

Constructing Building Integrity: Raising Standards Through Professionalism

Industry Factsheet: Construction Managers – Top 10 Tips on Professional Integrity

October 2024

Compiled by

Professor Kerry London

Associate Professor Zelinna Pablo

Dr. Barbara Bok

Torrens University Australia



Overview

There is a long history of government-led investigations on the performance of the construction industry both in Australia and internationally. A key problem is unprofessional behaviour, often leading to poor quality residential high-rise dwellings with life-threatening defects. Typically, investigations have pointed to culture as the root cause and yet regulatory reform ensues. Decades since the first investigations in Australia, behavioural problems persist, leading to defective dwellings and compromised public trust. While regulatory reform is clearly an important element to solving behavioural and cultural problems, the lack of change shows regulation alone is not enough.

We need multi-pronged strategies that mobilise different elements of a ‘professional integrity system’. For Construction Managers, key elements of this system are already in place. The pathway to professional status is already partially regulated. There are statutory registration requirements, professional-specific acts/regulations, statutory codes of conduct and industry regulators. Professional Associations have Codes of Conduct/Ethics and various requirements for standards of professional behaviour. How effective are these elements on their own, and what strategies can better leverage them together?

This fact sheet identifies key influencing factors and ethical tensions that impact professional behaviour for construction managers that the profession in Australia faces. It also outlines ten enablers for construction managers and leaders of the companies that employ them to help raise professional standards and enhance public trust. We conducted a desktop review and collected data through semi-structured interviews with construction managers and focus groups with regulators and peak bodies in the construction industry. We completed analysis on the data, then built detailed conceptual maps such as influence diagrams, integrity systems and Bayesian networks to understand what drives and hinders professional behaviour. The fact sheet should be read in parallel with the industry report – [Constructing Building Integrity: Raising Standards Through Professionalism](#) – which describes the full scope of this work, methods used and recommendations.

Ethical Tensions

Table 1 outlines a range of ethical tensions that affect Construction Managers:

ETHICAL TENSIONS	
Aggressive Competition	‘The race to the bottom.’ The professional’s quality is compromised when pressured to be price-competitive.
Collaboration	Professionals’ roles and responsibilities are siloed, which can lead to professionals struggling to work together to deliver a quality outcome.
Professional vs Client	The professional’s obligations to the client conflict with—and become secondary to—the professional’s integrity and values.
Client vs Public	‘The client comes first!’ The professional’s obligations to the public good conflict with—and are made secondary to—the client’s interests.
Exploitation	‘The vulnerable professional.’ Those with less power in the supply chain are exploited.
Work Overload	‘The overworked professional.’ The professional is overloaded with too many tasks to deliver professional quality services.
Problematic Culture	‘Toxic industry culture.’ The prevailing industry culture is collusive, litigious, adversarial or aggressive.

Key Findings

When questioned about raising professionalism, leaders in construction said they often turned to tools like codes of ethics, standards and regulation. However, construction managers, often see codes of ethics as ‘just wallpaper’. Standards alone ‘are not going to solve problem’ and regulations, unless coupled with industry leadership, are often seen as ‘too little too late’.

‘I don’t think standards are going to solve the problem. I think it’s leadership from all parts of the industry, and it’s leadership from our clients. The people who own and operate buildings, it’s leadership from government, health infrastructure, infrastructure in New South Wales, all those government entities should be demanding in their tenders now’.

– Construction Manager

Our study found that the professional behaviour falters as construction managers grapple with “price” and “non-price” objectives that are **widely perceived to create tensions**. Tensions (Table 1) hinder individual and collective capacity to exercise sound judgements.

Our study also shows clear evidence of the following:

1) Quality, profit, integrity: Our evidence shows that quality, profit and integrity can align. While managers struggle to reconcile “price” and “non-price” goals, these goals do not have to be mutually exclusive. Physical prototypes that drive integration of standards, improve quality and support long-term financial sustainability have been found to be powerful tools for achieving alignment.

2) Supply chain leadership: Construction managers are central to the supply chain and can strengthen professionalism. Surprisingly, our data also indicated that Tier 2 contractors and specialist subcontractors, can effectively influence professionalism.

3) Client leadership: The leadership of private and public sector housing clients are critical. Client leaders can intentionally create project environments that shift entire supply chains towards more professional and ethical behaviour, well before tendering even begins.

4) Closing the loop: The long trail of construction investigations over the last few decades can still have impact. We need nationally consistent, systematic approaches for monitoring and measuring progress against past, present and future industry analysis and recommendations.

The overall study resulted in *five General Recommendations*, published in our [Final Industry Report](#). We also developed *four Specific Construction Management Recommendations*, which align with General Recommendation 1 and 2 (see **Figure 1**).

Our four Specific Recommendations also align with the four key findings:

1) Develop a Centre of Excellence: Government-led clusters of exemplar supply chains develop physical prototypes showcasing integration of standards and quality in housing design and technical construction, underpinned by professional integrity principles and sound business models.

2) Supply chain leadership: Government profiles and increases visibility of small to medium sized Tier 2 contractors who have a renowned reputation for leadership and influence in construction integrity.

3) Client leadership: Clients develop procurement instruments and tendering criteria to establish professional ethical principles and practices. Government develops best practice leadership behaviours as client and regulator, catalysing change through housing strategy and legislative instruments,

4) Closing the loop: Industry leaders establish a nationally consistent approach for monitoring and measuring progress against key recommendations of housing investigations.

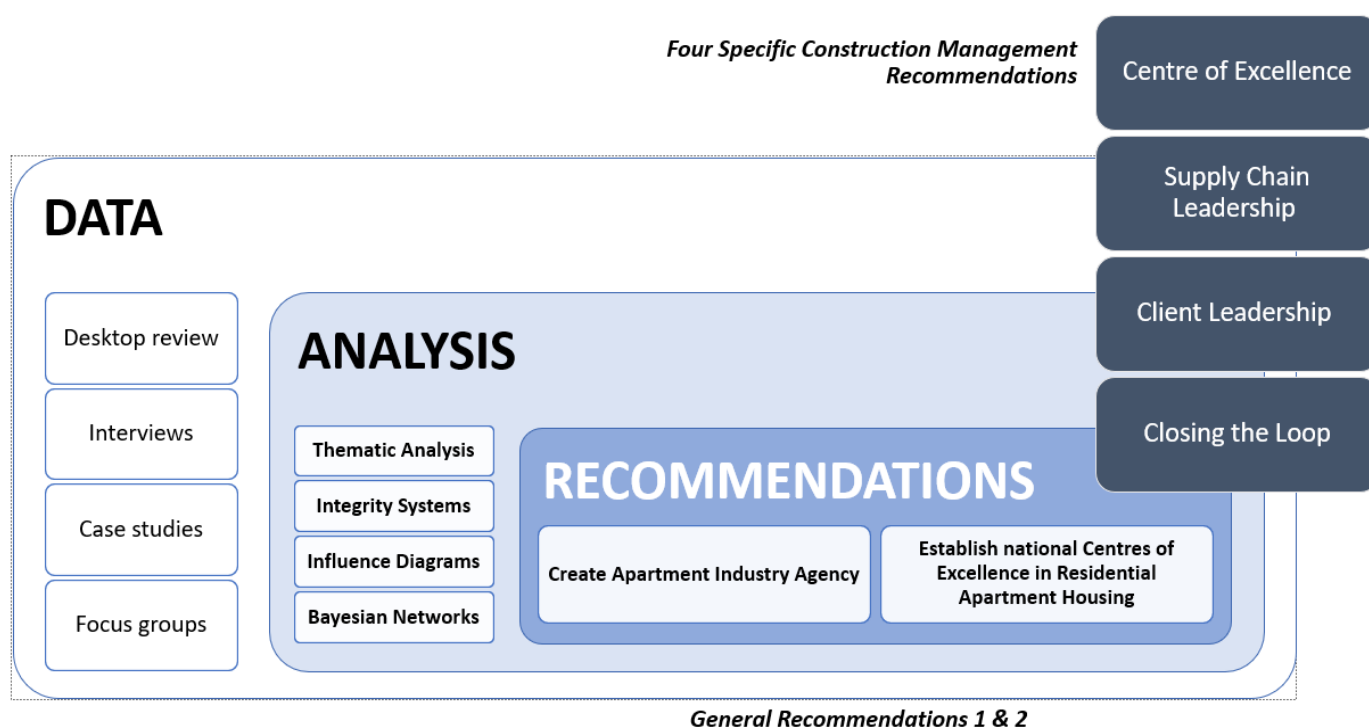


Figure 1: Specific and General Recommendations for Construction Managers

TOP 10 TIPS TO ENABLE ETHICAL BEHAVIOUR

Professionalism and professional identity:

Professionals take pride in being a professional and seek to uphold professional obligations, even when faced with ethical tensions. **Professionals** develop skills in collaborative practice with other professionals and the construction supply chain. **Professional associations** proactively and visibly demonstrate construction management as a profession of integrity.



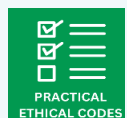
Healthy business design:

Company leaders develop strategies, structures, systems, formal and informal practices and KPIs that enable professional ethical behaviour; ensuring that these strategic commercial decisions underpin the companies approach to business, procurement and tendering models. **Company leaders** demonstrate commitment to creating a culture of professional integrity.



Practical ethical codes:

Company leaders develop Codes of Conduct that are clear, detailed, visible and enforced; and are authentically aligned with organisational culture and day-to-day practice. Professionals know and adhere to Codes of Conduct on their projects.



Strong governance & accountability regimes:

Company leaders create project and organisational governance environments and accountability regimes that positively enable ethical behaviours. **Professionals** respect the rule of law and work positively to solve conflicts. **Company leaders** demonstrate positive relationships with professional associations, regulators and the public.



Personal values:

Company leaders demonstrate the link between personal professional integrity, strategic decisions, company practices, profitability, quality; leading to build the desired company reputation. **Professionals** develop and are rewarded for having a strong personal sense of ethics.



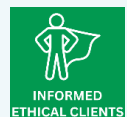
Quality education:

Company leaders and professionals positively engage with Universities and Professional Associations to support education, training, coaching, mentoring and lifelong learning in ethics, standards, behavioural competence and collaborative practice to enable the delivery of quality outcomes; to enable professionals to make good decisions in challenging situations.



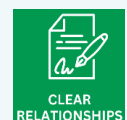
Informed ethical clients:

Company leaders actively select public and private clients (developers) who are well educated on their influential role in creating ethical project environments that drive quality outcomes, professional integrity and profitability for all in the supply chain. Companies support through their own tendering practices through the supply chain.



Clear relationships:

Company leaders use contracts as positive tools to incentivise professional behaviour. Leaders advocate for non-price criteria to drive cultural change for diversity, equity and inclusiveness. Contracts are not used to shift risk from the contractor to the subcontractor.



Integration of profitability, quality and ethics:

Company leaders create training that develops, integrates and influences the entire residential construction value supply chain through physical prototyping that breaks down siloed behaviours that produce and reinforce functional and/or standards conflicts. This integration supports business models where profitability, quality and ethics are mutually reinforcing.



Strong professional associations:

Professional associations are proactive and visible, with active members who see their relevance and benefits. They are respected, providing leadership and advocacy on professional standards.



FURTHER READING

Additional research arising from past studies on residential housing behaviours can be found at:

Collaborative Practices

<https://www.torrens.edu.au/research/featured-research/collaborative-ways-to-address-housing-crisis>

Digital Collaborative practices

<https://www.torrens.edu.au/research/featured-research/addressing-australias-housing-crisis>

Chartered Institute of Building Ethical Standards

<https://www.ciob.org/industry/policy-research/policy-positions/ethical-standards>

Australian Institute of Building Code of Ethics

<https://aib.org.au/Web/Web/Membership/Code-of-Ethics.aspx>

Housing Institute of Australia Code of Ethics

<https://hia.com.au/about-us/code-of-ethics>

PROJECT RESEARCH

Reports on Construction Management professionalism arising from this project can be found at:

<https://www.torrens.edu.au/research/featured-research/unpacking-professionalism-in-the-housing-sector>

Additional research arising from the project including the Industry Report can be found at:

<https://www.griffith.edu.au/law-futures-centre/institute-ethics-law-governance/our-research/construction-building-integrity>

CITATION

London, K., Pablo, Z. & Bok, B. (2024). *Industry Fact Sheet: Construction Managers – top 10 tips on Professional Integrity*. Griffith University, October 2024.

