

Ethics and Ethos in Construction Consultancy



Avik Munshi¹, Devanshu Pandit²

¹Student, Faculty of Technology, CEPT University, Ahmedabad & Lead Marketer

²Associate Professor, Faculty of Technology, CEPT University, Ahmedabad

The profession of construction engineering might not be considered as sensitive as medicine responsible for saving lives. But it is definitely a critical one as the built environment is at large responsible for the safety of lives. Unlike medical, construction engineering does not have a formal set of guidelines for professional conduct, but we should definitely follow certain unwritten guidelines for ensuring quality output. Generally people refer to ethics but in case of a company, ethics is irrelevant at times as it is more of an individual perception. Though it does have significance in company decisions and code of conduct, there is something called ethos which also plays a significant role in defining the company conduct.

It is important to understand and define ethos for not only start-ups and entrepreneurs but also for companies. Ethos usually consists of a balanced mix of legal and morally acceptable values tailored to suit the interests of the company. But unlike ethics, ethos are dynamic in nature and must be constantly updated by the top management. For start-ups it is a challenging task to define ethos while for transforming companies it is even more challenging as the once defined ethos have evolved into dogmas. Conflict of ethics at work is very common and is one of the reasons why HR looks for cultural fit apart from talent while recruiting for key positions. For job seekers it becomes important to scrutinise company culture beforehand to avoid ethical conflict at work.

Most companies perceive corporate ethics as merely legal conduct. Ethic is not merely the legal or moral perspective similarly ethos should not merely focus on company interest. Consultants in the emerging markets benefit from monopoly in absence of appropriate costing models. Though such practices are legal and in the interest of the company, it cannot be considered appropriate. Honesty must be an integral part of ethos but at instances when blinded by revenue targets companies tend to overstep the line. Company decisions blinded by revenue targets fail to consider other factors and result in poor professional conduct. Such decisions can be unfavourable towards the society and environment. Company ethics should not only focus at staying out of the court and keeping a clear conscience but also on being responsible towards the society. Being responsible does not merely imply having a CSR (Corporate Social Responsibility) department to cover up the mess.

Today global warming is an elephant in the room and the cost of ignorance would be borne by future generations. Although the legal system has imposed fines for non-compliance with environmental laws and exploitation of the unprivileged, these fines fail to prevent damages as the payoffs are cheaper than the prevention

or correction costs. Ethos must not let self-interest overweigh social interest and consider social and environmental harm as immoral acts rather than equating with monetary damages.

"Good people do not need laws to tell them to act responsibly, while bad people will find a way around the laws" - Plato.

Going green is still a dilemma. Going paperless sounds good, but are you sure that using an iPad instead of notebook reduces your carbon footprint? Construction consultants have a low carbon footprint compared to contractors and can easily announce zero carbon policy. But does it matter when the same firm consults clients to decrease waste management costs by dumping it at random locations or to get clearance on an old fleet of machinery which consumes almost twice the fuel as the newer models.

"We won't have a society if we destroy the environment" - Margaret Mead.

Pre-feasibility study is done for anticipating not only costs and execution issues but also threats to the project on account of unprecedented events. If the pre-feasibility study warns of an accident which has a probability of one in hundred but a hundred on hundred potential to cause colossal damage to life and property, it is better to notify the client. Under such circumstances it would be ethical to take a No-Go decision. But ethos might suggest that the risk being undertaken by the client relieves your company from being held responsible. Probably project can be accepted under the best interest of the company for achieving revenue targets. For e.g.: A consultancy firm in Gujarat, IN was assigned the design package for construction of a weir. But during the feasibility study the company engineers discovered that in case of heavy floods, a bridge located upstream of the proposed weir could get washed away. Although the odds of such occurrence were very low, the firm notified the client and took a no-go decision. The company had to forfeit the deposit and loss of associated opportunity cost, but this cost was nothing compared to the cost that had to be borne by the society in case of such a disaster.

Taking up projects beyond competency is another ethical dilemma. Though this is not usually possible but flaws in tender evaluation system can lead to selection of incompetent firms. The dilemma persists, in order to grow companies need to take up more challenging projects. But that does not implicate that you try to purchase a Porsche 911 when you can barely afford an Audi A4. Enormous extensions cannot be accomplished overnight. Ethically unacceptable but ambitious ethos might suggest taking up the project and outsourcing the complicated parts to

experts. Sometimes way too ambitious projects fail due to lack of experience.

"It takes 20 years to build a reputation and five minutes to ruin it, if you think about that, you will do things differently" - Warren Buffet.

When local design standards don't resolve the issue or the resulting solution cannot be safe enough, ethics suggest referring to more advanced design standards. Although in case of failure, the law cannot convict the company if the design standards applicable as per the agreement had been followed. So company ethos might suggest complying with the local standards and saving the effort. For e.g.: Before the 2001 Bhuj earthquake in Gujarat, IN, the design codes did not properly address earthquake resistant design while many structural consultants ignored the fact that the region was an active earthquake zone. Subsequently the earthquake emanated colossal damage to life and property. Under such circumstances, the consultants should refer to relevant standards and formulate a safe solution.

Proof-checking, as the term itself suggests is approval subject to verification of performance. A consultant is supposed to cross-check the designs for performance without any prejudice and report for shortcomings. But under external influence or interference either as threat or payoff, ethics would suggest conveying the matter to the law enforcement while ethos might suggest dropping the project or curbing under the pressure. Clients or contractors sometimes pressurise consultants to economize the quantity of expensive structural materials such as steel but the consultants should never accord to such demands. For e.g.: Before the 2001 earthquake in Gujarat, IN, the structural consultants claimed to provide most economical aka limit state design with no consideration for the defects and blemishes during construction. Most of these designs could not sustain the earthquake leading to numerous building collapses which killed hundreds of innocents. This is a concern of neither ethics nor ethos, but morality! Delivering an economical design that endangers lives is an offence.

"You cannot escape the responsibility of tomorrow by evading today" - Abraham Lincoln.

Above scenarios are usually followed by the blame game. The design consultants can blame the contractors for improper construction or even the client and project management consultants for not exercising stringent control on execution or implementing correctional measures. Each party shall accept its own fault instead of resorting to denial of responsibility. Consultants should account their part of responsibility and make a considerations for errors not only on their part but also from other parties. Errors cannot be forecasted but pre-consideration and relevant preventive measures can definitely save the trouble.

"An ounce of prevention is worth a pound of cure" - Benjamin Franklin.

In India, the parallel economy accounts for about twenty-five percent of daily transactions. Everyone wants to save taxes but a lot of lives are dependent on your tax money. Paying taxes won't affect your lifestyle but not paying taxes definitely affects the lives of unprivileged. It should be a moral obligation rather than ethics. A good consulting lawyer can save you a lot of tax money but the amount can never equate to the satisfaction for doing your part towards the society. Parallel economy cannot be completely described without discussing corruption. Some people might argue

that payoffs are a faster way of getting things done but that does not make it legal.

"Power doesn't corrupt people, people corrupt power." - William Gaddis

A company should be responsible for the well-being of its employees. Being responsible is a part of ethics and the way in which company fulfils the responsibility is a part of ethos. It is a complex problem and needs to be addressed strategically. Gradually these ethos evolve and transform into dogmas and thumb rules so ethos need to be sustainable. Huge incentives can increase employee commitment and contribution towards the company, but it also escalates employee expectations for the future. It is good only as long as a company can afford to continue such incentives. Having substantial commitments towards employee well-being builds a certain attachment with the employees. Such attachments hold you back from taking decisions like much needed layoffs amidst financial crisis. Similarly, in case of relationship with suppliers and agencies if your managers are accepting favours or expensive gifts from suppliers, they might feel obligated to benefit them in return at the cost of company. If a supplier starts deteriorating the quality of material but your managers may not terminate the contract or take relevant action under the burden of these obligations. One must always stay cautious about employee and public relations to ensure that these relations do not turn into shackles that can hold you back when your company needs to make dire changes.

"Do not let your relations turn into obligations that enslave you"

As you can now apprehend, in most situations it is neither about moral acceptance nor lawful practice but about doing the right thing for not only the company but also the society. Sometimes an illegal step might save the day for your company but don't be too sure about the end. Secret dies with us is a popular approach among managers but it does not guarantee that you would be taking the secret to your grave. But when the secret gets out there are no cards left to curb the consequences. Though legal and moral conducts are taught at schools or imparted by religion and sometimes subject to personal milieu, companies should never fail to train their decision makers. Having a formal code of conduct and developing a strong company culture ensures that everyone aboard is aware.

Many companies might not be doing it out of negligence or incompetence but it is just an excuse for non-compliance. As professionals regardless of our industry, it is our moral obligation to strive to make this world a better place to live. Even if nobody around you is doing it right, you should start making it right.

"Be the difference you want to see in the world" - Mahatma Gandhi.

References

- Harvard Business Review on Corporate Ethics:
- Donald N. Sull, "Why good companies go bad and how great managers remake them"
- Joseph L. Badaracco, Jr., "We don't need another her".
- Laura L. Nash, "Ethics Without the Sermon"
- Saul W. Gellerman, "Why 'Good' Managers Make Bad Ethical Choices"
- Kenneth R. Andrews, "Ethics in Practice"
- Lynn Sharp Paine, "Managing for Organisational Integrity"
- Richard Reeves & John Knell, "The 80 Minute MBA"
- Wikipedia on Black Money and Parallel economy facts ♦