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The construction industry in general has a poor ethical reputation, being widely regarded by the public as a sector with corrupt practices, health and safety failures, and causing damage to the environment. A modern 21st century industry needs to consider how it orientates itself to the dilemma of conflicting stakeholder and ethical demands. The implications for stakeholders of the all pervasive drive for globalization in the construction industry is reviewed, leading to a consideration of the ethical relationship interfaces that construction organizations have with their stakeholders from the viewpoint of ethics, social contracts and corporate responsibility. Building upon earlier work a prototype stakeholder ethical responsibility matrix (SERM) is proposed as a management tool. Stakeholder management using an ethical perspective can meet the needs of both agency and stakeholder requirements. The increasingly complex global construction industry presents many challenges as key business decisions in construction are in reality moral decisions also. A completed version of the SERM offers a way forward for managing the ethical dimension of construction industry decision making.

Keywords: Stakeholders, ethics, social contracts, responsibility matrix.

Introduction

The construction industry today is a global industry. In a globalized context contractors and consultants operate across international markets. Supply chains, specialists, plant and equipment can be sourced across the world. Globalization changes patterns of work and responsibilities. Construction has to identify stakeholders across a political, social, cultural and economic divide. The aim of this paper is to investigate the viability of ethical stakeholder relationship mapping within construction. Commencing with an overview of existing attempts to develop ethical relationships with stakeholders and the relevant key issues, the paper goes on to identify the complexity of ethical issues that exist in stakeholder management within a global context.

This paper concludes by proposing a stakeholder ethical responsibility matrix, (SERM), as a tool that may assist firms in the construction sector in identifying and understanding their potential ethical responsibilities to a wide and diverse range of interested and influential parties at a corporate and project level.

What do we mean by ethics?

Ethics is the philosophical study of what is right or wrong in human conduct and what rules or principles should govern it (Robinson *et al.*, 2007). This immediately raises important questions; who should determine what is right and wrong in human conduct? Who should set the framework for what determines acceptable behaviour? The traditional golden rule of ethics drives from religious thinking, 'do unto others as you would do unto yourself'. However, over time the influence of religion on ethics has gradually diminished and been replaced by ethical theories. Most of the theory building is based on understanding and development of moral thinking. This arena has been shaped by many influences from Aristotle, Plato and Kant to

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Confucius and continues to change. Genocide, wars, disasters may influence ethical perceptions and values. As mankind evolves the approach to ethics evolves. Ethics has a strong foundation but conceptually it is not static.

Most of ethics has focused on the individual and in particular individual morality, whereas most of the activities that take place in construction in the world arise within organizations. In reality the organization has to take on 'characteristics' of the individual. The essence is that companies behave in a responsible manner beyond their commercial and regulatory requirements. This concept is closely allied to the emergence of the concept of 'corporate citizenship' which Andriof and McIntosh (2001) described as 'understanding and managing a company's wider influences on society for the benefit of the company and society as a whole'. The corporate citizenship approach takes the view that companies as independent legal entities are members of society and as such can be regarded as citizens with legal rights and duties. They are expected as 'citizens' to behave ethically. Accompanying these rights and duties is an expectation to act as good corporate citizens and contribute to the well-being of society more generally.

All organizations are driven by senior management and ethical behaviour is ultimately a question of individual leadership. Respect, integrity and empathy are characteristics that are central in developing individual ethical virtues (Carter, 1985; Robinson *et al.*, 2007). Mostakova-Possardt (2004) refers to these individual characteristics as the critical moral consciousness. However, it is difficult for an individual to have all the ethics. Ethical behaviour is collaborative in the organization context and it not just the individual facing the ethical dilemmas. The collective and the individual leaders work together to determine the ethical response of the organization.

Individual ethics and organizational ethics present particular challenges when explored on a global stage. Globalization according to Steger (2003) has led to 'expansions and stretching of social relations, activities and interdependencies'. Further, global ethics cannot be dictated by a Eurocentric view alone; it has to take into account other cultures, religions, nationalities and interest groups. Ethical theory and writing has much of its roots in the West and sets the norms for evaluating ethics. Kung (1991) argues that the process of developing a global ethics is based on the ability to have a set of common shared values rather than a uniform system of ethics. Cohen et al. (1992) indicates that people have significant differences as to what they perceive as ethical in the cross-cultural context. Different practices, different norms, different values, different structures, different management styles all

work to make a single ethical approach more difficult. Kung (1991) indicated that it is difficult to export an ethical approach devised in the West to the East and vice versa. The values that an organization develops and communicates provide the basis for the development of shared values. Amba-Rao (1993) argues that global organizations build ethical behaviour by inculcating values into their business strategies. Zadek (2001) contends that corporate citizenship and ethics is not only an Anglo-American concept. Cultural differences and accepted patterns of behaviour in some countries may make it impossible to enforce a strict code of conduct devised outside that country. The conventional wisdom on ethics is that the organization has to determine its values and policies. This is the benchmark for its behaviour. Social responsibility in construction is a commitment by organizations to integrate socially responsible principles and concerns of stakeholders into their operation, in a manner that fulfils and exceeds current legal and commercial expectations (Sommer *et al.*, 2004). As the construction industry becomes more globalized, the importance of having these shared global ethical values will become more and more apparent.

The development of stakeholder and ethical theory

Over the past three decades, the study of business and society has been central to development of the modern organization. Early work by Preston (1975) and Caroll (1979, 1991) proposed the concepts of corporate social responsibility (principles) and corporate social responsiveness (strategies). Wartick and Cochoran's (1985) dimensions of social responsibility are defined as economic, legal, ethical and discretionary and follow on from Caroll's original model. Freeman's (1984) landmark study provided an integrated business and society model through the development of stakeholder theory. Freeman suggested that 'A stakeholder in an organisation is (by definition) any group or individual who can affect or is affected by achievement of the organisation's objectives'. Identifying and analysing stakeholders is a simple way to acknowledge the existence of multiple constituencies of the firm. Clarkson (1995) supported these developments by introducing the separation of social and stakeholder issues. By adopting an open systems perspective it can be advocated that stakeholders have some sense of participation in the affairs of the firm. By changing orientation the firm moves from primarily a shareholder-driven organization to a broader stakeholder organization that includes shareholders.

The stakeholders of the firm are those groups and organizations that the firm believes has a relationship with the firm. The firm can identify its stakeholders from its corporate objectives and relationships. It may not be able to identify all groups that share an interest in the firm. Stakeholders are categorized as primary and secondary stakeholders. Primary stakeholders are those groups that are directly associated with the firm. These groups stand to gain or lose the most from the firm and its activity. Alongside the regulatory stakeholder group, the primary stakeholder groups can determine the future survival of the firm. Regulatory stakeholders such as the government and competition authorities have the ability to shape the direction a firm is taking through laws and regulations. Secondary stakeholders are those groups that may not have a direct involvement with the firm but may be influenced by its outcomes. These groups are concerned about the extent to which the firm encroaches on their areas of interest.

The stakeholder model offers ethicists an approach to the business and society problem by identifying groups that have intrinsic value to the firm. The moral rights view indicates that stakeholders have rights including consultation and involvement in decision making. The concept of inclusiveness is central to stakeholding and to ethical thinking (Wheeler and Sillanpaa, 1997). Drawing on the work of Aristotle it can be claimed that a virtuous organization would have inclusiveness and community as part of its virtues. Ethical behaviour is easier to integrate into an organization that has a stakeholder orientation.

How do we identify the construction stakeholders and their values?

The construction industry operates at three distinct levels: the corporate, the strategic business unit and the project level. The corporate level relates to the interactions of the firm with the broader political, economic, social, technological, environmental and legal context. In also considers how business units and projects relate to the corporate entity. The strategic

business unit level relates to particular sectors or types of activity and will not extend across the entire organization. The project level relates to interactions that arise from undertaking a project. In considering stakeholders for the construction industry this paper concentrates on activity at the corporate level.

Stakeholder theory uses primary and secondary relationships as a means to identify stakeholders. Some stakeholders such as owners, workers, financiers and government are easy to identify. Friedman and Miles (2001) suggest a contract-based approach which may be appropriate for construction stakeholder identification. Contracts are entered into by an organization on a regular basis and the way these contracts interact with the structure helps develop the stakeholder status. Many of the contracts are entered into explicitly establishing stakeholder status. These could relate to shareholders, alliance partners and financiers among many others. Implicitly recognized contracts exist with groups that have no formal contracts but have relationships with the organization such as regulators. Implicitly unrecognized contracts are where groups take an interest in the activities of the organization but are not directly tied to the activities of the organization, such as activists, charities and NGOs. Table 1 provides an indication of stakeholders that can be categorized for a construction organization using the contract-based stakeholder approach. Although not analysed on primary and secondary basis, the contract-based approach identifies the groups that are relevant to the organization. The stakeholder analysis may not cover every stakeholder but it does identify those with an immediate stake in the organization.

Management needs to understand how much the stakeholder can actually affect the organization or project, what avenues they have available to make their needs known and how far they will go to see them through. Based on this, it then becomes possible to try to predict what the behaviour of the stakeholder will be and how it will affect the goals and objectives. The organization has to determine how its values correspond to or differ from those of the stakeholders. It has to determine if any risks arise out of this assessment and if ethical-orientated responses are needed to

Table 1 Stakeholder categorization

Explicit	Implicit	Implicit recognized	Unknowns
Equity holders	Regulators	Community	Interest groups
Financiers	1st tier suppliers	2nd tier suppliers	3rd tier suppliers
Partners	Staff	Government	Trade associations
Owners	Users/Consumers	Local government	Overseas regulators
Sponsors		Relevant NGOs	Overseas government
		Unions	Public

stakeholders. However, the orientation of the organization has to be stakeholder driven.

Globalization of the construction industry

The construction industry is estimated globally at some US$4 trillion (DFID, 2007) consisting of the procurement of new projects and the increasing commitment for the provision of services, equipment, components, materials, maintenance, finance, operations, and research and development. Construction activity consumes vast amounts of resources, provides a physical product that alters the landscape and often has a social and environmental impact, and not all its actions are consumed immediately. The World Trade Agreements and generic liberalization of economies in both developing and developed countries has led to a greater flow of resources and development of connections across the world.

The construction industry is part of the increasingly integrated world. As examples, in Dubai, the consultants, contractors, labour, technology, materials and equipment are sourced from across the world, while in London the iconic Wembley stadium had an Australian contractor, multinational designers, Dutch steel contractors, American security specialists and a range of international materials suppliers. While not every part of construction is tied into global trade, its influence is pervasive. The emerging global approach to business requires a better understanding of global political, economic, social and cultural factors. There is far more cooperation, consumer value changes, and the blurring of business borderlines in this global environment. Global construction has to create and manage new forms of relationships with suppliers, producers, clients, financiers, governments and third sector groups to meet needs across the world.

Construction is a global business that needs to consider its ethical performance. Transparency International's Annual Corruption Report (2005) focused on the problems that the construction industry faces with its ethical image. The sector was highlighted for its practices in areas such as bribery, environmental destruction, capital flight, dangerous practices, poor quality, whistle blowing, etc. It also identified problems with unethical behaviour through the entire construction life cycle. The report highlighted that cases such as the Lesotho Highlands Water Scheme (bribery), Cologne Waste Disposal (bribery), Bataan Nuclear Power Station (safety), Bakun Dam (environment) and Yacyreta Project (capital flight) also indicate problems that are taking on a global scale in construction. The Department for International Development in the UK estimates that US$400 billion is lost through corrupt practice in the worldwide construction industry (DFID, 2007). Greenpeace (2006) and WWF (Toyne et al., 2002) have recently highlighted the denuding of the ancient forests for construction activity. The destruction of unique habitats and species is part of this process. Corruption, environmental destruction, poor health and safety, etc. all impact on the stakeholders of construction and question the ethical orientation of construction organizations. It is possible to go on documenting failings within the construction sector but for the purposes of theoretical development consideration is now given to how organizations can be more ethical in their behaviour towards stakeholders.

Ethical framework for global stakeholders

The diversity of culture and values makes homogeneous ethical values difficult to achieve in a global context. The unit of analysis is the organization and ethical conduct is established at this level. A number of guidelines and codes of conduct have been created to provide guidance, including:

- The Global Sullivan Principles (Leon Sullivan Foundation, 1999);
- The UN Global Compact (UN, 2000);
- SA 8000 (SAI, 1997);
- Caux Principles (Caux Round Table, 1994);
- Global Reporting Initiative (GRI, 2006);
- OECD Guidelines for Multi-Nationals (OECD, 2000)
- The Keidanren Charter for Good Corporate Behaviour (Nippon Keidanren, 2004);
- Principles for Global Corporate Responsibility (ECCR, 2003).

Each of these approaches provides a basis for companies to structure their corporate behaviour. They vary from codes to frameworks to guidelines and have been influenced by government, NGOs and businesses themselves. These frameworks allow companies to demonstrate their responsible behaviour to a variety of stakeholders. The writers have compared these standards for similarities and differences. There are certain themes that are consistent and form a set of ethical areas for a firm to consider in relation to their stakeholders. These themes are identified in Table 2 and are covered in more detail within each of the codes and principles. It is not possible to detail and analyse each item within the scope of this paper. While they do not cover every ethical issue they form a consensus on areas of concern.

A central pillar of ethical responsibility is the willingness of a firm to be accountable for its behaviour.

Table 2 Global ethical issues

Ethical issues	Ethical elements
Accountability	Governance
	Transparency
	Disclosure
	Ethical leadership
Conduct	Compliance with laws
	Corrupt practice
	Anti-competitive practice
	Political lobbying
	Buying influence
	Whistle blowing
	Integrity
Supply chain	Skills assessment
	Integrity
	Cross-cultural issues
	CSR
Labour and human rights	Freedom of association and collective bargaining
	Elimination of forced and compulsory labour
	Abolition of child labour
	Elimination of discrimination in the workplace
	Collusion with security forces
Health and safety	Compliance with laws
	Duty of care
	Global health and safety codes
	Local practice and customs
Community	Charity
	Local causes
	Employment
	Damage to environment
Environment	Compliance with codes
	Carbon footprint
	Pollution
	Waste
	Use of water
	Habitat destruction
	Impact on biodiversity
Customers and products	Safety
	Ergonomics
	Recyclables
	Duty of care
	Transparency

Accountability in the ethical corporation goes beyond operating within the law and regulatory framework, to being responsible for the organization's actions and its impacts. The social, environmental and economic footprint an organization leaves is relevant to accountability. Solomon and Solomon (2004) suggest that 'corporate governance is a system of checks and balances both internal and external to companies to ensure that they discharge accountability to all their stakeholders and act in a socially responsible way in all

areas of their business'. It is from the ethical accountability that the ethical responsibilities to stakeholders arise for the organization. Developing ethical accountability is not just about systems and codes. The challenge for the writers was how to bring together stakeholder concerns and ethical accountability.

Stakeholder mapping matrix

An ordered approach based on contractual relationships offers the construction organization a clear way forward. Construction is a nexus of contracts. The express and implicit contract stakeholders are easy to identify. The unknown implicit stakeholders are slightly more difficult to recognize. In identifying some of the ethical responsibilities that govern the international arena the trickier analyses are to determine how far the firm goes along its supply chain to establish stakeholding.

A structured approach to identifying stakeholder interest and ethical considerations was needed. A modification of linear responsibility charting and linear responsibility analysis was adopted. A detailed discussion on the technique is found in Walker (1996). This technique arises out of general management and allows identification of people, issues and the relationships between them. By adapting linear responsibility charting it became possible to bring together stakeholders, ethical responsibilities facing the firm and the interactions that exist between them.

The authors propose a stakeholder ethical responsibility matrix (SERM) (Figure 1) which can serve as a tool to identify the interfaces between stakeholders and the firm's ethical responsibilities. It identifies the stakeholders of the organization and the ethical stake they have. The organization is then able to identify the ethical responsibility towards and impact on the management of the organization from each stakeholder. It allows the organization in a relatively limited time to map and to identify the risk, support, importance, partners, cross-cultural issues (global/internal differences) and consultation in terms of ethical responsibility. The matrix 'owner' is the organization that uses and develops the matrix.

Along the vertical axis are the ethical issues that the company wishes to form part of its operations. These are derived from the values of the firm which may be developed from Table 2 (ethical values). The matrix uses ethical values derived from international standards mentioned earlier although not every company will need to adopt every issue. A company with global involvement through projects, partners or supply chains will have complex cross-cultural ethical considerations.

Ethical issues		Shareholders	Staff	Company executive	Financiers	Unions	National government	Local government	Regulators	Major client 1	Major client (environmental)	Alliance partners	Tier 1 supply chain	Tier 2 supply chain (overseas)	Community groups	General public	Trade associations	NGOs
Accountability	Governance	▼5	■5	▼5	5▼	3	3	3	5▼	2	2	2	2	2	1	1	5	2
	Transparency	▼5	■5	5▼	5▼	5	5	2	5	2	2	5	2	2	2	5	2	5
	Disclosure	▼5	■1	5▼	5▼	5	1	1	5▼	1	1	1	1	1	1		1	5
	Leadership Integrity	▼5	■▼5	5▼	▼5	▼5	▼5	▼2	▼2	▼5	▼5	▼5	▼5	▼5	▼5	▼5	▼5	▼5
Conduct	Compliance with laws	▼5	■5	5▼	5	5	5	5	5	5	5	5	5	5	5	5	5	5
	Corrupt practice	▼5	■5	5▼	5	3	5	5	5	5	5	5	5	2	5	5	♦	5
	Anti-competitive practice	▼5	■2	2	2	3	3	3	5	1	5	5	1	1	5	5	♦	5
	Whistle blowing	2	■5	3	2	5	3	3	2	1	1	5	5	1	5	5	♦	5
Labour & human rights	Collective bargaining	2	■5	2	2	5	3	3	2	1	1	1	1	▼●	1	1	♦	5
	Forced labour	2	■5	2	2	5	3	3	2	1	1	1	1	▼●	5	5	♦	5
	Child labour	2	■5	2	2	5	3	3	2	3	5	1	1	▼●	1	1	♦	5
	Equality	▼5	■5	2	2	5	3	3	2	1	5	5	▼●	5	5	5	♦	5
Health and safety	Compliance with laws	▼5	■5	▼5	2	▼5	▼5	▼5	▼5	▼5	▼5	▼♦5	▼♦	▼♦	5▼	▼	♦	5▼►
	Duty of care	▼5	■5	▼5	2	▼5	▼5	▼5	▼5	▼5	▼5	▼5	▼	▼●	5▼	▼	♦	5▼
	Global standards & codes	2	■3	2	2	5	3	▼5	5	▼5	5	5	▼	▼●	♦		♦	5♦▼
	Training	2	■5	■3	2	5	3	▼5	4	▼5	1	3	▼	▼●	♦		♦	5♦▼
Environment	Codes compliance	▼5	■3	■3	2	3	5	5	5	▼3	5	●♦	▼	▼●	♦	♦	♦	5♦▼
	Carbon footprint	2	■3	■3	2	3	3	2♦	3	▼3	▼5	▼	▼	▼●	♦	♦	♦	5♦▼
	Pollution	2	■3	■3	2	3	3	2♦	3	▼3	▼5	▼	▼	▼●	♦	♦	♦	5♦▼
	Waste	2	■3	■3	2	3	3	2♦	3	▼3	▼5	▼	▼	▼●	♦	♦	♦	5♦▼
	Water usage	2	■3	■3	2	3	3	2♦	3	▼3	▼5	▼	▼	▼●	♦	♦	♦	5♦▼
	Habitat destruction	2	■3	■3	2	3	3	2♦	3	▼3	▼5	▼	▼	▼●	♦	♦	♦	5♦▼
	Biodiversity impact	2	■3	■3	2	3	3	2♦	3	▼3	▼5	▼	▼	▼●	♦	♦	♦	5♦▼
Community	Charity	2	■5	■3	2	3	3	2♦	3	1	3	▼	▼	▼●	5♦▼	♦	♦	5♦▼
	Local causes	2	■5	■3	2	3	3	▼5	3	1	3	▼	▼	▼●	5♦▼	♦	♦	5♦▼
	Employment	2	■5	■3	2	5	3	▼5	3	1	3	▼	▼	▼●	5♦▼	♦	♦	5♦▼
	Social impact	2	■5	■3	2	5	3	▼5	3	1	5	▼	▼	▼●	5♦▼	♦	♦	5♦▼
	Economic impact	2	■5	3	2	5	3	▼5	3	1	5	▼	▼	▼●	5♦▼	♦	♦	5♦▼
Product	Safety of product	▼5	■5	3	2	3	5	▼5	▼5	▼5	5	♦5	♦	▼●	5♦▼	♦	♦	5♦▼
	Disclosure	2	■3	3	2	3	3	2	▼5	▼5	2	♦5	♦	▼●	5♦▼	♦	♦	5♦▼
	Safety of materials	2	■3	3	2	5	5	5	▼5	▼5	5	♦5	♦	▼●	5♦▼	♦	♦	5♦▼
Supply chain	Labour practice	2	■5	3	2	5	3	2	▼5	▼5	5	♦5	♦	▼●	5♦▼	♦	♦	5♦▼
	Sustainable materials	2	■3	3	2	3	3	2	▼5	1	5	♦5	♦	▼●	5♦▼		♦	5♦▼
	EMS	2	■3	3	2	3	3	2	3	1	5	♦5	♦	▼●	5♦▼		♦	5♦▼
	QA	2	■3	3	2	3	3	2	3	5	5	♦5	♦	▼●	5♦▼		♦	5♦▼
	Health and safety record	2	■5	3	2	5	3	2	5	5	5	♦5	♦	▼●	5♦▼		♦	5♦▼

Figure 1 Stakeholder ethical responsibility matrix (SERM)
Key: Ranking 1–5 (Importance to stakeholder)
      Cross-cultural influences ●
      Ethical risk (from stakeholders) ▼
      Ethical support ■
      Ethical consultation ♦

The values and value system of the matrix owner will determine which ethical issues to include. The corporate and individual ethics of the matrix owner (management) will determine how ethical considerations evolve.

The horizontal axis relates to the stakeholders and is developed from Table 1 (contract-based stakeholder analysis). The contractual approach for stakeholder identification presents an ordered approach for stakeholder mapping for construction. The express and implied stakeholders are identified initially, followed by the unknown implied and possibly unknowns. The matrix owner will influence which stakeholders to include or exclude. This analysis is developed at corporate level followed by unit level and then project level. The issue of location specificity sometimes means that stakeholder nuances may vary. The orientation of the organization to particular groups of shareholders would impact on their inclusion. An organization with a shareholder orientation may vary considerably from a stakeholder orientation.

The basic matrix has been developed once the horizontal and vertical elements have been established.

Analysis is required as to the importance of each item to the stakeholder. The ranking operates on a 1–5 system with 5 being the most important. Decision making is driven by the owner of the matrix. Initial judgements will be based on the value system of the organization (matrix owner). Although the judgement is subjective it allows the organization to develop its own perception of its stakeholder's ethical needs. As the matrix matures and the company develops its stakeholder orientation, it may engage stakeholders to clarify their positions on all their stakes including ethical issues. Some stakeholders may engage the organization more directly, such as shareholders or an environmental group. An environmental NGO might rank environmental ethical issues as a 5 while a shareholder might rank transparency and disclosure as 5 while environment might be a 3. The shareholders might place a greater emphasis on governance while the NGOs stress community and environment. This form of interaction should help facilitate managerial actions to meet stakeholders' requirements.

The SERM should also help identify where there are ethical risks and put in place opportunities to

mitigate them. These can be identified symbolically within the matrix. This should flow from the overall corporate risk management that the company will conduct as a normal part of its activity. Responses to the Sabannes Oxley Act and the Turnbull Report (Turnbull, 2005) formalize corporate risk and will influence the inclusion of any items in the matrix. The matrix allows corporate risk that relates to ethical behaviour to be highlighted.

Those stakeholders that the organization may turn to for support or consultation can also be identified within the matrix. There is the opportunity to identify areas where engagement might improve ethical reputation and third party help may be relevant. Ethical sourcing and global warming are issues for construction companies. This approach would identify NGOs that are able to support the company in developing an ethical sourcing policy and help in environmental policy. If engagement is possible and improvements can be developed the organization can improve its standing.

The SERM is a mapping tool that allows ethical responsibilities to be identified along with the stakeholders. Although it is linear in its approach it allows for the stakeholder and ethical responsibilities to be combined in an easy format so that the organization can match its own ethical values to those of the stakeholders. As a management tool it allows the organization to make decisions on its ethical responsibilities. It can also identify cross-cultural risk thrown up by operating in a global environment. Issues related to training and policy can also be developed from the matrix. The use of this approach is dependent on the organization being aware of its values, stakeholders' values and the values they share. The matrix will not identify every stakeholder and every ethical issue but it is a tool that allows the organization to prepare for stakeholder ethics.

Discussion and research development

Stakeholders and ethics have started to enter the vocabulary of the construction industry. Some companies are embarking on programmes to engage their stakeholders. The SERM offers an opportunity to map stakeholders and ethical responsibility towards the stakeholders. It moves towards answering the questions posed by writers such as Preston (1975), Carroll (1979, 1991), etc. as to whom do we owe a responsibility. The use of contractual stakeholder mapping within the matrix allows a focused stakeholder identification process. The construction organization can focus on its stakeholders more closely. The ethical issues in the matrix have evolved from international standards, and a

wider picture than defined from a national context is presented. The ethical issues in the matrix are not rigid and can be adapted to suit the organization.

The development of the SERM is in its early stages. The matrix has been applied against areas of responsibility among major contractors in the UK. It has shown strong internal control (listed companies), health and safety, community and environmental systems present. Internal control and governance are regulatory requirements, health and safety is also driven by regulatory requirements. Community activity is developed in a proactive manner but one approach does not fit all situations. Environmental systems are developed from a regulatory perspective as well. The activities tend to be UK based and global dimensions are not apparent. Major UK construction companies undertake projects in other parts of the world and increasingly source their products globally. The apparent absence of concerns about the global supply chain is an ethical concern. This can lead to concerns similar to those that arose in the clothing and sports apparel sectors. (For a more detailed discussion see Klein, 1999.) There has to be supply chain responsibility when operating in a global context. The matrix allows such gaps in ethical responsibility to be identified.

The SERM can be adapted to have application in purely the project environment. Projects have stakeholders that need to be identified with their particular ethical concerns. Stakeholder identification can be improved using the matrix and the issues that impact on the stakeholders. Project managers can use the tools communicate and orientate the project to cope with conflicting stakeholder needs. The next stage of development of the matrix is to apply it more fully to project environments. However, the ultimate unit that we consider is the organization and programmes developed at corporate level will impact upon projects.

This paper has illustrated both the need and the complexities of developing ethical stakeholder relationship mapping in the context of this changing global environment in construction. As 'corporate citizens', construction businesses have rights and duties in a global ethical environment which increasingly needs to consider regional, cultural, religious and national interests and influences. The supply chain in construction has become central to delivering commercially successful projects. This supply chain is increasingly global with people, materials and components being sourced across continents. Commercial decisions are now being taken in the context of possibly conflicting ethical standards. Businesses have to determine their own values and policies with the background of diverse cultural values considering issues to do with

accountability, governance, transparency and business conduct.

Business decisions in construction are moral decisions. The activities of this major industrial sector have a direct impact, either positive or negative, on the physical and social environment of national and whole regions of the world. The proposed stakeholder ethical responsibility matrix offers a way forward to meet the challenges of the future for the construction industry.

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