

Analysis of international construction companies in the context of corporate codes of ethics: Example of Turkey



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ARTICLE INFO

Article history:

Received 23 January 2018

Received in revised form

9 April 2018

Accepted 14 April 2018

Keywords:

Ethics

Codes of ethics

Corporate codes of ethics

Construction

Turkey

ABSTRACT

Determination of corporate codes of ethics is crucial for construction companies, but they usually fail to define their codes. This study aims to evaluate the relationship between the guidance degree of ethical codes and being an international construction company in Turkey as a developing country. For this purpose in the scope of the study Turkish construction companies in "the Top 250 International Contractors in 2016" list of ENR (Engineering News Record) were analyzed in terms of guidance degree of corporate codes of ethics. The existence of the companies' ethical codes has been explored and the codes were evaluated in terms of their guidance degree. The study showed that there was not a relationship between the guidance degree of codes of ethics and being an international construction company. It is also found out that ethical codes were prepared to protect the interests of the company rather than to direct the employees to ethical behavior. Results of this study are expected to constitute a basis for the development of new ethical codes and to help the improvement of the existing codes. In order to be successful in ethical practices, ethical statements should be defined clearly and the ethical codes should be developed to direct employees to ethical behavior.

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1. Introduction

The subject of ethical practices in business and use of ethical codes to encourage such practices are not new (Heermance, 1924; White and Montgomery, 1980). During the 1960s, a number of proposals concerning general or industry wide codes of conduct were discussed (Austin, 1961; White and Montgomery, 1980) and analyzed by different researchers. Managing ethics has come to be considered a management discipline, especially since the birth of business ethics and social responsibility movements in these years (Ho, 2011). Today the trend of adopting codes of ethics has been growing, especially among large firms operating at the multinational level (McDonald, 2009; O'Dwyer and Madden, 2006; Svensson et al., 2006; Garegnani et al., 2015).

The ethical challenge is an issue that must be met by organizations if they are concerned about survival and competitiveness (Ho, 2011). Therefore the existence of the corporate codes of ethics is an important factor for ensuring reliability

and increasing competitiveness for companies in all sectors. Any organization that wishes to survive and flourish must be in constant and dynamic interaction with the wider environment. An organization that constantly creates a negative ethical impact may encounter a diminishing market for its services and withdrawal of public approval. The potential for illegal and unethical behavior within the business to impact adversely the welfare of society is great (Bowen et al., 2007a).

The ethical framework relates to the ethical infrastructure, such as a code of ethical conduct that is implemented within organizations (Vee and Skitmore, 2003). Ethics is about right and wrong, good and bad actions, and ethics includes the philosophical reasons for morality stipulated by society. It goes beyond the area of the law and provides guidance for resolving moral dilemmas with a fair, correct and right solution (Farrell and Cobbin, 1996). Ethical behavior often originates from values such as honesty, integrity, and respect. These expectations should be stated in the mission, conduct, or values policy statements (McCraw et al., 2009) of the companies.

While the number of firms either with or without codes of ethics is important, the contents of such codes are also important as stated by Hite et al. (1988). In contrast to other types of reporting

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(i.e., financial, social and environmental), there are no normative rules, standards or generally accepted sets of key performance indicators useful for testing the quality of ethical activities (Garegnani et al., 2015). Previous studies indicate that most firms have ethical codes that are not well defined (Ho, 2010; Garegnani et al., 2015). There isn't any advanced approach for identification of corporate code content. Although previous studies provide some evidence of what should be included in a corporate code of ethics, it is seen that these statements have not been clearly understood by the organizations yet. Despite considerable efforts made by the professions to develop ethical codes for public projects, there is a general dissatisfaction with the codes and there are nearly constant pressures for their revision (Jamal and Bowie, 1995).

Lacznik and Murphy (1985) asserted that the codes of ethics should deal with issues which are specific and pertinent to the industry for which the code was written. They also suggest that codes of ethics need to be updated regularly to reflect changing environmental conditions. Besides, changing environment and perspective of the sector may require reviewing the existing codes regularly.

The unique structure of the construction work also requires the privatization of the ethical codes for construction sector from other sectors, but construction sector is one of the sectors where construction firms fail to identify their ethical codes. They have difficulties not only related to the definition of ethical principles but also ensuring adoption of the codes by the employees. Survey of Vee and Skitmore (2003) revealed that even though the majority of construction companies have their own ethical codes of conduct and the employees belong to professional associations that promoted good ethics, the curbing of unethical conduct is difficult. All participants, regardless of professional allegiance, require a common understanding of ethical and professional values.

According to Stevens (1994) rather than focusing so extensively on code content, perhaps researchers need to spend more time evaluating corporate codes as messages. Ethical codes should be a guideline for employees to benefit from fulfilling their duties. At this point, it is necessary to discuss the guidance degree of ethical codes on employees. This study aims to evaluate international construction companies' corporate codes of ethics in Turkey as a developing country. The study is based on the hypothesis that the international construction companies give more importance to the definition of ethical codes due to they have to work with different stakeholders in different countries. Therefore it is assumed that guidance degree of these companies' defined ethical codes is high.

Different from previous studies, the study attempts to evaluate guidance degree of ethical codes and investigates the relationship between existing of ethical codes and being an international construction company. Therefore, it is aimed to

eliminate deficiencies in the definition of ethical codes that ensure high degree of guidance to employees in the construction sector in Turkey.

2. Theoretical framework

Nowadays stating company values and reflecting them to ethical codes is a necessity for construction companies. The content of stated codes is also important for being successful in a competitive environment. Researchers conducted different researches related to corporate codes of ethics. A large majority of these researches were focused on content of the corporate codes of ethics (White and Montgomery, 1980; Hite et al., 1988; Robin et al., 1989; Schlegelmilch and Houston, 1989; Pelfrey and Peacock, 1991; Farrell and Cobbin, 1996; Farrell and Cobbin, 2000; Donker et al., 2008) while another part of these researches were focused on different methods to conduct content analysis (Robin et al., 1989; Gaumnitz and Lere, 2004).

White and Montgomery (1980) aimed to draw on a broad survey of corporate executives and a content analysis of thirty corporate codes of conduct. They analyzed the range and frequency of the subjects and assessed the relative comprehensiveness of the most common topics in the codes. A survey was sent to the chief financial officers of two thousand U.S. corporations in different sectors. A random sample of thirty (10 percent of those received) codes of conduct was drawn between seven hundred questionnaires for a content analysis. Thirty-nine codes of conduct were listed for content analysis. According to their research the existence of a context and purpose statement, comprehensiveness, depth and degree of detail, style and the existence of administrative procedures were main criteria for design and evaluation of the ethical codes.

Hite et al. (1988) determined the frequency and types of topics in the ethics policy statements of large U.S. corporations in the list of Fortune 500 firms. In order to determine the written ethics policies of Fortune 500 firms, they mailed a letter to each firm. The letter asked each firm to send a copy of their firm's ethics policy. Only 67 firms returned back and content analysis was done over 42 codes. They found out that misuse of funds/improper accounting, conflicts of interest, political contributions, and confidential information are the most used topics in the codes.

Kaptein (2004) made an inventory of the codes of the two hundred largest companies in the world and analyzed the content of the collected codes. He examined to what extent the content of the codes could be related to the type and origin of codes. His study revealed that the target group the company had in mind (external and/or internal stakeholders) was an important determining factor in the code content. He also asserted that the diversity in the content of corporate codes (also within countries) was not necessarily a negative sign. He interpreted this as an indication of the authenticity of the codes.

Gaumnitz and Lere (2004) identified different dimensions to describe codes of ethics and measurements to indicate differences in codes across these dimensions. The dimensions were summarized as length, focus, level of detail, shape, thematic content, and tone. They described a classification scheme to use in studying codes of ethics. McCraw et al. (2009) used research of Gaumnitz and Lere (2004) partially. They examined business schools for ethical policy statement content. Their analysis was accomplished by classifying ethical expressions into a framework consisting of the attributes of thematic content and focus/themes.

Farrell and Cobbin (1996) compared the code contents of Australia with previous studies in USA (Pelfrey and Peacock, 1991; Robin et al., 1989) and UK (Schlegelmilch and Houston, 1989). They revealed differences among all three countries' ethical codes.

Although several studies examining various aspects of codes of ethics have been conducted, the number of the ethical studies is rather limited in the construction industry in developing countries. Some researchers such as Vee and Skitmore (2003), Ho (2010), Ho (2011), Mason (2009), Oladinrin and Ho (2016), Bowen et al. (2007b) conducted detailed analysis for the construction sector.

Mukumbwa and Muya (2013) concluded in their research that unethical practices were prevalent in all phases of construction projects in Zambia. Principal areas of ethical misconduct at project conception, design, tendering, execution, supervision, and handover were identified in the paper.

Bowen et al. (2007b) focused on determination of the degree to which South African construction professionals practice ethical behavior. For this purpose, they conducted a survey between South African architects, quantity surveyors, engineers and contractors regarding ethical behavior within the construction industry. Their survey showed that there were significant areas of concern regarding ethical standards in the South African construction industry.

Vee and Skitmore (2003) conducted a small questionnaire survey of 31 project managers, architects and building contractors in an Australian conurbation, concerning their views and experiences on a range of ethical issues surrounding construction industry activities. They posited that ethical issues had to be addressed by proper implementation and policing of ethical guidelines.

Mason (2009) argued that a single industry-wide code could have a contribution for improving the ethical standards of conduct within the industry. He used The Society of Construction Law's Statement of Ethical Principles in the UK as a model. They concluded that ethical improvement could ultimately only be delivered by reducing the numbers of situations where industry participants considered it necessary to seek an advantage at someone else's expense.

Ho (2010) revealed what was known about the content and form of corporate ethics codes in the construction sector. He also revealed that whether such codes were an effective instrument for influencing behavior in the organizational context. He examined studies on the use and effectiveness of corporate ethics codes between 1977 and 2008. His study showed that in the case of the Hong Kong construction industry when codes were written by management and presented as a mandate to employees, they were ineffective unless certain conditions exist. In another study of Ho (2011), he drew attention to the limited number of empirical researches related to associations between individuals, organizational, moral intensity variables, and employees' ethical behavior in the construction industry. He examined critically the ethical decision-making literature from the 1980s to 2008.

Oladinrin and Ho (2016) aimed to identify and classify the factors that enable embeddedness of ethical codes in the web of construction organization process. Based on the mean score, they found out that "protecting anyone who exposes alleged wrongdoing", "managers acting as role models and giving code standards with the explanation to new employees" were the highest ranked three factors. From the results of factor analysis, six factors were extracted, including; the process of code internalization, identification and remover of barriers, the process of enacting value, the process of accountability, the process of coding, and the process of monitoring.

Literature review shows that ensuring ethical behavior is an important problem for construction companies and it is directly related to the content of the ethical codes. Although the influence of ethical codes on employees working in the construction sector has been examined in previous studies, it is seen that the guidance degree of the codes is not analyzed. Garegnani et al. (2015) conducted a research between 328 companies listed on Italian MTA (Mercato Telematico Azionario) Stock Exchange and in contrast to this idea they assert in their study that the degree of internationalization negatively affects the quality of codes of ethics. They explain this result as differences in the cultures found within international corporations, but they highlighted that the results might change if the firms included in the sector were classified differently. For this reason, this study focuses on international Turkish construction companies codes of ethics in terms of guidance degree of the codes.

3. Methodology

This study aims to evaluate guidance degree of international Turkish construction companies' corporate codes of ethics. Turkish construction companies in "the Top 250 International Contractors in 2016" list of the ENR are selected for the evaluation. The study has three phases of clustering, analysis, and evaluation (Fig. 1).

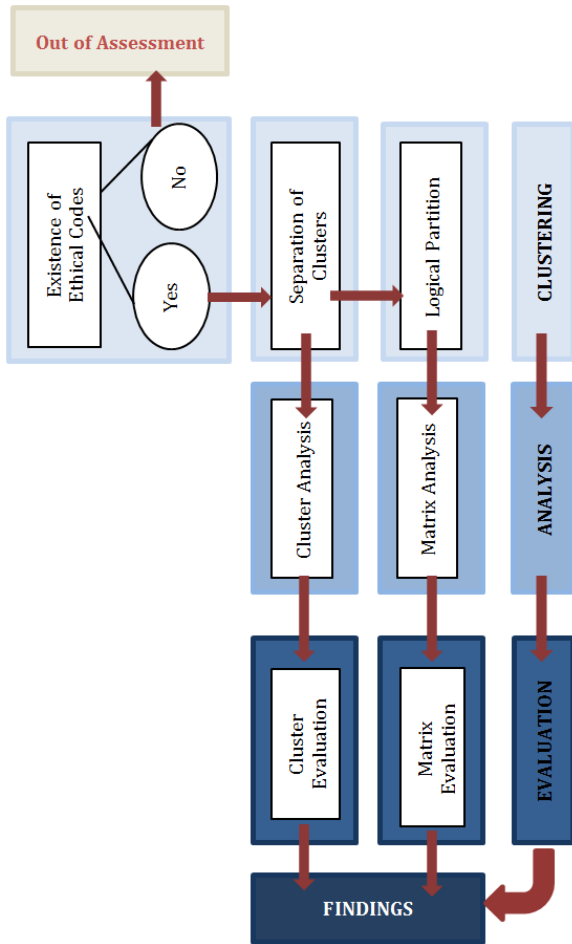


Fig. 1: Research framework

The first phase of the study consists of clustering the ethical codes. In this phase existence of the companies' ethical codes in their websites has been explored. Firms that do not have ethical codes on their websites have been left out of the evaluation and defined as out of assessment firms. After clustering phase, cluster analysis and matrix analysis have been done in the analysis phase of the study. Clustering and analysis methods defined by Robin et al. (1989) were used in those two phases. The last phase was defined as evaluation phase and in this phase for each cluster frequency of the codes used by each firm was evaluated by cluster evaluation, and also matrix evaluation had been done for top 4 firms which were selected as the most successful firms in the definition of ethical codes.

There are two main difficulties during clustering ethical codes and comparing codes of different firms. The first difficulty is related to make a common classification for comparing the different companies' ethical codes. Making a common classification is difficult while the definition of ethical codes. Because mission and vision statements of the firms are different from each other. Besides firms have different perceptions about ethical values. According to literature review, there are different approaches in the content analysis of ethical codes. One part of the researchers used statements defined in previous researches and they evaluated the frequency of these statements. Another part of the

researchers suggested new methods for analyzing the content of ethical codes instead of using previous statements. A different clustering method proposed by Robin et al. (1989) was used in the scope of this study.

Robin et al. (1989) conducted their research based on firms in the list of Business Week 1000. They demanded construction companies to send their codes of ethics. A total of 84 companies had returned. They organized the codes according to categories. The codes were divided into 30 categories. These 30 categories were divided into 3 different clusters soon.

The first cluster was labeled as "Be a dependable organizational citizen". The categories included in this cluster aimed to direct the employee to be a nice dependable person. The second cluster was entitled "Don't do anything unlawful or improper that will harm the organization". The legalistic character of the items in this cluster made it a set of rules designed to protect the organization, rather than a set of values to guide behavior. The final cluster was entitled "Be good to our customers". Items in this cluster dealt with ways in which the behavior of employees could satisfy customers. Items that may not be clustered were grouped as unclustered items.

In the second part of their study, they used a logical partition to evaluate ethical codes' guidance degree (Fig. 2). They formed a matrix for evaluation. The horizontal categories identified the degree of specificity in the code items, while the vertical categories classified the code items according to the type of guidance as rule-based or value-based (Robin et al. 1989). No items were placed in cell-1 and in cell-4. Because none of the rule-based statements were found weak enough to be placed in cell-1 by the authors. Guidance degree of the cells could be summarized as:

- Cell 1: Low guidance and rule-based
- Cell 2: High guidance and rule-based
- Cell 3: Low guidance and value-based
- Cell 4: High guidance and value-based

Farrell and Cobbin (1996) used the same matrix classification. They conducted a survey between 85 companies, and summarized items adhering to the definition of Robin's (Table 1). In the second phase of the study, same summarized items and item numbers defined by Farrell and Cobbin (1996) are used. Two additional items in their study item P2 (gifts are allowed subject to conditions) and item P3 (gifts are prohibited) are added to cluster-3. "Participate in community services" is added to unclustered items as R1 by the author. Also, item N81 (participate in political activities) changed as "do not participate in political activities".

The second difficulty faced with is the evaluation of ethical statement. Evaluation of what is or what is not an ethical statement requires a rigorous assessment. Within the scope of the study, each statement corresponds to one item. As stated by Gaumnitz and Lere (2004) main difficulties

encountered when identifying a statement relating to sentences that contain multiple ideas and sentences that do not or may not include an obligation or requirement.

Some code sentences contain more than one ethical obligation. Some code sentences do not include an ethical obligation or contain an obligation that really imposes no additional obligation. Therefore in the evaluation process, a sentence containing multiple ideas and more than one obligation was divided into the number of obligations and each obligation was defined under the appropriate cluster.

For example in the following sentences ensuring a honest and fair approach to employees was labelled as item N54 (show courtesy, respect, honesty and fairness in dealing with customers, suppliers, competitors and other employees), not allowing discrimination was labelled as item N79 (discrimination is not allowed) and ensuring safe and healthy work environment was labelled as item N55 (comply with safety and health regulations).

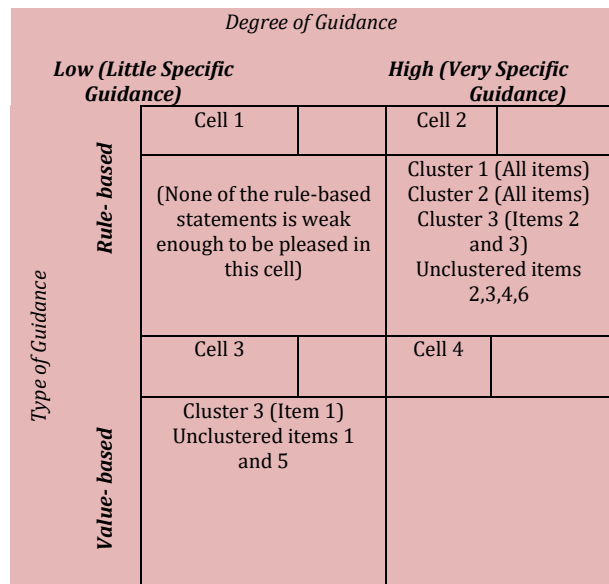


Fig. 2: A Partition of code items (Robin et al. 1989)

Table 1: Content of the clusters (Farrell and Cobbin, 1996)

Cluster 1: "Be a dependable organizational citizen"	
Item Number	Item
N54	Show courtesy, respect, honesty, and fairness in dealing with customers, suppliers, competitors and other employees
N55	Comply with safety and health regulations
N56	No abusive language or actions
N57	Wear business-like clothing
N58	No firearms
N59	No illegal drugs or alcohol
N60	Obey supervisors
N61	Be punctual
N62	Manage personal finances consistent with employment
Cluster 2: "Don't do anything unlawful or improper that will harm the organization"	
Item Number	Item
N63	Safeguard confidentiality of records and information of customers, employees and the firm
N64	Avoid conflicts of interest
N65	Make decisions without regard for personal gain
N66	Bribes are prohibited
N67	Unauthorized payments to any person, firm, political party or public official is prohibited
N68	In business and personal affairs, comply with all laws, regulations and policies
N69	Comply with anti-competitive (Trade Practices Act) laws
N70	Follow accounting rules (generally accepted accounting principles)
N71	Do not provide false information (to the firm, its auditors, government regulators, the public)
N72	Resources of the firm are not to be used for personal or other improper purpose
N73	Employees are personally accountable for funds of the firm under their control
N74	Employees are not to have an undisclosed interest in a competitor or supplier of the firm
Cluster 3: "Be good to our customers"	
Item Number	Item
N75	Provide quality products and services
N76	Perform to ability in the best interests of the enterprise, its shareholders and customers
N77	Claims on products to be truthful
P2	Gifts are allowed subject to conditions (added by Farrell and Cobbin (2000))
P3	Gifts are prohibited (added by Farrell and Cobbin (2000))
Unclustered Items	
Item Number	Item
N78	Have personal and professional integrity
N79	Discrimination is not allowed
N80	Report unlawful and unethical behavior
N81	Participate in political activities
N82	Protect the environment and avoid waste
N83	Do not recommend to customers any lawyer, accountant, or another professional person
R1	Participate in community services (added by author)

"Firm X provides an honest and fair approach to their employees, does not allow discrimination, ensures safe and healthy work environment."

In other situations, there may be more than one statement each is related to one obligation in a

paragraph. Each sentence containing obligation was independently labeled with appropriate item in the study. For example, in the following paragraph, each sentence was labeled as item N63 (safeguard confidentiality of records and

information of customers, employees and the firm) separately. Because the first sentence emphasized the prohibition of disclosing the confidential information of the company and the second sentence stated that it was prohibited to apply pressure to other employees to share confidential information. Thus the number of statements labeled as item N63 is two for this paragraph.

“Charges/salaries, additional income and similar person-specific personnel information reflecting the company's policy are confidential and cannot be disclosed to anyone other than the authorized persons. It is forbidden for the staff to disclose them to others or to pressure other employees to disclose this information.”

4. Findings

According to the ENR list, there are 40 Turkish construction companies among the first 250 construction companies in the world. As a result of the researches conducted on the websites of the companies, it has been determined that besides the definition of the ethical codes of some companies, another part of the companies have different definitions with the headings of "our quality policy", "corporate values" "mission and vision" (Table 2). It has been foreseen that firms only which define ethical obligations with the headings of "ethical rules" and "business conduct rules" have their codes of ethics. It is observed that totally 13 firms (32.5 percent of the firms) emphasize in their websites that they have codes of ethics.

Table 2: Names in websites

	Frequency	Percent
Codes of Ethics	12	30,0
Code of Conduct	1	2,5
Our Quality Policy	7	17,5
Mission/vision	6	15,0
Corporate Values	5	12,5
Principles	2	5,0
None	7	17,5
Total	40	100,0

Although three of the thirteen companies have mentioned about the existence of their ethical codes in their websites, any other information could not be reached related to their documents. Therefore the research was conducted on other 10 companies. When examined according to the level

of detail, it was found out that four of the codes were extremely detailed, 2 of them were detailed and 4 of them were not detailed. When examined according to the existence of ethics committee, it was observed that only four of the companies had an ethics committee. These committees are liable for regulating and enforcing the corporate codes of ethics. Only 3 of the extremely detailed codes and 1 of the detailed codes had been prepared by the ethics committee (Table 3).

Table 3: Level of detail and the existence of ethical committee

Firm	Level of Detail	Existence of ethical committee (Yes/No)
A1	Extremely Detailed	Y
A2	Extremely Detailed	N
A3	Not Detailed	N
A4	Extremely Detailed	Y
A5	Detailed	N
A6	Detailed	Y
A7	Not Detailed	N
A8	Extremely Detailed	Y
A9	Not Detailed	N
A10	Not Detailed	N

4.1. Evaluation of clusters

In this phase all clusters, including unclustered items, have been evaluated. According to Robin et al. (1989) items in the cluster- 1 may or may not describe outcomes for the organization, but they have very little to do with ethical conduct. Also, they assert that these rules are very specific, providing only limited direction for employees. It is possible to consider these rules as the basic rules for an organization. Two items of cluster-1 were included in nearly all firms` codes. Item N54 (show courtesy, respect, honesty and fairness in dealing with customers, suppliers, competitors and other employees) was included in all codes, while N55 (comply with safety and health regulations) was included in 8 codes. On the other hand, N59 and N61 were used in 3, N56 was used in 2 codes. N58, N60, and N62 were unspecified codes (Table 4). These four items may not have been taken into consideration by the construction companies because of the inherent nature of the construction industry.

Table 4: Evaluation of cluster-1

Item Number	Item	Codes
N54	Show courtesy, respect, honesty and fairness in dealing with customers, suppliers, competitors, and other employees	10
N55	Comply with safety and health regulations	8
N59	No illegal drugs or alcohol	3
N61	Be punctual	3
N56	No abusive language or actions	2
N57	Wear business-like clothing	0
N58	No firearms	0
N60	Obey supervisors	0
N62	Manage personal finances consistent with employment	0

The items in cluster-2 aim to protect the rights of the firms. Therefore guiding to employees has

secondary importance in this cluster. N68 (In business and personal affairs, comply with all laws,

regulations, and policies) and N64 (avoid conflicts of interest) were most popular items nearly used by all companies. It is quite clear that these most popular two items are directly related to companies' interest. N63 was used in eight codes; N66, N69, N72 were used in six codes, and N65, N70, N71 were used in five codes. The least used

items were N67 (unauthorized payments to any person, firm, political party or public official are prohibited), N73 (employees are personally accountable for funds of the firm under their control) and N74 (employees are not to have an undisclosed interest in a competitor or supplier of the firm) (Table 5).

Table 5: Evaluation of cluster-2

Item Number	Item	
N68	In business and personal affairs, comply with all laws, regulations and policies	10
N64	Avoid conflicts of interest	9
N63	Safeguard confidentiality of records and information of customers, employees and the firm	8
N66	Bribes are prohibited	6
N69	Comply with anti-competitive laws	6
N72	Resources of the firm are not to be used for personal or other improper purpose	6
N65	Make decisions without regard for personal gain	5
N70	Follow accounting rules (generally accepted accounting principles)	5
N71	Do not provide false information (to the firm, its auditors, government regulators, the public)	5
N67	Unauthorized payments to any person, firm, political party or public official is prohibited	3
N73	Employees are personally accountable for funds of the firm under their control	3
N74	Employees are not to have an undisclosed interest in a competitor or supplier of the firm	3

Cluster-3 has obligations concerned with customer relations. The most significant item was N75 (provide quality products and services) used by seven firms. N76 was used by six firms. N77

(claims on products to be truthful) was the least used item in this cluster (Table 6). It was seen that giving or taking gifts were seem more important than claims by the companies.

Table 6: Evaluation of cluster-3

Item Number	Item	Codes
N75	Provide quality products and services	7
N76	Perform to ability in the best interests of the enterprise, its shareholders and customers	6
P2	Gifts are allowed subject to conditions (added by Farrell and Cobbin (2000))	5
P3	Gifts are prohibited (added by Farrell and Cobbin (2000))	3
N77	Claims on products to be truthful	2

In unclustered items most frequently used item was N79 (discrimination is not allowed). Other items N78, N82, R1, N80, and N81 were used at least by half of the firms. N83 (Do not recommend

to customers any lawyer, accountant, or another professional person) was not used by any firm (Table 7).

Table 7: Evaluation of unclustered items

Item Number	Item	
N79	Discrimination is not allowed	10
N78	Have personal and professional integrity	7
N82	Protect the environment and avoid waste	7
R1	Participate in community services (added by author)	7
N80	Report unlawful and unethical behavior	6
N81	Do not participate in political activities	5
N83	Do not recommend to customers any lawyer, accountant, or another professional person	0

4.2. Evaluation of matrix

Totally only 4 construction companies' ethical codes were evaluated by using Robin's matrix. Other ethical codes (belong to Firm A3, Firm A5, Firm A6, Firm A7, Firm A9, Firm A10) distribution

of items were found insufficient to make a significant evaluation (Table 8).

Cell 2 has the highest specific guidance and this cell consists of cluster-1 (all items), cluster- 2 (all items) cluster- 3 (items N76 and N77) and unclustered items N79, N80, N81, N83 and R1 (Fig. 3).

Table 8: Distribution of the items

Firm	Distribution of the Items			
	Cluster-1	Cluster-2	Cluster-3	Unclustered
A1	21	49	16	20
A2	7	61	12	13
A3	3	4	2	2
A4	16	71	8	31
A5	5	14	3	8
A6	2	9	2	5
A7	1	6	2	4
A8	12	41	15	17
A9	7	5	3	3
A10	3	5	2	3

When examined according to the degree of guidance it was observed that the company with

the highest degree of guidance was Firm A4 with 106 statements. The other companies were Firm

A1 with 86 statements, Firm A2 with 81 statement and Firm A8 with 63 statements respectively. In this phase also in which cluster that the firms had obligations most was analysed. It was found out that all of the firms had obligations in cluster-2 most. Firm A4 had 71 statements, Firm A1 had 49 statements, and Firm A2 had 61 statements and Firm A8 41 statements in this cluster. Cluster-2 items impose the employees not to do anything unlawful and aim to protect company primarily. As stated by [Farrell and Cobbin \(1996\)](#) the items in this cluster reflect a prescriptive approach to setting rules of behavior. They are not the outcomes of an ethical process and do not provide an ethical content to the codes in which they appear. While all of the 4 firms ensure guidance to their employees strongly because of being rule-based, the characteristics of the statements are restrictive with company's interest. Ensuring employees' motivation for ethical behavior is not possible by using this approach.

Other companies' percentages are less than %10. These percentages show that companies have been ignoring value based obligations in their implementations.

When these firms were analyzed according to the existence of ethical committee, it was seen that 3 of the firms had an ethical committee (Firm A1, Firm A4 and Firm A8). Although Firm A2 has not a defined ethical committee, in its code it was mentioned that if there was any problem in the application of the codes employees should consult to the law department of the company. This statement showed that the law department of the company was responsible from the application of the ethical codes.

5. Conclusion

This study focused on the guidance degree of international construction companies' codes of ethics. The main reason why the focus of the study is international construction companies is to reveal whether or not these companies attach importance to definition of ethical codes.

Results of the study showed that in contrast to the research hypothesis there was not a connection between being an international company with having successfully defined codes of ethics. The low number of firms with corporate codes of ethics is the indicator of this result. The companies have set rules to protect their interests rather than rules that will guide employees. Results can be interpreted as the fact that firms want to protect themselves because they work in a foreign country. Although these companies have achieved great success by entering the list of the ENR, it is difficult to say that they demonstrate the same success in the definition of their ethical codes.

The results also showed that what the concept of "ethics" actually means was not clearly known. Most of the companies assumed that they defined their ethical values under the heading of "our corporate values". But statements under this kind of headings are insufficient to reflect company's approach to ethical issues. Evaluation of "good manner" and "bad manner" changes according to viewpoints of the firms. The construction sector is one of the most important sectors in which this dilemma is experienced.

The analyzed ethical codes are not value-based documents. They are more oriented to rule-based behaviors. The low number of the statements in the cluster-2 is the indicator of this result. Statements in cluster -2 are mostly prepared to protect the interests of the company, and interests of the employees are ignored. In this case it is not possible to say analyzed codes ensure guidance to employees' ethical behavior. The ethical codes have become a unilateral document for employees, and they could not be adapted to their work life. On the other hand, ensuring the personal integrity and giving importance to environmental values constitute the values that companies should need to re-eye. Personal integrity implies that the employee integrates himself with the firm. An

		<i>Degree of Guidance</i>	
		<i>Low (Little Specific Guidance)</i>	<i>High (Very Specific Guidance)</i>
<i>Type of Guidance</i>	<i>Rule-based</i>	Cell 1	Cell 2
		(None of the rule-based statements is weak enough to be pleased in this cell)	Cluster 1 (All items) Cluster 2 (All items) Cluster 3 (Items 2 and 3) Unclustered items N79, N80,N81,N83, R1
<i>Value-based</i>		Cell 3	Cell 4
		Cluster 3 (Item 1) Unclustered items 1 and 5	Firm Number of statements
		Firm	Number of statements
		Firm A8 Firm A4 Firm A1 Firm A2	106 86 81 63
		Firm	Number of statements
		Firm A8 Firm A4 Firm A1 Firm A2	18 (%22) 9 (%8) 6 (%7) 4(%5)

Fig. 3: Evaluation of matrix

Cell-3 ensures value based but low guidance to employees. Item N75 (provide quality products and services) of the cluster- 3 and unclustered items N78 (Have personal and professional integrity) and N82 (Protect the environment and avoid waste) were items defined in this cell. When compared with cell-2 it was seen that number of the statements in the codes, has been quite inadequate. On the other hand, while Firm A8 was the fourth company according to the specificity of guidance, it was found out that the highest number of the value-based statements belonged to this firm with 18 statements. Firm A8 has 81 statements in its codes, and %22 of the statements is value based.

employee with this integrity will act directly accordingly to the values and interests of the company.

Due to the construction sector constitutes a large part of the countries' economy, it is important to determine the ethical values in a common denominator. Although the determination of how codes of ethics are produced by the companies is not research problem of this study, results show that companies, that have extremely detailed codes, have an ethics committee. In fact, the definition of codes of ethics is a whole with company's mission and vision statements, and it needs to be assessed with a different and professional look. Therefore statements of the codes should be defined appropriately to mission and vision statements of the company by an ethics committee. This is the only way to reflect the company's basic priorities to its employees. But on the other hand companies' priorities should not be only constituted of their own benefits. Their priorities also should contain issues related to employees and environment. Improvement of a classification schema of ethical codes would help to evaluate and develop ethical codes.

The study was limited only with Turkish construction companies listed in "The Top 250 International Contractors in 2016" list of ENR. To expose the problems in the definition of ethical codes in a much wider perspective, the number of the international construction companies could be increased in future researches.

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