

# Implementation of Code of Ethics among Quantity Surveying Firms in Nigeria

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## Abstract

With the challenging economy in a developing country like Nigeria, it is not uncommon to see construction professionals acting in manners that goes against the ethics of their profession during the course of carrying out their professional duties just to make ends meet. This study therefore assessed the implementation of code of ethics among quantity surveying firms in Nigeria. Using a survey design, 68 Quantity surveying firms were identified and sampled using a well-structured questionnaire. Data gathered were analyzed using percentage, frequency and mean item score. The study reveals that there is high level of awareness of the code of ethics among quantity surveyors in the study area but not all have fully implemented it in their day to day activities. This non-implementation is as a result of inadequate remuneration for services rendered, present economic condition within the country and pressure from project team members. The study also reveals that the most occurring unethical practice among Quantity surveyors is insincerity to clients and other professionals, and this and all other unethical practices such as bribery, colluding with contractors during the course of construction and revealing of official details such as tender figures can be curbed with the strict enforcement of the code of ethics. The study therefore recommend that the professional bodies should be more proactive in enforcing the professions code of ethics among its members and ensure strict penalty for defaulters. Also Quantity surveying profession's code of ethics should be taught extensively in higher institutions. Seminars and workshops to sensitize and remind Quantity surveyors of the benefits of implementing the code and its effect on the image of the profession should also be organized by its professional bodies.

**Keywords:** Code of ethics, Nigeria, Quantity surveying, Performance, Unethical

## 1. Introduction

In a developing country like Nigeria with a challenging economy, construction professionals tend to carry out some unethical practices just to make ends meet. According to Aje and Awodele (2006), the image of the construction industry lies on ethical conduct within the industry. More significantly Quantity Surveyors (QS) as construction cost managers are the cynosure of all eyes both within the construction industry and the country at large. Bearing in mind that construction professionals operate in a highly fragmented industry which includes different skills and professions, and where relationships and boundaries are not always clear (Murdoch and Hughes, 2008), QS are expected to display a high level of professional competence founded on genuine ethical conduct.

Murdoch and Hughes (2008), mentioned that the primary aim of every profession is to serve the public. This commitment means that true professional places the public good before mere financial reward. Acting in such a manner may on occasion conflict with an individual or client's interest. This concept is embodied in many of the profession's codes of conduct. Seeley (1997) assert that upholding professional ethics underpins the primary objectives of professional codes of practice. Providing a professional service may therefore be viewed as delivering technical skills competently and in a way society expects of professionals.

Unethical practices however have a lot of adverse effect on the industry, to the development of the economy and human resources. It tend to distort construction process, thereby hampering economic fortune. According to Kadembo (2008) it hinders the free play of market forces, discourage economic aid from the foreign donors and it makes almost impossible to attract international investors who tend to shun the corrupt environments to the detriment of the economy and communities of the respective countries.

Oyewobi *et al.* (2011) stated that the Nigerian construction industry is extremely susceptible to ethical erosion due to heterogeneous nature of the industry, which makes it imperative for construction professionals to exhibit high levels of professional ethics. There is a growing consensus within and outside the construction industry that corruption and other unethical practices are endemic in the construction industry (Ameh and Odusami, 2005). Unethical behavior is an impediment to economic development and sustainable growth in any given society. It is more than true to say it is the bane of development in developing nations of the world under which Nigeria is categorized (Ikuabe, 2015). Alo (2009) therefore posited that the construction industry cannot afford to ignore the importance of professional ethics among the practitioners, which in recent years has been under serious criticism. If the industry is to remain in existence, then a radical redemption of her image inevitable.

Poon (2003), opined that as the necessary responsibilities increases and the professionals produced by academics and professional establishment multiplies, there is the need to sustain the maintenance of public trust and confidence in quantity surveying profession of both the new entrants and old generation practitioners. This

research therefore assessed the implementation of code of ethics among quantity surveying firms in Nigeria with a view to providing better quality service delivery and increasing public confidence in the profession.

## 2. Literature Review

### 2.1 *Ethics in Construction Industry*

Construction industry's primary goal focuses mainly on achieving value for the money the client has paid for. This is achieved through good service delivered which centers on ethical standard displayed by the construction industry's professionals (Adeyinka, Jagboro and Ojo, 2003). Ethics is defined in the Oxford English Dictionary as the science of moral; moral principles or code. Robinson, Dixon, Preece and Moodley (2007) viewed ethics as a philosophical study of what is right or wrong in human conduct and what rules or principles should govern it. Mansfield (2008) considered ethics to be the explicit philosophical reflection on moral beliefs and practices. According to Longstaff (1999), a professional's ethical landscape is made up of choices, decisions and practical application of shared core values and principles. A key issue in this approach is the need for practitioners to reflect upon their own professional practice and where necessary, to consider their choices against the codes of practice that will have been developed within the particular profession. The fundamental principles of most professional bodies are likely to include: integrity, objectivity, competence and care, confidentiality and behaviour.

### 2.2 *Quantity Surveying Firms in Nigeria*

Quantity surveying firms are established by qualified QS who must have passed the Nigerian Institute of Quantity Surveying (NIQS) examinations and has been registered; under the Decree 31 of 1986 now Act 31, of 1986. Such persons must register with the Quantity Surveyors Registration Board of Nigeria (QSRBN) before they can offer their services as consultant to the public. The professional QS are required to comply with strict code of professional practice and before commissioning the quantity surveyor; prospective clients are advised to ascertain the competency experience and area in which they specialize (Esenwa, 2001). Quantity surveying firms should provide first class services to its client and co-professionals in the construction industry.

### 2.3 *Overview of the Nigerian Institute of Quantity Surveying Code of Ethics*

The practice of quantity surveying profession in Nigeria is regulated by decree no 31 of 1986, which set up the QSRBN. The members of the NIQS are governed by its constitution, bye laws and the code of professional conduct, in addition to the general laws of Nigeria. One of the fundamental characteristics of a professional body is the adoption and adherence to code of professional conduct. Thus the sustainability of the standards and public confidence in the profession depends on the establishment of high ethical values based on broad principles and mandatory rules of conduct for service provided (NIQS, 2000). The NIQS code of conduct represent the essential minimum frame work within which members provide their services, it reflect the ethics and culture of quantity surveying profession and the spirit of the laws governing the profession, also it identifies the key principles and values that should guide the day to day practice and emphasizes the core values that should be honoured. It requires of QS not only recognize their responsibility to their client but also their responsibility to the public and fellow professionals.

Principals and partners of practicing firms shall be held responsible jointly and severally for any contraventions of this code committed by any of their member of staff in the performance of their official duties provided always (it is established beyond reasonable doubt) the member staff did not commit tortuous act or misrepresent the good intention of the partnership or acts on his/her own selfish interest. The NIQS has put in place certain guidelines as regards the ethics of members and those who wish to practice quantity surveying in Nigeria. These guidelines include: Professional Obligation, which involves a QS carrying out his/her duty fully to the satisfaction of his/her Client but within the rules and regulation approved by NIQS and QSRBN; Professional Conducts, which involves QS maintaining the highest standard of discipline and professional conduct and avoiding actions inconsistent with his/her professional obligations or likely to be adjudged as inconsistent with the norms and good behaviours of a practicing QS; Remuneration, which must be in accordance with the current scale of fees of the NIQS approved by the Federal Government and published by the Federal Ministry of Works and Housing. This professional scale of fees must be adhered to strictly except in cases where a distinct and special contract (such as retainer-ship with corporate bodies) exists between the practitioner and a client; Firms/Companies registration; General Practice Rule; Advertisement and publicity; and Relationship with other professional Colleagues.

### 2.4 *Implementing Code of Ethics among Quantity Surveying Firms*

It is argued that ethics cannot be mandated by training programmes, corporations, or by institutions. Ethics, is said to be a personal and private issue based on the fact that decisions are made by individuals and the actions are carried by the same individuals. Jackson and Murphy (1998) conclude that it is individual that will make a

difference on the matter of ethical concern in the construction industry. Therefore, professionals are the ones who must uphold their professional ethics.

Othman (2009) submitted that most Quantity surveyors in South Africa are aware of quantity surveying code of ethics through practice. Carlidge (2011) argues that awareness of ethics can be raised further by implementing an ethics charter. He goes on to discuss the issue of exposing malpractice or corruption known as whistle blowing. Making a stand often involves situations in which the whistle blower is not personally affected by the danger or illegality, but does so, on the grounds of morality and conscience. He suggests that companies should consider adopting a whistle blowing policy which may reduce concerns over potential victimization of individuals who raise serious issues.

An organization's code of ethical conduct provides guidance and support to individuals for making decisions and carrying out their work in ways that are compatible with the organization's values. In order for a code of ethical conduct to be effective, it must be promoted and championed by the organization regulating the services of professionals. Managers and staff, at all levels, must be provided with the necessary training and support, and the code must be supported by appropriate disciplinary measure.

The full implementation of ethical codes can guide against unethical conducts such as collusion, bid shopping, bribery, conflict of interest, unfair and dishonest conduct, fraud, negligence, bid shopping and the likes. Bologna, Linquist and Wells (1996) described fraud as being deceit, trickery, sharp practice or a breach of confidence, by which it is sought to gain some unfair or dishonest advantage. The distinction is evident between an act that is illegal and that which may be interpreted as 'unfair conduct'. A typical example of this would include tampering/ altering documents for the contractual administration of a project. Bowen, Akintoye, Pearl and Edwards (2007) defines collusion as fraudulent secret understanding, especially between ostensible opponents. The primary problem with collusion is that it is contrary to the principles of free competition. It benefits only the parties to the collusive agreement at the expense of those not privy to the arrangement, including principals and other contractors. Bid shopping is the unethical practice in which a contractor discloses the bid price of one contractor or subcontractor to another, in order to obtain a lower bid price (Degn and Miller, 2003). Bid shopping can occur either before or after the prime contract is awarded. Bribe is an act of implying money or gift giving that alters the behaviour of the recipient. Bribery constitutes a crime and is defined as the act of giving, offering, receiving or soliciting for any item of value to influence the action of an official or other persons in charge of a public or legal duty (Vee and Skitmore, 2003).

### 3. Research Methodology

This study set out to assess the implementation of code of ethics among quantity surveying firms in Nigeria. The study employed a survey research design and the target populations were Quantity surveyors who are certified by the assessing body (NIQS) to practice quantity surveying profession in Quantity surveying firms. Data from NIQS Lagos State Chapter shows that there are 68 quantity surveying firms in Lagos State and this formed the total sample frame of this study.

Well-structured questionnaire was carefully designed into various sections with Section 'A' containing personal data of the respondents and section 'B, C, D and E' containing questions on the level of awareness, level of implementation, and Influence of the implementation of code of ethics on unethical practices of QS. A total of 68 questionnaires were administered to personnels of the identified Quantity surveying firms and a total of 49 were retrieved and found fit for analysis. Data gathered were analyzed using percentage, frequency and mean item score. The premise of decision for the ranking is that the factor with the highest MIS is ranked 1<sup>st</sup> and others in such subsequent descending order. Since a Likert of 5-point scale was employed for the collection of data, the formula for MIS is written as:

$$MIS = \frac{5n^5 + 4n^4 + 3n^3 + 2n^2 + 1n^1}{n^5 + n^4 + n^3 + n^2 + n^1}$$

Where n is the frequency of each of the rankings

### 4. Findings and Discussions

#### 4.1 Characteristics of the Respondents

Result on the respondents' background information showed that about 43% of the respondents have between 1 to 5 years working experience as a quantity surveyor, while about 57% have above 6 years working experience. About 80% of the respondents have been involved in more than 11 construction projects since they started practicing, while only about 20% have been involved in less than 10 construction projects. About half of the respondents (51%) are probationer members of NIQS while about 37% and 12% are corporate and associate members of the body. Base on the foregoing, it can be said that the respondents are adequately equipped to give the adequate information that will help in achieving the objectives of the study.

#### 4.2 Awareness of Code of Ethics

Result in Table 1 shows the level of awareness of quantity surveying's code of ethics among practicing Quantity surveyors. Result shows that level of awareness of the code of ethics is high as about 74% of the respondents claim to have high and very high knowledge of it. This high knowledge of the quantity surveying's code of ethics was gathered through practice by most practicing Quantity surveyors (57%).

Table 1. Awareness of Code of Ethics

|   | Classifications                | Frequency | Percentage (%) |
|---|--------------------------------|-----------|----------------|
| Level of Awareness of QS Code of Ethics | Average                        | 12        | 24.50          |
|   | High                           | 23        | 44.90          |
|   | Very High                      | 14        | 28.60          |
|   | Total                          | 49        | 100.00         |
| Mode of awareness                       | At Seminar                     | 7         | 14.30          |
|   | Through practice               | 28        | 57.10          |
|   | At school                      | 10        | 20.40          |
|   | Printed material or literature | 3         | 6.10           |
|   | From colleagues                | 1         | 2.00           |
|   | Total                          | 49        | 100.00         |

#### 4.3 Implementation of Code of Ethics

Result in Table 2 shows that most practicing QS believes the code of ethics is being implemented in their respective firms. They however, opined that inadequate remuneration for services offered and the economic situation can be a hiccup to the implementation of these codes. With the implementation of this code, all the identified responsibilities of a QS are bound to be achieved with a high performance rate, as seen in Table 3. Most especially delivering high standard professional obligation, responsibility and integrity.

Table 2. Implementation of Code of Ethics

|                                     | Classification | Frequency | Percent (%) |
|-------------------------------------|----------------|-----------|-------------|
| Is code of ethics being implemented | Yes            | 41        | 83.7        |
|                                     | No             | 8         | 16.3        |
|                                     | Total          | 49        | 100         |

Table 3. Factors responsible for the non-implementation and Performance of QS Firms if Implemented

| Factors responsible for non-implementation    | Mean | Rank |
|---|------|------|
| Inadequate Remuneration for Services          | 4.18 | 1    |
| Present Economic Condition                    | 4.10 | 2    |
| Pressure from Project Team Member             | 3.98 | 3    |
| Inadequate Educational Training               | 3.71 | 4    |
| Non-availability of job                       | 3.69 | 5    |
| <i>Performance of QS Firms if Implemented</i> |      |      |
| Professional obligation                       | 4.59 | 1    |
| Responsibility                                | 4.47 | 2    |
| Integrity                                     | 4.43 | 3    |
| Confidentiality                               | 4.37 | 4    |
| Competency                                    | 4.37 | 4    |
| Honesty                                       | 4.27 | 6    |

#### 4.4 Influence of code of ethics on unethical practices of Quantity surveyors

Result in Table 4 that insincerity to clients and other professionals is the most common occurring unethical practice among most QS with a mean score of 3.08. All other identified unethical practices fall below average mean item score of 2.5 which implies that they do not occur frequently. Also from the Table, it is evident that the strict implementation of the professional code of ethics among quantity surveying firms will curb all unethical practice, with huge effect on QS taking bribe and colluding with contractors during the course of a construction project revealing of official details such as tender figures and the likes.

Table 4. Influence of code of ethics on unethical practices

|  | Frequency of Occurrence |      | Influence of Ethics |      |
|--|-------------------------|------|---------------------|------|
|  | Mean                    | Rank | Mean                | Rank |
| Insincerity to Clients and Other Professionals | 3.08                    | 1    | 4.39                | 4    |
| Concealing of Professional Errors              | 2.27                    | 2    | 4.39                | 4    |
| Wrong information with Intent to Mislead       | 2.16                    | 3    | 4.29                | 9    |
| Incompetency                                   | 1.96                    | 4    | 4.45                | 3    |
| Bribe Taking and Colluding with Contractors    | 1.92                    | 5    | 4.63                | 1    |
| Failure to submit Essential Document Promptly  | 1.86                    | 6    | 4.31                | 8    |
| Inflating Quantities in BOQ                    | 1.86                    | 7    | 4.35                | 7    |
| Inflating Contract Sum                         | 1.82                    | 8    | 4.37                | 5    |
| Irregularity                                   | 1.82                    | 9    | 4.29                | 10   |
| Charging Client for Work not done              | 1.78                    | 10   | 4.35                | 6    |
| Revealing Official Secret                      | 1.69                    | 11   | 4.51                | 2    |
| Collision with Other Professionals             | 1.57                    | 12   | 4.37                | 5    |
| Involvement in Conflict of Interest            | 1.43                    | 13   | 4.24                | 11   |

#### 4.5 Discussion of Findings

##### 4.5.1 Awareness of Code of Ethics among QS firms

It is vital and also necessary that Quantity Surveying firms be aware of the profession's code of ethics for the image of the profession because they tend to discharge the responsibilities based on their personal interest. Results from the analysis illustrating the level of awareness of the code of ethics among quantity surveying firms in Lagos State shows that quantity surveyors are highly aware of the code especially through practice. This finding is similar to Othman (2009) findings in a similar study, which showed that most Quantity surveyors in South Africa are aware of quantity surveying code of ethics through practice. This implies that the situation is similar in most developing countries, and the more a professional practices, the more enlightened he gets in the area of the ethical codes and conduct expected of him as a professional.

##### 4.5.2 Implementation of Code of Ethics among Quantity Surveying Firms

Findings showed that not all the quantity surveying firms in the study location have fully implemented the code of ethics in their day to day practice. This finding further corroborates Othman (2009) findings that most Quantity Surveyors do not implement code of ethics. Inadequate remuneration for service rendered, the present economic situation and pressure from other project team members are found to be some of the main reason for the non-implementation of the code of ethics in most QS firms. This further corroborates Fan *et al.*, (2001) assertion that the harsh economic situation in the country presently coupled non-availability of jobs can motivate professionals to go against the code of conduct. The implementation of the code of ethics will however give room for QS to perform well in the discharge of their duty with high performance recorded in areas like; delivering high standard professional duties/obligation, professional responsibility and integrity.

##### 4.5.3 Influence of code of ethics on unethical practices of Quantity surveyors

Aje and Awodele (2006) opined that the implementing code of ethics will enhance high standard of services and allow the professionals to command respect from the general public. This implies that with the full implementation of code of ethics, there will be lesser occurrence of unethical practices, thus giving credibility to the profession. Findings of this research shows that strict adherence to the code of ethics can lead to the elimination of all identified unethical issues most especially the issue of bribery and colluding with contractors during the course of construction and revealing of official details such as tender figures and the likes.

## 5. Conclusion and Recommendation

This study set out to assess the implementation of code of ethics among quantity surveying firms in Nigeria. Using a survey design, practicing quantity surveyors in quantity surveying firms in Lagos state were sampled. The study has come to a logical conclusion that there is high level of awareness of code of ethics but not all the assessed quantity surveying firms have implemented it in their day to day activities. This non-implementation of code of ethics among some quantity surveying firms is as a result of some factors which include; inadequate remuneration for services rendered, present economic condition within the country and pressure from project team members. The implementation of the code of ethics will however lead to high performance in the discharge of Quantity surveyors professional duties/obligation, professional responsibility and integrity. The most occurring unethical practice among QS is insincerity to clients and other professionals. This and all other unethical practices such as bribery, colluding with contractors during the course of construction and revealing of official details such as tender figures and the likes can be curbed with strict enforcement of the profession's code of ethics.

The study therefore recommend that professional bodies that is both the NIQS and QSRBN should be more proactive in enforcing the professions code of ethics among its members and ensure strict penalty for

defaulters. Also Quantity Surveying profession's code of ethics should be properly taught in higher institution so that students would be fully aware of the code as these will form the basis for professional qualification for students who are willing to go into practice. Also seminars and workshops to sensitize and remind quantity surveyors of the benefits of implementing the code and its effect on the image of the profession should be organized by the professional bodies.

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