of February 2018

3.5 Sampling Techniques, Sample Size, and Sampling Procedure

Kinuthia (2013) noted that in conducting a scientific research, the sample size must be large enough to represent the salient characteristics of the target population. Mugenda & Mugenda (2003) noted that the number of variables in the study helps to determine the sample size. Other factors noted include the type of research design, the method of data analysis and the size of the accessible population. Sampling method involves taking a representative of the population and using the data collected from the sample as research information (Latham, 2007).

This research used Simple Random Sampling (SRS) techniques. This was done on the basis of probability sampling where each subject has an equal chance of inclusion in the sample (Kothari, 1990). Kothari (1990) posted that this technique helps to ensure the law of Statistical Regularity. Sample size was calculated using the formulae below. Each subject/individual (Construction Company) had a serial number assigned to them in the NCA register. These serial numbers were therefore treated as the random numbers for the purpose

of selecting the subjects from the group and hence giving each an equal chance of being selected.

From the sampling frame in sub-section 3.3, the sample size was calculated as shown below since the target population is below 10,000 individuals according to Mugenda & Mugenda (2003).

Gay, cited by Kinuthia (2013) suggests that 30 cases or more are required for correlational research while descriptive studies require ten percent of the accessible population. Experimental studies, on the other hand, require at least 30 cases per every category. (Kothari, 1990) recommends the below formulae for calculating sample size out of a larger population but further proposes specifying the precision and the confidence level. This formula is applicable in the case of a finite population. The degree or level of precision (e) is the margin of error that is acceptable (Rose, Spinks and Canhoto, 2015). In calculating the sample sizes for each category of the construction companies, the following assumptions were made. The degree of error in this research was set at 5% i.e. e = 0.05, thus the state of affairs in the Kenya construction industry will be interpreted within plus or minus 5%. The confidence level, thus, is at 95%. At 95% confidence level, the z-statistics is 1.96 as per table of the area under a normal curve.

The most adequate sample size was therefore established using the statistical formula below;

$$n \text{ (sample size)} = \frac{Z^2 * p * q * N}{e^2 (N-1) + Z^2 * p * q}$$

Where:

N= Size of the population (number of registered Construction Companies in each category).

n= Sample size

p= Sample proportion – 95%

q= 1-p – (100%-95%)

e= Acceptable error (e=0.05) i.e. estimates to be within 5% of the true value

Z= Value of the standard variant at a confidence level (area under a normal curve in a distribution table)

(Source: Kothari, 1990)

Applying the same formulae to the two categories of Construction companies, the following sample sizes were obtained;

NCA 1 Construction Companies;

$$n \text{ (sample size)} = \frac{1.96^2 * 0.95 * 0.05 * 269}{0.05^2 (269-1) + 1.96^2 * 0.95 * 0.05} = \frac{49.086}{0.852}$$

$$= 58 \text{ NCA 1 Construction Companies.}$$

The sampling procedure employed was simple random sampling technique; where all the possible respondents (269 NCA 1 contractors) were given serial numbers to identify each. The serial numbers representing all the possible individuals were each cut and put in a box, mixed thoroughly and drawn independently without replacement. The drawn serial numbers were then matched with the corresponding respondents to whom the questionnaires were administered.

3.6 Data Collection Methods and Tools

This research used questionnaires which are suitable tools for collecting both quantifiable as well as qualitative data, are a very flexible tool, easy and convenient for respondents, cheap and quick to administer to a large number of respondents (Williman, 2011). Kothari (1990) found out that questionnaires eliminate any bias of the interviewer and ensure answers are in respondents' own words. Williman (2011) further argues that questionnaires eliminate any possible researcher's influence on the respondents and also ensure that 'embarrassing questions can be asked with a fair chance of getting a true reply'.

The questionnaires were structured in a way that would help address all the research questions, objectives and ultimately help in testing the hypothesis of the research study. Kinuthia, (2013) noted that questionnaires are easier and economical to use in terms of time and financial resources and therefore the most appropriate instrument for use in this research as well. The questions were structured to cover the research topic of ethics management in the construction companies in Kenya. The questions used were closed-ended and were accompanied by a list of all possible alternatives from which respondents would select the answers that best describe their practice of ethics management and occurrence of unethical practices as well as very minimal being open-ended in order to invite a few free responses, opinions or attitudes in regard to their management of ethics.

These closed-ended questions were chosen because according to Neville (2007) they are;

easier for the respondents to answer and particularly those who are busy, easier to collate than open questions, and can easily be reproduced by other researchers who want to re-test the research findings.

The questionnaires were administered to the construction companies sampled electronically or hand-delivered by the researcher and the research assistant. The questionnaires were however accompanied by a letter of transmittal signed by the researcher and a second cover letter from the Department of Real Estate and Construction Management, University of Nairobi. This helped to make it clear to the respondents the purpose of the study and that of the questionnaires and ultimately clear any suspicion that would affect or deter their responses. This was also meant to guarantee the confidentiality of the information given by the respondents. The sample introduction letters and questionnaires are as shown in Appendix 1, 2 and 3 respectively. Neville (2007) further urges that follow-up calls, personalizing the questionnaire and pre-contact with respondents help to increase response.

To ensure the questionnaires as the instruments of data collection in this study are effective, they were pretested to a selected sample of contractors. Pre-testing the questionnaire on a small number of people prior to it being used is a common and therefore recommended (Williman, 2011). The pilot study was done on a selected number of contractors selected conveniently. In the pre-testing, the respondents were allowed to comment and make suggestions concerning the instructions, clarity of the questions and their relevance. In ensuring a response rate adequate for analysis and reporting follow-up letter through e-mail or hand-delivered was used. Mugenda and Mugenda (2003) noted that a rate of 50% is adequate for analysis and reporting, 60 % good and 70% and over very good.

3.7 Data presentation, analysis, and interpretation

The data was presented and interpreted in line with the research questions and objectives that were focused on by the study. Due to the sensitivity of this research, the study used indicators as the sole observable evidence of the presence or absence of the research variables in the data collected. This helped in analysing and presenting the data statistically.

Data analysis was done using statistical analysis Softwares and simple tables in Microsoft Word. In this research, the Statistical Package for Social Sciences (SPSS) programme was mostly used. Prior to any analysis, the data collected was subjected to an editing process. According to Kothari (1990), this is means ‘examining the collected raw data (especially in surveys) to detect errors and omissions and to correct these when and where possible. It

involves a careful examination of the duly filled questionnaires. This editing guaranteed the raw data collected was 'accurate, consistent with other facts gathered, uniformly entered, as complete as possible and have been well arranged to facilitate coding and tabulation'.

The edited data was then assigned numbers or numerical codes representing attributes or measurement of variables. The data collected was first described or summarized using descriptive statistics a (measure of central tendency and a measure of variability and frequencies, measure of relations and associations). The mean which is the most frequently used measure of central tendency was used but these were also supported by a more reliable measure of variability like the standard deviation as well as frequencies. Percentages were also employed. Data was then graphically presented in this study and particularly using histograms, bar charts, pie charts in order to enhance an easy look at the trend of the distribution of the data.

To aid in generalising from sample to the population by using the hypothesis, inferential statistics were used. To establish the relationship between the dependent and independent variables, correlation techniques were used in this study. Parametric statistical procedures that allow the making of assumptions were used. Mugenda and Mugenda (2003) argue that parametric procedures are more powerful than non-parametric since they enable the study of qualities of variables and making of inferences from the results of the study. Descriptive and inferential statistical test as the major parametric statistical analysis was used in this research.

3.8 Data Reliability-Cronbach's Alpha Method

The data collected will be subjected to an internal reliability test. As noted by Nunnally and Bernstein (1994) "Coefficient '*α'* provides a good estimate of reliability because sampling of content is usually the major source of measurement error for static constructs" They further argued that it "should be applied to all new measurement methods. Cronbach's alpha (*α)* is the most common measure of internal consistency ("reliability") i.e. how closely related a set of items are as a group. It is most commonly used when you have multiple Likert questions in a survey that form a scale and you wish to determine if the scale is reliable. Cronbach's alpha was also used since is compatible with SPSS; a modern tool in the field of statistics.

Mondal and Mondal (2017) noted that Cronbach's alpha is a function of a number of items in a questionnaire. The questions on the benefits and challenges of ethics management each had 5-point Likert type scale ranging from 0 for the lowest score to 4 for the highest score. SPSS was used to automatically calculate the alpha coefficient of the eleven items in each question.

This was done based on the scores from all the respondents in regards to each and every item. A coefficient of 0.70 or higher is considered "acceptable" in most social science research situations. The reliability of the data collected was, therefore, determined within the same parameter. This means that if the coefficient is higher than 0.70, then the items are related (internally consistent) and are able to capture the concept adequately.

3.9 Hypothesis Testing/Correlational Analysis

According to Kothari (1990), testing of hypothesis helps in determining the validity of the assumption, which in other words is the null hypothesis. It helps to know whether the hypothesis is true or false. Correlation techniques according to Walliman (2011) are used to 'examine a relationship between two concepts'. The relationship is said to be causal when the independent variable causes a change in the dependent variable. Williman (2011) further indicated that the correlation can be positive, negative or even none (no correlation). A positive correlation means that an increase in one variable causes an increase in the other or a decrease results to a decrease while a negative correlation means that an increase in one variable results to a decrease in the other or vice versa.

A correlation coefficient lies between +1 (indicating a perfect positive relationship), through to 0 (indicating no relationship between two variables) to -1.0 (showing a perfect negative relationship) (MacDonald and Headlam, n.d). The outcome of the correlation analysis in this research was therefore interpreted within these parameters.

Kothari (1990) noted that in testing the research hypothesis selecting a significant level is very important; this is usually a pre-determined level which should be specified in advance. He noted that in general practice; it is either 5% level or 1% level. In this research, the significant level will be considered to be 5%. This implies that the Null Hypothesis (H_O) will be rejected when the sampling result (i.e., observed evidence) has a less than 0.05 probability of occurring and therefore accept the Alternative Hypothesis (H_A). Pearson Correlation Coefficient (PCC) or Pearson's 'r' will be determined using SPSS and further interpretation of the strength of linear correlation interpreted on the following rule of Thumb;

Table 3.2 - Rule of Thumb for Interpreting the Size of a Correlation Coefficient

Size of Correlation	**Interpretation**
.90 to 1.00 (−.90 to −1.00)	Very high positive (negative) correlation
.70 to .90 (−.70 to −.90)	High positive (negative) correlation
.50 to .70 (−.50 to −.70)	Moderate positive (negative) correlation
.30 to .50 (−.30 to −.50)	Low positive (negative) correlation
.00 to .30 (.00 to −.30)	Negligible correlation

CHAPTER 4: DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This Chapter deals with the presentation and analysis of data collected from Construction companies in Kenya, who were the respondents in this study. Data presentation and analysis is arranged in five major sections with the first section dealing with the general information collected in regards to the respondents' companies. These include; companies' demographic information particularly in regards to their years of operation in Kenya and human resources configurations in the various departments. Sections two presents data and analysis on the three major indicators (Independent Variables) of ethics management which are; ethics guidelines/documents, ethical leadership and, climate and ethical infrastructure. This is in line with the first objective of establishing whether Construction Companies in Kenya have Ethics Management Systems. In this section also, data on the general overview of ethics management in respondents' companies, their knowledge on the topic and general knowledge of ethical status in the industry is presented. The third section is on the benefits of ethics management and ethics management systems while section four deals with the challenges facing ethics management and implementation of ethics management systems in the construction industry in Kenya. Section five contains an analysis of the correlation between the variables in the study and subsequently the results of hypothesis testing.

4.2 Response Rate

The overall response rate from directors, managers and senior employees of the construction companies (respondents) is as shown in the table 4.2.1 below.

Table 4.2.1: Response Rate

Category of Registration	Total Sampled Respondents	Appropriate Responses	Percentage Response
NCA 1	58	31	53.45%

Table 4.2.1 (Questionnaire administered between 29th July 2018 and 28th September 2018).

As indicated in the table 4.2.1 above, the sample size was 58 construction companies and 31 (53.45%) companies appropriately completed and returned the questionnaires. To get back

the completed questionnaires, required a lot of follow-up through physical visits in the respondents' offices and construction sites where some of them were working. The 31 questionnaires that were duly filled and returned were adequate for the purposes of data analysis. Mugenda and Mugenda (2003) noted that a rate of 50% is adequate for analysis and reporting, 60 % good and 70% and over very good

4.3 General Overview of the Construction Companies

4.3.1 Construction Companies' Demographic profile

The respondents were asked to indicate how many years their construction companies have been in operation in Kenya's building and construction industry and their responses are as indicated in figure 4.3.1 below.

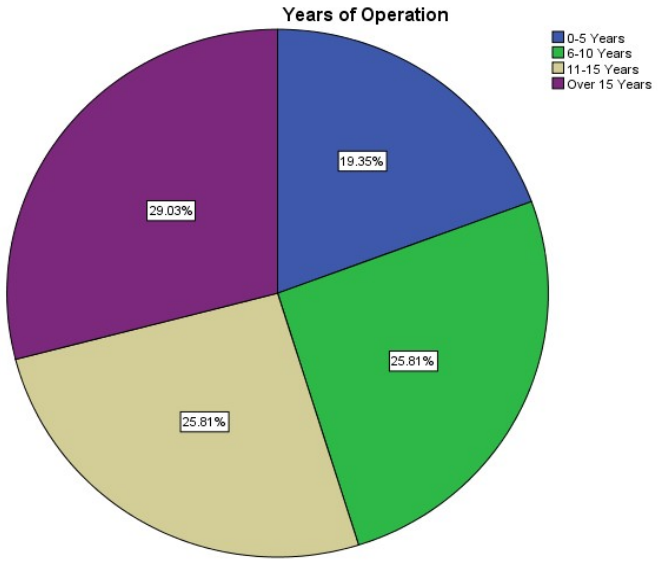

Figure 4.3.1: Years in Building and Construction Industry.

Source: Field Survey (2018).

The results show that there is diversity in terms of experience amongst the sample based on the number of years in building and construction business. Majority of the construction firms that were surveyed i.e. 54.84% have been in business for more than 10 years meaning that they are well established to reflect what has been happening in the building and construction industry in Kenya in regards to ethics management. Consequently, the information obtained

can be relied upon in making valuable inferences and conclusions about the construction industry ethics management.

In order to assess the sizes of the respondents' companies in terms of the number of permanent employees, the respondents were requested to indicate the number of the permanent employees in their companies as shown in Table 4.3.1 below. This is because the permanent employees are able to support various departments and if no clear structures are established, conflicts are inevitable.

Table 4.3.1: Number of Permanent Employees

Number of Employees	No. of Respondents	% Respondents	Cumulative %
0 – 10 Employees	12	39%	39%
11 – 20 Employees	12	39%	78%
21 – 30 Employees	6	19%	97%
31 – 40 Employees	0	0%	97%
41 – 50 Employees	0	0%	97%
Over 50 Employees	1	3%	100%
	31	**100%**	

Source: Field Survey (2018)

From the results, it was established that 61% of the companies have over ten (10) permanent employees. This means that they are expected to have structured departments headed by various employees as well as various well-established management functions and processes. Ethics department is one such department that should be well established and staffed in order to have ethics issues proactively addressed.

The study also examined the human resource formation of the heads of various departments in the construction companies since many decisions are expected to be made at departmental levels. All categories presented through the questionnaire had personnel who were entrusted in heading the various departments in the companies as shown in Table 4.3.2 below.

Table 4.3.2: Human Resource Formation Heading Departments

Qualification	No. of Respondents	%age Respondents
On-Job Training	16	52%
Artisan	8	26%
Diploma	27	87%
Degree	28	90%
Post Graduate	5	16%

Source: Field Survey (2018)

The results in Table 4.3.2 above indicate that employees heading departments in the construction companies are in different human resource cadres suggesting that there is no differentiation in leadership roles in the construction companies on the basis of academic qualification but rather on experience. The results also suggest that decision-making in the sampled construction companies is by employees with diverse experience, academic training, including those who may not have any formal academic training but have gained experience over a period of time to the extent of being entrusted to lead departments.

It can also be noted that these on-job trained and artisans mandated to head departments may lack training in areas such as management, finance, economics, ethics and such other areas of knowledge that are best learned through formal training. Formal education has been noted to be having a direct bearing on the employees' judgement and thus their choices in the day-to-day execution of their roles as established in the literature review. According to the Western Journal of Nursing Research (1996) professionally educated employees were reported to have greater attention to personal value judgement in decision-making particularly when faced with ethical dilemmas. Professional training is therefore requisite to the promotion of ethical decision making in organisations. Presence of informally trained personnel (artisans and on-job trained) as heads of departments would hence pose as a challenge to ethics management in the construction companies.

4.4 Ethics Management and Management Systems

4.4.1 Overview of Ethics Management in Construction Companies

The study examined the general overview of Ethics Management in the construction companies to assess the general knowledge of ethics management and management systems among the respondents. Table 4.4.1 below shows the distribution of responses.

Table 4.4.1: Knowledge of Ethics Management and Management Systems

		Frequency	Percent	Cumulative Percent
Valid	No	9	29.0	29.0
	Yes	22	71.0	100.0
	Total	31	100.0	

Source: Field Survey (2018)

The results paint a general picture of the extent of knowledge of ethics management. An appreciable number (71%) having knowledge of ethics management indicates that ethics is part and parcel of business management. The results also validate an early observation that there are companies with no such systems as represented by 29% who had no knowledge of ethics management or some that could be having few elements that would not qualify as a system in the management of ethics or having poorly defined systems.

The study assessed the knowledge of the presence of unethical practices in the industry by requesting the respondents to indicate whether they had witnessed or had knowledge of unethical practices in the industry. From the results, it is apparent that unethical practices are prevalent in the industry as noted by 87% of the respondents. This upholds the observation by Transparency International (2005) that the construction industry is highly susceptible to malpractices; accordingly, the building and construction industry in Kenya is not an exception. The results are as shown in table 4.4.2 below.

Table 4.4.2: Knowledge of Unethical Practices in the Industry

		Frequency	Percent	Cumulative Percent
Valid	No	4	12.9	12.9
	Yes	27	87.1	100.0
	Total	31	100.0	

Source: Field Survey (2018)

The factors or pressures leading to ethical compromises in the companies' day-to-day processes resulting in the industry's unethical behaviours are as tabulated in table 4.4.3 below. Majority of the respondents confirm that the factors are prevalent meaning that a proactive approach needs to be employed in the industry in order to tackle them. This validates the assertion that ethics management system is very important in creating the right ethical environment and availing necessary support for addressing these factors. If such support is not offered, unethical practices in the industry would inevitably manifest.

Table 4.4.3: Presence of Factors Leading to Compromise

		Frequency	Percent	Cumulative Percent
Valid	No	6	19.4	19.4
	Yes	25	80.6	100.0
	Total	31	100.0	

Source: Field Survey (2018)

The nature of these factors leading to compromise and eventually to unethical practices are as shown in figure 4.4.1 below, with harsh economic environment being the leading contributor (56%) of unethical practices in the industry similar to the findings of Mason, (2009). Internal pressures such as the need to meet financial goals, increasing profits and reducing costs also impact a lot on the decision-making since a delicate balancing between what is right and what is favourable to an organisation need to be struck. This implies that economic pressures depicted by harsh economic realities, competition price escalations and financial factors (need to increase profits and reduce costs) are very important and therefore all issues related to them need cautious ethical balancing and considerations.

However, political interference was noted to be having minimal impact (6%) on ethics possibly because all the respondents were private companies and therefore one can infer that there is no direct political interference. Similarly, laws impact decision-making marginally since in many cases they are used to set the threshold of compliance in the industry. However, some respondents felt that there are too many laws that make it hard to comply with.

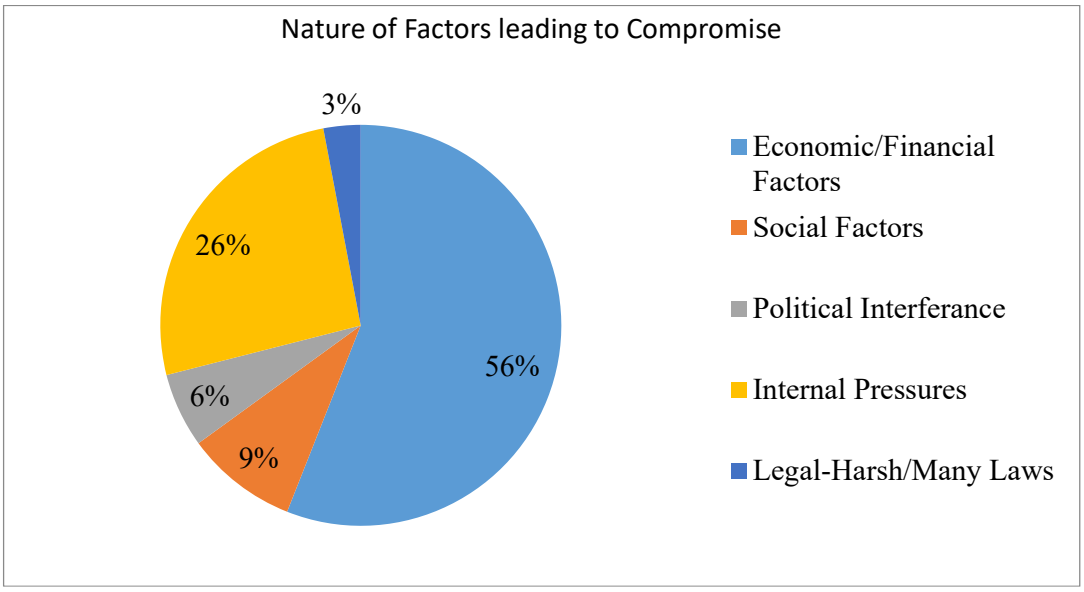

Figure 4.4.1: Nature of Factors Leading to Compromise

Source: Field Survey (2018)

An examination of the stages of building/construction mostly characterised by these unethical practices indicates they are rampant in all stages of construction. This agrees with the findings in the literature review that, there is a need to have a lifecycle ethics management via a well-integrated system in the management functions of a company. Figure 4.4.2 below shows the responses.

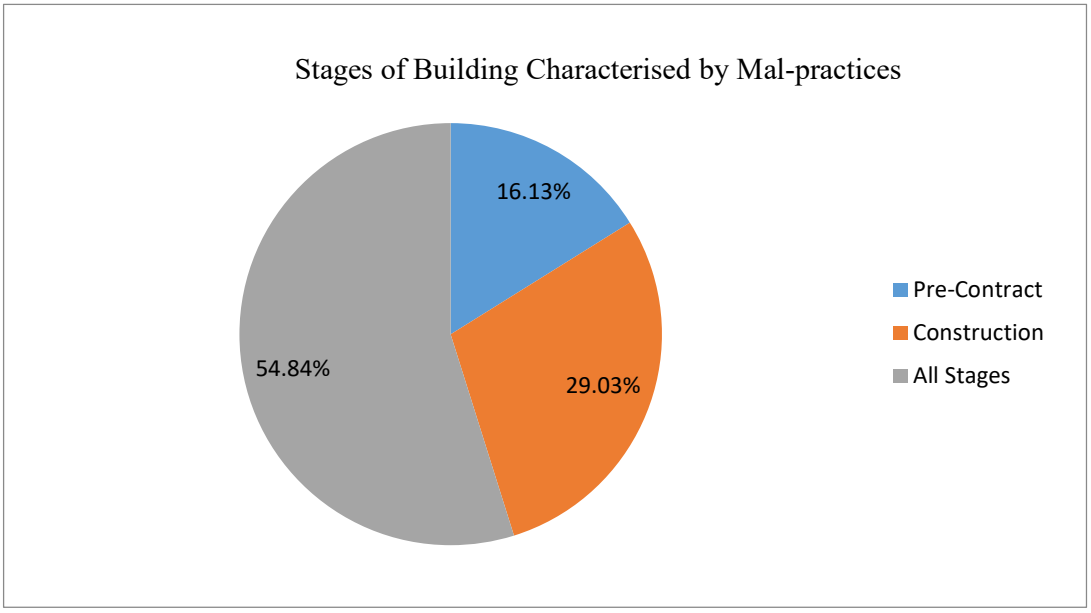

Fig 4.4.2: Stages of Building/Construction Characterised by Unethical Practices

Source: Field Survey (2018)

4.4.2 Decision Management in Construction Companies

To understand general ethics management and decision-making in the construction companies, and particularly in situations of ethical dilemmas or when ethics issues arise, the study established (see Figure 4.4.3 below) that most decisions are made at departmental levels particularly by the heads of departments. This, therefore, highlights the fact that heads of departments have a great role to play in ensuring ethical decisions at all times. Top leadership may step in when required and particularly when major decisions falling under their leadership jurisdiction arise as represented by 23%. It can be noted that at one point all individuals in a company will take part in decision making and it is, therefore, important to have a system that will guarantee knowledge in ethics and also ensure that good ethical culture and climate are enabled. As established through the responses, very few respondents reported ethical activities carried out by ethical department meaning that, in many companies, ethics management is domiciled in other departments other than exclusively by ethics departments. This serves as an early indicator of the level of ethics infrastructure in the respondents' companies which may be a reflection of the entire construction industry.

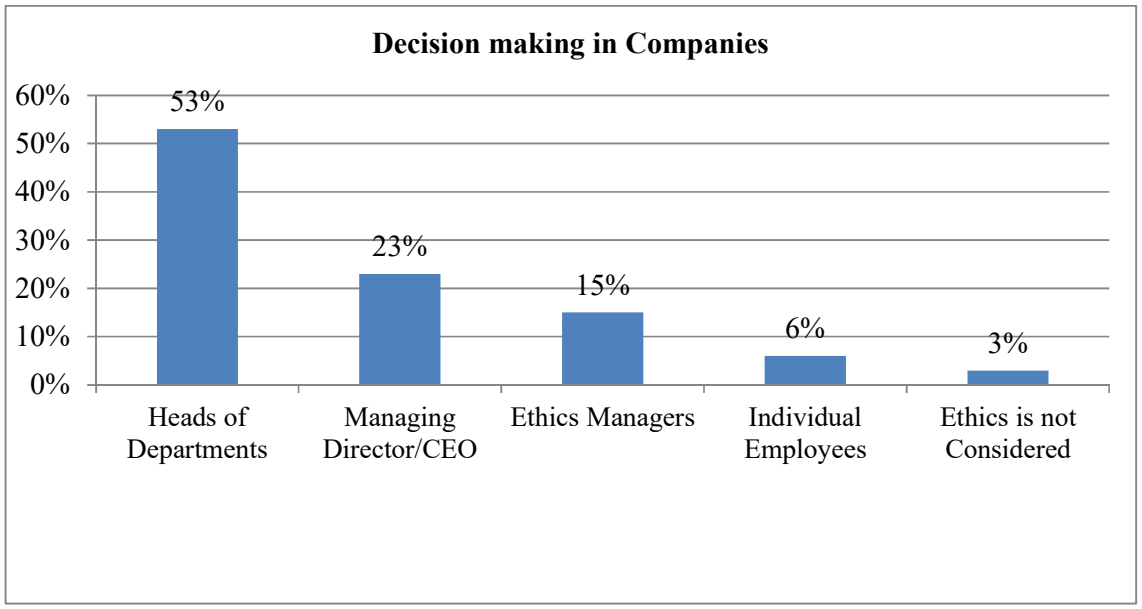

Figure 4.4.3: Decision making on ethical issues

Source: Field Survey (2018)

The study probed further how ethics is enhanced in the respondent's companies as shown in figure 4.4.4 below.

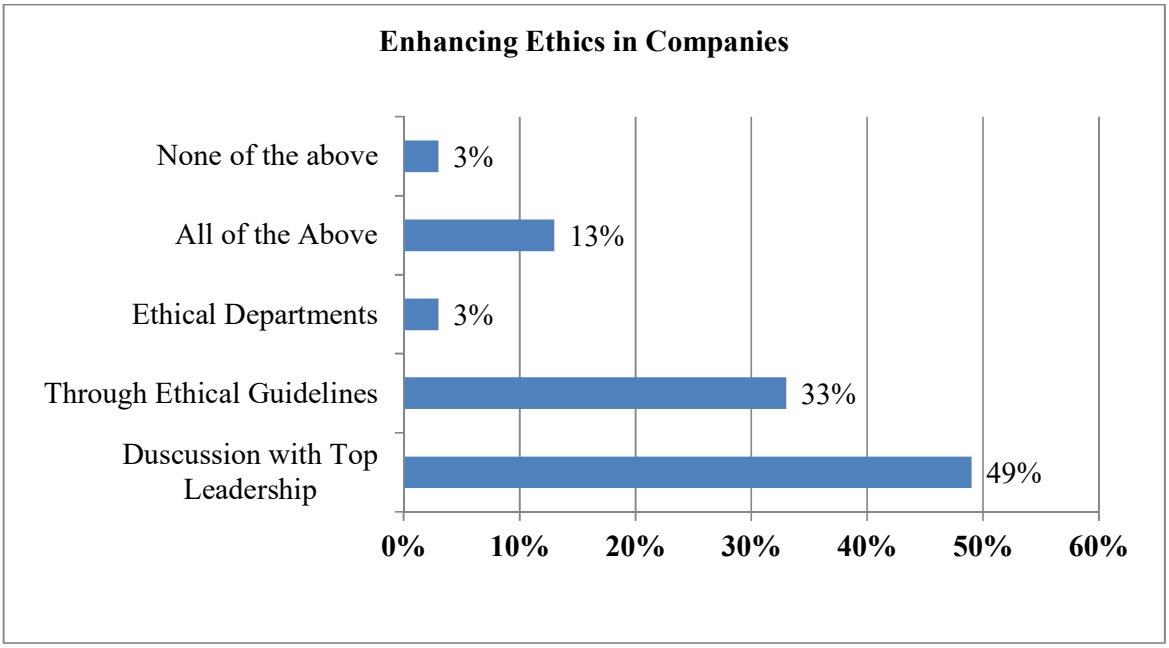

Figure 4.4.4: Enhancing Ethics in Companies

Source: Field Survey (2018)

The results show that (13%) of respondents had a combination of the major elements of an ethics management system. The effectiveness of using one element like top leadership or ethical guidelines would be unlikely to give a well-engrained system of handling ethical issues in organisations.

4.4.3 Ethics Guidelines in Construction Companies

The study sought to determine whether construction companies in Kenya have ethics guidelines shown in Table 4.4.4 below. Clearly, there is a minimal presence of the major ethics guidelines which, though weak on their own in helping to ensure ethical decision making in organisations, form a basis of ethics management and are therefore an important element of ethics management system. Research done showed codes are positively related to ethical recognition, judgement and intention and thus ethical decision-making (Loe et al. 2000, O' Fallon and Butterifield, 2005). It might, therefore, be inferred that lack of these guidelines or their marginal availability in the companies' means that ethical recognition, judgement, and intention to act ethically is low and this, therefore, may predispose employees to act unethically. The ethical sacrifice that one has to make in the process of decision-making in the absence of ethics guidelines is thus very high.

Table 4.4.4: Availability of Ethics Guidelines

Ethics Documents	Percentage Frequencies
Ethical Statement	26%
Code of Conduct	22%
Code of Ethics	20%
Value statement	18%
Ethical Decision-making Procedure	10%
None	4%

Source: Field Survey (2018)

Moreover, ethical codes (code of ethics and conduct) are very useful in giving necessary guidelines and help employees know when they are in breach of ethical statements which summarises the ethical values of a company while value statements are declarations that inform staffs and clients of a company about its top priorities and its core beliefs. With minimal availability or lack of ethics guidelines and value statements, it may be concluded that it is difficult to point out any ethical breach or to inform staffs and clients of a company's core beliefs leading to laxity in matters ethics.

4.4.4 Guidelines Content Communication

Investigation on the methods of ethical guidelines content communication in the companies established that most companies preferred notice boards and management meetings both at 58% as shown in Figure 4.4.5 below. In spite of the favourable approach by the top management, it was revealed that in some companies, employees are left to read the communications on their own through notice boards implying that top leadership in those companies does not consider this as an important top management function or role. Other important methods such as during employment, routine communication to all employees and during induction workshops are not efficiently employed illustrating clearly the attitude in most of the companies in regards to ethics management. It is thus possible to deduce that communication is not effective contrary to Alfred (2008) observation that effective communication plays a major role in enhancing effective ethics management.

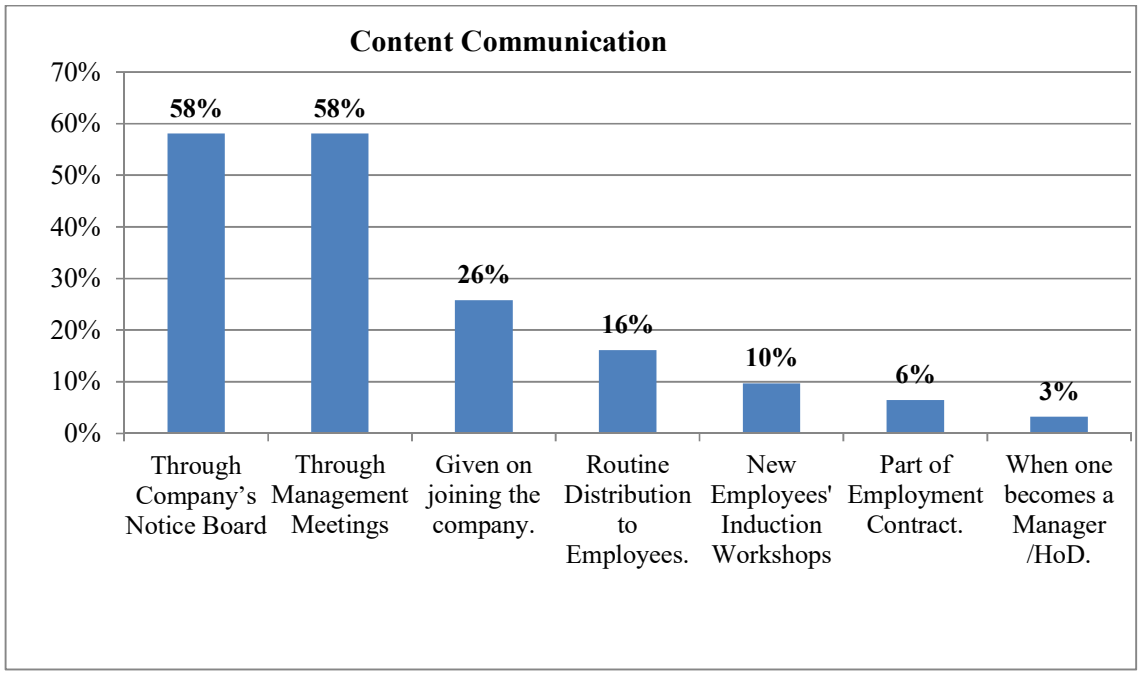

Fig 4.4.5: Content Communication

Source: Field Survey (2018)

The continuous flow of information for decision-making needs to be enhanced in all management levels within an organisation via early and constant communication of ethics manuals. This would call for the inclusion of guidelines in the employment contracts in order to set the right ethical culture of the organisations and to inform new employees of the ethical expectations. Top leadership should participate in communicating the company's ethical expectation during management meetings and seminars while departmental heads should have these as part of their leadership manuals. This helps in ensuring the expectation cascades down to all ranks in the companies.

4.5 Ethical Leadership and Commitment

4.5.1 Opinion on Necessity of Ethics Management

To assess top leadership perception, attitude and commitment to ethics management in their companies, the study first sought the opinion of top management on the necessity of ethics management. 97% of the respondents agreed that ethics management is necessary as shown in Table 4.5.1 below. The high response in the affirmative clearly indicates that the respondent's conscience is inclined to ethics and would, therefore, require actions in the right direction. It shows a positive ethical perception and a good intention to practice and promote

ethics management by respondents. The respondents' attitude and commitment towards the promotion of ethics through ethics management should, therefore, be easily voiced in spite of other negative factors such as harsh business environment and internal pressures.

Table 4.5.1: Opinion on Necessity of Ethics Management

		Frequency	Percent	Cumulative Percent
Valid	No	1	3.0	3.0
	Yes	30	97.0	100.0
	Total	31	100.0	

Source: Field Survey (2018)

The perception of ethics by respondents was also determined

4.5.2 Top Leadership Training on Ethics Management

Further, the respondents were asked whether they have any formal training and certification in the field of ethics and ethics management as shown in Table 4.5.2 below. Clearly, even if they appreciate the need to have ethics management, the majority of top management (84%) have not taken any initiative of having training in this field perhaps because ethics is not a priority or they do not understand its depth. As established in the literature review, formal training and refresher courses are necessary, first to equip the leadership with the necessary tools and knowledge of carrying our ethics management and secondly, to be able to face new ethical challenges emanating from technological advancement and globalisation. Failure to train personnel first results to skewed attitude towards ethics; and lack of appreciation of the benefits of ethical practices; and hinders one from appreciating the different manifestation of unethical behaviours in the industry.

Table 4.5.2: Training on Ethics Management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	26	84.0	84.0	84.0
	Yes	5	16.0	16.0	100.0
	Total	31	100.0	100.0	

Source: Field Survey (2018)

4.5.3 Training of Junior Staff on Ethics

The respondents were requested to indicate how often the companies sponsor their junior employees who head departments and various sections for Ethics CPD training and seminars. From the findings shown in Table 4.5.3 below, only 16.2 % do it periodically while 58% admitted that they rarely do it. 26% representation of those who never sponsored junior staff for such training is very high particularly in an industry vulnerable to malpractices. This suggests lack of commitment to promote ethics in the companies which enhances the likelihood of most companies not having any personnel with ethics management skills; a challenge that can stifle ethics management.

Table 4.5.3 - Frequency of Staff Training

		Frequency	Percent	Cumulative Percent
Valid	Annually	2	6.5	6.5
	Quarterly	3	9.7	16.2
	Rarely	18	58.0	74.2
	None	8	25.8	100.0
	Total	31	100	

Source: Field Survey (2018)

4.5.4 Budgetary Allocation for Ethics Programs

The table 4.5.4 below shows the management's budgetary allocation for ethics programs such as CSR, seminars, reward system and Training of leadership as well as of junior staff on ethics. The study found out that 84% do not have any allocation thus; it is difficult for the companies to have ethics departments and confirming the finding that there are no training programs initiated by the companies for the top leadership and the junior staff. Training is an important element of an ideal ethics management system as it points to a committed and dedicated leadership in establishing an ethical philosophy that shapes a company's ethical culture which further impacts heavily on employees' personal ethics (Brien, 1998).

Table 4.5.4: Budgetary Allocation for Ethics Programs

	Frequency	Percent	Cumulative Percent
Valid No	26	84.0	16.0
Yes	5	16.0	100.0
Total	31	100.0	

Source: Field Survey (2018)

4.5.5 Effectiveness of Ethics management in companies

An opinion of the respondents in regards to the effectiveness of ethics management in their companies (see figure 4.5.1) revealed that the majority perceived ethics management in their companies as only effective sometimes. 74% of the respondents do not have a guaranteed ethics management in their organisations signifying lack of effective systems in the industry and this needs attention after examining the hurdles or factors reducing the effectiveness.

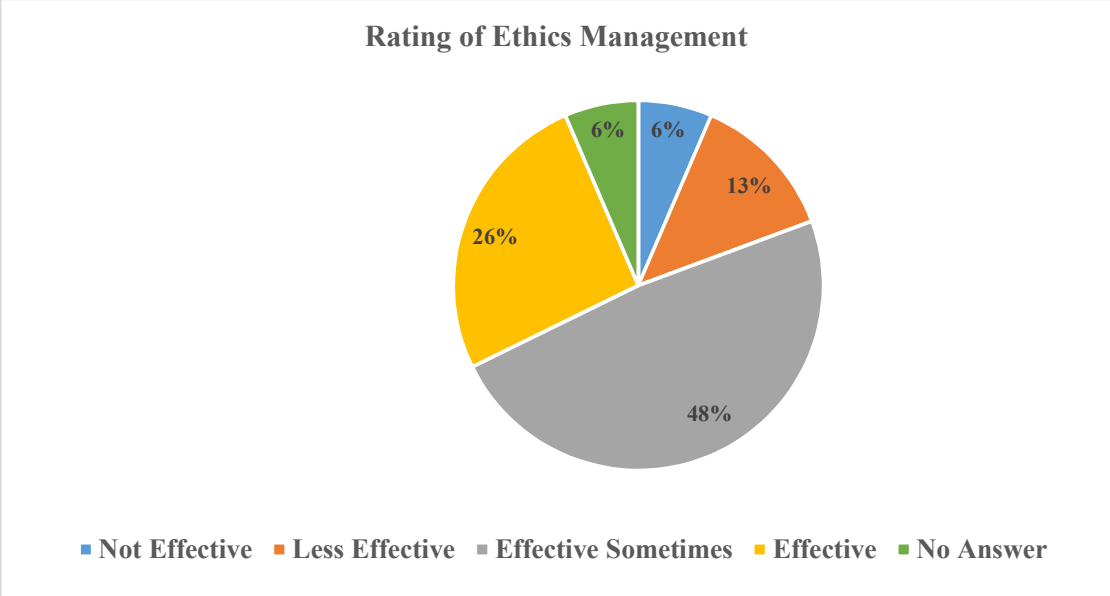

Fig 4.5.1: Rating of Ethics by Respondents

Source: Field Survey (2018)

4.6 Ethics Management Infrastructure

4.6.1 Elements of Ethics Management Infrastructure

The study examined the composition of the fully-fledged departments in the construction companies as shown in Table No. 4.6.1 below. From the results, one can infer that from the onset, ethics management is not a priority in many company's management functions. Moreover, the fact that less than half of the companies have some of the major, and very important departments like Quantity Surveying, Human Resources, Procurement and Production lack the right personnel and documented good practice and procedures for guiding decision-making in those specific areas. These are hence, weak areas in regards to ethical decision-making in organisations exacerbated by the fact that only 10% confirmed having ethics departments.

Table 4.6.1: Fully Fledged Departments in Construction Companies

Fully Fledged Departments	Frequency Percentage
Managerial/Administration	94%
Engineering/Civil/Projects	84%
Accounts/Finance	65%
Stores	58%
Design	55%
Human Resources	48%
Production	40%
Procurement	39%
Sales	13%
Ethics	10%
Contracts/Quantity Surveying	10%

Source: Field Survey (2018).

The study aimed at establishing the extent of ethics management infrastructure present in the respondents' companies by requiring respondents to indicate alongside the elements provided. Figure 4.6.1 below shows various elements of an ideal ethics management infrastructure and their percentage prevalence in the construction companies. The results

provided revealed that all elements were below 25% which is low. Ethical departments, officers and the task force are necessary in order to ensure awareness, independence and therefore play an advocacy role in the promotion of ethics in companies. They ensure that data collection and documentation of ethics management challenges, dilemmas, and all reported cases is done continuously; and foster timely enforcement, feedback, and consultations within all other departments.

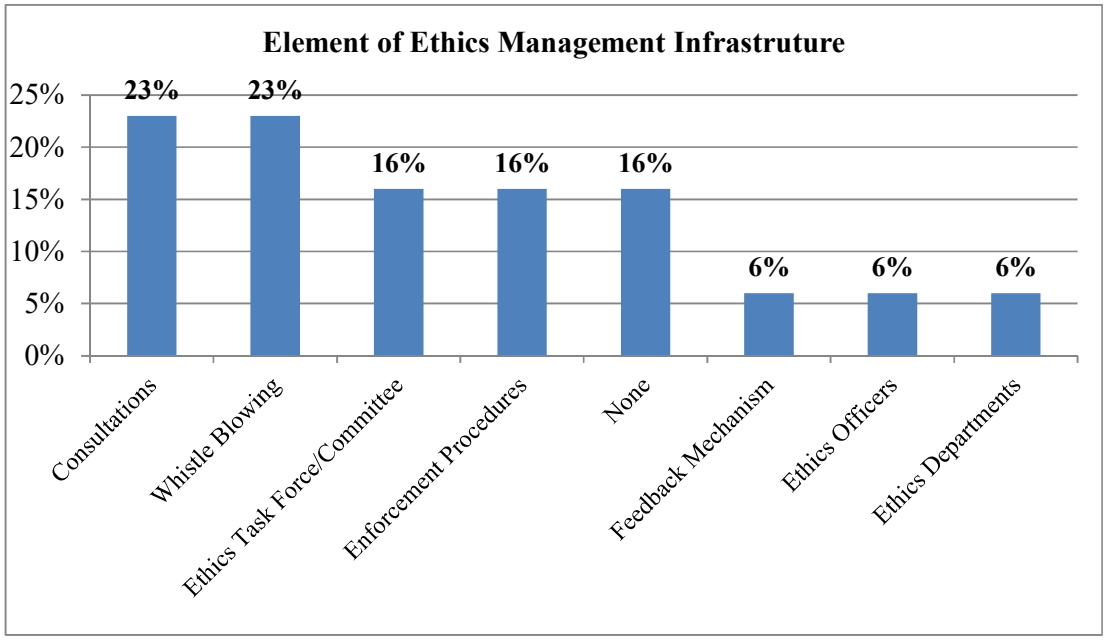

Figure 4.6.1 - Elements of Ethics Management Infrastructure

Source: Field Survey (2018)

As noted in the literature review, ethical infrastructure in organisations enables employees to air ethics issues, open up to their seniors and eventually, this leads to a good ethical culture in organisations. A strong organisational culture result to more engaged workforce, reduce pressure to compromise, enhances reporting and reduces instances of retaliation which lower the probability of ethical failure due to moral lapses (Melé, cited in Pabro and Ricardo, 2011).

4.6.2 Evaluation and Audit of Ethics Status

The respondents were asked whether they carry out evaluation and audit of ethics status in their companies and the findings are as tabulated in table 4.6.2 below. The importance of carrying out evaluation and audit is to assist in identifying weakest areas that would

predispose an organisation to ethical challenges; to identify new challenges in the management of ethics. Based on the findings that 90.3% do not carry out evaluation and audit of ethics, one can infer that they miss out on all the above advantages.

Table 4.6.2 – Evaluation and Audit of Ethics Status

		Frequency	Percent	Cumulative Percent
Valid	Yes	3	9.7	9.7
	No	28	90.3	100.0
	Total	31	100.0	

Source: Field Survey (2018)

The respondents were requested to indicate how often they carry out evaluation and audit of ethics in their companies and the results are shown in table 4.6.3 below.

Table 4.6.3 – Frequency of Evaluation and Audit of Ethics Status

		Frequency	Percent	Cumulative Percent
Valid	Annually	2	67.00	67.0
	Twice in a year	1	33.00	100.0
	Total	3	100.00	

Source: Field Survey (2018)

4.6.3 Structured Process of Assessing Ethics

The research wanted to find out whether there are structured or documented procedures that guide decision-making in the companies. As shown in table 4.6.4, 80.6% indicated that they did not have such procedures or processes of assessing ethics during decision-making. This negatively impacts ethics management because a structured process prompts managers or individuals to ask themselves hard ethical questions during every-day decision-making and helps to provoke ethical consciousness at all times.

Table 4.6.4 – Structured Process of Assessing Ethics

		Frequency	Percent	Cumulative Percent
Valid	No	25	80.6	80.6
	Yes	6	19.4	100.0
	Total	31	100.0	

Source: Field Survey (2018)

4.7 Challenges of Ethics Management

The data collected was first subjected to internal consistency test to determine its reliability in the analysis of both the challenges related with the implementation of ethics management as well as the benefits or advantages of having such systems. SPSS Cronbach's alpha resulted as follows;

Table 4.6.5 – Challenges facing ethic management

Reliability Statistics

Cronbach's Alpha	N of Items
.943	11

Table 4.6.6 - Advantages of Ethic management systems

Reliability Statistics

Cronbach's Alpha	N of Items
.912	11

The data collected is therefore adjudged reliable in the analysis of both since the Cronbach's alpha in each case is greater than 0.70. The SPSS alpha coefficient for the eleven items for challenges and benefits of ethics management are 0.943 and 0.912, suggesting that the items have relatively high internal consistency and are, therefore, representing the concepts adequately.

4.7.1 Challenges Facing Implementation of Ethics Management Systems

The study examined the challenges facing building and construction companies in the management of ethics and consequently the implementation of ethics management systems or programs. Table 4.7.1 below shows the means and standard deviations (SD) of the challenges. In order to examine the challenges holistically, a total of 11- Likert type items were used. The outcomes in line with the findings were distributed in frequency distribution based on a maximum possible score (4) being *most severe* followed by *severe* (3), *Less severe* (2) and *Not severe* (1) as the minimum score.

Table 4:7:1: Challenges Facing Implementation of Ethics Management Systems

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Lack of support by employees.	17	1	4	2.24	.903
Lack of personnel trained on ethics.	17	1	4	2.24	1.091
Lack of enforcement by authorities (e.g. NCA)	17	1	4	2.12	1.111
Harsh Business Environment	17	1	4	2.12	1.166
Lack of a clear code of ethics and code of conduct.	17	1	4	2.06	1.088
Low-Profit Margins from projects	17	1	4	2.06	1.197
Dependency nature of the industry (many players)	17	1	4	2.00	1.118
Out-dated codes of ethics/conduct.	17	1	4	2.00	1.118
High level of competition in the industry	17	1	4	1.94	1.088
Rampant Corruption in the industry	17	1	4	1.88	1.219
High cost of ethics management systems infrastructure	17	1	4	1.71	1.047
Valid N (listwise)	17				

Source: Field Survey (2018)

From the study findings lack of support by employees and lack of trained personnel in the industry to deal with ethics management affect management of ethics as well as the implementation of ethics management systems to a great extent. This can be attributed to the fact that most companies as found out earlier do not have budgetary allocation for training and ethics programs. Harsh business environment which was earlier found to be a great contributor to unethical practices pose as a challenge to ethics management, similarly lack of enforcement by the government agencies like NCA, local Governments also affected the implementation of ethics management systems in the industry.

Lack of clear codes, low-profit margins, dependency nature of the industry and outdated codes were also noted to be affecting ethics management. High-level competition, rampant corruption and high costs of ethics management systems were noted to be marginally affecting the implementation of the ethics management systems. These multitudes of factors can be the reasons as to why many projects were found to be non-compliant with the NCA regulations and requisite requirements at 64% during their 2016 audit of construction sites.

4.8 Benefits of Ethics Management Systems

In order to examine the benefits of Ethics management and management systems in the building/construction industry in Kenya, the study sort the opinion of the respondents regarding the benefits that would accrue if there is collective management of ethics and implementation of ethics management systems by all the companies.

Table 4.8.1 below shows the mean value rating for the benefits of ethics management systems in the construction industry. The benefits were similarly put in a total of 11- Likert type items in order to determine the opinion of the respondents in regards to the perceived benefits of having ethics management systems. The outcomes in line with the findings were distributed in frequency distribution table with possible scores as follows; (A) being *strongly* followed by *Reasonably* (B), *Not Much* (C) and *Not at all* (D) as the minimum score. These scores were later given numerical codes as follows; *strongly* (4), *reasonably* (3), *not much* (2) and *not at all* (1).

The analysis of the mean value ratings of the benefits in Table 4:8:1 shows that respondents considered the improvement of project performance as the most important benefit of an ethics management system. This is true because project performance is considered from inception to use of the facility, the latter depending mostly to decisions made by the builder. Many and important decisions made by contractors during the implementation period of projects, would therefore result in improved or declined projects' performance. Project life cycle approach in ethical decision-making is, therefore, very important as economic, financial, legal and social benefits would only be realised if the right decisions are made. This requires proper and well-integrated ethics management systems. The second most important benefit was the improvement in compliance. This was defined as the improvement of compliance with the industry's guiding laws and regulations meaning that non-compliance will automatically reduce, laws will be followed and eventually performance will improve.

Table 4:8:1 – Benefits of Ethics Management Systems

Descriptive Statistics

	N	Mean	Std. Deviation
Improves project performance	29	3.28	0.960
Improves compliance with industry's regulations	29	3.07	.884
Reduces misconducts	29	2.90	.900
Decrease disputes	29	2.79	.726
Improves personal ethics	29	2.76	1.091
Improves Clients' confidence	29	2.62	1.178
Reduces employees un-rest	29	2.62	.862
Creates an even playing ground in the industry	29	2.59	1.119
Improves departmental coordination	29	2.48	.871
Improves Employees commitment and retention	29	2.41	.907
Improves competition	29	2.34	.936
Valid N (listwise)	29		

Source: Field Survey (2018)

The third, fourth and fifth benefits as ranked by the respondents were the reduction in misconducts, decrease in disputes and improvement in personal ethics. As found out in the literature review, organisational ethics affects individual ethics to a greater extent and so if systems are in place within organisations to enhance ethics management, personal ethics will be impacted directly since decision-making is dependent so much on one's inherent values.

Other benefits which had a mean above average were; improvement of Clients' confidence, Reduction in employees un-rest, Creation of an even playing ground in the industry, Improvement of departmental coordination, improvement of employees commitment and retention and finally improvement in competition.

4.9 Correlation and Hypothesis Testing

Alternative Hypothesis (H_A) stated that lack of Ethics Management Systems in construction companies in Kenya contributes significantly to Building and Construction industry's unethical practices while the Null Hypothesis (H_O) stated that lack of Ethics Management Systems in construction companies does not contribute significantly to Building and Construction industry's unethical practices.

Correlation analysis using SPSS was performed on both the dependent variable which is unethical Practices and indicators of the independent variable (Ethics Management Systems) with the purpose of determining the strength of the relationship between Ethical Practices and Ethics Management Systems.

Due to the sensitive nature of the topic, it was only possible to get a few indicators showing the manifestation of unethical practices in the companies as follows; this was done by analyzing each case separately. Pearson Correlation Coefficient (PCC) or Pearson's r for each case is given in Tables 4.9.1, 4.9.2, 4.9.3 and 4.9.4 below.

Results: for all the cases, there is a weak positive correlation between lack Ethics Management Systems and unethical Practices (based on indicators) since the Pearson Correlation Coefficients (PCC) were below 0.30. Additionally, all four correlations are statistically insignificant since their associated p-values are greater than 0.05.

Table 4.9.1 – Correlation – Case 1

		Presence of Unethical practices	Are the behaviours of your employees consistent with the stated ethics and values of the organization
Presence of Unethical practices	Pearson Correlation	1	.201
	Sig. (2-tailed)		.278
	N	31	31
Are the behaviours of your employees consistent with the stated ethics and values of the organization	Pearson Correlation	.201	1
	Sig. (2-tailed)	.278	
	N	31	31

Key.201 → Correlation coefficient .278 → p-value

Table 4.9.2 – Correlation – Case 2

		Presence of Unethical practices	Do your Junior staff consult on ethics and values of the company
Presence of Unethical practices	Pearson Correlation	1	.038
	Sig. (2-tailed)		.839
	N	31	31
Do your Junior staff consult on ethics and values of the company	Pearson Correlation	.038	1
	Sig. (2-tailed)	.839	
	N	31	31

Key.038 → Correlation coefficient .839 → p-value

Table 4.9.3 – Correlation – Case 3

		Presence of Unethical practices	Have you witnessed tendencies of your junior employees acting unethically or breaching the company's code of behaviours/ethics?
Presence of Unethical practices	Pearson Correlation	1	.216
	Sig. (2-tailed)		.244
	N	31	31
Have you witnessed tendencies of your junior employees acting unethically or breaching the company's code of behaviours/ethics?	Pearson Correlation	.216	1
	Sig. (2-tailed)	.244	
	N	31	31

Key.216 → Correlation coefficient .244 → p-value

Table 4.9.4 – Correlation – Case 4

		Presence of Unethical practices	Are your employees at a personal level dedicated to the Company goals (without being forced)
Presence of Unethical practices	Pearson Correlation	1	.217
	Sig. (2-tailed)		.240
	N	31	31
Are your employees at a personal level dedicated to the Company goals (without being forced)	Pearson Correlation	.217	1
	Sig. (2-tailed)	.240	
	N	31	31

Key.217 → correlation coefficient .240 → p-value

Conclusion: there is a positive, though weak, correlation between Lack of Ethics Management Systems and the Unethical Practices amongst construction companies in Kenya according to the data collected.

The main objective of the study was to investigate the use of ethics management in construction companies in Kenya and explore the correlation between lack of ethics management systems and unethical practices. From the results of the correlation analysis, there is a weak positive (ranging between 0.00 to +1) correlation between lack of ethics Management Systems and Unethical Practices with (R) in all cases (0.038, .201, .216 & .217) being lower than 0.3. This means, therefore, that an increase in lack of elements or indicators of Ethics Management System results in an increase in unethical practices, conversely improved ethics management systems results to improved ethical practices. The Alternative Hypothesis is thus rejected and the Null hypothesis is supported. In correlation analysis, p-value measures the statistical significance of the relationship described by the two variables. If the p-value is less than the alpha value used, the correlation is statistically significant otherwise, it is statically insignificant. The study used a confidence interval of 95% (alpha value of 0.05) the obtained p-value of 0.839 indicates that the correlation between the presence of unethical practices and junior staff consulting on ethics and values of the company is statistically insignificant since the p-value of 0.839 is very high as compared to a p-value of 0.05. The correlation of items in case 1, 3 and 4 to unethical practices is also insignificant since they are also higher than 0.05.

CHAPTER 5.0: CONCLUSION AND RECOMMENDATION

5.10 Introduction

This chapter provides a summary of key study findings, conclusions drawn from the findings and recommendations. The conclusions and recommendations were given pursuant to the main research objectives of investigating the impacts of ethics management in reducing unethical practices in the building and construction industry in Kenya and the correlation of lack of ethics management and unethical practices.

5.11 Conclusion of the Study's Key Findings

The study focused on the following specific objectives; establishing whether construction companies in Kenya have ethics management systems, finding out the benefits of ethics management, identification of the challenges encountered in management of ethics and thus, in the implementation of ethics management systems in Kenya, and finally exploration of the correlation between lack of ethics management and unethical practices in the construction industry in Kenya.

5.11.1 General Overview

The major outcome of the study is that ethics management philosophy, ethical climate and ethical infrastructure are all low in construction companies in Kenya as shown by various indicators throughout the study.

Decision-making which results in manifestations of either ethical or unethical behaviours is left to all human resource cadres (with and without formal academic training) and is not guided by any documented procedures (80.6%). The study revealed that many respondents (87%) have witnessed unethical practices in the industry frequently occurring in all stages of construction at 54.84%. The result showed that most respondents (97%) appreciated the need to have ethics management.

A greater percentage of the respondents (71%) are aware of ethics management, however, there is little done mostly by the top leadership in the construction companies to enhance its management and thus its effectiveness in shaping the ethical culture and offering the right ethical compass. The study also found out that there is much pressure leading to compromise of ethics as noted by 80.6% of the respondents. Harsh economic environment took the lead at

56% followed by internal organisational pressures such as goals to increase financial returns at 25%.

5.11.2 Ethical Management in Companies

Decision-making in the companies on ethical issues is mostly by heads of departments (53%) and top management (23%) although 84% have no training on ethics management. Training is therefore lacking or not sufficient in this field. The practice of ethics management in the companies was found to be sustained through discussion during management meetings at 49% and secondly, through ethical guidelines at 33%. However, the low frequencies (below 50%) indicate that this is not sufficiently being done. This was confirmed by the findings where only 26% reported that they effectively manage ethics while 48% reported that it is effective sometimes whereas 13% agreed that it is not effective at all.

5.11.3 Ethics Guidelines in Companies

The results of the study showed that very few companies have documented ethical guidelines; 26% of the respondents reported that they have ethical statements, 20% had a code of ethics. Their content communication was found to be ineffective since the highest at 32% indicated that communication is through notice boards and during management meetings only. Very little was being done routinely (9%) and extremely low (at 4%) when one joins the companies which, is more effective. Early and incessant emphasis was therefore found to be lacking. It was also noted that most companies (80.6%) did not have any documented procedures of judging their decisions on the basis of ethics. This means that employees are mostly left to make their own decisions whenever situations requiring high-level ethical sacrifices emerge. An employee's inherent personal values and ethics thus becomes the only guiding principle in deciding what to do.

5.11.4 Ethical Leadership/Climate

From the findings, the management in the respondents' companies had done very little to promote ethics management in their companies and thus help in shaping the right ethical climate. 84% conceded to not having any background training in ethics. Similarly, 84% of them indicated that they did not have any budgetary allocation for ethics management programs such as training staff, CSR programs, and seminars. Lack of budgetary allocation in most of the respondents' companies posed as a challenge to the establishment of ethics

management infrastructure, consequently, management of ethics was found to be minimal and ultimately, the establishment of a holistic ethics management system.

5.11.5 Ethics Infrastructure

Only 10% of the respondents have ethical departments that handle all matters of ethics and scrutinize decision being made in the companies. This was supported by a 10% presence of staffs engaged in the departments to guide their organisations on ethical issues as an important management function. The study found out that presence of ethics infrastructure is so minimal that the only available elements are consultations and whistleblowing both reported at 23%, an ethics task force at 16%, data collection and feedback mechanism at 6%. It was also noted that evaluation and audit of ethics status are very minimal since 90.3% stated that they do not carry it out. Without self-assessment and internal evaluation and audit of ethics status, it is difficult to know ethics management challenges and benefits. Emerging challenges due to change of business environment cannot also be identified and may eventually become a threat to the companies' existence.

5.11.6 Benefits of Ethics Management

The study findings indicate that ethics management has a myriad of advantages, these included; improvement of projects' performance, improvement of compliance, reduction of misconduct, and a decrease in disputes as shown by their high mean ratings in the frequency table. Impact on personal ethics and increase of clients' confident were also noted as high rated advantages of ethics management. All these are desirable benefits for the whole construction industry.

5.11.7 Challenges facing Ethics Management

It was revealed that the major challenge to the implementation of ethics management infrastructure is lack of support by employees and lack of trained personnel (mean of 2.24). This is true because as established, the top management has done very little to foster a good ethical climate and consequently, the organisational ethical culture is very low in all the companies. An effective Ethics Management System requires a strong inter-dependency of all the elements. The Harsh business environment in the country was noted to have contributed greatly (at mean 2.12) as a challenge to ethics management and implementation of ethics management systems. This agrees with the opinion of the respondents that the harsh business

environment is the major cause of unethical practices in the industry. Equally lack of enforcement by the government was noted as another challenge with the same mean rating.

5.11.8 Correlation

It was found out through the study that; there is a positive, though a weak correlation between Lack of Ethics Management Systems and the Unethical Practices in all cases tested (I.e. 0.038, .201, .216 & .217). This means, therefore, that an increase in lack of elements or indicators of Ethics Management System (Independent Variables) results to an increase in unethical practices (Independent variables) though insignificantly. This, hence, supported the study's Null Hypothesis, thus, rejecting the Alternative Hypothesis.

It can, however, be concluded that there is no effective ethics management in the construction industry in Kenya and therefore unethical practices/malpractices in the industry cannot be effectively reduced.

5.12 Recommendations

- Training of personnel should be embraced as a priority and positive step towards ethics management. This addresses human capacity challenges and enhances capacity building.
- There should be well-documented ethical procedures in every company including all other ethics guidelines. Their contents should be underscored at all levels of the companies' management structure.
- Strong and effective top leadership is necessary. They should lead by example; by undertaking courses in ethics management; ensuring adequate financial allocation for ethics programs in their companies; encouraging brainstorming of ethical issues freely in the companies.
- Ethical infrastructure should be enhanced in order to enable self-assessment, evaluation, and audit, and correction based on data or information collected through the system.
- Establishing the right ethical culture in the industry should be a priority of every company through the establishment of an all-rounded ethics management system.
- There is also a need to balance the companies' goals particularly economic/financial with business ethics. The companies need to re-look at their organisational goals and ensure that good ethics rates highly in their priorities' list.

5.13 Areas of Further Research

- An in-depth study on the impacts of ethics and ethics management on projects performance needs to be done.
- A study should also be conducted to establish the relationship between ethics management and social, economic and environmental sustainability in the construction industry in Kenya.
- This research looked at Contractors only and therefore, similar research on each of all other projects' stakeholders needs to be conducted.

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APPENDIX 1 – University Letter

UNIVERSITY OF NAIROBI

DEPARTMENT OF REAL ESTATE AND CONSTRUCTION MANAGEMENT

P.O. Box 30197, 00100 Nairobi, KENYA, ***Tel: No. +254-020-491 3531***

E-mail: *dept-recm@uonbi.ac.ke*

Ref: B53/8234/2018 **Date:** 14th June, 2018

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: MWANGI KIMANI - B53/82347/2018

This is to confirm that the above named is a Masters student in the Department of Real Estate & Construction Management pursuing a course leading to the Master of Arts in Construction Management degree.

He is carrying out a research entitled ***"The Effectiveness of Ethics Management in Construction Industry in Kenya – A Survey of Kenyan Contractors"*** in partial fulfillment of the requirements for the degree programme.

The purpose of this letter is to request you to allow him access to any kind of material he may require to complete his research. The information will be used for research purposes only.

CHAIRMAN
DEPARTMENT OF REAL ESTATE
AND CONSTRUCTION MANAGEMENT
UNIVERSITY OF NAIROBI

Isabella N. Wachira-Towey, (PhD)
Chair & Senior Lecturer,
Dept. Real Estate and Construction Management

APPENDIX 2 – Researcher's Introduction Letter

Mwangi Kimani,
P.O BOX 13399-00400,
Nairobi.
Email: mkimani2003@yahoo.co.uk

Tel: 0724360891

Dear Respondents,

Ref: Response to Questionnaires

I am a postgraduate student in the Department of Real Estate & Construction Management, University of Nairobi pursuing Master's degree in Construction Management. I am conducting a research titled **"An Investigation into Ethics Management amongst Construction Companies in Kenya – A Case Study of Nairobi County".** As a leader in the industry you have been identified as an important source of the data required to unpack the research issues. I therefore request you to kindly and honestly respond to all items of the questionnaire attached herewith.

The questionnaire is purely for the academic research purposes only and hence utmost confidentiality is guaranteed to you and the data obtained. Your co-operation and assistance will be instrumental to the success of the study and will therefore be appreciated. Please, do not put down your name anywhere in the questionnaire and contact the undersigned for any clarifications.

Thank you for your co-operation.

Yours faithfully,

MWANGI KIMANI (QS)
(Mobile No: 0724 360 891)
RESEARCHER

APPENDIX 3 - Questionnaire

"An Investigation into Ethics Management amongst Construction Companies in Kenya – A Case Study of Nairobi County"

- *Please select appropriate answers by checking inside the corresponding squares, or by writing inside boxes/spaces provided.*
- *No respondent's data will be recognizable in the published work.*

Note: Questionnaire to be answered by any of the following;

- *Directors*
- *Managers*
- *Departmental/Section Heads/Administrators*
- *Senior Employees.*

A. PART NO. 1 – COMPANIES DETAILS

1. Please tick as appropriate, your years of operation in Kenya
   a) 0- 5 years ☐
   b) 6-10 years ☐
   c) 11-15 years ☐
   d) Over 15 years ☐
2. How many Permanent Employees (more than 1 year with the company) are in your Company? Please tick against.
   a) 0-10 ☐
   b) 11-20 ☐
   c) 21-30 ☐
   d) 31-40 ☐
   e) 41-50 ☐
   f) Over 50 ☐
3. Tick as appropriate in the choices below the academic qualifications of the heads of fully fledged departments in your company?
   a) On-job Experience ☐
   b) Artisan ☐
   c) Diploma ☐
   d) Higher Diploma ☐

e) Degree ☐

f) Post Graduate ☐

4. Tick as appropriate the fully fledged departments you have in your organisation structure?

a) Managerial/Administration ☐

b) Accounts/Finance ☐

c) Human Resources ☐

d) Procurement ☐

e) Sales ☐

f) Engineering/Civil/Projects ☐

g) Ethics ☐

h) Stores ☐

i) Design/Engineering ☐

j) Contracts/Quantity Surveying ☐

k) Production ☐

l) Others……

B. PART NO. 2 – GENERAL OVERVIEW OF ETHICS MANAGEMENT AND ITS MANIFESTATIONS

5. Have you heard of Ethics Management Systems? Tick as appropriate.

a) Yes ☐ b) No ☐

6. How is ethics enhanced in you company?

a) Through discussions with top leadership during meetings

b) Through ethical guidelines to all employees (code of ethics, conduct etc.)

c) Through ethical departments

d) None of the above

e) All of the above (a,b,&c)

f) Others……..

7. Is there a structured process of determining whether a decision is ethical or not ethical in your company?

a) Yes ☐ b) No ☐

8. Who determines what is ethical in every decision/activity in your company?
   a) Managing Director/CEO ☐
   b) Heads of Departments ☐
   c) Ethical Managers/personnel ☐
   d) Individual Employees ☐
   e) Ethics is not considered ☐

9. (i) Are there factors (pressures) leading to compromise or increasing chances of compromise of your company's ethical codes, values and standards?
   a) Yes ☐ b) No ☐
   (ii) If the answer in the above question is "YES", what is the nature of these factors?
   a) Economic/Financial (Harsh economic environment etc.) ☐
   b) Social (to meet society needs) ☐
   c) Political (to please political ☐
   d) Internal Pressures (meet goal, e.g. increase profits) ☐
   e) Legal (too harsh laws/untenable laws, Too many) ☐
   f) Others……..

10. (i) Have you witnessed or heard of any unethical practices amongst your peers/competitors in the industry?
   a) Yes ☐ b) No ☐

   (ii) If your answer in the above Question is **YES**, what stages of building/construction are the practices rampant?
   a) Pre-Contract ☐ b) During Construction ☐ c) All Stages ☐

11. Kindly respond to the below questions appropriately.

Statement	No/Never	Sometimes	Regularly	Always
Do your employees sign a code of conduct statement?				
Are ethical behaviours expected out of your employees?				
Are the behaviours of your employees consistent with the stated ethics and values of the organization				
Do your Junior staff consult on ethics and values of the company				
Have you witnessed tendencies of your junior employees acting unethically or breaching the company's code of behaviours/ethics?				
Has the Management been able to balance needs of the business with ethical issues appropriately?				
Are your employees at a personal level dedicated to the Company goals (without being forced)				
Is there enforcement of company's code of ethics/conduct				

C. PART NO. 3 – COMPANY'S ETHICAL GUIDELINES

12. Which of the following Ethics Guideline documents do you have in your company? Kindly indicate the source of each document. Key A = Own Document, B = Borrowed, C = From Government (E.g. from NCA) and D = from association (e.g. KABSEC)

Documents	**Availability (tick Appropriately)**	**Source**
Code of Ethics		
Code of Conduct		
Value statement		
Ethical Statement		
Ethical Decision making Procedure		
Any other		
None		

13. If any or all of the above documents are available in your Company, how often is the content communicated to the employees? Tick **(✓)** appropriately.

a) Yearly ☐ b) Twice in a year ☐ c) Quarterly ☐

d) Monthly ☐ e) On- need basis (when ethics issues are raised) ☐

f) Any other……

14. How is the content communicated to the employees? Tick appropriately.

Method of Communication	**Tick (✓)**
Through Company's notice board	
Through Management Meetings	
Printed and given automatically when one joins the company.	
Automatically when someone becomes a manager or HoD.	
The content is part of the employment contract.	
Routine distribution to all employees.	
Communicated through Internet (e-mails).	
New employee induction training/workshops	
Other, *please specify*	

15. Ethics guidelines documents (as listed in question No. 13) alone are effective in promoting ethical practices in your company? Respond appropriately.

a) Strongly Agree ☐ b) Agree ☐ c) Slightly agree ☐

d) Disagree ☐ e) Strongly disagree ☐

D. PART NO. 4 – LEADERSHIP COMMITMENT TO ETHICS MANAGEMENT IN COMPANIES

16. In your own opinion, are Ethics Management and/or Ethics Management Systems necessary in the construction industry?

a) Yes ☐ b) No ☐

17. Do you have any formal (with certification) training on Ethics Management and/or Ethics Management Systems?

b) Yes ☐ b) No ☐

18. If the answer to the question above is yes, where did you receive your training? Tick appropriately.

During academic training	
Through Professional Courses	
Through CPD Programmes/seminars	
Own initiative	
Induction training	
Others	

19. I). Do you have any budgetary allocation in your company for Ethics Management Programmes e.g. CPD Training, Seminars, Corporate Social Responsibilities etc.?

a) Yes ☐ b) No ☐

20. How often do you send your junior managers/section heads for CPD seminars?

a) Annually ☐
b) Twice in a year ☐
c) Quarterly ☐
d) Rarely ☐

e) None

21. In the last 3 years, how many Corporate Social Responsibility (CSR) activities have your company supported?

a) 0-5 ☐
b) 6-10 ☐
c) 11-15 ☐
d) 15-20 ☐

22. From the above projects, how often did you notice breach of ethics or unethical practices or ethical issue raised by any of the stakeholders?

a) Frequently ☐
b) Not frequent ☐
c) Rarely ☐
d) None ☐

23. In a scale of 1-5, how would you rate ethics management in your organisation? Please circle the number that best describes your company.

Key: 1=Not effective at all, 2=Less Effective, 3=Effective sometimes, 4=Effective, 5=Extremely Effective

1 2 3 4 5

E. PART NO. 4 – ETHICS MANAGEMENT INFRASTRUCTURE

24. Which of the following elements of an Ethics Management infrastructure do you have in your company? Tick appropriately.

Ethics Departments	
Ethics Officers	
Ethics Task Force/Committee	
Data collection procedures	
Reporting/whistle blowing	
Enforcement procedures	
Feedback mechanism	
Consultations	
None	
Any other…	

25. Do you carry our periodic Evaluation and Audit of ethics status in your company?

a) Yes ☐ b). No ☐

26. i) If the answer above is '**YES**', how often do you carry out periodic Evaluation and Audit of Ethics status in your Company?

a) Annually ☐
b) Twice in a year ☐
c) Quarterly ☐
d) Monthly ☐
e) Weekly ☐
f) None ☐

ii) What triggers the evaluation and auditing process if any?

a) Planned Evaluation/Auditing ☐
b) Employees reporting ☐
c) Clients/Consultants complaints ☐
d) Management's own investigations ☐
e) Any other……

27. Which of the following does your company employ in response to promotion of ethics or breach of ethics standards amongst the employees?

a) Investigations ☐
b) Reward systems (e.g. promotions) ☐
c) Punishment or Sanctions ☐
d) Dismissal ☐
e) None ☐

28. Do you have a **structured/documented** procedure of assessing ethics during decision making within your company?

a) Yes ☐ b). No ☐

29. Are there **challenges** you have faced in the implementation of Ethics Management Systems in your company?

a) Yes ☐ b). No ☐ c). I have not attempted ☐

If the answer is **'YES'**, rank the following challenges in **order of severity** in a scale of 1-4. **Key: 4= Most Severe, 3 = Severe, 2 = Less severe and 1 = Not Severe**

Ranking	**1**	**2**	**3**	**4**
Dependency nature of the industry (many players)				
High level of competition in the industry				
Harsh Business Environment				
Rampant Corruption in the industry				
High cost of ethics management systems infrastructure				
Low Profit Margins from projects				
Lack of enforcement by authorities (e.g. NCA)				
Lack of support by employees.				
Lack of personnel trained on ethics.				
Out-dated codes of ethics/conduct.				
Lack of clear code of ethics and code of conduct.				
Any other……..				

30. What are the advantages of having ethics management systems in your company? Respond on each statement appropriately.

A = Strongly B = Reasonably C = No much D = Not at all

Improves project performance	
Improves Clients' confidence	
Creates an even playing ground in the industry	
Improves competition	
Improves compliance with industry's laws and regulations	
Improves personal ethics	
Reduces misconducts	
Improves departmental coordination	
Improves Employees commitment and retention	
Reduces employees un-rest	
Decrease disputes	

31. As a Director/Manager/Head of department, attend to the following in regards to Ethics Management in the industry?

A = strongly agree B = agree C = do not agree D = strongly disagree

Ethics management is important in every company	
Codes are necessary in ethics management	
A company's ethical culture influences personal ethics	
Favourable company's ethical climate is the role of top leadership	
All companies should have their own internal ethics management system	
All decision should be guided by a stated ethical procedure	
Ethical policies and programmes should be reviewed routinely	
It is hard/difficult to manage ethics in a company.	

32. According to your own views, how can ethical practices be enhanced in the construction industry in Kenya?

a) ……
……

b) ……
……

c) ……
……

d) …….....
.....

END

THANK YOU