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THE EFFECTS OF INDIVIDUAL AND ORGANIZATIONAL FACTORS ON ETHICAL BEHAVIOR IN THE SOUTH AFRICAN CONSTRUCTION INDUSTRY

By

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A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, Johannesburg, in partial fulfilment of the requirements of the degree of Masters in Business Science.

Johannesburg

South Africa

February 2019

DECLARATION

I hereby declare that this thesis is my own, unaided work. It is being submitted in fulfilment of the requirements for the degree of Master of Commerce in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree of examination in any other university.

_____

Signed on this the _____ day of _____, 2019

Abstract

Employees often face many difficult situations that demand ethical decision making from the viewpoint of society and organizations. Various factors influence the outcome of ethical or unethical decision-making and behaviour of employees. This paper briefly examined some of the major factors that may affect ethical behaviour in construction companies. The strength of these factors may vary from individuals to individuals, organizations to organizations, and situation to situation. The factors that were investigated are personal values, corporate ethical values and the organisational climate. Age and gender were used as moderators in this study. South Africa is a developing country in which many private and public organizations are being faced with a lot of fraud and corruption. It is not only in private organization but also the government. This call for an investigation on ethical behaviour but to solve a problem one must find the source of the problem. The study was designed to answer the major question: Are there any significance relationships between personal values, corporate values and organisational climate and ethical behaviour in the South African construction industry? The researcher employed a quantitative research method. Data collection was done by use of questionnaires distributed to various construction companies. A computer programmer called SPSS version 25 and Microsoft excel were used to analyse data. Descriptive statistics was used to interpret data collected from the first section of the questionnaire that is the biographic information. Linear regression and correlations were used to test the proposed hypothesis. Multiple regression was used to test the moderation effect of age and gender. The findings largely confirm previous studies that personal values and corporate values influence ethical behaviour. However contrary to some previous studies, there was no significant relationship between ethical behaviour and organisational climate. Conclusions, findings and recommendations were drawn from the results.

Keywords

South Africa, construction industry, organization, ethical behaviour, personal values, corporate ethical values, organizational climate, corruption, ethics and unethical behaviour

Acknowledgements

I would like to express my deepest gratitude to God Almighty for his grace and favour in my life. To complete this dissertation I am indebted to many people who contributed to the success of this journey. First I offer my sincerest gratitude to my supervisor, Dr Emmanuel Nkomo, who has supported and guided me throughout my thesis writing with his knowledge whilst allowing me to explore my own way. I cannot find words to express my appreciation to my supervisor; he was very patient with me.

I might not be able to mention everyone's name but I offer my sincere and earnest thankfulness to the managers who allowed me to collect data from their companies. I am also obliged to anyone who supported me in any respect during the data collection and completion of this dissertation. This appreciation could not be complete without acknowledging my family for their love and support throughout this journey especially my father Prof Makonye.

Contents

ABSTRACT..... II

CHAPTER ONE 0

INTRODUCTION AND BACKGROUND OF THE STUDY 0
1.0Introduction 1
1.1Background of study 1
1.2 Research objectives 4
1.3 Problem statement 5
1.4 Significance of study 5
1.5 Definition of key terms 7
CHAPTER TWO 9
LITERATURE REVIEW 9
2.0 Introduction 10
2.1 Theoretical Framework 11
2.1.1 Cognitive development theory 11
2.1.2 Critics of the inter-actionist model 14
2.2 Construction industry 15
2.2.2 Ways to improve ethical behaviour in Construction industry 19
2.3 Factors influencing ethical behaviour 21
2.4 Personal values 21
2.5 Corporate ethical values 25
2.6 Organisational climate 28
2.7 Moderating effect of age and gender 37
2.8 Research Hypothesis 40
2.9 Conceptual framework 40
2.10 Chapter summary 41
CHAPTER THREE 42
RESEARCH METHODOLOGY 42
3.0 Introduction 43
3.1 Research approach and design 43
3.2 Research paradigm 44
3.3 Population 46
3.4 Sampling Design 46
3.5 Data collection process 47
3.5.1 Secondary sources of data 48
3.6 Validity and reliability of the study 50

3.7 Data analysis 51
3.8 Ethics 53
3.9 Summary of chapter 55
CHAPTER FOUR 56
DATA ANALYSIS AND INTERPRETATION 56
4.0 Introduction 57
4.1 Demographic information 57
4.3 Factor analysis 64
4.3 Correlation matrix 68
4.4 Correlation analysis 70
4.5 Regression analysis 75
4.7 Results on tested hypothesis 90
4.8 Summary of chapter 91
CHAPTER 5 92
CONCLUSIONS, FINDINGS AND RECOMMENDATIONS 92
5.0 Introduction 93
5.1 Summary 93
5.2 Findings 94
5.3 Summary of hypothesis testing 96
5.4 Recommendations 98
5.5 Limitations 100
5.6 Summary of chapter 101
REFERENCES 102
APPENDIX A: Permission letter 121
Appendix B: Permission letter 2 121
APPENDIX C: Ethics clearance certificate 123
APPENDIX D: Information letter and Questionnaire 124
APPENDIX E: Turn it in report 130

List of figures

Figure 1: Conceptual Model 40
Figure 2: The Inter-actionist model 14
Figure 3 Data analysis process 57
Figure 4: Age of Participants 58
Figure 5: Gender of participants 59
Figure 6: General questions 60
Figure 7: Scree plot 71
Figure 8: Histogram 90

Figure 9: QQ Plot 91

List of Tables

Table 1 : The Rokeach Personal Value System 23
Table 2: Descriptive statistics of age 58
Table 3: Descriptive statistics of gender 58
Table 4: Descriptive statistics personal values 61
Table 5: Descriptive statistics corporate ethical values 62
Table 6: Descriptive statistics organisational climate 63
Table 7: Descriptive statistics ethical behaviour 64
Table 8: KMO and Bartlett's test 65
Table 9: Personal values communalities 66
Table 10: Corporate ethical values communalities 67
Table 11 : Organisational climate communalities 68
Table 12: Ethical behaviour communalities 68
Table 13: Total Variance Explained 69
Table 14: Results of correlations between age and ethical behaviour 72
Table 15: Results of correlations between gender and ethical behaviour 73
Table 16: Results of correlations between personal values and ethical behaviour 74
Table 17: Results of correlations between corporate ethical values and ethical behaviour 74
Table 18: Results of correlations between organisational climate and ethical behaviour 75
Table 19: regression analysis for H1 77
Table 20: regression analysis for H2 78
Table 21: regression analysis for H2 79
Table 22: Summary output of men's (n=103) results 80
Table 23: SUMMARY OUTPUT of women's (n=52) results 80
Table 24: Summary output of younger people ages 18-35 years of age, personal values and their ethical behaviour 81
Table 25: Summary output of older people aged 36 years of age and older, personal values and their ethical behaviour 82
Table 26: Summary output of men 83
Table 27: Summary output of women's corporate ethical values 83

Table 28: Summary output of younger people aged 35 years and less 84
Table 29: Summary output of older people aged 36 years and more 85
Table 30: Summary output of men's (n=103) results, organisational climate and ethical behaviour 86
Table 31: Summary output of women's (n=52) results, organisational climate and ethical behaviour 86
Table 32: Summary output of younger people aged 35 years and less 87
Table 33: Summary output of older people aged 36 years and more 88
Table 34: Multiple regression analysis 89
Table 35: Results on tested hypothesis 92

CHAPTER ONE

INTRODUCTION AND BACKGROUND OF THE STUDY

1.0Introduction

Chapter one outlines the background of this research project and motivation for the study. In addition, it addresses the research problem, research objectives, significance of the study, research questions and suggests a general outline of the chapters that follow. In this research, the researcher focused on factors that influence ethical behaviour. The topic of ethics is quite problematic since there is no universal truth or rules about it mostly in the contexts of institutions competing for resources or markets in order to obtain profits for shareholders.

1.1Background of study

"The industrial revolution has tended to produce everywhere great urban masses that seem to be increasingly careless of ethical standards" (Irving Babbitt)

Ethics is the branch of philosophy that focuses on morality and the ways of thinking that direct human behaviour (London, 2006). Ethics is essential; since with it people are able to position themselves within the web of interrelationships among other parts of created reality (Suen, Cheung, & Mondejar, 2007). Von (2004) expressed that the concern in the "real world", is that there is division between company objectives, most likely ethical goals and actual behaviour. Ethical behaviour deals with appropriate conduct of others and the promotion of that same behaviour to their colleagues (Brown, Trevino, & Harrison, 2005). The subject of ethical behaviour has dominated the political and business landscape worldwide over the past three decades (Gino & Margolis, 2011; Kangas, Feldt, Huhtala, & Rantanen, 2013; Nielsen & Massa, 2013; Trevino, Weaver, & Reynolds, 2006). Unethical employee behaviour is also reported among the ranks of public officials or government employees (Cooper, 2012). Values of integrity, honesty, reliability, responsibility and accountability are essential in ethical behaviour. For one to be viewed as ethical, one needs to adhere to universal standards of moral behaviour.

Rushworth Kidder, an authority on ethics and the President of the Institute of Global Ethics expressed the serious concern of raising an entire generation of people without their own built-in sense of ethics (Bowen, Pearl, & Akintoye, 2007). Behaving ethically is believed to be a process of asking about what is right and what is wrong; by setting examples for others about the rightness

or wrongness of actions. Unethical behaviours can arise from an individual's perspective or personal values. At an organizational level, one can be unethical due to lack of clarity about ethics in the organization, unethical leadership and standards, lack of training and coaching, lack of enforcement of rules. In general, unethical behaviour arises from either an individual or the organization; these two attributes will be investigated to find any significance or effect on ethical leadership. In the corporate world, scandals frequently make headlines. In different parts of the world corruption, fraud, and other unethical behaviours of leaders in organizations have resulted in the collapse of many high-profile companies. Examples abound; Enron and WorldCom (U.S.A.) collapsed in 2001; Adelphia (U.S.A.), Vivendi (France) in 2002, Parmalat (Italy), Royal Ahold (Netherlands) and SK Global (Korea) in 2003. These examples clearly bring importance of corporate ethical behaviour to the fore.

South Africa has also had its own fair share of corporate scandals due to ethical failure of leaders. For example, the company Fidentia holding millions of Rands of pension funds for many retirees collapsed in 2007 when the boss Mr J Brown abandoned his fiduciary responsibilities and engaged in fraud, outright theft as well as money laundering on funds entrusted to him. Many elderly people were left destitute as a direct result of this. The case of overwhelming executive greed at Fidentia is by no means an isolated case of ethical failure is South African companies (Nielsen, 2013). Negative outcomes that unethical behaviour bears for individuals, companies and the South African economy require an emphasis on the factors that might have an effect on ethical behaviour(Engelbrecht, Heine, & Mahembe, 2014; Naidoo, 2012). Corruption Watch pointed out that there are many reports about maladministration and mismanagement of public funds and abuse of resources by officials at local government levels such as inflated billing of water and electricity accounts. In addition, three of South Africa's (Standard Bank, Absa and Investec) and other international banks have been charged with colluding to 'weaken the rand' in order to drive their profits up. The competition commission has found that the banks were manipulating the rand price through buying and selling dollars in made-up orders to change supply of rand. After the investigation, the banks agreed to refrain from trading and creating false offers and they were liable to pay 10% of their annual turnover as penalty. These happenings show that unethical leadership in capitalism knows no bounds.

1.1.1Construction industry

This study explores ethical behaviour in the South African construction industry. In a construction company, a leader has authority to influence not only those that they lead in their own companies; they also must productively interact with the critical stakeholders consisting of clients, suppliers, competitors and government regulators among others. In this space, leaders' can be tempted to use standard ways to succeed their competitors or to cut costs in order to boost profits once the tenders/contracts are won. These actions largely determine their followers' behaviour, if not followers covertly encouraged to do them. As the former Chief Justice of South Africa, Mogoeng has commented, during apartheid, unethical government policies eventually led to polarisation of the peoples of South Africa (Nielsen & Massa, 2013). Construction projects have suffered from under-achievement in the recent past; because professionals' misconduct has been on the increase. Even for the same construction project, the construction contract has many sellers and buyers (May, Gilson, & Harter, 2004).

De Koker (2007) mentioned that fraud and unethical behaviour are real in South African public and private companies. De Jong, Henry, and Stansbury (2009) also stated that the construction industry has been identified as the most corrupt sector not only in South Africa but in the whole world. The occurrence of professional and protected crime and unethical behaviour in public and private companies, highlight the problem that the country is currently facing. Suen, Cheung and Mondejar (2007) pointed out that the construction industry is one of the pillars of the world's economy. In South Africa, the construction industry is characterized by operation of many small companies who subcontract for the available work. Van Zyl (2012) argues that unethical conduct has made way into every sector of the South African society including the construction industry. There is an agreement and a growing consent inside and outside the construction industry that corruption and other unethical practices are widespread in the construction industry. What makes the construction sector prone to unethical practices is that there are tough competitions for contracts and big money is involved. Also, there are many complex official procedures for obtaining approvals and permits due to the distinctiveness of many projects (Transparency International, 2005). Ethical issues in the construction industry not only concern bribery or corruption but also conflict of interest and collusive tendering. Grobler and Joubert (2004) and Hartley (2009) also identified the main forms of corruption as patronage, nepotism, bribery,

ghosting, kickbacks, front companies, embezzlement, bid rigging and collusion, and conflict of interest (these technical terms are defined for the reader under definition of key terms towards the end of this chapter).

Unethical behaviour by the construction industry parties affects the quality of projects. The Competition Commission of South Africa questioned suspected bid-rigging and anti-competitive conduct associated with the construction of football stadiums, the Gautrain rail transport project, and roads for the 2010 FIFA Soccer World Cup. An organization's behaviour greatly depends upon the standards and the examples of the top and senior leaders. Ethical leaders must ensure that the organisational environment is favourable for ethical behaviour. Ethical organisations often survive and succeed in the long term over and above their competitors who make short cuts in a hurry for quick profit. In time, companies that use deceitful tactics of are caught up and they pay for it through tarnished reputation, as clients shy away from them.

1.2 Research objectives

Many variables affect ethical leadership and decision making in a company. These can be individual or organizational variables. It is impossible to study all the factors in one research so the researcher has narrowed the variables few factors to be studied. The research objectives are to: Find the effects of certain individual factors (personal values) that influence ethical behaviour in construction companies

Investigate the effects of organisational climate on ethical behaviour

Recommend practical ways to promote ethical behaviour in the construction industry

1.2.1 Research questions

Based on the research objectives, the following research questions were formulated;

How does personal values and organisational climate influence ethical behaviour in the construction industry?

What are the demographic characteristics that influence ethical behaviour?

Are there any guidelines and practical ways to promote ethical behaviour in the construction?

1.3 Problem statement

One of the most important issues that currently arise within the construction industry environment is unethical practices. A high level of ethical performance implies a high level of professional performance, and hence, a low level of client dissatisfaction. The success of construction project depends mainly on the behaviour of the parties involved in the project from starting to finishing stages. Most company's works at construction industry are exposed to unethical behaviour during projects lifetime. There are many factors that cause people to get involved in ethical issues in construction industry and most of unethical conducts are located in the project procurement process (Hassim, Kajewski, & Trigunarsyah, 2010). This research aims to investigate the factors that influence ethical behaviour in construction industry.

Much empirical research needs to done to understand the various individual and organizational factors that affect ethical decision making of individuals in organizations (Bommer, Gratto, Gravander, & Tuttle, 1987; Finn, Chonko, & Hunt, 1988; Trevino, 1992). One of the most constant issues in the twenty first century is lack of effective leaders, and there is a great scarcity of ethical leaders (Atakan, Burnaz, & Topcu, 2008). Most companies lack the understanding and knowledge to develop the exact leadership needs of the incoming leaders (Collins, Lowe, & Arnett, 2000). Ethical leadership failure can be traced to known worldwide companies that collapsed as mentioned in the context of study. The significance of moral decline in South Africa is evident from news reports on crime, violence, corruption and unethical conduct by, not only ordinary citizens, but also political leaders, business people and educators (Disoloane, 2012). Unethical behaviour in the construction industry needs to be understood so that factors affecting it can be systematically addressed. Reduced corruption in this industry will boost the economy. The cost of construction will go down and better-quality projects will be erected. Professionalism in this industry will be boosted.

1.4 Significance of study

The focus of the present study therefore is to explore the factors that influence employees' ethical behaviour, with the intention to contribute empirically to the literature base and to recommend ways to improve ethical behaviour in organizations. In a certain study of the perceptions of corruption in South Africa, Disoloane (2012) concluded that South African citizens recognize and regard corruption in both the private and public sectors, as a serious societal challenge.

Furthermore, citizens expect public and private institutions to be held accountable for corruption. Over the past few years, the reputations of executives and senior managers in different types of organizations have been damaged by scandals resulting from unethical behaviour or decisions. Leaders have principal influence on ethical behaviour in an organization and they are responsible for the norms and code of conduct that guide employees' behaviour in an organization (Hitt, 1990).

If employees choose to follow one's leadership, they tend to follow the conduct that the leader displays. Penalties of unethical and unproductive behaviour at work consequently raise questions why such behaviour occurs and what role the leaders are playing to reduce this kind of behaviour. This raises the need to investigate the role effective leaders and organisational climate play in modelling ethical employee behaviour (Appelbaum, Shapiro, & Molson, 2006; Brown, Treviño, & Harrison, 2005; Nasir & Bashir, 2012).

South African society and corporations have not escaped moral corruption. A study on ethical behaviour in a South African context is significant. This study is also important to companies that wish to avoid the consequences of the ethical lapses of their leaders and, consequently, the entire organization. The results of this study can also be applied to educational institutions, government (both national and local), social institutions for example churches and all other institutions to understand which factors will be essential for effective and ethical leadership, and how to minimise unethical behaviours. Additionally, this information will be vital in developing and increasing ethical leadership in organizations.

This study is especially relevant to the field of management and human resource development for a number of reasons. Because public sector managers are responsible for ensuring ethical climate and ethically responsible employees, they are often accountable for developing interventions and initiatives within the organizational culture that have the potential to orient the activities of employees towards ethical behaviour and conduct. The focus on ethical behaviour as a critical imperative in public sector organizations (Cooper, 2012). This research study will offer a rich illustration of how organizational culture influences employees' ethical behaviour through the lenses of cultural values and formal and informal cultural systems in public sector organizations.

1.5 Definition of key terms

The definitions of key terms used in this study are important in helping the reader to understand the research. In addition, many of these terms are closely related as they all have an element of dishonesty. Therefore, it is important to distinguish them.

Ethics is defined as a set of moral beliefs leading the conduct for an individual or group. However, Bowen, Pearl and Akintoye (2007), mentioned that ethics is not only about whether an objective is good but involves a careful thought in identifying if a choice is right or wrong. In addition, ethics is not just about recognizing a good intention but it includes a study of thought, language, reasoning, processes and judgment that influence the choices people make in their lives that affect their own welfare and that of others. Ethical behaviour should be both legally and morally acceptable to the larger community (Trevino, 1986).

Ethical behaviour is acting in ways that the community and individuals' thing are good values (Chahal, Dua, Singh, & Mahey, 2012). In an organizational context, ethics was described in terms of ethical standards of senior leaders and the culture to which they largely contribute

Corruption is the offering, giving, receiving or soliciting of anything of value to influence the action of another person to influence his or her decision.

Unethical behaviour is an action that falls outside is what an individual or community considers morally right or proper (Chen & Lewis, 2010).

Collusion is a secret agreement between two or more parties for a deceitful purpose.

Ghosting is the unethical conduct in which a company attends the tendering interview and are given the impression that they will win the tender but later there is no acknowledgement or notice of what happened to the tender (Bowen, Pearl, & Akintoye, 2007).

Bid Rigging is the illegal plot in which companies join to falsely increase the prices of a bid.

Nepotism is the practice among those in power of appointing relatives and friends to good jobs.

Bribery: Cash or non-cash favour to get something in return e.g. upcoming promise of a future contract without following standard procedures, promotion, or a vacation

Embezzlement is total theft of monies in one's trust with money that belong to the employer or some other people.

1.6 Summary of chapter and Layout of study

Chapter one provides a brief background of the issue of unethical behaviour in South Africa and around the world. In this chapter the research objectives and the significance of study were discussed. At the end of the chapter the layout of study was explained.

Chapter two reviews the literature on factors that affect ethical behaviour in organizations. The factors were explained in detail and they were also linked to ethical behaviour. Age and gender were also explained and their effect on ethical behaviour. The conceptual framework created by the researcher was shown in this chapter. Then a theoretical framework explaining ethical behaviour is discussed. From this literature research hypothesis will be formulated and explained.

Chapter 3 explains the research methodology and design, which were to collect data/, for this chapter, the sampling procedure, research instruments, data collection procedures and ethics of the study were described.

Chapter four presented the data obtained for the study in the form of graphs and tables. The first part of the chapter deals with the descriptive statistics then correlations and regression. A thorough analysis of results and interpretation of data was included in this chapter.

Chapter five is the sum up of the dissertation. Results from chapter four were discussed in relation to the literature review. This will include the research findings and recommendations if any and the conclusion of the whole study.
Thereafter the reference list and the Appendix.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This section will include a thorough analysis of different pieces of literature developed by other scholars and researchers. This literature will be of much importance in getting answers to the research in line, contributing to the research objectives. Unethical behaviour and decisions have huge and mostly negative implications and this needs urgent attentions. Unethical behaviour is costing companies, worldwide a lot of money (White, Crafford, & Schepers, 2001). Unethical behaviour will not only cost companies their money but also their reputation and might risk losing business and their clients. South Africa is not in exception, there seems to be an enormous problem with both public and private organisations. Unethical behaviour and corruption have become the order of the day mostly in the public services (including governments and municipalities). The South African government had to go far as implementing the anti-corruption bill to prevent public service employees from being involved in corruption (Cull, 2002).

Van Zyl (2012) stated that in South Africa there is increased crime, chaos, and the worry of the social moral behaviour of its societies, indicated by disturbing crime statistics. President Zuma (as cited in Van Zyl, 2012), has moreover acknowledged that unethical behaviour has made way into every area of the South African society. The South African corporate world has been facing more and more by lack of strong ethical standards in their practices. Regardless of several initiatives to control corrupt practices in the public sector, it is evident that corruption has increased (Naidoo, 2012). Boshoff and Van zyl (2011) stated that corruption is a serious worldwide problem, in both politics and business segment. To establish an ethical environment, ethical behaviour should therefore begin with the leaders within the organisation, as honesty, or the lack of it, flows from the top down (Emiliani, 2000).

With the increase of unethical practices, it is important to understand the factors and characteristics that influence individuals' ethical behaviours and their decisions when faced with ethical dilemmas. This understanding will be useful in foreseeing the benefits and cost brought by unethical practices. This research is therefore very substantial to construction industry and other industries. By understanding the effects of ethical behaviours, organizations will be able to implement suitable strategies to decrease unethical deeds. Though a lot of research have been conducted in ethical questions, none of the researchers have focused on the construction industry.

This leaves much to be desired in this area.

2.1 Theoretical Framework

The conceptual framework of this study is guided by the work of Trevino (1986). Trevino argued that the association of individual and situational variables describes ethical decision making in organizations. .The integrationist model of ethics specifies that characteristics of both the person (certain individual differences) and the situation (features of the individual's social context) are powerful influences that eventually control ethical behaviour (Murphy, 1993; Trevino, 1986). According this model, ethical decision making starts with an ethical dilemma; then goes toward cognition stage where one judges the situation and decides what is right or wrong. Individual and situational variables will then correlate with the cognitive component to determine how an individual is likely to behave in response to an ethical dilemma. This means that one may be good at making good decisions on the ethical issues and stand on higher stages of moral reasoning but situational and individual moderators may force him/her to act unethically. The cognitions of right and wrong are not enough to explain ethical decision-making behaviour. Moral judgments are firm assessments of what is right or wrong. They are judgments of value, social judgments involving people, and prescriptive judgments of rights and duties. Person factors relate to various individual differences that relate to ethical awareness and judgment.

2.1.1 Cognitive development theory

The most important person factor researchers have identified is cognitive moral development (CMD, 1969; Kohlberg, 1981), a measure of how advanced a person's ethical reasoning is. Lawrence Kohlberg's model provides three wide levels of cognitive moral development and each level is composed of two stages.

Pre-conventional level

At this level moral reasoning is made up of rules made by other people, thus children listen to the rules their parents/guardians make for them. This level has two stages. At stages 1 and 2 of the pre-conventional level, the individual is concerned with tangible consequences, mainly external rewards and punishments and his or her own immediate interests.

Stage 1: Punishment and Obedience

On this stage the consequences of actions determine whether it is good or bad to act that way. People try by all means to avoid punishment and respect others not in their own will but to avoid disciplinary from authority. *Stage 2: Rewards Orientation*

In this stage employees/people satisfy their needs first and sometimes the needs of others. In this case people value fairness and reciprocity, they tend to help so that they can be helped. One will behave right to be rewarded.

Conventional level

At this level the individual adopts rules and sometimes subordinates his own needs to the needs of the group at large. At stages 3 and 4 of the conventional level , 'right' is that which is line with the potential of good behaviour of the larger society. In stage 4 the individual is able to take a broader viewpoint of society. Kohlberg (1969) places most adults in our society in moral development stages 3 and 4.

Stage 3: Good intentions

Good behaviour at this stage is the actions and decisions that pleases or assist others and they approve them. There is much conformity to complex images of morality. Behaviour is judged by good intentions.

Stage 4: The Law and Order Orientation

In this stage employees/people are expected to own duty properly, show respect for authority, and maintain the given social order for its own sake. Following the rules will make one act in the right behaviour.

Post Conventional Level:

People define their own values in terms of ethical principles they have chosen to follow, people make their own decisions that they feel are right. At stages 5 and 6, the post-conventional level, 'Right' is preserving mutual rights and obligations permanent contractually and stage 6 "good" is acting according to possible universal values; virtue ethics.

Stage 5: Social Contract Orientation:

What's right is defined in terms of both the general individual right and in terms of the standards that have been agreed upon by the whole society. In contrast to the stage four, laws are not rigid; they must be flexible for the good of society. *Stage 6: Universal Ethical Principle Orientation:* In this stage, what's right is the decision of the integrity according to the ethical principles one has chosen to follow. These principles are mental and ethical, not specific moral recommendations. In essence these are universal principles of justice, the mutuality and equality of human rights, and respect for the dignity of human beings as individual persons.

However Kohlberg's moral development was criticized. Walker, Pitts, Hennig, and Matsuba (1995) reasoned that the type of reasoning measured in Kohlberg's moral dilemmas differs from the reasoning that occurs in real-life situations. The theory observed as being narrowly focused on the particular idea of honesty (Flanagan & Jackson, 1987).

CMDT and personal values, age and gender

The moral reasoning can also be linked to the hypothesized variables. Individuals with personal and competence orientation are most linked to the lower stages of moral reasoning thus stages 13. On the other hand social and moral value orientation is linked to the higher levels of moral reasoning thus stages 4-6. People with strong personal values are also linked to high level of moral reasoning. They make decisions based on their beliefs and experience rather than following rigid rules. Most leaders range from stage 3 to stage 6 since they make decisions that impact the whole organization at large. Leaders are expected to value social values more that their own personal values since they have to reason in the context of a broader view of the society.

Finally, the inter-actionist perspective is important since clearly recognizes the difficulty of ethical decision-making and the various factors influencing decision-making organizations. The model simplifies the factors by grouping them into individual and organizational factors. While the theory offers a behavioural model, it clearly recognizes the importance of cognitive processes that precede and explain ethical behaviour (Rajeev, 2011).

2.1.2 Critics of the inter-actionist model

The model does not account for intervening role of individuals' intent between ethical beliefs (cognition development) and moral behaviour. One of the shortcomings is that the model fails to include the importance of relationships of demographic variables that affect dilemma recognition (e.g. gender, age, organizational status, and previous experience with the ethical dilemma presented) with socio-cultural factors outside the organization (Pimentel, Kuntz, & Elenkov, 2010). For example, gender is likely to have a more significant influence on ethical decision making in societal cultures noticeable by greater gender disparity (Franke, Crown, & Spake, 1997), even if the culture of the organization is evidently democratic. The inter-actionist model offers a complete approach to ethical decision-making in organizational settings; however, it does not consider the characteristics of the dilemma itself as a determining factor in ethical recognition, evaluation and decision-making (Rajeev, 2011). This model also did not find any evidence of the direct impact of vicarious reward or punishment on ethical behaviour (Rajeev, 2011).The Ethical decision-making model does not have the ability of essentially endorsing decisions; therefore the factors influencing decisions remain infinite.

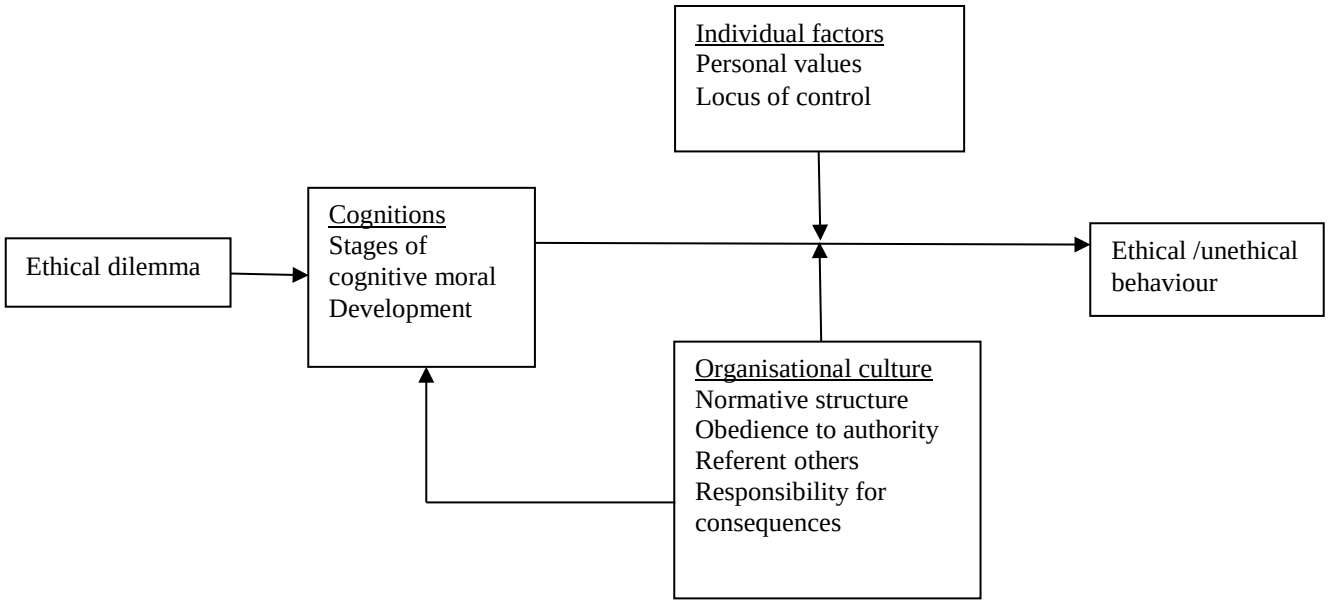


***Figure 1*: The Inter-actionist model**

Adapted from (Trevino, 1986 p.603)

2.2 Construction industry

Construction industry is the branch of manufacture and trade based on the building, maintaining and repairing structures; this also includes drilling and solid mineral exploration (Sustainable Development Indicator Group, 1996). The sector is engaged in preparation of land and construction, alteration and repair of buildings, structures and other real properties. The construction industry is one of the most contributing industries to the South African economy. The industry accounts for 11% of the total formal employment of which it accounts for 17% informal employment (Construction Industry Development Board (CIDB), 2015). South Africa's construction industry has been one of the main engines in the country's economy, contributing to about 6% of the nation's Gross Domestic Product (GDP) and creating several job opportunities. This makes it a very active industry in South Africa. The construction industry plays a vital role in the economy of any country, regardless of the level of development of such country.

However, the industry is classified as one of the most fraudulent industry worldwide (Transparency International, 2005). This arises due to ethical dilemmas, fierce competitions and limited restrictions in the industry (Bowen, Pearl, & Akintoye, 2007). Studies divulge that the pressure for organisations to get contracts and tenders, procurement systems, insufficient ethical education, economic down turn and local conditions are contributing factors to unethical behaviour in the construction industry (Bowen, Pearl, & Akintoye, 2007; Duska, 2015). The construction industry is a very complex sector which requires professionals to be professionally fit to perform projects according to the required standards and time. Construction professionals must be able to prove capability and honesty by passing certain tests, following existing code of conducts and keeping a good reputation by offering their services in a satisfactory manner. Mason (2009) recognized that the early stages of construction projects are the most vital where several levels of values and ethical terms should be taken into consideration.

Dabson, Plimmer, Waters and Kenney (2007) stated that an act of one professional in a profession has a capacity of tarnishing the name of the entire profession. This proves that everyone who is part of a profession carries the reputation, not only of oneself but of the profession. In construction industry there are individuals whose individual morality or personal ethics have a primary role in influencing the practice. Bowen, Pearl and Akintoye (2007) revealed that stakeholders in the

construction industry have a tendency of possessing a reputation of unethical conduct. This study therefore examines causes and consequences of unethical practices prevalent in South African construction industry with a view to formulating recommendations to address the threat and enhance ethical standards in the industry.

2.2.1 Construction ethics

Ethics is the ability to do right and in construction, it can be defined as trustworthiness and integrity at construction businesses are conducted (Mason, 2009). Ehsan, Anwar and Talha (2009) regarded ethics as a very important aspect in the engineering and general construction profession as they have a huge role in obtaining tremendous benefits from the construction projects; ethics also have huge influence on the function of the industry. Organizational ethics should be designed in accordance to the acceptable norms of both the business environment the public and the culture of the state and the country where the business operate (Svensson & Wood, 2004). The business of tendering for construction contracts has a large ethical component. Ethical principles in tendering are formally prescribed in the codes of conduct related to tendering process. The codes are designed to delegate responsibilities to both competing contractors and the client and to minimize the potentials for unethical practices.

Zuber (2015) claimed that the increment of unethical behaviours in the construction industry is damaging the industries' status. In the construction industry there is a widespread of unethical behaviours with engineering, construction and manufacturing being the most affected areas. One of the most challenges facing the industry is corruption (Jong, Henry, & Stansburry, 2009). Construction is prone to corruption since it is fragmented, involves many participants in a complex structure that leads to a variety of unethical behaviour and attitude inclining towards corrupt activities (Stansbury, 2005; Mohd Nordin, Takim, & Nawawi, 2012). Corrupt practices can be found at every stage of construction projects that leads to overwhelming consequences on the quality of the built environment, project delivery period, and competitive performance of the industry (Sohail & Cavill, 2006).

The key distinguished unethical misconducts in construction industry according to Zarkada-Fraser and Skitmore, 2000; Zou, 2006; Nawaz and Ikram, 2013 are managerial interference, the illegal award of contracts or subcontracts, bribes, and the extortion of kickbacks by client and government officials, unfair conduct, price fixing and use of cheap material which are below standard. Such practices can result in projects which when completed are considered unnecessary, inappropriate, below standard, overpriced or delayed (Hamzah, Khoiry, Arshada, Tawil, & Che Ani, 2011).

Barnes (2013) found that improvement of ethical behaviour would improve construction projects performance and satisfaction of stakeholders. Moreover, adherence to ethical standard and principles by individuals involved in construction process and activities would also improve the industry's performance. Nadeem, Sohail and Muhammad (2009) admitted that construction and engineering professionals have a great influence on the society, these professionals owe a special responsibility. In addition, Davis(1991) pointed out the purpose of code of professional ethics is to guide and protect individuals, including professionals from pressures which tempts to act unethical. The effects of unethical practices have lasting impact damaging to construction and engineering companies such as wasted tender expenses, tendering uncertainty, increased project costs, economic damage, blackmail, criminal prosecutions, fines, blacklisting and reputational risk. Jordan (2005) stated that unethical behaviour is taking a growing toll on the reputation of the industry.

It is evident that there exist significant areas of concern pertaining to the ethical conducts practiced by the construction professionals. Surveys conducted by researchers in Australia (Vee & Skitmore, 2003) and South Africa (Pearl, Bowen, Makanjee, Akintoye, & Evans, 2005) acknowledged several unethical conducts and ethical dilemmas in the construction industry such as corruption, negligence, bribery, conflict of interest, bid cutting, under bidding, collusive tendering, cover pricing, frontloading, bid shopping, withdrawal of tender, and payment game. Kalshoven, Dijk and Boon (2016) also characterized unethical practices in construction industry in to the following categories; conflict of interest, unfair conduct, fraud, bribery, and collusion. Below is a brief explanation of some of the unethical behaviours in the construction industry.

2.2.1.1 Unfair conduct

In construction industry, there might be unfair business practices, unfair competition, unfair contract terms, and unfair labour practices. Most of unfair conduct includes partial negotiation power and insufficient disclosure of important and relevant information. Whenever clashes arise, there are no cheap, quick approaches of settling them however, if there is an appropriate solution, some weak parties will be reluctance since the corrective action might not favour them. Mertz, Kahrass and Strech (2016) combined unfairness with dishonesty and argued that it comprises of illegal behaviour, which is linked to fraud. In their survey, Vee and Skitmore (2003) also associates unfairness with dishonesty. It can be argued that dishonesty constitutes illegal behaviour and is thus more appropriately linked to fraud.

2.2.1.2 Fraud and bribery

Fraud and bribery are classified as types of corruption. Reiley and Jacobs, (2016) defined administrative corruption and individual corruption as a downward redistribution and upward removal device. The types of corruption are fraud, extortion, embezzlement, and bribery. Sometimes these concepts are similar and partly overlapping. In many countries in Eastern Europe, Africa, Latin America and Asia, it is usual to pay bribes to government officials to win a government contracts or enable a business transaction and in some developing countries; it is difficult to transport goods through customs without paying off low-level officials (Schwartz,2002). Bribery is also very common in the construction industry due to tough competition for limited tenders and contracts.

2.2.1.3 Conflict of interest

This is a situation in which someone in a position of trust, (such as a lawyer, a politician or an executive or director of a corporation), has opposite professional or personal interests that could make it difficult to execute their duties justly. Conflict of interest involves a personal understanding if certain behaviour is commonly acceptable, rather than if it is illegal.

The responsibility should clearly be placed upon individuals to declare all possible instances of potential negative interpretation, before proceeding with projects.

2.2.1.4 Price fixing

This arises when clients invite several contractors to price their project, with the expectation that the bidding or tendering process will be competitive and the contractors will submit their cheapest possible price. This could be done in several ways, including all those pricing the project adding in a pre-agreed 'losers fee' which is a fee that the winning contractor will pay to all the other contractors that priced the project (Bowen, Pearl, & Akintoye, 2007). In other instances, contractors pre-arrange who will have the lowest price for the project. Often this price is higher that the real price and then the other contractors must ensure that their prices are more expensive than the contractor who has the lowest price. On the next project, another contractor is provided the opportunity to submit the lowest price and so work is shared around amongst contractors. This means that clients pay more for their projects. These contractors can find it difficult to work in a competitive bidding environment.

2.2.1.5 Collusion in Tendering

Pierce and Snyder (2015) identified collusion as an action, which is conflicting to the principles free competition principles. Collusive tendering occurs where several contractors have been invited to tender and the contractors agree among themselves either not to tender, or to tender in such a manner as not to be competitive with the other contractors. It has the effect of substantially decreasing competition. It was found that only a few individuals would admit that they would practice collusive tendering under certain circumstances (Oladinrin & Ho, 2016).

2.2.2 Ways to improve ethical behaviour in Construction industry

In reference to Agnihotri and Krush (2015) it was revealed that to conserve professional conduct in the industry, the client and public have a role to play. Duska (2015), expressed an alike idea where he claimed that contractors have a duty to maintain professional conduct. Engineers and managers need to be neutral, just; honesty, fair and they should be dedicated to health and safety protection. Warren, Peytcheva and Gaspar (2015) specified that consultants are faced with corruption in their daily duties especially in procurement. To fight corruption, authorities have been forced to introduce ethical guideline to govern construction operations. The ethical guidelines demands honesty in complying with the law and regulation, performing responsibilities,

respect and realization of skills, quality, safety, environmental protection and health (Kalshoven, van Dijk, & Boon, 2016). Sojer, Alexy, Kleinknecht and Henkel, (2014) claimed that there are several efforts that have been made over the previous years to increase ethical standards among professionals in various industries worldwide. The efforts are as follows

2.2.2.1 Principles for good governance and ethical practices

According to Pierce and Snyder (2015), methods towards protecting honour and security of the construction industry, companies must have a balance between legal orders to make sure that these firms do no abuse their rights. Such a balance is important in terms of transparency and accountability in organisations. This explains why it is essential to express principles of good governance and ethical conduct. Further, these principals should be practical and applicable in diverse organizations within the industry. This involves implementing whistle-blower and conflict of interest policies, which will guide companies, comply with legal obligations. In addition, there should be policies to ensure wise use of resources.

2.2.2.2 Efforts by professional bodies

Schwepker (2015) argued that professionals have ethical codes where the meaning and penalties of the codes are well explained and taught in learning institutions. There are overriding bodies including professional members who are charged with the responsibility of supervise the compliance (Schwepker, 2015). Through codes of conduct, the professional institution is able to form understood agreement with other society members, trusting them to regulate as well as exercising jurisdiction over the occupational category. Bowen, Pearl and Akintoye (2007) claimed that on balance, with effective disciplinary institution, industry would be success on reducing misconduct.

2.2.2.3 The Sarbanes-Oxley Act of 2002 (SOX)

Bowen, Pearl and Akintoye (2007) recommended that when it comes to fighting corruption and unethical behaviour in construction industry the importance of The Sarbanes-Oxley Act of 2002 (SOX) could not be denied.

The Sarbanes-Oxley Act of 2002 (SOX) entails an act which was introduced in 2002 in response to the increased number of accounting frauds in early 2000s with the most famous being the Tyco, WorldCom and The Enron scandals (Bowen, Pearl and Akintoye, 2007). As explained by Kahrass, Strech and Mertz (2016) firms operating in construction industry have an accounting department and the corruption starts from there. The Sarbanes-Oxley Act of 2002 (SOX) offers provision for punishment for non-compliance and internal audit guarantee. The acts require the company to include internal control reports in their financial reports. This will indicate that the financial data of the company is accurate and reliable as well as there are adequate internal controls put in place. Further, it has provision that protect the whistle-blower.

2.3 Factors influencing ethical behaviour

2.4 Personal values

Personal values are defined as essential, situational goals that serve as guiding principles in peoples' lives (Rokeach, 1973; Schwartz,1994). Values are psychological standards, positive or negative, not tied to any specific thing or situation, representing a person's beliefs about manners of conduct and ideal fatal manners (Milton, 1968). Personal values or individual values are the values to which an individual is keen and which influences his/her behavior(Theodorson & Achilles, 1969). There may be numerous values for an individual but a few of them significantly influence the behaviour. Kernaghan and Borins (2000), stated that values are continuing beliefs that influence ones' conduct or end-states of being personally or socially preferable. Values determine what is right and what is wrong within a society. Personal values, although distinctive in nature, they are largely liable by societal and cultural factors and tend to vary across nations (Lan, Ma, Cao, & Zhang, 2009). Values provide the basis for individual views that lead to decision making behaviours. It may be claimed that an individual's values may drive one to behave in an ethical or unethical manner (Baird & Zelin, 2007).

Values are learnt in childhood years and appear as everlasting perceptions that shape and influence the nature of one's behaviour. According to Beauchamp and Bowie (2004) people obtain what is morally right or wrong in their childhood and do not usually participate in the proper training of ethical viewpoint until their college years.

Ones' values define what is vital to someone in the way they live and conduct life. Values give meaning to one's life, they are the basis for one's beliefs, and they also influence one's decisions, actions and behaviour. Examples of values include respect, openness, independence, privacy, optimism, happiness, family oriented, success, healthiness, compassion, kindness, perseverance, trust, perfection, modesty, loyalty and professionalism. Values vary between individuals and because values influence behaviour, they affect the way individuals understand and respond to their world. It is important to understand the influence values have on decisions and behaviour. One may be aware of their values or may hold them in their unintentional action on them but not being consciously aware of them. When one lives their life in line with their values they are likely to feel fulfilled, however where one's values conflict with each other or how one is living their life they may feel stressed and unhappy. When working with people, it is important that one appreciate that each person's intrinsic values are different.

Most of an individual's ethical development occurs before entering an organization. The influence of family, church, community, and school will determine individual values. In the organisation values are classified into explicit, implicit and beliefs in action (Rokeach, 1979). Explicit beliefs and values are those that the leader openly acknowledges, they are also called promoted beliefs. Then implicit values are beliefs and values that are what the person really believes in, but may not be entirely attainable to the person in the organisation. They operate with less conscious consideration, and tend to be more steadily linked to behaviour. Lastly, there are beliefs in action which makes one behave in a certain way which might become a pattern.

Rokeach (1979) classified values in two classes which are terminal values and instrumental values. A model which hypothesizes those beliefs, attitudes, and values are all programmed together into a functionally joint, cognitive system was constructed (Rokeach, 1968-1969). Terminal values are personal values and social values, whereas instrumental values are morality-based values and competency-based values (Rokeach, 1979). Terminal values are lifetime personal goals and include freedom and inner harmony. Terminal values are the goals that one work towards and viewed as most desirable. These are the goals that a person would like to achieve during their lifetime.

Instrumental values refer to preferable manners of behaviour. Instrumental values are behaviours that help people achieve their lifelong goals and include independence, ambition, and obedience. The distinction between preferable modes of behaviour and preferable end-states of existence implies a differentiation between means and ends or what Rokeach calls instrumental and terminal values. Instrumental values relate to modes of conduct and include such characteristics as ambition, independence, and responsibility.

Table 1 : The Rokeach Personal Value System

Category Values
Terminal
Personal Self-respect, courageous, and broad-minded
Social Freedom, equality, and a world at peace
Instrumental
Morality based Honest, forgiving, polite, helpful, loving, and responsible
Competency based Logical and capable

Adapted from (Grey, 2005; Rokeach, 1979)

2.4.1 Personal values and ethical behaviour

Personal values are the basis of ethics as they control what a person considers good/bad. Values create the base for personal and societal judgment and action. They primarily define who we are and what we believe. There are many facets that control ones' values and ethics which are culture, religion, family and other factors. Many times, values and ethics clash with different people who embrace different views and beliefs however it does not mean ones' values or ethics are wrong it just means we think differently than others. Research indicates that personal values influence an individual's behaviour and attitude; however it may conflict with the values of colleagues or organizations within which they work (Lan, Ma, Cao, & Zhang, 2009).

Values are important coordinators of behaviour and there is a link between values and behaviour (Cheng & Fleischmann, 2010). Previous research indicates that ethical decisions are positively correlated or highly influenced by personal values (Douglas & Schwartz, 1999; Karacaer, Gohar,

Aygun, & Sayin, 2009; Cherry & Fraedrich, 2002). Douglas, Davidson and Schwartz (2001) also found that there is a positive relationship between the personal value of religiousness and ethical decision-making found that ethical decisions made were significantly influenced by their personal values.

Fernandes and Awamleh (2006) stated that individuals with high human values achieved higher success rates than individuals with high material values. Singer also reported that the value systems of successful individuals remained unchanged throughout their professional lives. Fritzsche and Oz (2007) researched the relationship between personal values and decision making and found that generous values contributed positively to ethical decision making. Kovanic and Johnson (2004) stated that most people base their decisions on personal values, thus individual values are the heart of ethical behaviour. Bates and Chen (2005) suggested that values are vital for understanding individual behaviour and worldviews since they are part of people's psychological character, seems to be global in choice, surpass specific situations, and are organized to become part of a fairly durable system. The literature indicated that values, whether stated or inferred, influence individual's behaviour.

However, in a study of 75 in-work MBA managers Higgs and Lichtenstein (2010) found no relationship between personal values and ethical behaviour. What a person believes about people, the organization, or themselves affects what they do. Bommer, Grato, Gravander and Tuttle (1987), stated that although it has been found that values affect behaviour, evidence seems to indicate that with respect to ethical and unethical behaviour on the job, many individuals will not adhere to general social values unless these are also merged within their professional or work environment. In contrast, some research has found little or no support for the influence of personal values on ethical decision-making (Akaah & Lund, 1994). Shafer, Morris and Ketchand, (2001) did not find support for the hypothesized relationship between personal values and ethical behaviour. Immoral people normally do not reflect on their values and value-based decision-making in everyday life. Since values have long been viewed as an important determinant of human behaviour, it is important to understand their relevance in the actions of leaders (Busacca, Beebe, & Toman, 2010).

2.5 Corporate ethical values

Values are defined as common principles, goals, and standards that people within a culture believe to be essentially worthy (Hatch & Cunliffe, 2006). Values impact the groups' attitudes, their approach to life situations, their relationships, their associations with people and the meaning they dispense to situations and the behaviours of others (Suar & Khuntia, 2010). Values seem to be an important contributor to choice making on both individual and organizational levels (Elango, Paul, Kundu, & Paudel, 2010). Research conducted by Liedtka (1991), proposed that organizational value systems play a critical role in establishing the foundation upon which ethical dilemmas of employees are solved. According to Hill and Jones (2001), organizational values are discussed in the context of beliefs and ideas about what kinds of goals members of an organization should pursue, as well as ideas about the appropriate kinds or standards of behaviour organizational members should use to achieve these goals. Organizational values can become beliefs that are unique to the organization, but not necessarily to individuals (Wan, 2017).

Organizational values develop organizational norms, guidelines, or expectations that commend appropriate kinds of behaviour by employees in particular situations and direct the behaviour of organizational members toward one another. Organizational values serve as a capacity of an organization's culture, how things must be done and how employees are expected to behave (Suar & Khuntia, 2010). Organizational values impact a wide range of issues within the workplace, and unless they are developed, endorsed, and implemented properly, they stand little chance of impacting workplace behaviours and practices (Atchison, 2007). In an organization, mission and vision might be interpreted to include terminal values, while instrumental values denote to ways how the terminal values are attained (Hultman, 2005). Employees are expected to act in accordance with them, even if they do not support them personally. This can also be, from the view of an organization, a formal statement of the aims or beliefs that will guide employee behaviour (Huhta & Landström, 2016).

In general values are the beliefs that individuals question to distinguish between right and wrong. Corporate ethical values are the portrayal of the real nature of an organization (Organ, 1997) and they motivate the organizations to put together stakeholder perceptions in strategy development (Hunt et al., 1989). Corporate values have been referred to as the essential measurement of an

organization's culture and have been recognized as strong factors that differentiate one firm from another (Alchian & Demsetz, 1972). Schein (2004) also defined corporate values as major dimension of corporate culture and as factors that define the principles that direct the external adaptation and internal incorporation of organizations. Corporate values influence organizations' product and service quality, advertising content, pricing policies, treatment of employees, and relationships with customers, suppliers, communities, and the environment. French and Bell (1999), argued that values are defined as beliefs about what is pleasing or good and what is unwelcome or bad. These values as well as beliefs and assumptions provide people with structure and stability as they attempt to understand the world around them.

Deal and Kennedy (1982), argued that companies often succeed because their employees identify, accept and act upon the organization's values. Corporate values are the centre element of organizational culture and comprise an organizational value system; furthermore these values approach is independent of the cultural construct (Wiener, 1998). The organizational value system should not only be seen as a way of identifying an organizational culture but can offer unique meaning and perspective to the understanding of organizational phenomena. Corporate values can be differentiated as follows:

Humanistic, optimistic and democratic values

Humanistic values affirm the significance of individuals thus the employees in an organization (Katkhede, 2018). This is done in terms of respecting the whole person, treating people with respect and dignity, assuming that everyone has some built-in worth and viewing all people as having the potential for growth and development. Optimistic values assert that people are basically good, that advancement is possible and favourable in human affairs, and that rationality and goodwill are the tools for making progress (Katkhede, 2018; Yeager, Head, & Sorensen, 2006). Democratic values proclaim the purity of the individual, the right of people to be free from arbitrary misuse of power, the importance of fair and equitable treatment for all, and the need for justice through the rule of law and due process (Katkhede, 2018).

Social Values

Values can be seen as primary principles of ethics. On the other hand, values are more personal and mark the character and behaviours (Hjort & Steyaert, 2004) . Values answer the question of why people do what they do in the organization (Schein, 2004). A major source of values within an organization may be social expectations, especially when they are shared. Therefore social values can be seen as normative beliefs which balance active beliefs as forerunners of behaviour. They act as built-in normative guides to behaviour, independently from the effect of rewards and punishments as consequences of actions. Social values apply to values that deal more with ethics which cannot be tested.

Functional and Elitist Values

According to Wiener (1998), values can be looked upon as functional or elitist. Functional values are values that focus particularly on goals, functions and style of actions, including factors such as product quality, innovation and customer service (Banner & ElaineGagné, 1995). In addition, functional values tend to be helpful as they comprise of more clear guides for members' behaviour. These values are also likely to cause rational behaviour since achieving goals is strongly emphasized. Elitist values are values that regard the importance of the organization itself, its members and products, status and superiority (Stan, 2015). These are especially directed towards the relation to other institutions and society at large. One can argue that elitist values are more "soft" in the sense of focusing more on generating strong feelings, such as pride towards the organization. However, both functional and elitist values can be included in any organizational value system. Therefore, one has to decide whether the value system is primarily functional or elitist and this can be done by determining the strength of the elitist values relative to the functional ones.

2.5.1 Corporate values and ethical behaviour

It has been argued that organization's ethical orientation can affect employees' behaviour (Obalola, Aduloju, & Olowokudejo, 2012). They also identified that corporate values, stated policy and corporate culture as some of the organizational factors that can influence ethical behaviour. Both stated formal and informal values are also shown as an organizational antecedent that can influence ethical behaviour (Hunt & Vitell, 2006; Bommer et al., 1987). Janson and Von

Glinow (1985) also stated that corporate ethical values are not just the underpinning of all other values relating to product and service quality, advertising content, selection of distribution channels, and treatment of customers, but also help establish and maintain the standards that describe the 'right' thing to do and the things 'worth doing'. Such ethical values/standards have been held to enhance organizational success, if widely shared among organizational members (Keeley, 1983; Koch & Fox, 1978). Bommer et al. (1987) in their theoretical model posit that the work environment can interact with several other factors to influence managers' decisions to either act ethically or unethically. Corporate values are central to any organization's culture and help to differentiate it from other organizations (Hunt, Wood, & Chonko, 1989).

The right and wrong behaviours and practices are derived from the ethical values system of an organization and helps in setting normative standards for its personnel (Chen, Sawyers, & Williams, 1997). These values help establish and maintain the standards of choosing the right things to do and the things worth doing (Jansen & Von Glinow, 1985).Employees view corporate vales as the organization's true values which has an impact on their perception about an organization's social responsibility (Vitell & Hidalgo, 2006) and their motivation to act ethically (Sharma, Borna, & Stearns, 2009). Corporate vales have been theorized to be extremely influential in directing the behaviour of individuals in society in general and organizations in particular (Rokeach,1973).More specifically, when the ethical standards/values of an organization are widely shared among its members, organizational success will be enhanced (Badovick & Beatty, 1987).

2.6 Organisational climate

The term climate refers to the atmosphere in which individuals help, reward, and judge, constrain and perceive each other, it impacts the self-esteem and attitude of employees towards their work and environment (Chahal, Dua, Singh, & Mahey, 2012). Ethical climates can be defined as the leading perceptions of organisational practices and procedures that have ethical content and determine ethical behavior at work (Victor & Cullen, 1988; Zhu, Avolio, Riggio, & Sosik, 2011). The ethical climate of an organisation is the common set of identifications of what ethically correct behaviour is and how ethical issues should be handled, guiding decision making at all levels in an organisation (Laratta, 2009); Van Zyl, 2012;Victor & Cullen, 1988).

According to Arabaci (2010) organisational climate is a very broad concept that includes factors from all three levels of an organisation. It can be said that ethical climate does not only determines decision-making and successive behaviour in response to ethical dilemmas and issues, but determines the moral criteria for understanding, evaluating and resolving such issues (Cullen et al., 1989). Climate strength is also an important factor in the measurement of organisational climate. When climate strength is high, it means that employees are in strong agreement with regard to the climate of the organisation (Dickson, Hanges, & Resick, 2006).

Brand and Wilson (2000) identified four origins of climate research that are universal through most organisations. The first element is that organisations might have more than one climate that are differently affected by different interventions. Secondly, people from different departments and positions might have different views about the climate. For example, people in top management positions may perceive the climate as positive while people in lower management may perceive it as negative. Thirdly, all organisations are unique and have distinctive organisational climates, thus climate changes will affect organisations in different ways. Finally, organisational climate influences organisational variables such as employee motivation and job satisfaction, and changes in organisational climate will result in changes in these variables.

A good work climate should endeavour to inspire positive values and discourage negative influences that affect employees' behaviour. All individuals possess a compass, defined through values, which direct how they treat others and conduct themselves. Although a company cannot do anything about the influences that shape a person's values and behaviour before hiring, the organization can try to influence employee behaviour in the workplace through an ethical climate in the organisation. In short, an organisation with a strong ethical climate, employees would consider the wellbeing of the greatest number of others when faced with ethical dilemmas. Some of the factors that may be emphasised in different ethical climates of an organisation are personal self-interest; company profit; operating efficiency; individual friendships; social responsibility; personal morality; and rules and standard procedures (Van Zyl, 2012). These climate types are: self-interest; company profit; efficiency; friendship; team interest; social responsibility; personal morality; company rules and procedures; laws and professional codes.

These climate perceptions help determine employee behaviour and the ways in which employees respond to the characteristics of the work environment (Carr, Schmidt, Ford, & DeShon, 2003). Organisational climate is currently regarded as an effective management tool to encourage employee commitment and satisfaction and improve the overall success of an organisation (Kangis & Williams, 2000). The climate of an organisation consists of multiple dimensions, each focusing on a different aspect of the organisational environment and functioning (Dickson et al., 2001; McMurray, Scott, & Pace, 2004). Some of these dimensions are interconnected and overlap, contributing to the complex nature of organisational climate.

2.6.1 Ethical climate types

Nine theoretical ethical climate types are determined by using the two dimensional theoretical typology (Cullen et al., 1989; Victor and Cullen, 1988). Victor and Cullen (1988) found five climate types in their work as opposed to the above-mentioned nine theoretical types. These five different climate types, identified as instrumental, caring, independence, law and code, and rules, are also found in most of the empirical research done on the subject (Martin and Cullen, 2006).Victor and Cullen (1988) identified the following five ethical climate dimensions:

Caring: In an ethical climate that is largely subjugated by the caring element, employees are likely to have a sincere interest in helping others that might be affected by ethical decision to succeed within and outside the organisation. This dimension depends on the bases of utilitarianism, which means that the policies and the behaviour of the employees will substitute the concerns of those who are affected by the decisions and behaviour of employees (Moore, 2012). These policies and practices would not only promote this aspect but most employees would consider conducting themselves in this manner. In such a climate, it is important to promote the welfare of others and for the organization as a whole. In a caring organization, an individual employee may intentionally or unintentionally break a law in order to help the most people (Johnson, 2007).

Rules: An organisation characterised by the rules dimension of an ethical climate would be encompassed of employees who observe strictly to the organisational rules and policies. The deontological foundation for a rules climate requires a loyalty to rules and principles.

In this case, the rules would serve as a guide for employees' ethical decision-making (Shacklock, Manning, & Hort, 2011).

Law and codes: in an organisation built of laws and code climate, employees would be required to adhere to the codes and regulations of their profession or to those laid down by the government if the organisation has an ethical climate that is based on law and codes and regulations of their profession or government. This climate encourages strict obedience to professional, legal or regulatory standards.

Independence: Employees are guided by their personal morals beliefs in an ethical climate that emphasises the "independence" dimension. This element of an ethical climate stresses and suggests to the fact that employees would act according to their own personal morale beliefs based on principles that are set for them (Tseng & Fan, 2011). The authors also state that employees would also guide themselves to the extent that those from within and outside the organisation will have less or no influence on how their ethical decisions are made.

Instrumental: According to Shacklock, Manning and Hort (2011) in an organization with an ethical climate that is based on the instrumental component, members of the organization are concerned with their individual interest, and eliminate the interest of other members who might be affected by their decision. In such an ethical climate members are mostly concerned with their own interests. In this type of climate employees only look out for themselves and it is difficult for employees in such an organization to work in teams.

From amongst the five ethical climate types/dimensions, it has been predicted that the instrumental climate will most probably foster unethical behaviour. This is because individuals' decision making in instrumental ethical climates are most likely to promote employees' exclusive self-interest, regardless of laws, rules, or the impact their actions have on others (Wimbush & Shepard, 1994). In disparity, ethical employee behaviour is expected in organizations where benevolent and principle climates (i.e., caring, independence, rules, and law and code) are principal since these organizational climates have policies and accepted behaviour which require the consideration of others when making ethical decisions.

Organizations should endeavour to encourage and establish benevolent and principled climates while striving to prevent egoistic climates from setting in (Simba & Cullen, 2011). Organizations with strong ethical climates communicate norms clearly in terms of moral issues to their employees (Bartels, Harrick, Martell, & Strickland, 1998). It has been suggested that an organizational climate may be an important factor in shaping the behaviour and attitudes of employees (Cullen, Parboteeah, & Victor, 2003; Deshpande, 1997; (Wang & Hsieh, 2012). Employee behaviour depends on the dimension of the climate related with the organization (Wimbush & Shepard, 1994). Not all dimensions are equally favourable to promote ethical employee behaviour in organizations.

2.6.2 Backgrounds of Ethical climate

Organisational climate develops primarily through the processes of socialisation and interaction between employees (Allen, 2003). The owners or directors of an organisation impose their own values, beliefs and experiences into the structure, policies and climate of the organisation. The climate of the organisation develops over time and influences the reputation of the organisation. When the values of partners differ, it can result in conflict and one of the partners may leave the organisation, thus leaving an even more homogeneous climate behind (Dickson et al., 2001). Personal values play a very important role in how people interpret the climate of the organisation and the influence of external events. The employees' values also grow more similar due to years of daily interaction and discussions (Dickson et al., 2001). Only when employees are in agreement with regard to the work environment can organisational climate be determined, if this agreement does not exist then the phenomenon is simply known as psychological climate (Glisson & James, 2002).According to Victor and Cullen (1988), there are three broad categories that will help regulate the supposed ethical climate of an organisation which are social norms, organisational structure and specific factors of the organisation.

Social norms: DuBrin (2009)) suggests that, to a larger extent, the structure and operation of the organisation is determined by the rules of the society. It is therefore vital for organisations to set up ethics committee that will be responsible for addressing ethical and social responsible behaviour in an organisation and make ethical training compulsory for all employees.

Values in society, government roles and organizational practices as different spheres of ethical values and action which interact and reinforce each other has an effect on organisational climate (Lawton, 2005).An environment in which an organisation will influence the ethical climate, for example in a community where they value people more than material things the organisation is prone to have a caring ethical climate.

Organisational structure: Deshpande, George and Joseph (2000) revealed that national culture has the ability to influence the ethical climates of the organisation within a specific country. Looking at South African organisations and their structures, there is a lot of government influence in terms of following affirmative action that was developed to undo the inequities of the apartheid regime. Organisational structures are believed to have an influence on ethical climate. Malloy & Agarwal (2003) stated that different organisational administrative structures (e.g. profit vs non-profit organisations) will always determine the form of the organisation. Collective norms about what is and what is not appropriate behaviour are shared and are used to guide behaviour. In a weak culture, the values, goals, purposes and beliefs of the total organisation are not clear (Trevino, 1986). Diverse subcultures are likely to exist; therefore the individual is more likely to rely on norms generated by his or her relevant subculture of referent others (Schein, 1984). Referent others are the people employees look up to like their leaders; managers, supervisors, team leaders etc. It has been found that referent others mostly leaders significantly influence ethical decision making and behaviour in organisations.

Organisation's specific factors: Each organisation has its exclusive characteristics such as the history of the organisation, member's achievement while they were with the organisation and acknowledgment from the society within which the organisation operate and these can play a critical role in determining ethical climate. Organisational cultural factors (including leadership and reward systems that support ethical behaviour, fair dealing with employees, ethics included in decision-making and a caring for employees) all contribute to ethics-related attitudes and behaviours (Brown & Trevino 2006). According to Fritzsche and Oz (2007) there seems to be significant evidence representing that certain types of organisational rules can notably affect the ethical behaviour of employees; like a code of conduct.

Fritzsche and Oz (2007) also recognises the reward structure of a company as impacting on ethical behaviour. Hegarty and Sims (1978) stated that if rewards accrue for unethical behaviour, a higher incidence of such behaviour is likely to occur. An awareness of the consequences of one's actions in the organisation is a necessary condition for the activation of the individual's moral norms and his or her influence on behaviour (Schwartz, 1968). Thus if organisations are interested in encouraging moral action they should promote individual responsibility for action consequences at every level of the organization.

2.6.3 Ethical climate and employee behaviour

According to Ongori (2007) employees have a strong need to be informed about the culture of the organisation and they feel more comfortable to stay in positions where they are involved in some decision-making processes. According to Mitchell and Ambrose (2007), employees have hopes of their workplace and they incline to make mental contracts with their organisation. When these expectations are not met employees observe a psychological contract being broken by the employer. Employers, therefore, can unwittingly make decisions that will contribute to their employees' nonstandard behaviour. Boshoff and Van Zyle (2011) describe organisational ethics as the study of how employees behave within the organisational context that consistently base decision on principles, norms and certain standards that are adhered to when business practices are carried out according to the agreement with the stakeholders. DuBrin (2009) describes organisational ethics as the study of moral responsibility, or the act of separating right from wrong doing, acting according to the societal and business moral norms, promoting the overall welfare of society and avoiding harmful decision making.

Darcy (2010) also stated that ethical leadership is not only about the process but rather a way of being and making the right decisions and choices, leading to the inner morality of a leader being scrutinized. According to Wolmarans (2014) moral values are the basic principles considered necessary for the communication of employees and human in general, while moral actions are the evident expressions and implementation of these values. McDowell and Tabuena (2007) mentioned that a significant difference between ethical climate and organisational culture, in that organisation culture has to do with beliefs and values that guide the way members of the organisation think and behave whereas ethical climate would conceptually refer to the perception

of the employee and other stakeholders of the practices and behaviours that eventually get rewarded and supported with regards to ethics in the workplace and have the ability to predict ethical outcomes of interests.

Moore (2012) advocates that an organisational ethical climate has a lot to do with the behaviours that are perceived to be ethically correct and how the organisation deal with issues that are deviations away such expected behaviours. Boone and Kurtz (2011) described an ethical climate as a measure of the expectations of people either inside the organisation or stakeholders who are outside of the organisation, and how these expectations are met. Consequently, it has been suggested that an organisational climate may be a significant factor that helps in shaping the behaviour and attitude of employees (Wang & Hsieh, 2012). A significant justification behind the domain of research on ethical climate is said to be the realisation of the perceptions that ethical climate issues affect the reaction, behaviour and attitude of people towards their work and the organisation as a whole (Martin & Cullen, 2006; Simba & Cullen, 2011).

According to Wolmarans (2014) strong basic values are critical to guide and influence leadership behaviour. These values act as social constructs that give a leader the opportunity to make decisions about the direction that followers will need to be led to and how to proceed. There has been wide research on the influence that ethical leaders have on developing and shaping organisational ethical climate (Dickson, Smith , Grojean , & Earhart , 2001; Grojean, Resick, Dickson, & Smith, 2004)). Griffin and Ebert (2006) found that an individual's value, morals and the social context within which his or her behaviour takes place, will always determine whether that behaviour is regarded as ethical or unethical. It is essential for an organisation to have ethics codes of conduct, however the process of developing and communicating these codes to all stakeholders must be done in a transparent and consultative manner (Lloyd & May, 2010). Kanten and Ülker (2013) stated that the dimensions of organizational climate could create a significant and negative effect on counterproductive behaviour. This implies that a positive, healthy, and respectful organizational climate will create employee's positive perception so that they would feel the organization confirms their personal objectives. Thus, unproductive and deviant behaviour can be prevented or minimized.

People are greatly affected by the climate in which they live, work and function (Punia, Punia & Dhull, 2004). Research suggests that organisational climate determines daily routines and employee behaviour (Kilburn, 2008; Punia et al., 2004). Organisational climate is based on employees' perceptions and when these perceptions are shared by members of a specific unit or department it results in employees behaving in similar ways (Schulte, Ostroff, &Kinicki, 2006). For example, people from lower socio-economic class families may have different values and beliefs and behave differently to people in higher socio-economic class families. This is also true for organisations. When individuals join an organisation they also bring with them their own values, beliefs and behaviour patterns. An organisation's systems, structures, class relations, roles, ownership and functions all play a role in organisational climate (Punia, Punia, & Dhull, 2004). According to Laland and Brown (2011) human behaviour is largely learned from other people and primarily influenced by culture.

Eshliki & Kaboudi (2012) stated factors influencing perception and attitude; and nature and extent of impact of certain behaviour are likely to be different in each community. It is broadly understood that there are many antecedents of behaviour, including immediate environmental or institutional constraints and cultural values. In the study of corruption, cultural values are important because it influence decisions whether to engage in corrupt transaction. Moreover, environment that tolerated corruption in a way forced individual to pay bribes, under-counter gifts, dishonest dealings to do construction businesses (Getz & Volkema, 2001). This is due to the fact that corruption occurs as a form of behaviour violating the official ethics of public services, a stem of social norms that emphasize gift-giving and loyalty to family or clan, rather than the rule of laws (Park & Blenkinsopp, 2011). Corruption is made possible by social context that due to various sources; in particular behavioural issue which is hard to measure. To be ethically successful, it is important that leaders and employees understand and respect how values impact their work environment. Organisations with strong ethical climates communicate norms clearly in terms of moral issues to their employees (Bartels, Harrick, Martell, & Strickland, 1998). Leadership is inherently attached to issues of ethics and can hence be seen as a contributing factor in the manifestation of strong ethical climates (Eubanks, Brown, & Ybema, 2012). Brown and Trevino (2006) proposed that stronger ethical climates support the development and sustaining of ethical leadership in organisations.

A major critique of organisational studies is that they tend to focus on either psychological or organisational climate, ignoring the influence of individual outcomes (Schulte, Ostroff, & Kinicki, 2006). According to Schulte et al. (2006), although employee behaviours are influenced by the work environment, the shared perceptions of co-workers and groups also influence individual perceptions. It will thus be more appropriate to include all levels of climate in research studies. A further critique of prevailing organisational climate studies is that they only focus on the local climate within the organisation. These studies thus ignore other factors that also play a role in organisational climate, such as the influence of government legislation, technological advances, competitors and society in general (Dickson, Smith, Grojean, & Ehrhart, 2001).

2.7 Moderating effect of age and gender

A moderator is a variable that affects the strength of the relation between the predictor and criterion variable (Tsang, 2015). It can be qualitative (e.g., sex, race, class) or quantitative (e.g., drug dosage or level of reward) variable that modifies the relationship between an independent variable (IV) and a dependent variable (DV) (Baron & Kenny, 1986). It may be naturally occurring, measured or determined variables (e. g., age, gender, industry type) or can artificially be created by manipulation of the conditions (e. g., negative/positive service quality) (Ro, 2012).

2.7.1 Age and ethical behaviour

Ethical reasoning is influenced by work employment, work experience, demographic characteristics such as age, gender, and ethnicity amongst other factors (Ducut, 2007; Deshpande, 1997). Age is a determining factor in making ethical decisions starting with the most ethical decisions being made by the older participants and decreasing ethical decisions being made as their age decreased (Ruegger & King, 1992). Ethical decision-making takes two forms when age is a factor (Prezlaff & Dausmann, 2012). The first form takes into account age as a factor at the societal, or policy level and the second form takes into account the capacity of the individual to make decisions regarding their own care. Age is a variable for which empirical results are different across different studies. Many research studies shows that the relationship between age and following rules in ethical judgments is positive (Chiu, 2003; Peterson, Rhoads, & Vaught, 2001;

Vitell, Singh, & Paolillo, 2007). It has been found that people tend to be more ethical as they grow older. It has been found that most unethical decisions were found to be made by people in younger age groups (Jennings, Hunt, & Munn, 1996) since younger people are less capable than older people to closely follow their superior's views in way of thinking through ethical dilemmas (Leibig & Green, 1999).

Older people are expected to be more ethical than younger peoples since as age increases, individuals have more traditional and strict ethical tendencies and hold less compromising interpretations of what is to be judged ethical (Sikula & Costa, 1994). Secondly, ethical decision making and anticipated ethical behaviour, in general, increases as individuals move from lower levels to higher levels of moral reasoning (Wotruba, 1990) and moral reasoning is directly linked to age (Rest, 1986). Lastly older people have experienced more ethical dilemmas in non-business contexts (Izzo, 2000); therefore they are more willing to accept and conform to ethical standards and behave accordingly (Serwinek, 1992)

However, some studies found that younger people make stricter ethical judgments than older people (Vitell, Singh, & Paolillo, 2007). Other studies reported no significant relationship between age and ethical judgments (Barnett & Valentine, 2004; Schepers, 2003). Results from a certain research indicated that age had a significant impact on salespersons' ethical decision (Dubinsky, Jolson, Michaels, Kotabe, & Lim, 1992)

2.7.2 Gender and ethical behaviour

According to Gilligan (1982) the moral development of men is based on individuality, and that of women depends on connectedness to others. Compared with women, men focus more on themselves and are more likely to engage in behaviour without considering the consequences for other people. Women prioritize caring for other people and are more likely than men to avoid unethical acts that may hurt their relationships with others (Apriliani, Anggraini, & Answer, 2014). Men and women might make use of distinctive decision-making styles when facing ethical problems, with men being more interested in moral justice issues and women being more concerned about nurturing others (Borkowski & Ugras, 1998; van Sandt, Shepard, & Zappe, 2006). Different socialization processes might also impact how women and men respond to ethical

dilemmas (Kidder, 2002). Men are mostly interested in completing their duties and acting aggressively in spite of developing key relationships with others which could serve their unique reactions to ethical problems (Kidder, 2002). Women prefer the idea of socialized gender and often working in professions that are more developing and relationship-based (Hall, 1993; Kidder, 2002).

Both males and females believe that their own sex is more ethical than the opposite sex (Kidwell, Stevens, & Bethke, 1987), although females tend to report fewer wrong activities than males, even though they do not differ significantly in wrong action (Jensen & Eve, 1976). Pratt (2002) mentioned that although men and women may have different moral orientation, they are the same when it comes to moral reasoning. Whether men have a lower level of response to ethical dilemmas or not men will have a lower level of response to an ethical dilemma than women really depends on the situation of the dilemma (Hoffman, 1998). Several studies supported the hypothesis that females are more care-oriented while males are more justice-oriented (Ford & Lowery, 1986). Females may try to avoid the negative consequences of cheating and they are likely act ethically, for instance, females generally prefer to avoid shame and financial risk (Tibbetts, 1997). On the other hand, males may be more prone to risk-taking, focusing more on supposed benefits of cheating and less on the consequences of being caught. Some of the past research found females to be more ethical than males and older people to be more ethical than younger people although the findings are not common (Ruegger & King, 1992).

Females are less likely to use double standards when it comes to their own ethical behaviour compared to corporate ethical actions (Vermeir & Van Kenhove, 2008). Simpson and Cohen (2004) and Fredricks, Tilley and Pauknerova (2014) found that compared with men, women are more sensitive to dubious behaviours in the workplace. Using samples of business students from India, (Gill, 2010) found that female students were more ethically predisposed than their male counterparts. Holtbrugge, Baron, & Friedmann (2015) discovered that women have significantly more negative ethical attitudes toward corporate wrongdoings compared with men. Women are more prone to moral emotions of guilt and shame (Cohen, Wolf, Panter, & Insko, 2011), they show higher levels of moral character (Cohen, Panter, Turan, Morse, & Kim, 2014), more traditionally moral socio-political attitudes (Eagly, Diekman, Johannesen-Schmidt, & Koenig, 2004). Women

are also less accepting of the use of dishonesty and unethical negotiating tactics to secure monetary payoffs (Dreber & Johannesson, 2008).

However the significance of age and gender on ethical beliefs in Australian and Singaporean cultural groups has not been previously reported (Perryer & Jordan, 2002). In general, it can be concluded that men are more willing than women to behave unethically are and women are significantly more likely than men to view certain questionable acts as unethical are.

2.8 Research Hypothesis

From the research objectives and literature review the following hypothesis were created.

H1: Individual personal values significantly influence ethical behaviour

H2: Corporate values significantly influences ethical behaviour

H3: Organizational climate has a significant influence on ethical behaviour

H4: The relationship between individual personal values and ethical behaviour is moderated by gender such that females are more likely to be ethical than males.

H5: The relationship between individual personal values and ethical behaviour is moderated by age such that older people are more likely to be ethical than younger colleagues.

H6: The relationship between corporate values and ethical behaviour is moderated by gender such that females are more likely to be ethical than males.

H7: The relationship between corporate values and ethical behaviour is moderated by age such that older people are more likely to be ethical than younger colleagues.

H8: The relationship between organisational climate and ethical behaviour is moderated by gender such that females are more likely to be ethical than males.

H9: The relationship between organisational climate and ethical behaviour is moderated by age such that older people are more likely to be ethical than younger colleagues.

2.9 Conceptual framework

A conceptual framework "explains, either graphically or in a narrative form, the main things to be studied" (Miles & Huberman, 1994 p: 18). The authors add that this is most easily done after a list of research questions has been constructed, which has been done in chapter one of this thesis. The conceptual model below was created from the proposed hypothesis**.**

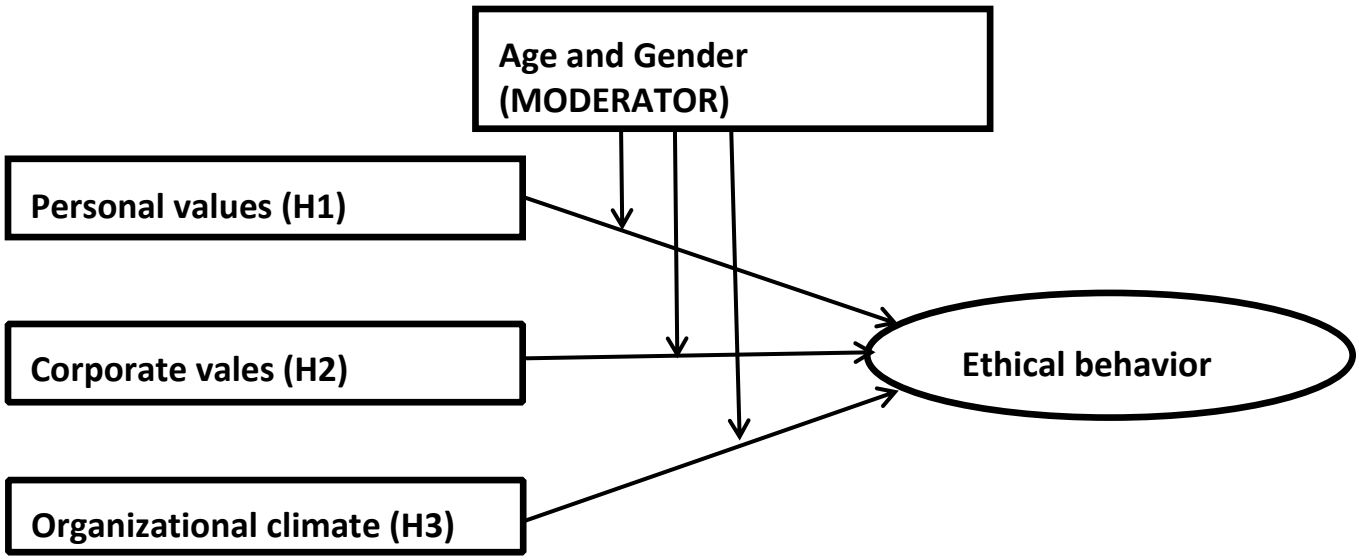


Figure 2: Conceptual Model

2.10 Chapter summary

This chapter presented a theoretical and empirical review of personal values, ethical climate, locus of control and ethical leadership. Emphasis was placed on how these factors are related to ethical behaviour. As the control, ethical leadership was also linked to its effects on employee behavior when faced with ethical dilemma. This chapter has also been able to cover the theoretical framework pinned for this study and the conceptual framework was created. The following chapter will focus on the research methodology used to empirically measure the proposed hypotheses.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

Chapter 3 will describe the research methodology of this study. The researcher will describe and explain the research paradigm, design and approach used for this study. How the sample size was selected, different methods used in collection of the data, together with the validity and ethical issues will be expressed. Lastly, the techniques applied to obtain the findings presented in chapter four will be highlighted.

3.1 Research approach and design

Research is a scientific and systematic study that support and polish existing knowledge and developing new theories (Burns & Grove, 2011). Asika (2006) argued that research is an important part of science that includes collecting and categorizing data as well as finding new methods of doing things. A research design is a method according to which research subjects are examined and data is collected from them (Welman & Kruger, 2001). According to Kerlinger (1986) the crucial purpose of any research design is to find answers to research problems and to control variance, through the elimination of factors that might influence differently on research results, and therefore clear interpretation of results. There are two main and known research methods, which are quantitative and qualitative methods.

The quantitative research approach was used for this research project. Aliaga and Gunderson (2000) defined quantitative research as illumination of a trend by collecting numerical data that will be analysed using mathematically based methods mostly statistics. The aim of quantitative research is to observe the relationships between variables for a certain topic (Thamhain, 2014; Frels & Onwuegbuzie, 2013), while qualitative research is used to explore experiences with the topic under study (McQuarrie & McIntyre, 2014). According to Hair, Anderson, Tatham, & Black, (1998) a quantitative design method presses the use of formalised measure questions that are sent to the respondents which mean that their responses to questions are to a certain extent predetermined. Ilesanmi, (2014) motioned that quantitative approach brings into line the practical approach which focus on explaining relationships between variables. According to Borrego and Amelink (2009) quantitative techniques are most suitable for deductive approaches, whereby hypothesis justifies the variables.

Coldwell and Herbst (2004) stated that quantitative research includes the collection of raw data from a number of individuals with the aim of extending the results to a larger population. The researcher used quantitative approach since it often reduces and restructures a complex problem to a limited number of variables. Ethical leadership is complex and a wide area to study; however, in this case it was reduced to variables that influence ethical behaviour. Given that ethics is a sensitive topic, quantitative method will be the most appropriate approach to use. The presence of the researcher/ interviewer during data collection using interviews is inevitable and this might affect and influence the subjects' responses. The researchers' point of view and their perspective can drive the subjects' responses to what the research want. The nature of quantitative approach makes it the most suitable method to use for the research on hand. Using quantitative approach is cost efficient and time efficient.

3.1.1 Survey research design

A survey is an extensive cross-sectional approach where several cases are studied at a particular time and data is collected to study the characteristics of a certain population. Cross-sectional surveys are mainly used to establish occurrence which is the number of cases in a population at a given point in time (Levin, 2006). A descriptive survey was selected because it provides a precise depiction or account of the characteristics, for example behaviour, opinions, abilities, beliefs, and knowledge of a particular individual, situation or group (Burns & Grove 2011). The design is useful in describing the characteristics of a large population, makes use of large samples, thus making the results statistically significant even when analysing multiple variables. The population of this research study was made up of 3 companies in the South African construction industry. Data was collected over a certain period which makes it a cross sectional survey study. In a short period, large amount of data can be collected at lower costs when using a survey method of collecting data.

3.2 Research paradigm

According to Terre Blanche and Durrheim (1999), a research paradigm is a wider method of stable practice and ideas that define the nature of investigation along three dimensions. Kuhn, (1970) defined research paradigm as a set of beliefs, which direct researchers with decisions on what to be studied and how the results must be interpreted. The research process consists of three main dimensions, which are ontology, epistemology and methodology.

In this research, the researcher used the positivist approach. Positivism is the paradigm that encourages creating and testing of hypotheses which facilitates appropriate valuation of theories (Bryman & Bell, 2011; Taylor, 2013). Positivism regards human behaviour as spontaneous, influenced and determined by external environment. The researcher used the positivism approach since it is in line with investigating, confirming and creating designs of behaviour and is mostly used to assess theories or hypothesis (Taylor, 2013). The positivist research paradigm views scientific ways as the single path to determine objective reality and truth (Wagner, Kawulich, & Garner, 2012). This paradigm is mostly used by modern researchers who believed there is only one fact and the world is aware of that truth. Research based on a positivist philosophy tends to be based on deductive theorizing, where a number of propositions are generated for testing, with empirical verification then sought (Babbie, 2005) Significant data is often essential as a positivist study would favour the use of quantitative methods to analyse large-scale phenomena (Travers, 2001).However, positivism is criticized for not being able to acknowledge some unobservable concepts and phenomena.

The research paradigm is based on ontological assumptions. Guba and Lincolin (1989) stated that the ontological assumptions are those that respond to the question 'what is there that can be known?' or 'what is the nature of reality?' Ontology is the philosophical study of being in universal, or of what applies impartially to everything that is real (Babbie, 1990). Ontology concerns our beliefs about the kind and nature of reality and the social world (what exists) (Biggam, 2008). The positivist ontology believes that the world is external and that there is a single objective reality to any research phenomenon or situation regardless of the researcher's perspective or belief (Crotty, 2003). Researchers must use a controlled and structural approach in conducting research through identifying a clear research topic, constructing hypotheses and by adopting a suitable research methodology (Carson,Gilmore,Perry, Gronhaug 2001) . Positivist researchers remain detached from the participants of the research by creating a distance, which is important in remaining emotionally neutral to make clear distinctions between reason and feeling (Carson et al., 2001). In this world, researchers have to assume that the world they investigate is a world populated by human beings who have their own thoughts, interpretations and meanings.

3.3 Population

Population is defined by Welman and Kruger (2001), as the object to be studied, which might be individuals, groups, organizations, human products and events or the conditions to which they are exposed. The construction industry in South Africa involves many players. They include the project promoters, clients or end users, architects, engineers, quantity surveyors, construction managers, contractors, sub-contractors and suppliers of materials. The targeted population of this project consisted of employees of construction companies in the Gauteng province where the research was conducted. Unfortunately the researcher did not get the actual number of units in the targeted population since some employees work on contracts. All levels of staff in the company participated in the study, i.e. from the most junior, to the most senior. Since the sample is also made up of almost the entire company, it also includes employees from all functional units in the companies. The decision of including all employees was that ethical behavior can happen at any level in the organization. Transparency International (2005) submitted that the international community viewed corruption and other unethical issues as common occurrences at all stages of organizations.

3.4 Sampling Design

Samples are small portions of the population selected to symbolize the whole population (Peck, Olsen, & Devore, 2009). The sample was drawn from the construction companies where the research was conducted. Sampling is a procedure of selecting a group of subjects for a study for the sample to represent the population from which they were selected (Yount, 2006).A sample is a selected and chosen group upon which one carries out the research (Wisker, 2001). The purpose of sampling is to select a representative set of individuals from the target population in the research study (Gravetter & Forzano, 2003). A chosen sample was considered representative in the extent to which it provides an accurate statistical portrayal of the characteristics of the sampling population (Theron, 2012).

A convenience sample was used, as it was conveniently accessible through the permission granted by the management of the company. Not every employee had an equal chance of being included in the sample since there was no census or complete list of all employees working in the company. Due to the lack of all subjects at the same since some employees work on shifts and contracts time a non-probability sampling method was used.

De Vos, (1998) stated that convenience sampling is the most logical choice in situations where it is not possible to identify all the members of a population. Convenient sampling involves sampling of available units. This research preferred to use random sampling to select the respondents. The approach was used mainly because firstly, it was viewed that random sampling will provide a convenience sample and given that there will be very few participants in the construction industry who will be willing to be investigated on their weakness choosing them randomly would be the most suitable selection strategy. Since it is not guaranteed that the sample objects will participate at 100%, Salkind (1997) suggested that oversampling would account for lost questionnaires and non-response. The total sample consisted of 155 employees.

Classification of sample size

	Number of distributed questionnaires	Number of respondents	% of respondents
Company 1	65	55	85%
Company 2	65	47	72%
Company 3	60	53	88%
Total	190	155	82%

3.5 Data collection process

Kumar (2012) suggested that the reason for data collection is to obtain information, keep on record in order to make vital decisions about exacting issues and to pass on the information to others. Data was collected from three construction companies using questionnaires. Data related to the personal and organisational variables will be obtained from the employees of the firms through questionnaires with the help of the human resource department or the person in charge at the company.

Although it was expensive, questionnaires were distributed in form of hard copies. They were placed at different accessible points at the company in a box. This way seems to be outdated but it was the best way to accommodate other employees working on building sites who do not have access to emails.

After filling in the questionnaires employees will return them to the box at their own time, by doing this anonymity will be guaranteed as no one will know who participated or not, and no one will be able to trace those who participated since the questionnaires will be mixed up. Reminder emails were sent via the Human resource manager, this was to improve the response rate.

3.5.1 Secondary sources of data

Secondary data is defined as data that has been previously collected and studied before by other researchers (Blaxter, 2010; Babbie, Survey Research Methods, Second Edition, 1990).This study is based on existing theories and previous studies. Existing literature was reviewed in order to understand the field of study find research gaps and build a base for the study underway. Secondary data was collected from the internet, journals, textbooks, reports, articles and unpublished papers/ dissertations. Secondary data should be examined before primary data and this is done to examine what has already been found and if it is suitable to meet the researchers' objectives (Blaxter, 2010). Findings from primary data collection can be supported by additional information from secondary sources. Secondary sources save cost as well as efforts. Along with guiding to comprehend the problem studied, they also offer basis for comparison. Additionally, they are easy to access.

3.5.2 Primary data

Kotler (2003) defined primary data as the data that the researcher collects on their own in the field of interest being investigated. Primary sources are data collected by a researcher or data that already exists in documented or numeric form. In this study primary data was collected by use of questionnaires to investigate if selected factors are significantly important in influencing ethical behaviour. A set of well-structured questions was administered to the participants to collect their views and opinion on ethical issues in construction industry. Questionnaire was seen as most appropriate because of its uniformity since various respondents received identical questions.

This approach of data collection gives the respondents' time to consider their responses compared to other methods. According to Gubler, Kalmoe and Wood (2015), questionnaires permits collection of large amount of data within a short period of time, this makes them cost effective. Further the responses gathered using questionnaire can be easily and quickly quantified.

However some respondents might not be truthful with their responses and there is a possibility that some questions might be skipped. Although the use of questionnaires has some disadvantages the benefits of using them outweighs the cons.

The questionnaire consisted of the following four sections:

Section A: Personal (biographical) data Section B: Personal values

To measure personal values, this study used Scott's (1965) personal values scale, adapted by (Akaah & Lund, 1994) was used. The sub-scales were measured using a 5point Likert scale (1extremely dislikely to 5-extremely likely). Cronbach alphas for these scale was 0.84 (Alleyne, Cadogan-McClean, & Harper, 2013).

Section C: Corporate ethical vales

To measure the corporate ethical values the corporate ethical values scale created by (Hunt, Wood, & Chonko, 1989) was used as stated by (Tammara Petrill, 2013) in his research.

The measure of corporate ethical values was captured with the use of the five items

5-point Likert scale (1-strongly disagree and 5-strongly agree) to obtain information on three broad-based perceptions which are whether employees identify that managers act ethically and are concerned about ethical issues and lastly if employees recognize if ethical behavioris rewarded.

The degree of reliability was sufficient with a coefficient alpha of 0.78 (Tammara Petrill, 2013).

Section D: Organizational climate

Ethical Climate Questionnaire crated by (Treviño, Butterfield, & McCabe, 1998) was adapted for testing the organizational climate, the scale was taken from a research thesis by (Tammara Petrill, 2013).Organizations do not possess values that are independent of the values of their members (Tepeci, 2001). It is a 16-item instrument rated on a 5-point Likert scale (from 1 –strongly disagree to 5 -strongly agree). The constructs have satisfactory reliability coefficients as follows: individual caring (0.6)7, Machiavellianism (0.86), independence (0.78), social caring (0.79), and law and code (0.79) (Tammara Petrill, 2013).

Section E: Ethical behavior

Ethical behaviour questionnaire adapted from Atakan, Burnaz, & Topcu (2008) was used. The test was used to measure employees' behaviour and their perception on being ethical. The Cronbach's alpha for this test was 0.77, which is bound to be reliable.

3.6 Validity and reliability of the study

Reliability is a method in which the similar results appear over a time when using the same measure or questionnaires repeatedly (Babbie, Survey Research Methods, Second Edition, 1990).The questionnaires are bound to be reliable since most of the questions were be adapted from other research studies. It is possible for a measurement to be reliable but invalid; however, if a measurement is unreliable, then it cannot be valid (Thatcher, 2010; Twycross & Shields, 2004). A pilot test was done before commencing the data collection to test the reliability of the questionnaire. Pilot study is as a process of testing the research instrument before collecting data (Baker, 1994). Cronbach's α is the most commonly used test to determine the internal consistency of an instrument. The Cronbach's α result is a number between zero and one. Although 0.7 coefficient alpha is viewed as the cut off, one article stated 0.7 or 0.6 as the acceptable values (Griethuijsen, et al., 2014).

Schmitt (1996) recommended that there is no universal reliability (such as 0.70) where alpha becomes acceptable, but questionnaires with moderately a low value of alpha can still prove useful in some situations. Reliability values between 0.5 and 0.7 are average, values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values above 0.9 are superb (Field, 2009). A general accepted rule is that an alpha of 0.6-0.7 indicates an acceptable level of reliability, and 0.8 or greater a very good level, however, values higher than 0.95 are not necessarily good, since they might be an indication of redundancy (Hulin, Netemeyer, & Cudeck, 2001). Hair, Samouel and Page (2007) argued that although many researchers usually consider that an alpha value of 0.70 is the minimum, lower coefficients are also acceptable. An acceptable reliability score is one that is 0.6 and higher.

3.6.1 Piloting the questionnaire

The questionnaire was initially tested with 7 students and 8 employees in the construction industry to determine if the measures are applicable to the specific context. Based on the feedback, the instrument was revised to address any ambiguities in question content or areas prone to misinterpretation. Some questions which had a Cronbach's alpha of 0.3 and below were deleted.

3.6.2 Validity

Validity is determination of questionnaire if the research measures what is intended to measure or how the results are truthful (Joppe, 2000). Validity is the extent to which any measuring instrument measures what it is intended to measure (Thatcher, 2010). To ensure validity a pilot study will be done to find if the questionnaire is valid for this study, before the main collection of data.

3.6.3 Construct validity

A practical measurement reflects a specific domain of content to the level. It is also called face validity. Face validity is expected to be done by the supervisor. Construct validity looks at whether the instrument sufficiently covers all the content that it should with respect to the variables being investigated. In other words, does the instrument cover the entire domain related to the variable, or construct it was designed to measure?

3.7 Data analysis

Particular statistical procedures were used based on their suitability to test the research hypothesis of the study. For quantitative data research analysis will be well conducted through the use of diagrams and statistics (Saunders, Lewis, & Thornhill, 1997).The arithmetic means, standard deviation will be used to interpret results obtained. It is essential for data to be presented in a well-structured and easy way to understand (Biggam, 2008). The researcher recorded the data from the questionnaires in Microsoft Excel. Data was analysed using the statistical program Statistical Processing for the Social Sciences or SPSS. The SPSS software package enables statistical analysis and interpretation of data. Data recording occurred in rows, using one row for each survey participant.

3.7.1 Descriptive statistics

According to Sekaran and Bougie, (2013) descriptive studies can be either quantitative or qualitative, often aimed at gathering data that will help describe the characteristics of the person, events and situations. Descriptive statistics is a word used to explain the process of describing components of data collected in a quantitative manner and its key objective is to summarize data in an easy way to read (Mann, 1995). Descriptive statistics are measured in form of central tendency (mean, median and mode) and variability (standard deviation, variance, the maximum and the minimum values of variables, kurtosis and skewness) (Descriptive Statistics Terms).Mean is the average of numbers it can be calculated as the total of scores divided by the number of scores and Median is the value that lies in the middle when the data has been arranged in order (Howell, 2004). In most cases the mean and the median has the same vale. The mode if the value that appears more frequently than others in a data set. Standard deviation is the extent to which individual scores vary around the means (Huysamen, 2002). Kurtosis of a distribution measures the flatness or peaky-ness of a distribution (Hair, Anderson, Tatman& William, 1998). One of the few limitations of a descriptive study is that it presents the possibility for errors and subjectivity, encouraging bias by the researcher (Sekaran & Bougie, 2013).

3.7.2 Correlation analysis

Simple correlation analysis is the most common way of measuring relationships between variables (Hair et al, 1998). Pearson's product moment correlation or linear correlation coefficient (r) was used to assess the degree and the direction of the linear relationship between the two correlation variables (Cooper & Schindler, 2003; Salkind, 2003). Pearson's r can range from -1 to 1 and can be any number between the two numbers. If there is no association between two variable the correlation coefficient (r) will be zero, if there is a positive relationship the value will be positive and it must be equal to 1 or lower, lastly if there is a negative relationship the value will also be negative (Lind, Marchal, & Wathen, 2006). By using this correlation the researcher will be able to get the p value which will be used to test whether the correlation is significant or not significant. In this study the correlation coefficient will be used to see if there is any significant relationship between personal values, locus of control, organisational climate and ethical behavior in the construction industry.

3.7.3 Moderated Multiple regression

A moderating variable influences the relationship of two other variables. A moderator analysis is used to determine whether the relationship between two variables depends on (is moderated by) the value of a third variable. To test moderation I used multiple regression equation with an interaction term. It is a moderator analysis because of the theory and following hypotheses that surround this statistical test (Aguinis, 2004; Jose, 2013). To achieve this process software by Hayes was installed on SPSS. Process is an observed variable OLS and logistic regression path analysis modeling tool for SPSS and SAS for estimating mediation, moderation, and moderated mediation models with multiple regression (for continuous outcomes) or logistic regression (for dichotomous outcomes) (Hayes, 2013). A new variable was created by multiplying the independent variable (e.g. personal values) and the moderator (age/gender) to test whether age/gender moderates the relationship between independent values and the outcome (personal values and ethical behaviour).

3.8 Ethics

According to Saunders, Lewis and Thornhill (1997:p 108), ethics is "the relevance of a person's behavior in relation to the rights of those who become the subject of your work or affected by it" while research ethics is concerned with doing research in a morally tolerable and responsible way. Research is all about applying ethics to all research phases starting from literature review where all references should be cited, data collection and findings where all the data has to secured and confidentially treated (Bryman & Bell, 2011; Sarantakos, 2012). Before collecting data, the researcher must have obtained an ethical clearance from the university. The research proposal of this research was submitted to the ethics committee of the Wits University and the proposal was approved and a copy of ethics approval certificate will be attached in the appendix. Prior to beginning with this research project, permission to conduct research in this organization was asked and given by the Operations and HR Directors of the organization.

According to McNamara (1994) there are five ethical concerns to be considered when conducting a survey research that are voluntary participation, no harm to respondents, anonymity and confidentiality, identifying purpose and sponsor, and analysis and reporting. In the first place, researchers need to make sure that participation is voluntary.

McNamara (1994) further stated that voluntary participation at most times cause conflict with the need to have a high response rate. To encourage a high response rate, Dillman (2000) suggests multiple contacts.

3.8.1 Informed consent

The researcher will inform the participants of the purpose, nature and extent of the research before commencement. A letter of consent will be attached on top of the questionnaire. To get the clearance certificate, consent from the organization or department or university one wants to do research with must be provided. In line with this, the researcher must obtain an informed consent in writing in the format from the organization or university one wants to do research with.

A consent letter to propose participation to various companies, particularly management was sent for the permission. The willing companies will be involved in the study with the assurance that the information given is to remain confidential. The information from these companies is important; therefore, participants must be willing without any pressure imposed on them to participate as suggested by McNamara (1994). All the questions asked in the questionnaires should be user friendly and not sensitive to avoid any problems. All research participants were informed via the cover letter of the questionnaire about voluntary participation and the right to withdraw from the study at any stage.

3.8.2 Voluntary participation

It must be clear to the participants that the research will only be for academic purpose and their participation is voluntary. No one will be forced to participate. Participants can only participate at their own will, and they have a right to quit at any level of filling in the questionnaire.

3.8.3 Privacy, confidentiality, and anonymity

The researcher must ensure that the confidentiality and anonymity of the participants would be maintained by removing of any identifying characteristics. Confidentiality will be guaranteed during data collection. To assure this respondent are not required to fill in their personal information or signing at any level of the data collection process.

In case identity has been disclosed by mistake, the researcher will have to remove the identity before general distribution of information. To protect privacy and confidentiality, neither the organization's identity nor the identity of any participants will be revealed. The organizations will be given letters to distinguish them. Confidentiality will be assured to the respondent and the information that will be gathered will be used solely for this research. After tabulating the information from the original questionnaires, they will be destroyed.

3.8.4 Harm and risk

In this research study, the researcher will guarantee that no participants will be put in a situation where they might be harmed because of their participation, physical or psychological as stated by (Trochim, 2000). No physical harm will be done in this research.

The data collected will only be used for academic purposes. There will not be any form of gain or loss from participating or not participating in this study.

3.8.5 Honesty and trust

Following all the ethical guidelines serves as standards about the honesty and trustworthiness of the data collected and the accompanying data analysis.

3.9 Summary of chapter

This chapter explained the research methodology and design that were employed in this study. A quantitative research approach was used and the compatible paradigm which is positivism was reviewed. Non probability convenience sampling method was used to obtain the desired sample from the population. Data collection procedures, as well as data analysis were also described in this chapter. Ethical considerations were covered since it is very essential when doing research and mostly if it includes people. The following chapter discusses the analysis and results of the study.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.0 Introduction

This chapter will comprise of data analysis, findings and interpretation of data based on the research objectives, which are the effects of personal values, corporate ethical values and organisational climate and how they influence ethical behaviour in the construction industry. The results will be discussed and presented in form of graphs and tables. As mentioned in the previous chapter descriptive statistics including mean, standard deviation, minimum and maximum values, correlation analysis, factor analysis and regression analysis were used in this section. Testing the formulated hypothesis will also be done in this section.

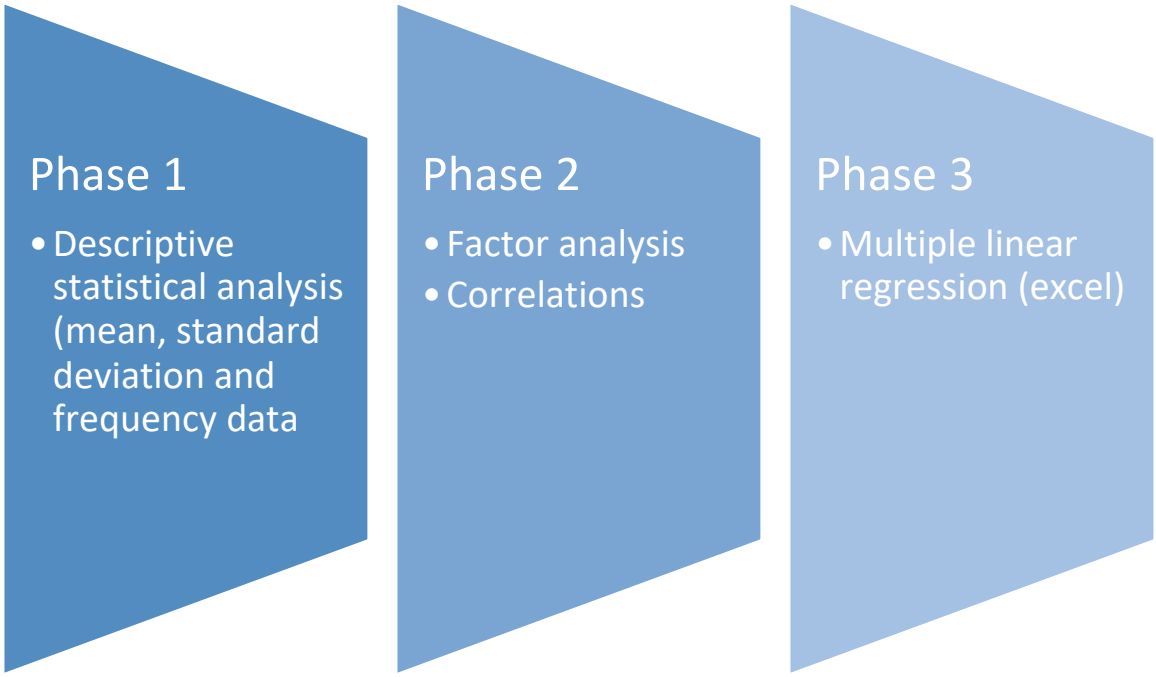


Figure 1 Data analysis process

4.1 Demographic information

Respondents' personal information were presented in this section. The aim of using demographic information is to allow the sample used to be more representatives for the population (Saunders, Lewis, &Thornhill, 1997). A sample of 155 employees in the construction industry was used. The table below shows the descriptive statistic of age with 155 respondents. The minimum statistic was coded as 1 for the age range of 18-25 and the maximum statistic is 5 for 50 years +.

Table 2: Descriptive statistics of age

	N	Minimum	Maximum	Mean	Std. Dev.	Variance
Age	155	1	5	2.96	0.926	0.857

The average age of the respondents was as follows; majority of the respondents were aged between 31 and 35 years with 35% followed by 26 to 30 years with 33%, the rest of the respondents were between 35 and 50 years old with 25%, 50+ years with 4% and 10 to 25 years with 3% respectively. Below is a table which shows the age respondents.

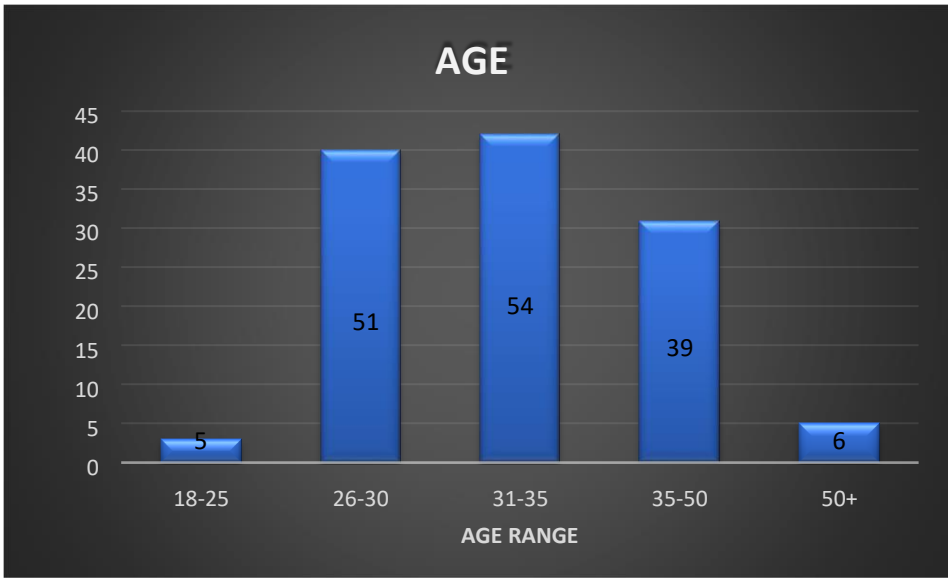


Figure 2: Age of Participants

Descriptive statistics gender

The table below shows the descriptive statistic of gender with 155 respondents. The minimum statistic was coded as 1 for males and the maximum statistic is 2 for females.

Table 3: Descriptive statistics of gender

	N	Minimum	Maximum	Mean	Std. Dev.	Variance
Gender	155	1	2	1.30	0.459	0.211

Below is a visual image of the gender of participants. 70% of the participants were male; while female participants were 30%.

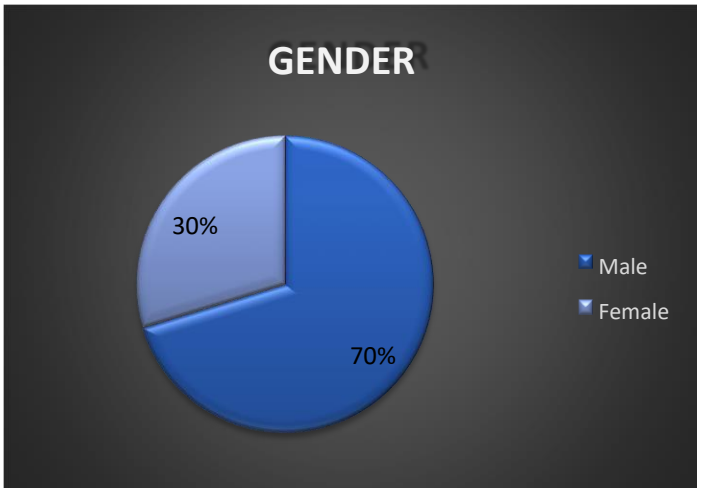


***Figure 3*: Gender of participants**

4.1.1 General questions about the construction industry

The last part of the questionnaire comprised of general questions about the construction industry and they were to be answered as yes or no based on the participants' experience and beliefs. The questions are as follows:

Q1 Do other construction companies use bribes to win tenders? All the employees that participated believe that construction companies use bribes to win tenders

Q2Do companies that award tenders award tenders to those who pay bribes? 93% of participants agreed that tenders are awarded to those companies that pay bribes while 7% did not.

Q3 If you were offered R500m tender and the officials want 5% bribe would your company comply? Of the 155 participants, 40% think that their companies will pay bribes to win tenders but the other 60 % think otherwise.

Q4If you were offered R500m tender and the officials want 5% bribe would you personally conform? 62% will personally pay bribes to win tenders if they were in charge, while 38% of their counterparts will not offer any bribe.

Q5If you do not take up the offer do you think your competitors would take it? Although 40&% of participants stated that their companies will not offer bribes to win tenders, 99% of the participants agreed that other companies will offer bribes to win the same tender

Q6Do you think bribery is a big factor in the award of tenders in South Africa construction industry? All the participants think that bribery is a huge factor in awarding tenders in South Africa.

Based on these general questions it can be concluded that unethical behaviour especially bribery is an issue in the South African construction industry. Below is the graphical expression of the results.

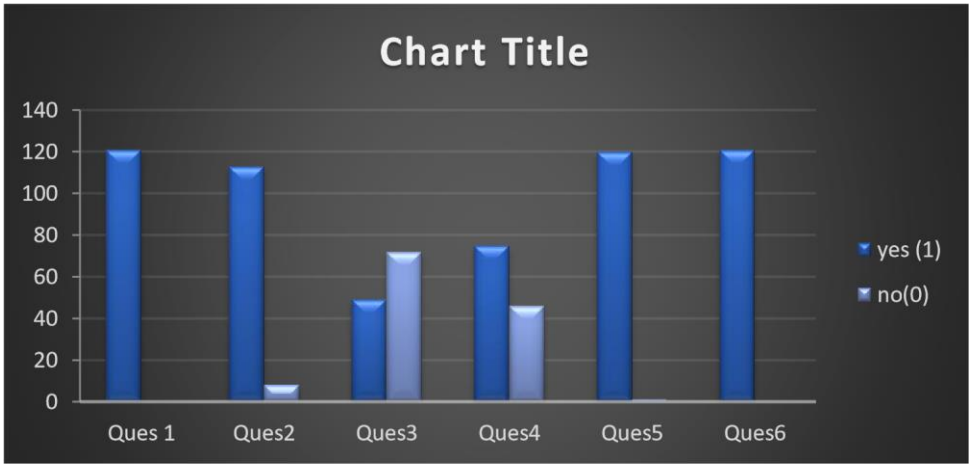


Figure 4: General questions

Descriptive statistics are used to show or summarise data in a meaningful way (Tredoux et al., 2013). Descriptive statistics describe the characteristics of the sample in the form of numerical data in the selected constructs, as well as socio-demographic variables.

4.1.2. Descriptive statistics

4.1.2.1 Personal Values

The table below shows the descriptive statistics of the personal value questionnaire. Question 1 had a mean of 2.95. Question 2, 3, 4, 5, 6, 7, 8 and 9 had means of 3.94, 2.29,2,43, 2.01, 3.85, 3.27,

3.62 and 4.35 respectively.

Table 4*:* Descriptive statistics personal values

	N	Range	Min.	Max.	Mean	Std. Dev.	Variance
Using company services for personal use	155	3	1	4	2.95	.992	.984
Concealing one's errors	155	2	3	5	3.94	.698	.487
Claiming credit for someone else's work	155	3	1	4	2.29	.738	.545
Giving gifts/favours in exchange for preferential treatment	155	2	1	3	2.43	.522	.272
Accepting gifts/favours in exchange for preferential treatment	155	2	1	3	2.01	.773	.597
Taking longer than necessary to do a job	155	1	2	3	3.85	.497	.247
Volunteering information concerning wrongdoing, even if friend are involved	155	2	2	4	3.27	.759	.575
Not reporting others' violations of company policies and rules	155	4	1	5	3.62	1.197	1.432
Calling in sick to take a day off	155	3	2	5	4.35	1.107	1.226
Valid N (listwise)	155						

4.1.2.2 Corporate Ethical Values

The corporate ethical values questionnaire had 5 questions and the descriptive statistics are illustrated below in table 4. Question 1,2,3,4 and 5 had means of 3.91, 2.37, 4.42, 3.77 and 2.32 respectively.

Table 5: Descriptive statistics corporate ethical values

	N	Range	Min	Max	Mean	Std. Dev.
Managers in my company often engage in behaviours that I consider being unethical.	155	2	3	5	3.91	.585
In order to succeed in my company, it is often necessary to compromise one's ethics.	155	3	1	4	2.37	1.128
Top management in my company has let it be known in no uncertain terms that unethical behaviours will not be tolerated.	155	1	4	5	4.42	.495
If a manager in my company is discovered to have engaged in unethical behaviour that results primarily in personal gain (rather than corporate gain), he or she will be promptly reprimanded	155	2	3	5	3.77	.672
If a manager in my company is discovered to have engaged in unethical behaviour that results primarily in corporate gain (rather than personal gain), he or she will be promptly reprimanded.	155	4	1	5	2.32	1.252
Valid N (listwise)	155					

4.1.2.3 Organisational climate

The organisational climate questionnaire was comprised of 13 questions. The first 5 questions had means of 4.2, 3.63, 3.69, 3.99, and 3.07 respectively. Question 6 had a mean of 3.67, question 7 had a mean of 4.01, and question 8 had a mean of 2.11. The last 5 questions had means of 3.14, 2.59, 3.76, 3.47, and 3.63 respectively.

Table 6: Descriptive statistics organisational climate

	N	Range	Min	Max	Mean	Std. Dev.	N
Management in this organization disciplines unethical behaviour when it occurs.	155	2	3	5	4.20	.668	.447
The top managers of this organization represent high ethical standards.	155	3	2	5	3.63	1.128	1.273
Ethical behaviour is the norm in this organization.	155	2	3	5	3.69	.553	.306
Penalties for unethical behaviour are strictly enforced in this organization.	155	2	3	5	3.99	.810	.656
The effect of decisions on the customer and the public are a primary concern in this organization.	155	3	2	5	3.07	.786	.617
People in this organization are actively concerned about the customer's, and the public's interest.	155	2	3	5	3.67	.790	.625
It is expected that you will do what is right for the customer and public.	155	3	2	5	4.01	1.004	1.007
In this organization, people are guided by their own personal ethics.	155	3	2	5	4.11	.744	.553
Each person in this organization decides for themselves what right and wrong is.	155	2	2	4	3.14	.861	.741
The most important concern in this organization is each person's own sense of right and wrong.	155	3	2	5	2.59	.589	.347
Employees are required to acknowledge that they have read and understood the ethics code.	155	2	3	5	3.76	.615	.378
The organization has established procedures for employees to ask questions about ethics code requirements.	155	2	3	5	3.47	.526	.277
Employees are regularly required to assert that their actions follow the ethics code.	155	2	3	5	3.63	.512	.262
Valid N (listwise)	155						

4.1.2.4 Ethical behaviour

The table below shows the descriptive statistics of the ethical behaviour questionnaire. The means of questions 1,2,3,4, and 5 were 4.09, 4.08, 3.88, 4.25 and 4.06. Based on all the above variables, it can be concluded that employees agrees that they had to act unethically to succeed in their careers and in business.

Table 7: Descriptive statistics ethical behaviour

	N	Range	Min	Max	Mean	Std. Dev.	N
An employee who acts unethically will advance faster than the one who acts ethically	155	2	3	5	4.09	.784	.615
An employee would occasionally act unethically if it helped him/her to succeed in business	155	3	2	5	4.08	.679	.461
An employee would act unethically without having any other choice if his/her boss asks him/her to do so	155	2	3	5	3.88	.792	.628
An employee would act unethically if it helped him/her to get ahead	155	2	3	5	4.25	.670	.449
An employee will be willing to do anything unethical to succeed in business	155	2	3	5	4.06	.727	.528
Valid N (listwise)	155						

4.3 Factor analysis

Factor Analysis is a valuable tool that is used to explore the relationship between two or more variables of a complex idea (Pallant, 2016). Factor Analysis is a data reduction statistical system which is used to trim down a set of variables to a smaller number of variables and they will be put into some common descriptive categories based on their linear relationship (Yong and Pearce, 2013).

Factor analysis can be divided into two parts which are exploratory and confirmatory factor analysis. Exploratory factor analysis is used at the early stages of a research to gather information about the relationship between subset variables, and confirmatory factor analysis is used at the later stages of a research to test theories and hypothesis in relation to a set of variables (Yong & Pearce, 2013; Pallant, 2016).

In order to examine the sampling competence, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity were conducted on the measuring instrument. This measure varies between 0 and 1 and a result of 0.5 and higher is suitable from the test to be acceptable (Hair, Anderson, Tatham, & Black, 1998). The Bartlett's test should be significant for the factor analysis to be appropriate (Burns & Burns, 2008).Before performing the factor analysis, the KMO and Bartlett's test results were observed to check the inter-correlations of the items and thus the adequacy of the items for factor analysis as shown in table below. The KMO test is 0.639 which means that the test is satisfactory.

Table 8: KMO and Bartlett's test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.631
Bartlett's Test of Sphericity	Approx. Chi-Square	3046.559
	df	561
	Sig.	.000

4.2.1 Communalities

Communalities measure the percent of variance in a given variable explained by all the factors jointly and may be interpreted as the reliability of indicator (Babbie, 1990). When a communality for a certain variable is less than 50% it can be excluded from the analysis since the factor solution includes below half of the variance in the original (Analysis of the Communalities).

Personal values

The table below shows the personal value communalities and the 9 items in the personal value factor were above 0.5

Table 9: Personal values communalities Communalities

	Initial	Extraction
Using company services for personal use	1.000	.648
Concealing one's errors	1.000	.746
Claiming credit for someone else's work	1.000	.663
Giving gifts/favours in exchange for preferential treatment	1.000	.725
Accepting gifts/favours in exchange for preferential treatment	1.000	.656
Taking longer than necessary to do a job	1.000	.587
Volunteering information concerning wrongdoing, even if friend are involved	1.000	.599
Not reporting others' violations of company policies and rules	1.000	.825
Calling in sick to take a day off	1.000	.614

Extraction Method: Principal Component Analysis.

Corporate ethical values

The table below shows the corporate value communalities and the 5 items in the corporate value factor were above 0.5

Table 10: Corporate ethical values communalities

	Initial	Extraction
Managers in my company often engage in behaviours that I consider being unethical	1.000	.541
In order to succeed in my company, it is often necessary to compromise one's ethics	1.000	.839
Top management in my company has let it be known in no uncertain terms that unethical behaviours will not be tolerated.	1.000	.848
If a manager in my company is discovered to have engaged in unethical behaviour that results primarily in *personal gain* (rather than corporate gain), he or she will be promptly reprimanded	1.000	.546
If a manager in my company is discovered to have engaged in unethical behaviour that results primarily in *corporate gain* (rather than personal gain), he or she will be promptly reprimanded.	1.000	.688

Organisational climate

The table below shows the organisational communalities and the 14 items above 0.5 **Table**

11 : Organisational climate communalities

Communalities

	Initial	Extraction
Management in this organization disciplines unethical behaviour when it occurs	1.000	.836
Penalties for unethical behaviour are strictly enforced in this organization.	1.000	.859
Ethical behaviour is the norm in this organization.	1.000	.842
The top managers of this organization represent high ethical standards.	1.000	.921
The effect of decisions on the customer and the public are a primary concern in this organization.	1.000	.826
People in this organization are actively concerned about the customer's, and the public's interest.	1.000	.818
It Is expected that you will do what is right for the customer and public.	1.000	.806
People in this organization have a strong sense of responsibility to the outside community.	1.000	.826
In this organization, people are guided by their own personal ethics.	1.000	.775
Each person in this organization decides for themselves what right and wrong is.	1.000	.693
The most important concern in this organization is each person's own sense of right and wrong.	1.000	.928
The code of conduct is widely distributed throughout the organization.	1.000	.455
Employees are regularly required to assert that their actions follow the ethics code.	1.000	.751
Employees are required to acknowledge that they have read and understood the ethics code	1.000	.721

Ethical behaviour

All the 5 items in the ethical behaviour factor were above 0.5

Table 12: Ethical behaviour communalities

Communalities

	Initial	Extraction
An employee who acts unethically will advance faster than the one who acts ethically	1.000	.559
An employee would occasionally act unethically if it helped him/her to succeed in business	1.000	.678
An employee would act unethically without having any other choice if his/her boss asks him/her to do so	1.000	.581
An employee would act unethically if it helped him/her to get ahead	1.000	.567
An employee will be willing to do anything unethical to succeed in business	1.000	.737

Extraction Method: Principal Component Analysis.

4.3 Correlation matrix

Eigenvalues measures the variance in all variables which is accounted for by a certain factor. According to Burns and Burns, (2008) the Kaiser's rule suggested that components with eigenvalues greater than 1 should be selected since they explain more variances than an individual item in the data set. From our statistical output above in table above we have 11 components with eigenvalues above 1 and these components were retained from this initial run of the factor analysis. Combined these components explain 97% of the variation, further supporting the argument that they should be retained. The rest of the eigenvalues are below 1 and combined only explained by 3% of the variation, therefore these components were not retained. With regards to component matrix factor loadings less than 0.3 are considered insignificant and suppressed (Burns & Burns, 2008). 11 factor solutions accounted for 75.41% of the total variance.

Table 13: Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.469	13.145	13.145	4.469	13.145	13.145	3.209	9.438	9.438
2	3.751	11.032	24.176	3.751	11.032	24.176	2.942	8.653	18.090
3	3.389	9.968	34.144	3.389	9.968	34.144	2.830	8.324	26.415
4	2.396	7.048	41.192	2.396	7.048	41.192	2.714	7.982	34.397
5	2.285	6.721	47.913	2.285	6.721	47.913	2.536	7.459	41.856
6	2.212	6.506	54.419	2.212	6.506	54.419	2.450	7.205	49.061
7	1.859	5.468	59.887	1.859	5.468	59.887	2.434	7.159	56.220
8	1.595	4.691	64.577	1.595	4.691	64.577	2.277	6.698	62.918
9	1.381	4.061	68.638	1.381	4.061	68.638	1.555	4.573	67.491
10	1.237	3.637	72.276	1.237	3.637	72.276	1.382	4.065	71.556
11	1.064	3.130	75.405	1.064	3.130	75.405	1.309	3.849	75.405
12	.949	2.791	78.196						
13	.858	2.522	80.718						
14	.825	2.426	83.144						

15	.683	2.008	85.152						
16	.635	1.866	87.018						
17	.544	1.600	88.619						
18	.489	1.437	90.056						
19	.421	1.238	91.294						
20	.372	1.094	92.388						
21	.344	1.012	93.400						
22	.315	.925	94.325						
23	.269	.790	95.115						
24	.242	.713	95.828						
25	.229	.673	96.501						
26	.219	.645	97.145						
27	.184	.541	97.686						
28	.166	.489	98.176						
29	.143	.421	98.596						
30	.125	.367	98.963						
31	.115	.337	99.301						
32	.095	.279	99.580						
33	.082	.242	99.822						
34	.060	.178	100.000						

Extraction Method: Principal Component Analysis.

Scree Plot

The scree plot is a useful visual aid for determining an appropriate number of principal components (Brown, 1996). This is also supported by the fact that from the total variance table its eigenvalue was 5.988, accounting for 14.966% of the total variance. The second component was retained as it accounts for 10.901% of the total variance. Component 3 was also reserved and contributes to 9.632% of the total variation. The other 9 components were also reserved.

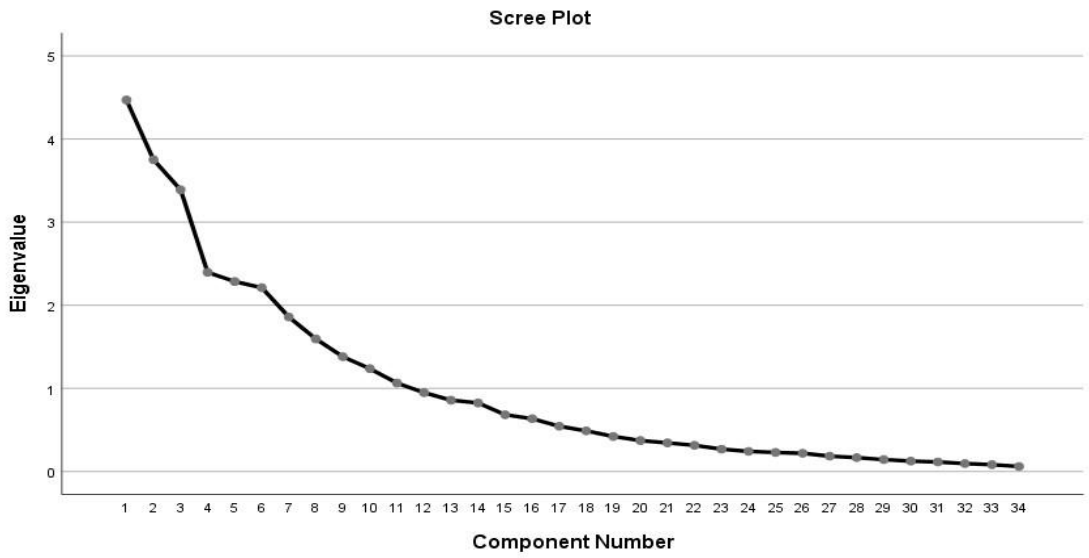


***Figure 5*: Scree plot**

4.4 Correlation analysis

Correlation statistics test the direction of the strength of the relationship between two or more variables, and the strength of this relationship is represented by a correlation coefficient (Tredoux et al., 2013). The Pearson product moment correlation coefficient measures the degree of linear relationship between two variables (Cohen et al., 2011). Pearson (r) correlation has values that range from -1.00 to +1.00. The sign of r provides information about the direction of the relationship between variables.

A positive correlation of +1.00 indicates that as scores for the dependent (X) variable increase, scores for the independent (Y) variable also tend to increase. A negative correlation of -1.00 indicates that as scores for the dependent (X) variable increase, scores for the independent (Y) variable tend to decrease (Cohen et al., 2011). In terms of statistical significance, it was decided to set the value at 95% confidence interval level ($p \leq .05$) and the practical effect size at $r \geq 0.30 \geq 0.50$ (medium to large effect) (Tredoux et al., 2013). This will help to test hypothesises; these correlations help the researcher to determine the strength and direction of the relationship between the variables under investigation. A correlation value between 0 and 3 indicates a weak linear relationship; a correlation value between 0.3 and 0.7 indicates a moderate linear relationship; while a correlation value of .7 and 1.0 indicates a strong linear relationship (MacGrant, 2014).

4.4.1 Correlation variables

The correlation tables for each variable will be shown below. Descriptive statistics drawn from the company data were used to discuss correlation between the participants' responses and the variables being tested. The descriptive statistics will also help the researcher to draw conclusions and recommendations for South African construction companies. The relationships were computed using Pearson's product moment correlations. The correlations assisted with the determination of the direction and strength of the relationship between the variables under investigation. The significance value shows that the probability of getting a correlation coefficient of a certain sample if the null hypothesis were true is that certain value (Field, 2009).

4.4.1.1 Age and ethical behaviour

The table below shows the matrix of the correlation coefficients for age and ethical behaviour. The significance level and the sample size N are also indicated in the matrix. Ethical behaviour and age are perfectly correlated to themselves with r= 1. The table shows that age is faintly related to ethical behaviour with a Pearson correlation coefficient of r=0.022 and the significance value p=0.782.

Table 14: Results of correlations between age and ethical behaviour

Correlations

		Age	Ethical behaviour
Age	Pearson Correlation	1	.022
	Sig. (2-tailed)		.782
	Sum of Squares and Cross-products	139.974	6.800
	Covariance	.909	.044
	N	155	155
Ethical behaviour	Pearson Correlation	.022	1
	Sig. (2-tailed)	.782	
	Sum of Squares and Cross-products	6.800	661.200
	Covariance	.044	4.294
	N	155	155

4.4.1.2 Gender and ethical behaviour

The table below shows the matrix of the correlation coefficients for gender and ethical behaviour. The significance level and the sample size N are also indicated in the matrix. Ethical behaviour and gender are perfectly correlated to themselves with r= 1. The table shows that gender is lightly related to ethical behaviour with a Pearson correlation coefficient of r=0.032 and the significance value p=0.695.

Table 15: Results of correlations between gender and ethical behaviour

Correlations

		Gender	Ethical behaviour
Gender	Pearson Correlation	1	.032
	Sig. (2-tailed)		.695
	Sum of Squares and Cross-products	34.555	4.800
	Covariance	.224	.031
	N	155	155
Ethical behaviour	Pearson Correlation	.032	1
	Sig. (2-tailed)	.695	
	Sum of Squares and Cross-products	4.800	661.200
	Covariance	.031	4.294
	N	155	155

4.4.1.3 Personal values and ethical behaviour

The table below shows the matrix of the correlation coefficients for personal values and ethical behaviour. The significance level and the sample size N are also indicated in the matrix. Ethical behaviour and personal values are perfectly correlated to themselves with r= 1. The table shows that personal values are faintly related to ethical behaviour with a Pearson correlation coefficient of r=0.157 and the significance value p=0.556. Although the correlation is not significant, the hypothesis cannot be rejected. Therefore personal values contribute to ethical behaviour.

Table 16: Results of correlations between personal values and ethical behaviour
Correlations

		Personal values	ethical behaviour
Personal values	Pearson Correlation	1	.157
	Sig. (2-tailed)		.556
	Sum of Squares and Cross-products	1655.974	49.800
	Covariance	10.753	.323
	N	155	155
ethical behaviour	Pearson Correlation	.157	1
	Sig. (2-tailed)	.556	
	Sum of Squares and Cross-products	49.800	661.200
	Covariance	.323	4.294
	N	155	155

4.4.1.4 Corporate values and ethical behaviour

The table below provides a matrix of the correlation coefficients for corporate values and ethical behaviour. Under each correlation coefficient the value of significance which is the p value is shown, the sample size N is also displayed. The results proved that there is a significant relationship between ethical behaviour and organisational climate, $r = 0.073$; $p>0.05$. The significance value shows that the probability of getting a correlation coefficient if the hypothesis is true. Therefore, the researcher fails to reject the hypothesis that corporate ethical values influences ethical behaviour.

Table 17: Results of correlations between corporate ethical values and ethical behaviour
Correlations

		Corporate values	ethical behaviour
Corporate values	Pearson Correlation	1	.073
	Sig. (2-tailed)		.363
	Sum of Squares and Cross-products	798.542	53.400
	Covariance	5.185	.347
	N	155	155
ethical behaviour	Pearson Correlation	.073	1
	Sig. (2-tailed)	.363	
	Sum of Squares and Cross-products	53.400	661.200
	Covariance	.347	4.294
	N	155	155

4.4.1.5 Organisational climate and ethical behaviour

The table above provides a matrix of the correlation coefficients for organisational climate and ethical behaviour. The results proved that there is a negative significant relationship between ethical behaviour and organisational climate, r = -0.324: p<0.001. The significance value shows that the probability of getting a correlation coefficient if the null hypothesis is true is zero. Therefore the hypothesis that organisational climate influences ethical behaviour is rejected.

Table 18: Results of correlations between organisational climate and ethical behaviour

Correlations

		Organisational climate	ethical behaviour
Organisational climate	Pearson Correlation	1	-.324**
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	2200.735	179.600
	Covariance	14.290	1.166
	N	155	155
ethical behaviour	Pearson Correlation	-.324**	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	179.600	661.200
	Covariance	1.166	4.294
	N	155	155

**. Correlation is significant at the 0.01 level (2-tailed).

Although two of the correlation coefficients are weak they are largely positive and one correlation coefficient was negatively significant. From the above results the relationship between personal

values and ethical behaviour was not significant, but however the hypothesis was accepted. The correlation between corporate ethical values and ethical behaviour was positive. The hypothesis was also accepted since $p>\alpha$ (0.36>0.05). Lastly the correlation between organisational climate and ethical behaviour was negative but significant at 1% significance level. The hypothesis was however rejected since $p<0.01$ (0.000<0.01).

4.5 Regression analysis

To further test the hypothesis multiple regression analysis was done. The regression was done using Microsoft Excel 2016.A regression model consists of observed variables, where a single dependent observed variable predicted or explained by one or more independent observed variables (Hair et al., 2010). The analysis procedure is used to shape models for explaining scores of the dependent variable in relation to the scores of the independent variables (Tredoux et al., 2013). Multiple linear regression analysis is an expansion of simple linear regression analysis; it is used to measure the relationship between two or more independent variables and a single continuous dependent variable (Leedy & Ormrod, 2005).

In this study control variables age, gender, personal values, corporate ethical values and organizational climate were regressed to ethical behaviour variable to find the relationship between these variables. The r^2 shows the variance explained by the model and the adjusted R squared gives an idea of how well the model generalizes and ideally the value should be the same as or closer to the R value (Field, 2009). The f ratio represents the ratio of improvement in prediction that results from, relative to the inaccuracy that still exists in the model (Field, 2009; p 201). According to Field (2009), in multiple linear regression the outcome variable Y is predicted using the equation : $Yi= (b0+b1XIi+b2X2i+\ldots+bn\ Xni) +\varepsilon i$.

4.5.1 Hypothesis 1: Statistical regression analysis between personal values and ethical behaviour

Table 19: regression analysis for H1

Regression Statistics	
Multiple R	0,255964
R Square	0,065518
Adjusted R Square	-0,00338
Standard Error	2,117683
Observations	155

r =0.256

ANOVA

alpha=0.05

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	2,155752	2,155752	0,480703	0,489155
Residual	153	686,141	4,484582		
Total	154	688,2968			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	8,579006	1,519372	5,646416	7,75E-08	5,57735	11,58066
Per values	0,036081	0,05204	0,693328	0,489155	-0,06673	0,138889

This model was statistically significant r=0.256; r^2 = 0.066 and his indicates that 6.6% of the model explained the variance in ethical behaviour. A hypothesis is rejected when p< alpha value. In this model we fail to reject the fact that personal values influence ethical behaviour since the p value 0.49 > alpha 0.05. This proves ethical behaviour is influenced by personal values. Individual's personal values will influence how employees will behave at work despite the fact that at work there might have certain organisational values they have to follow. Employees acting unethically of pressure from employers could explain this. Further, companies act unethically against personal

values as a survival strategy because if they do not give bribes to earn contracts their rival do and they become jobless.

4.5.2 Hypothesis 2: Statistical regression analysis between corporate values and ethical behaviour

Table 20: regression analysis for H2

Regression Statistics r=0.046						
Multiple R	0,045855					
R Square	0,020694					
Adjusted R Square	0,014294					
Standard Error	3,74758				alpha=0.05	
Observations	155	ANOVA				
	df	*SS*	*MS*	*F*	*Significanc e F*	
Regression	1	45,40717	45,40717	3,233126	0,044134	
Residual	153	2148,786	14,04436			
Total	154	2194,194				
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	27,80496	2,245679	12,38154	7,85E-25	23,36842	32,2415
CEV	0,238459	0,132618	1,798094	0,074134	-0,02354	0,500457

In this model r=0.046, p = 0.07, R^2= 0.021. The r^2 indicated that only 2% of the model explained the variance of ethical behaviour. The results supports the hypothesis corporate values significantly influences ethical behavior since p value 0.07 > alpha 0.05, therefore, we fail to reject

H2. The results proves that clear corporate ethical values have a positive effect on ethical behaviour.

4.5.3 Hypothesis 3: Statistical regression analysis between organizational climate and ethical behaviour

Table 21: regression analysis for H2

Regression Statistics	
Multiple R	0,729871
R Square	0,532712
Adjusted R Square	0,529638
Standard Error	3,026435
Observations	154

r=0.73

alpha=0.05

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	1587,136	1587,136	173,2813	6,81E-02
Residual	152	1392,215	9,159306		
Total	153	2979,351			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	21,0265	2,683716	7,834844	7,55E-13	15,7243	26,3287
OC	1,136547	0,08634	13,16363	6,81E-02	0,965966	1,307128

This model was statistically significant ($r=0.73$, $p<0.05$). $R^2 = 0.53$ and his indicates that 53% of the model explained the variance in ethical behaviour. A hypothesis is rejected when p< alpha value. The table above shows that there is a significant relationship between organisational climate and ethical behavior at 0.05 significance level. Since the p value is smaller than the level of significance we reject H3 (Organizational climate has a significant influence on ethical behaviour). From the results we fail to accept H3.

4.5.4 Hypothesis 4: Statistical regression analysis between personal values and ethical behavior moderated by gender

Table 22: Summary output of men's (n=103) results

Regression Statistics		
Multiple R	0,330599	
R Square	0,109296	r=0.33
Adjusted R Square	0,100477	
Standard Error	3,592803	alpha=0.05
Observations	103	

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	159,9774	159,9774	12,39344	0,000648
Residual	101	1303,731	12,90823		
Total	102	1463,709			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	20,21025	3,266152	6,187786	1,32E-08	13,73108	26,68942
Men PV	0,396012	0,11249	3,520432	0,000648	0,172863	0,619161

Table 23: SUMMARY OUTPUT of women's (n=52) results *Regression Statistics*

Multiple R	0,774292	r=0.77	
R Square	0,599528		
Adjusted R Square	0,591518		
Standard Error	2,404845		
Observations	52		alpha=0.05

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	432,8937	432,8937	74,85261	1,66E-4
Residual	50	289,164	5,783281		
Total	51	722,0577			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	7,822634	2,829788	2,764389	0,007965	2,138837	13,50643
Women PV	0,829543	0,095882	8,65174	1,66E-4	0,636959	1,022127

From the above statistical analysis, the correlation between men's' personal values and their ethical behavior is 0.33. At the same time the correlation between women's personal values and ethical behavior is 0.77. Their fore, from these results women tend to be more ethical than men. Therefore the hypothesis H4 that the relationship between individual personal values and ethical behavior is moderated by gender such that females are more likely to be ethical than males is rejected.

4.5.5 Hypothesis 5: Statistical regression analysis between personal values and ethical behavior moderated by age

Table 24: Summary output of younger people ages 18-35 years of age, personal values and their ethical behaviour

Regression Statistics						
		r=0.41				
Multiple R	0,414179					
R Square	0,171544					
Adjusted R Square	0,163578				alpha=0.05	
Standard Error	3,334055	ANOVA				
Observations	106					

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	239,3783	239,3783	21,53473	1,02E-05
Residual	104	1156,056	11,11592		
Total	105	1395,434			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	17,37117	3,213472	5,405733	4,13E-07	10,99874	23,74361
Younger people PV	0,496733	0,107042	4,640552	1,02E-05	0,284465	0,709

Table 25: Summary output of older people aged 36 years of age and older, personal values and their ethical behaviour

Regression Statistics						
Multiple R	0,548226				r=0.55	
R Square	0,300551					
Adjusted R Square	0,28598					
Standard Error	3,296352				alpha=0,05	
Observations	50					
		ANOVA				
	df	*SS*	*MS*	*F*	*Significance F*	
Regression	1	224,1152	224,1152	20,62549	3,77E-05	
Residual	48	521,5648	10,86593			
Total	49	745,68				

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	12,39079	4,106495	3,017364	0,004072	4,134129	20,64745
Older people PV	0,678726	0,149449	4,541529	3,77E-05	0,378239	0,979212

The above results show that younger people of lower those 35 years of age have a correlation of 0.41on personal values and ethical behaviour. At the same time, older people aged 36 and above have a correlation of 0.55 between their personal values and their ethical behaviour. This proves the hypothesis that the relationship between individual personal values and ethical behavioris moderated by age such that older people are more likely to be ethical than younger colleagues H5 is rejected.

4.5.6 Hypothesis 6: Statistical regression analysis between corporate values and ethical behavior moderated by gender

Table 26: Summary output of men

Regression Statistics	
Multiple R	0,110689
R Square	0,012252
Adjusted R Square	0,002472
Standard Error	2,292381
Observations	103

r=0.11

alpha=0.05

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	6,583534	6,583534	1,25281	0,265671
Residual	101	530,7563	5,255013		
Total	102	537,3398			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	14,31487	1,90927	7,497564	2,57E-11	10,5274	18,10235
Men CEV	0,067066	0,059918	1,11929	0,265671	-0,0518	0,185928

Table 27: Summary output of women's corporate ethical values

Regression Statistics	
Multiple R	0,185532
R Square	0,034422
Adjusted R Square	0,015111
Standard Error	3,734174
Observations	52

r=0.19

alpha=0.05

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	24,85489	24,85489	1,782472	0,187893
Residual	50	697,2028	13,94406		
Total	51	722,0577			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	26,33003	4,378435	6,013571	2,09E-07	17,53568	35,12437
Women CEV	0,332421	0,248988	1,335092	0,187893	-0,16768	0,832527

From the above statistical analysis, the correlation between men's corporate values and their ethical behavior is 0.11 while the correlation between women's personal values and ethical

behavior is 0.19. Looking at the p values for men p=0.26 while for women p value=0.18, and this proves that both values are greater than the alpha value 0.05. Therefore the hypothesis H6 that the relationship between corporate values and ethical behavior is moderated by gender such that females are more likely to be ethical than males is proved to be wrong.

4.5.7 Hypothesis 7: Statistical correlation and regression analysis between corporate values and ethical behavior moderated by age

Table 28: Summary output of younger people aged 35 years and less

Regression Statistics	
Multiple R	0,206654
R Square	0,042706
Adjusted R Square	0,033412
Standard Error	3,594941
Observations	105

r=0.21

alpha=0.05

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	59,38308	59,38308	4,594932	0,03442
Residual	103	1331,131	12,9236		
Total	104	1390,514			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	26,97327	2,476621	10,89116	7,75E-19	22,06148	31,88507
Younger people CEV	0,314958	0,146931	2,143579	0,03442	0,023555	0,606361

Table 29: Summary output of older people aged 36 years and more

Regression Statistics						
Multiple R	0,03893				r=0.04	
R Square	0,001516					
Adjusted R Square	-0,01929					
Standard Error	3,938459				alpha=0.05	
Observations	50	ANOVA				
	df	*SS*	*MS*	*F*	*Significance F*	
Regression	1	1,130096	1,130096	0,072856	0,788381	
Residual	48	744,5499	15,51146			
Total	49	745,68				
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	29,63387	4,797333	6,177155	1,34E-07	19,98819	39,27956
Older people CEV	0,075744	0,280618	0,269918	0,788381	-0,48848	0,639964

The above results show that younger people of lower those 35 years of age have a correlation of 0.21 on corporate values and ethical behaviour. At the same time, older people aged 36 and above have a correlation of 0.04 between their corporate values and their ethical behaviour. This proves the hypothesis that the relationship between corporate values and ethical behavior is moderated by age such that older people are more likely to be ethical than younger colleagues H7 is true. For older people p value was 0.79 while for younger people it was 0.03. Therefore, we fail to reject H7.

4.5.8 Hypothesis 8: Statistical correlation and regression analysis between organisational climate and ethical behavior moderated by gender

Table 30: Summary output of men's (n=103) results, organisational climate and ethical behaviour

Regression Statistics	
Multiple R	0,904808
R Square	0,818678
Adjusted R Square	0,816883
Standard Error	1,621032
Observations	103

r=0.91

alpha=0.05

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	1198,307	1198,307	456,0211	3,11E-39
Residual	101	265,4021	2,627744		
Total	102	1463,709			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95,0%*	*Upper 95,0%*
Intercept	-10,6755	1,988022	-5,3699	5,05E-07	-14,6192	-6,73179	-14,6192	-6,73179
Men O C	0,491827	0,023031	21,35465	3,11E-39	0,446139	0,537516	0,446139	0,537516

Table 31: Summary output of women's (n=52) results, organisational climate and ethical behaviour

Regression Statistics	
Multiple R	0,801583
R Square	0,642536
Adjusted R Square	0,635386
Standard Error	2,272047
Observations	52

r=0.80

alpha=0.05

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	463,9477	463,9477	89,87403	9,39E-13
Residual	50	258,11	5,1622		
Total	51	722,0577			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	-0,77275	3,485441	-0,22171	0,825444	-7,77346	6,227965
Women's OC	0,380855	0,040174	9,480191	9,39E-13	0,300164	0,461547

From the above statistical analysis, the correlation between organisational climate and their men's ethical behaviour is 0.90 while the correlation between organisational climate and women's ethical behaviour is 0.80. Therefore, from these results men tend to be more ethical than women are. Therefore the hypothesis H8 that the relationship between organisational climate and ethical behaviour is moderated by gender such that females are more likely to be ethical than males is proved to be insignificant. In conclusion, we fail to accept H8.

4.5.9 Hypothesis 9: Statistical correlation and regression analysis between organisational climate and ethical behaviour moderated by age

Table 32: Summary output of younger people aged 35 years and less

Regression Statistics	
Multiple R	0,855282
R Square	0,731507
Adjusted R Square	0,7289
Standard Error	1,903863
Observations	105

r=0.86

alpha=0.05

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	1017,171	1017,171	280,6227	3,56E-31
Residual	103	373,3433	3,624693		
Total	104	1390,514			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	-5,21052	2,24264	-2,32339	0,022123	-9,65826	-0,76277
People aged less 36	0,433418	0,025873	16,7518	3,56E-31	0,382105	0,484731

Table 33: Summary output of older people aged 36 years and more

Regression Statistics		r=0.9
Multiple R	0,900365	
R Square	0,810656	
Adjusted R Square	0,806712	
Standard Error	1,715067	
Observations	50	alpha=0.05

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	604,4902	604,4902	205,5072	5,71E-19
Residual	48	141,1898	2,941455		
Total	49	745,68			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	-9,43271	2,825306	-3,33865	0,001634	-15,1134	-3,75205
People aged 36^{+}	0,47086	0,032846	14,33552	5,71E-19	0,404819	0,536901

The above results show that younger people of lower those 35 years of age have a correlation of 0.86 on organisational climate and ethical behaviour. At the same time, older people aged 36 and above have a correlation of 0.9 between organisational climate and their ethical behaviour. This proves the hypothesis that the relationship between organisational climate and ethical behavior is moderated by age such that older people are more likely to be ethical than younger colleagues H9 is not true.

4.5.10 Multiple regression analysis of predictor variables and objective variable

Table 34: Multiple regression analysis

Regression Statistics	
Multiple R	0,696025
R Square	0,484451
Adjusted R Square	0,474208
Standard Error	1,548086
Observations	155

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	3	340,0532	113,3511	47,29718	1,3E-21
Residual	151	361,8823	2,396571		
Total	154	701,9355			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95,0%*	*Upper 95,0%*
Intercept	-1,49172	1,70827	-0,87323	0,383923	-4,86692	1,883481	-4,86692	1,883481
PV (x_1)	0,005188	0,042743	0,121386	0,903546	-0,07926	0,089641	-0,07926	0,089641
CEV (x_2)	-0,13239	0,058075	-2,27958	0,024033	-0,24713	-0,01764	-0,24713	-0,01764
OC (x_3)	0,409259	0,038133	10,73242	2,52E-20	0,333916	0,484602	0,333916	0,484602

Ethical behaviour= -1.49172+0.005 *x* personal values – 0.132 *x* corporate ethical values+ 0.409 *x* organisational climate.

Since the coefficient of determination is 0.48 then the line of regression gives a goodness of fit meaning 48 of ethical behaviour is attributed to the predictor variables of PV, CEV and OC. The multiple regression analysis shows that 48.4% of ethical behaviour is explained by the predictor

variables, personal values, corporate ethical values and organisational climate. Therefore, ethical behaviour is quiet well influence by the factors. The adjusted R squared gives an idea of how well the model generalizes and ideally, the value should be the same as or closer to the R-value. The f ratio represents the ratio of improvement in prediction that results from, relative to the inaccuracy that still exists in the model (Field, 2009). The rule of thumb says that if the absolute value of the f test is grater or equal to five then we reject the null hypothesis and accept the alternative hypothesis (Babbie, 2005). This relationship is statistically significant so the model is accepted.

Histogram

The histogram output below indicated a distribution that is skewed slightly to the right

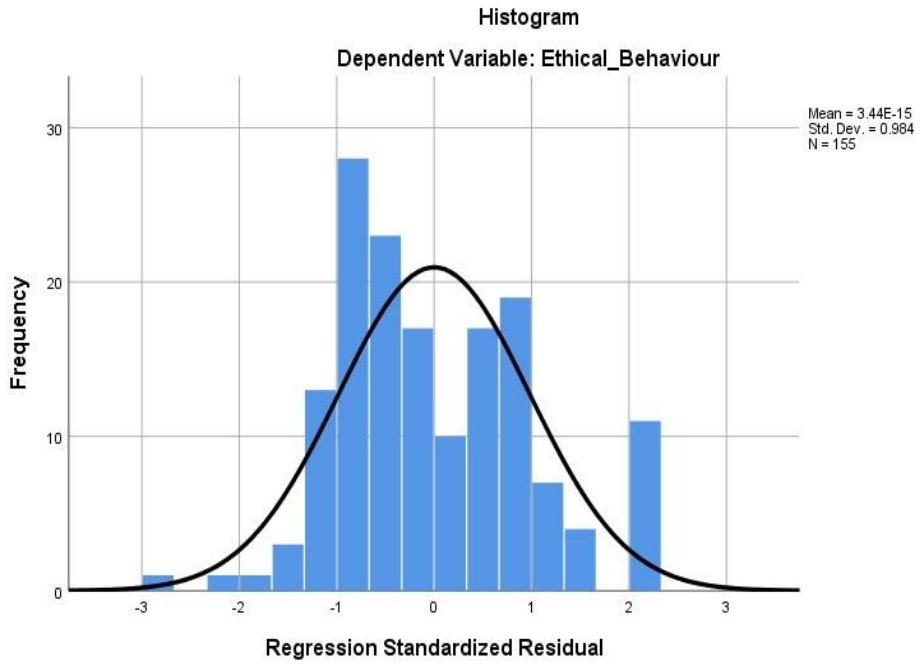


***Figure 6*: Histogram**

QQ plot

The Q-Q plot also confirms the kind of distribution indicated by the Histogram. The points are close to the line but they are not aligned to the line which shows that the distribution in not normally distributed. Therefore, the distribution is not symmetrical.

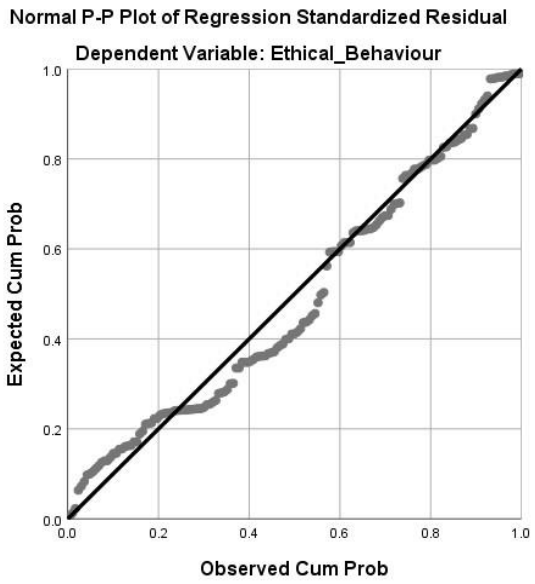


***Figure 7*: QQ Plot**

4.7 Results on tested hypothesis

According to the table above the first three hypothesises were accepted since it has been proved that personal values, corporate ethical values and organisational climate have significant relationships with ethical behaviour. It has also been found that older people are more ethical than younger people are when personal values and ethical behaviour is moderated by age. The relationship between corporate values and ethical behaviour is moderated by gender such that females are more likely to be ethical than males has been proved to be significant. There was also a significant relationship between corporate values and ethical behaviour is moderated by age such that older people are more likely to be ethical than younger colleagues. However the relationship between organisational climate and ethical behaviour is moderated by gender such that females are more likely to be ethical than males and the relationship between organisational climate and ethical behaviour is moderated by age such that older people are more likely to be ethical than younger colleagues were not proved to be significant.

We reject the null hypothesis when the p-value is less than the significance level i.e. $p < \alpha$. The significance level and the p-value were taken from the correlation analysis. The beta and the t values were taken from the regression analysis model.

Table 35: Results on tested hypothesis

	Sig (p)	hypothesis
H1: Personal values and ethical behaviour	P=0.556	Fail to Reject
H2: Corporate ethical values	p=0.363	Fail to reject
H3: Organisational climate	P<0.05	Reject
H4: Personal values x gender	P<0.05	Reject
H5: values x age	p<0.05	Reject
H6: corporate values x gender	p<0.05	Reject
H7: corporate values x age	p=0.8707	Fail to reject
H8: organisational climate x gender	p<0.05	Reject
H9: organisational climate x age	p<0.05	Reject

4.8 Summary of chapter

This chapter presented the results and findings of the research about the research questions that is; effects of personal values, corporate ethical values and organisational climate and how they influence ethical behaviour in organizations. The data was analysed and presented using tables and figures. From the analysis, the results showed that all the three variables have a significant relationship with ethical behaviour. Chapter 5 discusses the results and findings of the study at length and gives recommendations derived from the research.

CHAPTER 5

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

5.0 Introduction

This chapter will cover the overall discussion of the research, conclusion and recommendations of the study. The first part of the chapter gives a summary of the objectives of the study, research methodology used and the findings as presented in the previous chapter. A comprehensive discussion on the major findings in regards to the objectives is provided. Limitations of the study will be stated in this chapter. Other researchers and the organization in regards to the research purpose can also use the highlighted recommendations. In the final section recommendations for future studies will be made.

5.1 Summary

The purpose of the study was to evaluate the strategic factors influencing ethical behaviour in South African construction companies. The research study was steered by the following four objectives; find the effects of certain individual factors that influence ethical behaviour in construction companies, investigate the effects of organisational climate on ethical behaviour and recommend practical ways in which ethical leadership in the construction industry may be promoted. From the literature review nine hypothesis were created.

In this research the author incorporated a quantitative research approach and a survey research design which enabled the researcher to carry out an in-depth study on the factors that influence ethical behaviour. The survey design allowed a cross-sectional approach where several cases are studied at a particular time and data is collected to study the characteristics of a certain population. Despite being cost efficient, quantitative often reduces and restructures complex problems to a limited number of variables.

The data collected from the respondents was analysed using Microsoft excel and a Microsoft software called SPSS. The data analysis was represented in form of tables and figures in percentages for easy interpretation and observation. The general information gathered from the respondents showed that the male respondents were 70% while the female respondents were 30%. Majority of the respondents were aged between 31 and 35 years with 35% followed by 26 to 30 years with 33%, the rest of the respondents were between 35 and 50 years old with 25%, 50+ years with 4% and 10 to 25 years with 3% respectively.

5.2 Findings

Personal values

Previous studies have explored the link between personal values and ethical behaviour in business settings (Rokeach, 1973; Akaah & Lund, 1994; Fukukawa et al., 2007). Values are important coordinators of behaviour and there is a link between values and behaviour (Cheng & Fleischmann, 2010). Previous research indicates that ethical behaviour is positively correlated or highly influenced by personal values (Douglas, Davidson, & Schwartz, 2001; Douglas & Schwartz, 1999; Karacaer, Gohar, Aygun, & Sayin, 2009; Cherry & Fraedrich, 2002). From this research, those findings were supported since it has been found that personal values have a positive effect on ethical behaviour at work. Participants with high personal values found it easier to act ethically at work. The finding that personal values have an influence on ethical behaviour has implications for organizations and educational institutions that prepare future professionals for the workplace. Given that the personal value of honesty was found to predict ethical behavioural intents of employees, organizations may need to guarantee that their recruitment and selection practices include honesty testing to screen for prospective employees' degree of honesty and moral judgement.

Corporate ethical values

In this study, the presence of corporate ethical values had a significant positive effect on ethical behaviour. A significant and positive relationship has been found between CEVs and ethical behaviour of employees (Hunt et al., 1989). Corporate values were found to have an effect on attitudes, approach to life situations, relationships, associations with people and the behaviours of others (Suar &Khuntia, 2010). Employees view corporate vales as the organization's true values which has an impact on their perception about an organization's social responsibility (Vitell & Hidalgo, 2006) and their motivation to act ethically (Sharma, Borna, & Stearns, 2009). The right and wrong behaviours and practices of employees are derived from the ethical values system of an organization and helps in setting normative standards for its personnel (Chen, Sawyers, & Williams, 1997). The results from this research are in line with the literature review since it has been proved that corporate ethical values had a positive effect on ethical behaviour. Literature supports the idea that CEVs are integral in shaping ethical behaviour.

The finding of present study will not only help in expanding the current literature but will also help to generalize the theory and literature, which is largely being developed in technologically advanced countries.

Organisational climate

The results of this study does not support the notice that an organization's ethical climate influences the ethical behaviour. According to Kanten (2013) the scopes of organizational climate mostly create a significant and negative effect on counterproductive behaviour of employees. A positive or negative organisational climate will shape the behaviours of employees accordingly. However, it is a bit surprising that organisational climate did not to have an effect on employee's ethical behaviour since most of the previous studies found positive relationships between the two variables. For example, organisational climate was found to have significant relationship with ethical behaviour (Baker et al., 2006; Hunt et al., 1989; Valentine et al., 2002; Valentine & Barnett, 2007; Valentine et al., 2011). The present results are in line with, Schulte, Ostroff and Kinicki (2006) findings; they also did not find any correlation between the two variables. The following conclusions were made from this research: Participants who perceived their work environments to be ethically oriented were aware of the correct behaviour and knew that they can act ethically in a supporting environment. In summary, ethical climate can encourage ethical employees to remain in the organisation and unethical employees to leave since they cannot find a fit between themselves and the organisation.

Gender

Silver and Valentine (2000) found that females were more ethical than males. Gilligan (1977) argued that males were more justice-oriented while females were more compassionate and caring. Prior research revealed that females were likely to be more ethical than males (Cohen et al., 1998; Cohen et al., 2001; Sankaran & Bui, 2003; Becker, 2007; Becker & Ustad, 2007; Devonish et al., 2009). In contrast, McCuddy and Perry (1996) found insignificant gender differences in their study. In terms of biographical variable gender, the results indicated that females with high personal values were found to be more ethical than men. When gender was also moderated corporate ethical values females were proved to be more ethical than their counterparts.

However, gender could not control organisational climate and ethical behaviour as the hypothesis was not supported. Males and females could be both ethical and unethical based on their nature. For example, females are more compassionate, they might find it difficult to cheat but they are also loyal which might make them do anything for their organisations to survive. It is therefore important for employers not to use perceptions when recruiting and promoting employees.

Age

When the biographical variable age, was used as a moderator between personal values and ethical behaviour the relationship was not supported. Age difference also did not contribute to organisations climates' impact on ethical behaviour. However, age differences contributed to corporate values' effect to ethical behaviour. The results indicated that older subordinate were more ethical than their younger colleagues. The results of this study implies that since the older managers and executive level employees have more work experience than the younger employees, they may have suffered more disappointments in their work career which may have affected their perception of their organizational ethical work climate. The younger employees might have been more ethical when they feel that they need to build their careers so they could not tannish their images. Both older and younger employees could be ethical or unethical depending on their perceptions in the organisation. Therefore, employees of any age could possibly benefit from training interferences to refocus their thought processes in a more ethical direction.

5.3 Summary of hypothesis testing

The hypothesis were broken down into sub hypothesises null and alternative hypotheses. The null hypotheses were rejected while the alternative hypothesises were accepted. The alternative hypotheses were consistent with studies carried out before.

Null hypothesis: Individual personal values does not significantly influence ethical behaviour
Alternative hypothesis: Individual personal values significantly influence ethical behaviour

Null hypothesis: Corporate values does not significantly influences ethical behaviour
Alternative hypothesis: Corporate values significantly influences ethical behaviour

Null hypothesis: Organizational climate has a significant influence on ethical behaviour
Alternative hypothesis: Organizational climate does not have significant influence on ethical behaviour

Null hypothesis: The relationship between individual personal values and ethical behaviour is not moderated by gender such that females are more likely to be ethical than males.
Alternative hypothesis: The relationship between individual personal values and ethical behaviour is moderated by gender such that females are more likely to be ethical than males.

Null hypothesis: The relationship between individual personal values and ethical behaviour is not moderated by age such that older people are more likely to be ethical than younger colleagues.
Alternative hypothesis: The relationship between individual personal values and ethical behaviour is moderated by age such that older people are more likely to be ethical than younger colleagues.

Null hypothesis: The relationship between corporate values and ethical behaviour is moderated by gender such that females are more likely to be ethical than males.
Alternative hypothesis: The relationship between corporate values and ethical behaviour is moderated by gender such that females are more likely to be ethical than males.

Null hypothesis: The relationship between corporate values and ethical behaviour is moderated by age such that older people are more likely to be ethical than younger colleagues
Alternative hypothesis: The relationship between corporate values and ethical behaviour is moderated by age such that older people are more likely to be ethical than younger colleagues

Null hypothesis: The relationship between organisational climate and ethical behaviour is not moderated by gender such that females are more likely to be ethical than males.
Alternative hypothesis: The relationship between organisational climate and ethical behaviour is moderated by gender such that females are more likely to be ethical than males.

Null hypothesis: The relationship between organisational climate and ethical behaviour is not moderated by age such that older people are more likely to be ethical than younger colleagues.

Alternative hypothesis: The relationship between organisational climate and ethical behaviour is moderated by age such that older people are more likely to be ethical than younger colleagues.

5.4 Recommendations

Although the results presented a valuable understanding of the research aims, it is crucial to govern the specific interventions needed to address and develop a positive perception of ethical context and behaviours by employees. The recommendations given to address these factors are not thorough however they are meant to be very practical and geared towards the South African working environment.

Personal values and corporate ethical values were found to have an effect on ethical behaviour. It is important for employees to observe both values however at times these values might crash hence for creating a dilemma. It is recommended that during recruitment a person organisation fit assessment might be useful. It will be easier for the individuals who have values aligned to the organisational values to act ethically in such an organisation. Leaders' plays a key role in ensuring the organization practices ethical behaviour, hence fore it is crucial to ensure that leaders have a high ethical standard and are eager on ensuring ethics is adhered to. They are therefore responsible for ensuring employees know what is right and wrong and how to handle ethical problems.

It has been found that the ethical climate has a significant influence to ethical behaviour. Given this organisations must create more ethical climates. To achieve this it is recommended that they create an environment that gives opportunity to employees to develop their level of moral development, employees must also have a responsibility of their decisions and an opportunity of solving conflict at a lower level. Ethical climate has referent others as an aspect and the choice of heroes and heroines will have an effect on employees' ethical behaviour. Organisations must also review their current climate, which includes their rituals, beliefs, and values to find if they are ethical or unethical. If the leaders find any need to change anything it must be clearly communicated to all employees and to quicken the change a reward might be offered to the employee adhering to the new changes.

There was a variable 'An employee would act unethically without having any other choice if his/her boss asks him/her to do so" which had a mean of 3.88, and it shows that the majority of participants agreed that an employee will act according to what the boss says even if it is not ethical. There are cases where managers put such pressure on subordinates to perform that the employee feels that they have no choice but to resort to unethical behaviour to meet the manager's expectations. One recommendation to address a manager's behaviour as a factor impacting on ethical behaviour is that the organization can review their recruitment strategy by incorporating stricter recruitment practices where potential employees are assessed in terms of their integrity and ethics, the appointment of new managers who will behave unethically can be minimised. In terms of addressing the behaviour of existing managers, the organization could provide ethics training to all its managers and supervisors to sensitise them towards behaving more ethically.

A study by Greenberg (2002) has proven that in the absence of a code of conduct, employees might actually be tempted to behave unethically. The mere existence of a code, specific or general, can raise the ethical level of business behaviour because it clarifies what is meant by ethical behaviour to address this factor, organizations must have a code of conduct as well as implement, communicate and reinforce it. This will clarify exactly what types of behaviour are considered to be unethical and therefore encourage staff to avoid it. Employees who transgress the code of conduct should be disciplined. One way of doing this is to give codes of conduct to new employees as part of their selection and orientation program. Other ways include, conducting seminars or in-house training on the code of conduct and to communicate it to all levels in the organisation.

5.4.1 Recommendation for future research

The aim of the present study was to identify the factors impacting on ethical behaviour in organisations, specifically in the South African context. However, in future studies several limitations of the study would need to be considered. In this research paper very little information and few factors that influence ethical behaviour were discussed, it is therefore advised for future researchers to focus on other factors that might have been left out. One of the factors identified as impacting on ethical behaviour in organisations is an individual's level of cognitive moral development, a thorough study could investigate how this factor actually influences a person to

behave unethically. The researcher used only gender and age as biographical variables, educational level and tenure could also be added for future research.

This research most data was collected from small companies so it is recommended to shift focus to large companies. By doing this, more wide range of data can be collected and it will represent more bodies involved in the construction industry. For future studies it is recommended to use variety ways for collecting data. In this study survey questionnaires were used as the only data collection method. Using several research methods the results will be more flexible and precise. Methods such as interview and many more could be adopted. Finally, Research and development should be organized in private sector and the government to take on this important issue to effectively address the matter.

Ethics has been studied from time to time but however, ethical climate is one of the most modern streams of organizational climate research. Since it is a new notion, researchers need to recognize the important implications that ethical climate has on ethical behaviour, further research will continue to expand the intellectual horizons into unexplored academic territories.

Since this study was conducted in such a way that it covered a limited sample size within a short space of time, more research with a bigger sample size and over a duration of time with available resources will definitely yield to finer details. Lastly in this study some practical recommendations were made addressing the factors affecting ethical behaviour.

A future study focusing on how the recommendations can be implemented in an organisational setting and measuring the success in addressing these factors will be useful.

5.5 Limitations

'Limitations are those restrictions created by the methodology' according to (Bryant, 2005), p12). Research needs physical and mental effort however this research was planned to cover a limited sample size within a limited timeframe and resources. The main limitation of the empirical study was that large samples from various organisations with more representatives in terms of gender and age would have been desirable. The study was limited to predominantly male employees employed in the construction industry and due to that the results cannot be generalised to other genders and ages in other occupational contexts.

Another major constrain of this study was that ethical behaviour is a complex matter, so gaining permission from companies to collect data was a mission. Ethics is a very sensitive subject to describe and discuss, given the sensitivity of the issue in question, the response rate was very slow and the researcher had to send reminders now and then. This factor alone dragged the data collection process. The other limitation is that after gaining permission the response rate was not favourable from most of the companies.

The other limitation is that this research was cross sectional in nature. Due to that it was not possible to confirm the casual relationships between the independent variables. Longitudinal studies could have produced more detailed results. However, with the right persuasive tact and tactics, enough reliable, consistent and valid data was collected. Despite the above mentioned limitations it may be concluded that the research study provides evidence in terms of the relationship between the variables that influence ethical behaviour in the South African's context.

5.6 Summary of chapter

This chapter contains the findings, conclusions, and recommendations for readers who might use the results as a resource when reviewing and revising the factors that influence ethical behaviour in the South African construction industry. Construction companies can implement recommended strategies into their systems to improve ethical behaviour in their organisations. The limitations of this research study were discussed with reference to the literature and empirical study.

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APPENDIX A: Permission letter



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YOUR FUTURE IN SAFE HANDS

Eastern Cape Office: 1 Lancaster Road, Vincent, East London, 5247
Tel: [+27] 43 721 0178 | **Fax:** [+27] 43 721 2431
Gauteng Office: 546 16th Road, Constantia Park, Building 3, Midrand
Tel: [+27] 11 312 9765 | **Fax:** [+27] 11 312 9768
Mpumalanga Office: 40 John Magagula Street, Middleburg, 1050
Tel: [+27] 13 243 0680 | **Fax:** [+27] 86 219 8717

Date:

To whom it may concern

The effects of individual and organizational factors on ethical leadership and behaviour: A case study of a South African construction company

I hereby permit Chido Makonye, Masters by research student from the University of the Witwatersrand, to conduct a survey with our employees. Permission granted to Chido Makonye is subject to her obtaining ethical clearance to conduct research from the Ethics Committee of the University of the Witwatersrand by abiding to its terms.

I have been informed of the line of research and read her proposal and questionnaire.

Name:

Signature:

Kimopax (Pty) Ltd
P.O. Box 4077
Halfway House 1685
Tel: 011 312 9765 Fax: 011 312 9768
info@kimopax.com www.kimopax.com

Appendix B: Permission letter 2

JustJobbing
Delivering beyond expectations

Email: info@justjobbing.co.za
Tel: +27 (11) 074 7112
+27 (11) 057 4419
Website: www.justjobbing.co.za

Physical Address:
Unit 3, Coventry Business Park, 165 Main Road, Midrand 1685

P.O Box 5101
Halfway House
1685

Date 30/07/2018

To whom it may concern

The effects of personal values, locus of control and organizational climate on ethical behavior in Gauteng based Construction Company

I hereby permit **Chido Makonye**, Masters by research student from the University of Witwatersrand to conduct a survey with our employees. The permission granted to **Chido Makonye** is subject to her obtaining ethical clearance to conduct research from the Ethics Committee of the University of Witwatersrand by abiding to its terms.

I have been informed of the line of research and read the proposal and questionnaire.

Yours Faithfully

Frank Tapera, ***BSc (hons) CanQS (SACQSP)***

FTapera

Operations Manager

APPENDIX C: Ethics clearance certificate

Research Office

HUMAN RESEARCH ETHICS COMMITTEE (NON-MEDICAL)
R14/49 Makonye

CLEARANCE CERTIFICATE	**PROTOCOL NUMBER: H17/11/27**
PROJECT TITLE	The effects of personal values, locus of control and organizational climate on ethical behaviour in Gauteng based contruction company
INVESTIGATOR(S)	Miss C Makonye
SCHOOL/DEPARTMENT	School of Economic and Business Sciences/
DATE CONSIDERED	17 November 2017
DECISION OF THE COMMITTEE	Approved
EXPIRY DATE	12 December 2020

DATE 13 December 2017 **CHAIRPERSON** pp (Professor J Knight)

cc: Supervisor : Dr E Nkomo

DECLARATION OF INVESTIGATOR(S)

To be completed in duplicate and **ONE COPY** returned to the Secretary at Room 10004, 10th Floor, Senate House, University. Unreported changes to the application may invalidate the clearance given by the HREC (Non-Medical)

I/We fully understand the conditions under which I am/we are authorized to carry out the abovementioned research and I/we guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I/we undertake to resubmit the protocol to the Committee. **I agree to completion of a yearly progress report.**

_____ _____/_____/_____
Signature **Date**

APPENDIX D: Information letter and Questionnaire

Information letter

To whom it may concern

Good Day

My name is Chido Makonye and I am currently doing Masters in Human Resource Management at the University of the Witwatersrand, Johannesburg. As my degree requires I am supposed to conduct a research in the field of human resources management. I am conducting a research on the determinants of ethical behaviorin a construction company.

I kindly invite you to participate in the research. Your opinion as a professional is highly valued and important to our understanding of ethics in industry. I will maintain strict confidentiality and anonymity in our research.

Your response is important and there are no right or wrong answers. Anonymity and confidentiality are guaranteed by not needing to enter your name on the questionnaire. Your participation is voluntary and involves no risk, penalty, or loss of benefits whether you participate. You may withdraw from the survey at any stage. They will be kept confidential and in a safe place.

The survey comprises of sections on demographic data, choice of career and lastly questions on employer of choice. Please indicate the extent to which you agree or disagree with each statement, by ticking in the appropriate box. The entire survey should take between 5 to 10 minutes to complete. Collected data will be analyzed at the end of the study and the findings will be in form of a research report.

Thank you for considering participating. Should you have any questions, or should you wish to obtain a copy of the results of the survey, please contact the researcher or my supervisor as below:

Warm regards

Chido Makonye (researcher)
chidomakonye@ymail.com
083 894 7357

Emmanuel Nkomo(supervisor)
aeEmmanuel.nkomo@wits.ac.za
(011)717 8124

…… …… ……

Masters Student: Division of Information Systems

School of Economic and Business Sciences

University of the Witwatersrand, Johannesburg

Section A: Demographic information

1. Please indicate your response by putting an X in the blanks:

Age: 18-25 ☐ 26-30 ☐ 31-35 ☐ 35- ☐ 50 ☐ 50+

2. Gender: Male ☐ Female ☐ Prefer not to ☐ say

Section B: Personal value test

Please indicate the extent to which you are likely to engage in the following behaviours below in an organization.

The following statements build up ones' personality. These traits can explain why one behaves in such a way. Please

	Extremely Likely	Likely	Neutral	Unlikely	Extremely Unlikely
1. Using company services for personal use					
2. Doing personal business on company time					
3. Concealing one's errors					
4. Claiming credit for someone else's work					
5. Giving gifts/favors in exchange for preferential treatment					
6. Accepting gifts/favors in exchange for preferential treatment					
7. Taking longer than necessary to do a job					
8. Volunteering information concerning wrongdoing, even if friend are involved					
9. Not reporting others' violations of company policies and rules					
10. Calling in sick to take a day off					

Section C: Corporate ethical values

Below are some factors that might have an impact on ethical/unethical behaviour. Please mark to what extend you agree or disagree with the variables in respect of unethical behaviour.

	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
1. Managers in my company often engage in behaviours that I consider being unethical.					

2. In order to succeed in my company, it is often necessary to compromise one's ethics.					
3. Top management in my company has let it be known in no uncertain terms that unethical behaviours will not be tolerated.					
4. If a manager in my company is discovered to have engaged in unethical behaviorthat results primarily in *personal gain* (rather than corporate gain), he or she will be promptly reprimanded					
5. If a manager in my company is discovered to have engaged in unethical behaviorthat results primarily in *corporate gain* (rather than personal gain), he or she will be promptly reprimanded.					

Section D: Organisational climate Questionnaire

Listed below are a series of statements that represent possible feelings that individuals might have about the company or organization for which they work. With respect to your own feelings about your own organization, please indicate the degree of your agreement or disagreement with each statement by putting an X

	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
Ethical environment					
1. Management in this organization disciplines unethical behaviorwhen it occurs.					
2. Penalties for unethical behaviorare strictly enforced in this organization.					
3. The top managers of this organization represent high ethical standards.					
4. Ethical behavioris the norm in this organization.					
Community-Focused Climate					
1. The effect of decisions on the customer and the public are a primary concern in this organization.					

2. People in this organization are actively concerned about the customer's, and the public's interest.					
3. It is expected that you will do what is right for the customer and public.					
Personal Ethics Climate					
1. In this organization, people are guided by their own personal ethics.					
2. Each person in this organization decides for themselves what right and wrong is.					
3. The most important concern in this organization is each person's own sense of right and wrong.					
Code Implementation					
1. Employees are required to acknowledge that they have read and understood the ethics code.					
2. The organization has established procedures for employees to ask questions about ethics code requirements.					
3. The code of conduct is widely distributed throughout the organization.					
4. Employees are regularly required to assert that their actions follow the ethics code.					

Section E: Ethical behaviour

Below are statements which can be used to evaluate ethical behaviour, please mark with an X to the extent you agree or disagree with the statements

	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
1. An employee who acts unethically will advance faster than the one who acts ethically					
2. An employee would occasionally act unethically if it helped him/her to succeed in business					

3. An employee would act unethically without having any other choice if his/her boss asks him/her to do so					
4. An employee would act unethically if it helped him/her to get ahead					
5. An employee will be willing to do anything unethical to succeed in business					

Section F: The South African construction industry

Below are some questions about tender awarding in the industry. According to your feelings and perception mark with an X to answer the questions

	Yes	No
1. Do other construction companies use bribes to win tenders?		
2. Do companies that award tenders award tenders to those who pay bribes?		
3. If you were offered R500m tender and the officials want 5% bribe would your company comply?		
4. If you were offered R500m tender and the officials want 5% bribe would you personally conform?		
5. If you do not take up the offer do you think your competitors would take it?		
6. Do you think bribery is a big factor in the award of tenders in South Africa construction industry?		

Thank you.

APPENDIX E: Turn it in report

