

PRESENTED TO
COUNCIL FOR ETHICS IN ECONOMICS

FOR
OHIO PARTNERS IN CHARACTER EDUCATION

Presented By:
Construction & Development
Management Advisory Group

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OHIO PARTNERS IN CHARACTER EDUCATION
CONSTRUCTION & DEVELOPMENT
MANAGEMENT ADVISORY GROUP REPORT

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THE CONSTRUCTION INDUSTRY

As we consider the characteristics necessary for key employees in the development and construction industries, the history of the industry is of interest. The Industry evolved from the guild system in European countries to our current activity of today. For example, carpenters came out of the British Isles, masons from Italy, steel and pipe trades from Germany. As our forefathers migrated to this country, they brought their skills with them. These skills were taught within the family, specifically, father to son.

At the early part of the 20th century and through World War II, construction was dominated by men. During the second half of this century considerable change occurred. Advancements in technology and the world economy resulted in change and many new visions for construction management. Women and minorities became more involved, and today the industry is more diverse than in the past.

The construction industry accounts for a large percentage of our gross national product. However, unlike other industries, where large corporations dominate, our industry is very segmented with a multitude of smaller companies. Many talented and skilled individuals work within these companies. The developer with ideas, the architect and the engineer with the professional designs, the manufacturer who produces products, the contractors and subcontractors employing the labor to install the products all come together in a very unique way to provide the structures and the environments we enjoy.

Our industry needs young people with character traits outlined in this report. These character traits are important to any great society. Character development is very important to us. We welcome the opportunity to express our thoughts in character development not only to assist the educator of our youth, but also to improve our image; whereby we will receive equal consideration as a viable career opportunity.

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QUALITIES OF CHARACTER DISCUSSED BY OUR GROUP:

In a round table format, committee members identified the following character traits as desirable in the labor force:

Attitude

Honesty

Dedication	Friendly Disposition
Dependability	Trustworthy
Integrity	Self-Starter
Respectful	Committed
Creative	Consistent
Team-Oriented	Listener
Approachable	Strive To Improve
Willing To Learn	Tactful
Communicator	Takes Ownership
Fun To Work With	Fairness
Self-Motivated	Loyalty
Proactive	Risk Taker
Candid	

EXAMPLES OF CHARACTER IN DAILY PRACTICE

ATTITUDE

I think a positive attitude is the most single important trait - not alone because loyalty and integrity are necessary, but without a positive attitude, you are not going to make it in our business. We are definitely a "people" business. We work with real estate brokers, sales people, clients and owners of property - a wide array of people. If you have a chip on your shoulder, are not friendly, are a person with whom people do not want to work, then you are not going to have repeat customers. Our business is not based on initial sales; it is based on people coming back to us. Sometimes we have the opportunity of leasing five, six or seven sites to the same company. I think a positive attitude tied in with a relationship-building capability comes from people who feel good about themselves - they have self esteem and like other people.

- Robert Weiler -

DEDICATION

I need people with dedication not only to themselves and their career but also to the company. They must follow the tenant - If I put the company first and help the company grow and be successful, then I will be successful in the process.

- James Hess -

RESPECTFUL

All in all, my work has become easier. I have worked very hard at winning the men over by letting them know that I am fair and I respect them and I want their respect. I want honesty on the job and not to point blame. Before you know it, most of the workers who find out that I have a new project starting and I have chosen their company to do the work are saying: "May I be assigned to Pat Shuster's job?" I think part of it is that they can leave at the end of the day and not go home with a bad feeling about some problems that happened on the job.

- Patricia Shuster -

EXAMPLES OF CHARACTER IN DAILY PRACTICE: (Continued)

LISTENER

Back when I started, I listened a lot, asked a lot of questions and that's how I learned. I started in property management that has to do with getting things fixed. People would call in about a broken window, etc. When I moved over to the construction end of the business, a lot of games were played. I was told incorrect information to see if I would believe it or would follow through to catch it. I had to learn to deal with the men in the field because they did not want to listen. They wanted to treat me like a dizzy blond. So it has been tough going into a male-dominated field.

- Patricia Shuster -

LOYALTY

Today we are in a business atmosphere where loyalty is lacking. An example is sports where you see people jumping from team to team looking at the dollar rather than at the employer or the associations they have. Loyalty must work both ways for the employer or employee. What is an example? I think of a person who puts the company and the goals of the company ahead of his own personal ambition, particularly when it comes to the dollar sign. Now the employer hopefully recognizes loyalty and compensates the person fairly. I am not suggesting there is blind loyalty by those who are not being treated fairly. We are looking for people who will represent the company well. In lay terms this means: You don't go around "bad mouthing" not only your own company but others in your business. Loyalty is to your company and also to your industry.

- Robert Weiler -

TRUSTWORTHY

Our jobs also have a lot of materials, equipment and things we use in building that are worth a lot of money, so we have to have people who are trustworthy working there. Many times I have them working late at night or they come in on the weekends, so I try to instill upon all of our workers the trust that I have in them and the responsibility they have when I am not around.

- Patricia Shuster -

EXAMPLES OF CHARACTER IN DAILY PRACTICE: (Continued)

INTEGRITY

I have a high sense of integrity and I demand that from my workers and they know that. If I do have people on my jobsite who try to do things behind our back or with a bad sense of taste, I take them aside and talk with them. If it happens again, I go to the boss and have them removed from our jobsite. When we are working on many projects worth millions of dollars, we don't have time to have certain people.

- Patricia Shuster -

SELF-MOTIVATION

Particularly in my industry, I need people at the point of contact who are working and interfacing directly with the construction activities. They can't rely on somebody to hand out tasks all day and then get them done by the end of the day. They have to be self-motivated and willing to take ownership of the results without direct oversight.

- James Hess -

CASE STUDIES

An owner during our bidding asks us to do something that is contrary to our bidding ethics.

- Should you bend your ethics for this project?
- How do you maintain your ethics and keep good relations with the Owner?
- Which should be more important?
- What if the Owner starts negotiations contrary to our ethics behind the scene?

- Messer Construction Company -

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You are managing a project which has had numerous delays that were beyond your control. A very rainy spring delayed foundation work, a strike by iron workers delayed structural steel erection, and a fire at the precast manufacturer's facility delayed delivery and erection of exterior precast panels. In spite of these delays, the Owner has insisted that the project be completed on the date originally agreed upon, at no additional cost.

- Do you require subcontractors to provide additional manpower?
Who pays the cost?
- Do you require subcontractors to work overtime and/or two shifts?
Who pays the cost?
- Do you sacrifice quality for speed?
- Do you institute a claim or other legal action against the Owner?
- Do you proceed as normal and finish the job late?

- Messer Construction Company -

CASE STUDIES (Con't.)

Many contractors have policies against moonlighting by their employees in activities that are the same or similar to products and services that make up the contractor's business.

On the other hand, contractors permit employees to buy tools from wholesalers (that the contractor does not provide) and in some cases parts and equipment for personal use. The policy is not always written or stringently applied and the following scenario develops:

An employee of a contractor calls our after-hours number and places a cash order for material without a purchase order from his employer.

- Should we accept the order since the caller frequents our counter and favors us with substantial business through the contractor he works for, risking that the contractor won't find out or care about the transaction.
- Should we refuse the order knowing he will probably buy the material from a competitor anyway and be unhappy with us since we choose not to accept the business.
- Should we remind him of his employer's policy forbidding sales of material to their employees without a written purchase order and ask him to reconsider placing the order through his company.
- Should we call his employer and notify them of the situation.

- Mason Supply Company -

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A project is nearing completion and a VCT floor is laid in a corridor leading away from the loading dock. The subcontractor who laid the floor has protected it with kraft paper as specified. After several weeks, it is evident that the kraft paper protection did not hold up and the floor is badly damaged. The floor will have to be replaced at a cost of \$5,000. All subcontractors still on site have used the corridor as well as an owner-employed subcontractor installing furniture.

- Who is responsible for replacing the floor?
- Should the owner share the cost?
- Messer has made their fee plus much more; does this weigh into your decision?
- Is it fair to split the cost among everybody left on site, or does a guilty party need to be identified?

- Messer Construction Company -
CASE STUDIES (Con't.)

Messer is making a basement wall pour which is 18' high. This is a critical wall pour in relation to meeting the schedule. A Messer manager notices that proper walk boards are not in place and the craft workers pouring the wall are not tied-off. The manager knows an unsafe condition exists, but also knows how critical it is to complete this wall. In addition, the manager knows a great deal of money is tied up in its construction; formwork, resteel, concrete, pumps, generators, etc., not to mention the craft workers. There is easily \$20,000 of labor, material and equipment that would be lost if the pour were stopped right now.

- Should the manager stop the pour immediately, or allow it to continue and address the situation with those involved later?
 - What responsibility do the craft foremen have in this situation?
 - What kinds of thoughts are going through the minds of craft workers who are on top of the wall and not tied off?
 - What role should estimating play in planning for safety?
 - What kind of message would be sent if the pour were stopped? If it were not?
 - How could this situation have been avoided?
- Messer Construction Company -

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A very large project is beginning. Three individuals with similar experience and abilities have been assigned to the project. On smaller projects, only one of these individuals would be needed. Due to the size of this project, all three will be required.

- How do you, as a leader, divide responsibilities between the three individuals and keep continuity on the project?

- How do you maintain a team effort atmosphere with three individuals who do not typically share responsibilities?

- How do you keep individuals striving for professional growth without conflict between them?

- Messer Construction Company -
CASE STUDIES (Con't.)

Messer has been awarded a project and is approached by a quality subcontractor who does a lot of work with Messer regarding his bid. He informs Messer that he believes another General Contractor has shopped his bid. To prove this, he quotes several projects that show a pattern and states that his guess is that the low contractor is XYZ, that they are \$2,000 low and their bid was phoned into the General Contractor in the last 10 minutes before the bid was due. Upon review of the bid file, you find that all these things are true. The quality sub wants you to not award the project to XYZ and therefore not support the practice of shopping bids.

- Assuming scope is the same, who do you contract with?

- If the quality sub offers to match the low bid, do you accept it?

- What should you communicate to the parties involved (subs, Messer team, market, Owner)?

- Messer Construction Company -

CONCLUSIONS

We believe there are four basic characteristics that encapsulate the traits that we seek out in our profession and aspire for those in the construction industry. Those characteristics are character, attitude, gratitude, and respect. Character involves integrity, loyalty, honesty and trustworthiness and is clearly distinct from being a character. Attitude involves dedication, dependability, being candid, committed, and motivated. Gratitude encapsulates such characteristics as giving, being gracious, appreciative, and understanding of others. Last but not least, respect means that you are considerate, tactful, fair, and a good listener. Most traits that we believe should be part of the core values of our workforce fall in these four categories.

Although the legal profession has its own ethical considerations, we get the opportunity to view relationships at various stages. We see contract terms that clearly shift economic risk, intent to place greater risk without allowing for

fair compensation. We see disputes where work has been satisfactorily performed and recognized as compensable, yet fair compensation is denied.

On the other hand, where we see the core values described, situations arise where mistakes are made or problems encountered and the parties work together to reach a solution, fairly and with consideration. We see hard contract terms that are demanding but fairly share the risk of the work.

We rely on others to be candid and honest, not disingenuous and deceptive. There are certain individuals who pride themselves on their ability to "hide" information, obstruct progress of discussions between parties, and add impediments to resolution rather than possibilities for solutions. This conduct clearly is inconsistent with the core characteristics that should be part of our industry.

It is imperative that we begin to educate our children that to be successful you need to have character, the proper attitude, gratitude for what you have and respect for others as well as yourself. It is with these four characteristics that we will have formed the solid foundation for success in our industry.

-Mike Tarullo-