

# Construction Industry Faces Ethical Challenges, Exec Says

02/12/2008

By Robert Carlsen

Unless the construction work force changes behavior patterns, an industry executive warns, the field will have trouble filling its ranks in the years to come. Keynoting the first in a series of American Institute of Ethics programs Feb. 11 in San Francisco, Mark Breslin, CEO of the Northern California-based Engineering and Utility Contractors Association, decried the lack of ethics training in today's Generation X and Y, who will soon be taking over management positions of the retiring Baby Boomers.

Mark Breslin, CEO of the Northern California-based Engineering and Utility Contractors Association, provided a keynote address that centered on the lack of ethics training in today's Generation X and Y, who will soon be taking over management positions of the retiring Baby Boomers.

The construction industry faces a long list of challenges, Breslin says, related to behavior, including: bid shopping, no-payment issues, lying, "lawyering up," inflated claims, false claims, threats, and even employee embezzlement. "We were raised with following the Golden Rule, but can we teach it?" he asks. "Is it a learned response?"

He says most people learn ethics from institutions, such as religious/spiritual, business, political and sports.

But it is the absence of benchmarks that severely hampers ethical behavior. Some people grow up hearing parents say such common phrases as "it does not pay to be a Boy Scout" and "the ends justify the means." He asks if making money is more important than anything else.

"There is a foolish assumption that you can't be straight up and make money," he says. "Or that profits/success and ethics are in natural conflict."

Breslin refers to a recent joint survey by consultant FMI and the Construction Management Association of America. The questionnaire asks respondents how they would rank themselves on ethical behavior. Eighty-four percent say they have observed unethical behavior in the past year, while 34% say they have witnessed "many, many" instances of unethical behavior in the past year.

In the construction bid environment, Breslin says that it's still very common to win business by low-balling the bid and trying to make a profit on the project's back end. "The key to abolishing that issue is to focus on negotiating, using such delivery methods as design-build and integrated project delivery," he says.

Though Breslin says that Gens X and Y identify ethics as the primary driver of where they want to go to work (think of Google and its "Do No Evil" corporate code), the bottom line says something very different. He says the Gen X population (born in 1965-1981) numbers 46 million, while the Baby Boomers (1946-1964) number 80 million, which means there's a population gap of 34 million.

Who will lead the construction industry in the future? Though it will be a great opportunity for the Gen Xers, who will be taking over the leadership roles faster than any other generation, will the future face a culture of achievement at all costs? Breslin cites a study that says that 70% of high school students say they have cheated and that 85% of Gen X and Y people say making money is their highest ambition. "There is an emphasis today on accomplishment vs. character, of GPA vs. values," he says.

Breslin suggests that companies that want to improve their ethics start at the top with a clear vision articulated by the senior management. Policies should be aligned with that vision as well as rewards for accepting that vision. "We need to create ethics as a personal success measurement," he adds.

On the collegiate level, Breslin suggests training: set clear policies at the contractor and owner levels. "We should all be enforcing these traits – wisdom, fairness, justice, kindness, empathy and courage," he says.

More than 200 professionals attended the event at The Presidio in San Francisco. The American Institute of Ethics was formed in 2007. A 22-member board represented broad areas of endeavor, including politics, education, business and religion. Its mission is to foster discussion, dialogue and debate among people of diverse backgrounds to create a common understanding of the basis of ethical behavior.

Resource: <http://enr.construction.com/news/work/archives/080212.asp>

Technical Article: Ethics

