



Unethical Business Practices in Construction Project Industry: Exploring the Best Practices from an Islamic Perspective

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Abstract- It has been acknowledged that construction industry plays a vital role in the economic growth and development of any nation. Construction industry is also considered as the most fraudulent industry of the world because of its unethical practices. The unethical practices not only increase the cost of the project but also impacts negatively on its quality. Islam promotes high ethical and moral values not only in business but also in every part of daily lives. Secondary research in the form of a detailed review was carried out and data was gathered from various data bases such as EMERALD, SAGE, Scopus and the Holy Quran. The data was initially extracted from 34 research articles and 08 articles were considered and shortlisted to be important for this study. This study is divided into two folds; the first section discusses the impact of unethical practices on the overall quality of the project and stresses to implement the code of ethics to enhance the quality in project deliverables. Secondly it highlights the concept of business ethical practices in the light of Holy-Quran and Hadees-e-Nabvi (PBUH). This study is an initiative to educate Muslim stake-holders to adopt ethical practices in construction project industry from the teachings of Islam which optimize the project iron-triangle in the terms of cost, time and quality.

Keywords: Business Ethics, Project Management, Construction management, ethical practices in Islam.

I. INTRODUCTION

Construction industry contributes a huge proportion in the economic growth of any nation (Zantanidis&Tsiotras, 1998). It is considered as the second largest industry followed by the agriculture sector which accommodates 2 to 10 percent of global workforce (Hanizah, Abdul-Rehman and Xiang, 2010; Alex, 2014). In most of the developing and developed nations construction industry is consider the carrier of economic booster. A report published by the Transparency International (2005) declared construction industry as the most fraudulent industry in world which provides ideal surroundings to unethical practices. Including cheap mentality, low value attitude, savage rivalry and paper-thin margins (FMI, 2004). Construction industry has been proven as one of the most vulnerable sectors to unethical non-moral practices due to the involvement of substantial capital investments, high interest of stake holders, encapsulates huge opportunity for rent extraction and also provides investment opportunity that typically can't be redeployed after usage. The construction industry is under influence of some moral issues that are included yet are not confined to: irreconcilable circumstance, inflated bills, proficient inadequacy, fraud, helpless work conveyance, misrepresentation, bribery, proficient unfortunate behavior, terrorizing and payoffs among a few different shades of malice. Unethical practices have been experienced at any phase of the project life-cycle, during initial planning of design, vendor qualification criteria and tender evaluation; also, during project execution and closure in the form of reduced quality, over pricing and delay in completion of deliverables (Hamzah et al, 2011). Ethical violations identified with offering incentives, billing, installment, change request, bidding and manipulation of rules and regulations governing construction industry have expansive consequences for society, including poor quality of deliverables, diminished stakeholder trust connections, longer project span, and expanded undertaking cost, all of which may bring about increment in Tax expenditures. (FMI Corporation, 2004; Ethics Resource Center, 2013).

Unethical behavior by the construction industry parties not only break the trust of stakeholders but also impact the overall quality of the project (Rahman, *et al*, 2007). Increment in untrustworthy conduct results in an important decrease in the nature of project performance as proven by taking statistics from construction sites. Although that the quantity of industrial mishaps in general has declined by 35% over a multiyear time frame from 2005, the construction industry has recorded an expansion of 5.6%. Ethical Upgrades in the industry have possible positive effects, for example, improved public infrastructure

through quality enhancements, open budgetary and tax cuts through better cost control, and improved inner and outer partner interconnections.

The essential goal of this paper is on the ethical principles identified with the construction project industry and which are contained in the teachings of Islam. Islam is commonly misjudged, and it is frequently astounding to some that it constitutes an entire socio-economic framework. In Islam, ethics overwhelms economics and not the reverse way around (Naqvi, 1981). This research is divided into two folds. The main section discusses the impact of unethical practices on project quality and the subsequent part will discuss the concept of ethical practices in construction project industry from Islamic standpoint.

II. THEORETICAL PERSPECTIVE

Ethics and the quality of projects

Customer satisfaction is the linchpin of quality management. Schlickman (2013) portrayed quality as “the degree to which a set of inherent characteristics fulfill requirements.” From the prospective of construction management optimum quality can only be achieved if the customer needs are fully satisfied. Therefore, to adopt the customer focused strategy in construction quality management, it is essential to understand the quality tools in great extent. Bowen, Edwards, and Cattell (2015) have identified the construction industry as “the most corrupt sector in the world”. In the construction industry, a significant issue of concern is quality. Proficient unethical practice is on the rise among players of this industry. The presence of unethical practices is evidence of numerous uncompleted and delayed projects, mismanaged and increased cost, inferior quality and noncompliance to the specification design which ultimately lead towards the inefficient construction. The non-compliance of technical specification sometimes also results in the collapse of structure during the construction phase or from that point forward.

Globalization has necessitated a basic need to have a legitimate International Standard Quality Management System set up in the Construction Industry Sector (Dong et. al, 2009; Abdul Rahman et.al, 2006). In construction project industry process of quality management can be categorized in three broad categories, Quality management process, Quality assurance process and quality control process. Among the three component Juran (1998) stresses on the quality assurance (evaluation of process during implementation phase) and Quality control (evaluation of process after completion). However quality planning deals with the compliance of international standards.

Mlinga (2008) figures that the issues of low quality, late finish and cost invade of construction projects are credited not exclusively to the specialized traits of the specialists but instead their ethical skills. Project management is scheduling activities on a timeline and remaining inside budget constraints along with meeting or surpassing stakeholder expectations. However, project management personnel must complete their undertakings proficiently, yet in addition with an elevated level of moral character in an increasingly global environment (Mishra and Mittal, 2011). Figure 1 below delineates the significance of ethics in project performance and quality of the researcher to include it as the fourth parameter for the project. It is viewed as the fourth most significant dimension in the project.

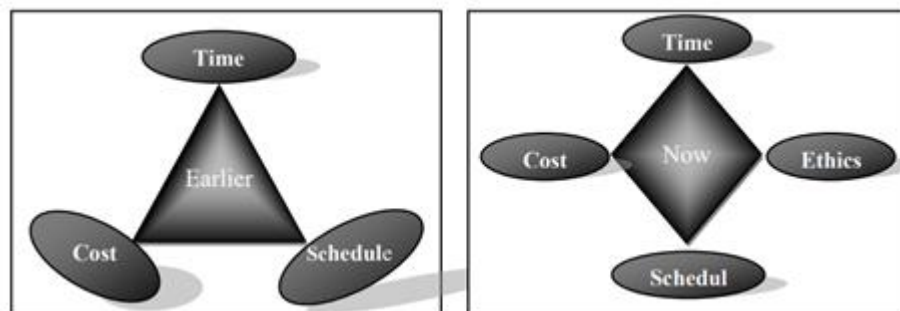


Figure 1: Project Iron Triangle for optimum quality management (Mishra and Mittal, 2011).

Classification of unethical act in construction industry

Literary works reveal that most of the unethical conduct related to the construction industry show up as uncalled for direct, carelessness, irreconcilable situation, connivance offering, misrepresentation and pay off. Moreover, as far as professional conduct, it has been recognized that most of professionals accept that commitments to the customer and public are of equivalent significance (Vee and Skitmore, 2003; Ray et al, 1999; May et al, 1999; Fan et al, 2001; Williamsons’ et al, 2004). Mason (2009) has discusses seven essential elements which should be implemented in construction project industry.

Seven Essential Ethical elements in construction industry

Honesty	Act with honesty and maintain a strategic distance from lead liable to result, legitimately or by implication, in the trickiness of others.
Fairness	Do not try to get an advantage which emerges legitimately or in a roundabout way from the unjustifiable treatment of others.
Fair reward	Avoid acts which are probably going to bring about another gathering being denied of a reasonable compensation for their work.
Reliability	Maintain forward-thinking aptitudes and offer types of assistance just inside your region of capability.
Integrity	Respect the interest of the general public, especially those likely to utilize or acquire a liking for the project later on.
Objectivity	Identify any unavoidable circumstances and unveil the contention to any individual ought to be antagonistically affected.
Accountability	Point to data and avoidance of issues as per your understanding which are considered inappropriate by other people who might be unfavorably influenced by them. Cautioning must be given in adequate opportunity to permit the making of powerful move to keep away from weakness.

(Mason, 2009)

Islamic ethical practices and construction industry

Ethics can be characterized in various observations yet a large portion of us comprehend that ethics includes with the virtues. The construction industry is of the view that ethical conduct and practices can be calculated and determined by the degree of integrity and trustworthiness of individuals and the companies in doing their business (Mason, 2009). Consequently, there are a ton of ethics importance and it investigates the perspective and where it can be used. Ethics can be related with moral in term of the way of thinking identified with human good conduct (Abuznaid, 2009). In view of the Cambridge Advanced Learner's Dictionary (2008), it characterizes ethics was identified with the investigation of what is morally right or wrong. Other than that, ethics can be characterized as the virtues that enable somebody from dishonest directs and practices inside their specific profession (Sones & Hawker, 2008). In (Velasques, 2009) the idea of ethics was the capacity to be either right or off-base, fortunate or unfortunate, worthy and unsuitable. FMI Corporation (2004) gives four meanings of ethics which are (i) the order related with great and awful about good obligation and duty, (ii) a lot of good standards and qualities that was acknowledged of what expected to be, (iii) a hypothesis of good rules that controls the conduct that is suitable for singular gathering, (iv) a code of ethics. Muslims get their ethical framework from the lessons of the Qur'an (a heavenly book revealed upon Muhammad(P.B.U.H) in seventh century Arabia), and from the Sunnah (the recorded truisms and conduct of Muhammad(P.B.U.H)).The objectives of Islam are not essentially realist. They depend on Islamic ideas of human prosperity and great life which stress fellowship/sisterhood and financial equity and require a reasonable satisfaction of both the material and otherworldly needs all things considered (Chapra, 1992).Abu Hurairah ra from the Prophet Muhammad stated:

Signifying: "I leave behind me two things, you will not be lost forever as long as you stick with that the position of both the Book of Allah and the Sunnah of His Prophet"(Narrated by Malik - quoted from Mohamad, 2011). From the Islamic perspective this study has identified four (4) essential pillars which should be considered in construction project industry including but not restricted to (1) Justice and Equality (2) Honesty and Trust (3) Benevolence (ihsaan) and (4) Sincearity (ikhlas)/ Sense of Responsibility.

III. RESEARCH METHODOLOGY

The data were collected from the secondary sources. The data was extracted from two different dimensions. Firstly, to enhance the theoretical understanding, data was gathered from various established research journals sources which include SAGE, EMERALD, and Scopus. This enabled the researchers to ensure rigor in data collection, ensuring a transparent and rigorous way to improve the validity and reliability of the research results (Coren& Fisher, 2006; Kitchenham & Charters, 2007). The other part of

the data collection was extracted from the Holy Quran (Extracting various verses related to the subject matter). Five level strategy was used and from a total of 34 articles, 08 were useable and were connected with the subject area. Table 1 illustrates the data adoption/extraction process.

Table 1. Review search results

Database	1 st Strategy	2 nd Strategy	3 rd Strategy	4 th Strategy	5 th Strategy
	Keywords Results	Apply filter	Reading Title and Abstract	Reading full articles	Quality Assessment
Scopus	11	07	06	04	03
SAGE	10	08	05	03	01
Emerald	13	11	08	06	04
Total	34	26	19	13	8

Source: Developed by the Authors

IV. KEY FINDINGS

Justice and equality

As a high good guideline and from the ethical viewpoint of Islam, equity is characterized as rewarding others decently by furnishing them with what they rightfully deserve as per the teachings of Islam, and by legitimately situating things. God said in al-Quran:

“God commands you to deliver trusts (including public and professional duties of services) to those entitled to them, and when you judge between people, to judge with justice. How excellent is what God exhorts you to do. Surely God is All Hearing, All-Seeing.” (An-Nisa’, 4:58)

Justice is held in the most elevated good see among Muslims to reinforce their resistance against foes. The concept of equity stands as metaphorically as well as truly in construction projects. To the extent connection between project manager and hisco-workers, the guidelines of justice induces that management should practice reasonable and just treatment to all professionals (laborers) offering little appreciation to their sex, physique, creed, religion and political conviction. Without a doubt, understanding, abilities and mentality will choose the standings of the experts (laborers). Moreover, Islam totally excuses the demonstration of inclination and cronyism that lead to injustice in getting laborers and in their advancement. To be sure, professionals should be picked or advanced dependent on their degree of experience, scholastic capability, work competency and, what's more, their acceptable characteristics (Shaharuddin, 2005). In terms of equality, Holy Prophet Muhammad (P.B.U.H.) has clearly stated in his last sermon

“All mankind is from Adam and Eve, an Arab has no superiority over a non-Arab nor a non-Arab has any superiority over an Arab; also a white has no superiority over black nor does a black have any superiority over a white except by piety and good action” (Prophet Muhammad's (PBUH) Last Sermon).

While formulating a project team it is fundamental that the choice ought to be made based on equality and simply on merit. It won't just enhance the quality of the project but also increment the moral and motivation of the workers.

Honesty and trust

Honesty is held in high respect. The Prophet (P.B.U.H.) had urged to *“wait for the Day of Judgment when honesty is mislaid”*. This points to the end of time or Judgment Day, when individuals will be denounced and punished as a result of their dishonest conduct. Thus, Islam expects honest conduct, when managing others and serves to join thoughts of sincerity and honesty in activities, interactions and word of mouth. Likely, Islam forces honesty and precludes deceit. Al-Quran orders honesty.

“O you who believe! Keep from disobedience to God in reverence for Him and piety, and keep the company of the truthful (those who are also faithful to their covenant with God).”

(At-Tawbah, 9:119)

The human life and its resources are deemed to be a heavenly trust laid on men as per the teachings of Islam. In this way, every project director is responsible for their subordinates and different assets that he is entrusted to. Trust is especially basic for Muslim stakeholders in construction business as aftereffect of the need to make benefit and the temptations to redesign the attributes of their venture or administration during the construction period. The project director should regard all project assets as a radiant trust. As such, the managing partner should make the most beneficial and socially charming usage of the projects' assets. The project undertakings should not harm the general public or the indigenous environment. In all actuality, Islam specifies a man's job towards the indigenous environment by making him responsible for his environmental factors as Allah's vicegerent.

Ihsaan (Benevolence)

Ihsan implies capacity, fineness or altruism in overseeing people. Muhammad et al. (2008) describes *ihsaan* as “an exhibit which benefits persons other than those from whom the demonstration continues with no commitment”. The benevolence concept is iterated in the Quran and the Hadith. Allah says,

“Spend your wealth for the cause of God, and be not cast by your own hands to ruin; and do good. Lo! God loves those who behave with ihsan.” (2:195)

The Prophet (PBUH) is accounted for to have said that,

“The inmates of Paradise are three types: one who wields authority and is just and fair; one who is truthful and has been endowed with power to do good deeds; and the person who is merciful and kind-hearted towards his relatives and to every pious Muslim, and who does not stretch out his hand in spite of having a large family to support.” (Sahih Muslim).

If justice is not present in project construction it causes harms and disturbs harmony and amicability, but the nonappearance of consideration doesn't hurt anyone. It proposes an open-minded application other than justice (Hasan-uz-zaman, 2003). Besides justice, the connection between project managers and professionals (workers) should be based on altruism.

Ikhlas (Sincerity)

To be honest in word and act is understood to be what sincerity is. Moreover, sincerity can be portrayed as the attribute or condition of being real; trustworthiness of psyche or aim; and without bad faith, affectation or mask (Muhammad et al., 2008). In light of Islam, *ikhlas* as we see in Quran and Hadith. Allah says,

“So, woe to the worshippers, who are neglectful of their Prayers, those who (want but) to be seen (of men), But refuse (to supply) (even) unneighborly needs.” (107: 4- 7)

The Prophet (PBUH) said, regarding sincerity,

“Actions are but intention and every man shall have but which he intended. Thus, he whose migration was for Allah and His messenger, and he whose migration was to achieve some worldly benefit or take some woman in marriage, his migration was for that for which he migrated.”

Subsequently, the carrying off commitments necessitates that all construction project professionals work with commitment. Sincere dealings in construction undertakings can improve the professionals' productivity by bringing about higher efficiency. Besides, such moral framework further weakens control or abuse of others for singular reasons (Ahmad, 1995). In this way, a genuine expert isn't foreseen to cheat on assets, create misconduct and endeavor others purposely.

V. CONCLUSION

It is Ethics which dictates which human actions are good, ethical, moral or otherwise. Summarily it is Ethics that provides acumen showing humans the way to act morally in all given situations. Islam is the religion of peace; it provides complete guidance to Muslims in every aspect of life. The Quran lays down the broad teachings of Islamic ethics, so do the perceptions laid down by Prophet Muhammad (P.B.U.H). The purpose of this article is to focus on the Islamic way of doing business specifically in the construction projects industry. This study has revealed four key principles, (1) Justice and Equality, (2) Honesty and Trust, (3) *Ihsaan* (Benevolence), and (4) *Ikhlas* (sincerity) from the Islamic perspective as essential elements to be implemented in the construction project industry. The argument has been supported in light of the Quranic verses and hadiths. Study also highlights the impact of poor ethical practices like **fraud and bribery** on the project quality and deliverables. This study provides the future directions of empirical analysis to be conducted in the construction project industry from Islamic perspective.

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