INSTITUTIONALISATION OF ETHICS, ETHICAL CLIMATE, AND PROJECT PERFORMANCE OUTCOMES: THE CASE OF BUSINESS-TO-BUSINESS CONTRACTUAL RELATIONSHIPS

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Abstract

Ethical misconduct in negotiating and managing contracts in projects can have significant reputational and financial impacts on people, organisations, and society. While there is a significant and growing body of writing on ethics in organizations, less is known about the ethical climate within organizations and how this impacts the benefits realized. Specifically, in this research my aim is to explore the role of ethical climate in shaping project outcomes in business-to-business contracts.

Based on social exchange theory, behavioural integrity, institutionalisation theory, stakeholder theory, transactional cost, and cognitive dissonance theory, a conceptual model is developed in order to explicate the relationships between perceived ethical climate and project contractual performance. In addition, the role of the institutionalisation of ethics is explored in shaping ethical climate. The conceptual framework was tested on a sample of 200 business-to-business commercial relationships between buyers and sellers from diverse industries including oil and gas, IT, supply chain and engineering. The respondents were comprised of senior commercial managers collected through the IACCM (International Association of Contract and Commercial Management: a peak international professional association for contract and commercial managers.

Confirmatory and reliability tests were conducted in order to establish that the measurement scale is fitting with the collected date. Structural Equation Modelling (SEM) was utilised to test the proposed set of hypotheses and to gauge if the data adheres to the conceptual model. The results show that particularly explicit institutionalisation of ethics through the ethical climate of the organisation positively influences the contractual performance. However, implicit institutionalisation of ethics has no significant impact on both ethical climate and contractual performance. As one might expect, it was also found that 'opportunism' significantly negatively influenced ethical climate, trust and as a result the performance of contractual projects.

The theoretical and practical implications of these findings are discussed and suggestions are made as to the possible directions for future research.

Declaration

There are currently two pieces of work emerging out of my thesis. :

A summary report on ethical contracting prepared for the IACCM and distributed to all its members based on the findings of this thesis. This was a requirement of their assistance in distrubuting and supporting the survey. While I lead the writing of this report my supervisors, as well as the CEO of IACCM, are assisting in refining it for a professional audience.

A journal article is in preparation for an ABS ranked journal. Nnaji, C., Backhaus, C., & Pitsis, T. S. The role of ethical climate in business-to-business project contract performance. *Journal of Strategic Contracting & Negotiation.*

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Abbreviations

ANOVA	Analysis of Variance
ANCOVA	Analysis of Covariance
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
CIA	Conditional Independence Assumption
EFA	Exploratory Factor Analysis
et al.	et alii
etc.	et cetera
RMSEA	Root Mean Square Error of Approximation
SD	Standard Deviation

A. Introduction

1. Study Background

"Contracts are, by their nature, ethical instruments. They provide a formalization of commitments, enforceable by law. This enforceability depends upon terms that adhere to the law, thereby eliminating illegal acts, ensuring a degree of fairness and – in many cases – incorporating extensive wording related to regulatory compliance.

The contracting process also involves an increasing focus on ethical issues. Corporate concerns over reputational risk have spawned steady growth of diligence in researching and selecting trading partners. Concerns over their ownership, their compliance with international health and safety standards, their use and treatment of labor, the source of their supplies and absence of bribery or corruption represent the type of moral and ethical issues that now feature as part of the selection process and of on-going audits and compliance requirements.

No doubt that contracts -- and by extension -- those who are engaged in their formation and negotiation, play a significant role in establishing and maintaining ethical standards"

- Tim Cummins CEO, (2013) International Association for Contract and Commercial Management.

The International Association for Commmercial and Contract Management (IACCM) is the peak international body for contracting and commercial management professionals. Comprised of over 42,000 individual members, and over 18,000 corporate members, the association claims to be at the forefront of current and emerging practices in contracting. As implied in the quote by the CEO of the IACCM, ethics is increasingly seen as a critical aspect of commercial relationships.

A core rationale for this growth has been a litany of ethical breaches in the execution of contracts. While contracts are designed and executed to avoid breaches of ethics, the fact that contract lawyers exist and contract breaches occur clearly indicates that

a contract is no guarantee that people will do what they promise – even when this is legaly binding. While breaches can be intentional or accidental, the reality is that they can often have significant impact on one or all partners in the relationship, and also all sectors of the economy and society more broadly. One need not look far for ethical breaches which have damaged reputations and trust not only between organizations and their users, but also between suppliers and buyers involved in business-to-business relationships. As example, a case in point is the contractual breakdown between UK Border Agency, Home Office and Raytheon which has subjected the UK taxpayers to pay £224 million in favour of Raytheon because UKBA was judged to have breached the terms of the contract (Thompson, 2014). Often when contracts breakdown in such public-private partnerships it is the public that often takes on the risk (Hodge and Greve, 2016).

There are many instances of projects in which ethical misconduct led to outcomes which are missaligned with the planned benefits (International Construction, 2004; Transparency International UK, 2013; Gothard, 2013; Kwayera, 2014; Dietz and Gillespie, 2012). Ethical misconduct in the field of contractual project enactment poses question on the fate of the projected beneficial-outcomes of projects and the justification for the investments made.

The idea that projects tend to underperform is well established, and this is especially so the more complex a project becomes, thus placing significant pressure on the governance structures and systems used in projects (Muller *et al.,* 2017). While, contractual enactment is complex in projects, often with challenges around scope breadth and definition thus making the execution of projects problematic, it is ultimately a relational process (Pitsis *et al.,* 2014).

That projects are ultimately relational underpins the arguments of the relational-contractual advocates such as Macneil (1985 and 2000), and Levin and McDowell (1983), who reinforce the idea that contracts are relational mainly due to incapacity of the involved members to fully draw and ascertain the ambiguous contextual attributes involved during the contractual enactment in the form of project. Therefore, a trustful relational-harmonic system of parties, with common genuine interest, will figure out way around unprecedented ambiguity.

As a result of the ambiguous and unique nature of projects, the contracting parties are supposedly meant to be open and honest with the day-to-day managerial activities of the contract even in the face of vague scenarios and ethical-dilemmatic situations. Also they need to be flexible to cope with the changes and environmental jolts which could require parties to review and appraise aspects of the contract and performance.

It has been documented that some negotiators and contractors serve better in the earlier part of the contract where time, budget and other resource pressures are less salient. However, as time runs out on a project team performance during the later phases of the project dips and they are liable to seek for self-serving outcomes rather than the common good of the project (Lewis, 1986, p. 141). This hinders the adequacy of accomplishing the intended contractual milestones. Nevertheless, an open reinforcement of ethical practices can impede the self-serving instrument of opportunism – which is the most damaging source of incomplete contracts (Williamson, 1996).

The assumption and inspiration behind this thesis is that an adequate ethical-orientational awareness can create an environment that can promote openness of agenda and oneness of purpose, and as a result improve project performance. Institutionalisation ethicists like Sim, (1991) and Scott (1995), argued for the need to have a clear ethical organisational culture that can augment the structuration and implementation of ethical standards in the organisations and hence drive ethical behaviours and practices. Being ethical has a proven track record for successful completion of tasks (Cox, 2000). To be ethical is also the ability of being self-regulated accordingly, to the seemingly harmonic standard of the organisational setting.

As contractual outcomes continue to reflect mismatch with the planned agenda, scholars, ethicists, the society and compliance units call for further investigation into the antecedents and consequences of ethical orientation towards the enabling of contractual completion. This work spearheads in consistence with these calls; with genuine attempt towards establishing a broader and blossom mechanism of the influence of institutionalisation of ethics in the field of contractual projects - in order to improve the realisation of the targeted outcome.

On an empirical literature review in the field of ethicality and its impact on performance, scholars have made genuine attempt towards excavating the impactful values of ethicality (Deshpande *et al.,* 2011, Ensari and Karabay, 2016, DeConinck, *et al.,* 2013, Sharma *et al.,* 2009, Simiyu and Olala, 2016, Wahyudi *et al.,* 2013, Myer, *et al.,* 2016, Weeks, *et al.,* 2006, Ng *et al.,* 2013, Randall *et al.,* 2011), however, little is known about the influence of ethics on contractual project outcome. For instance, Ng et *al.,* (2013), piloted both qualitative and quantitative study of relational aspects of two performance-based contracts with BAE Systems, MBDA and the UK Ministry of Defence and revealed that the alignment of human mannerism and information is critical to achievement of outcomes. Also, Randall *et al.,* (2011) conducted 60 interview and surveyed 94 managers, from members involved with Performance Bases Logistics Conference in Crystal City, Virginia and the research outcome reinforced that performance based logistics increasingly influences effectiveness. This work endeavours to further cover the gap in the literature in regards to the impact of ethics on contract performance.

Further, being an ethical firm might not be enough if it is not well communicated to the members of the organisation. Scholars have endeavoured to formulate the models for the institutionalisation of ethics in workplace (Paine, 1997, Phillips, 2003, Costa, 1998). Following the literature, there are documentations in the area of institutionalisation of ethics especially in surfacing the empirical impact on contractual projected performance (Tseng, 2017; Sims, 1991; Foote and Ruona, 2008; Singhapakdi and Vitell, 2007; Marta *et al.,* 2013; Majluf and Navarrete, 2011, Lee *et al.,* 2014). As a result, this study covers the empirical findings on the impact of: implicit and explicit institutionalisation of ethics and ethical climate on the performance of contractual projects. Below, the research questions and the core objectives of the research are unpacked.

2.   Research Objectives and Research Questions

Research question 1: what role does trust play in ensuring that parties in a contractual agreement flexibly collaborate to improve performance?

There is a plethora of literature on ethical conduct in the business environment. Nevertheless, these documentations are oftentimes prescriptive and "specify what parties ought to do or how they ought to reason about what is appropriate ethical conduct" (Lewicki and Stark, 1996, p. 70). In reality of the less-than-ideal world, pressuring factors muddle moral decision making (Lewicki and Stark, 1996, p.70), and hence society usually cannot concur on what is the correct thing to do in a given situation.

It has been documented that powerful negotiators will bluff and communicate scarcely less than their weaker opponents (Boles *et al.*, 2000, p. 237). Negotiators consider that they should hide or downplay the facts of their "interests" and "private information" (such as true cost of production etc.) in striking an agreement with the negotiating parties (Boles *et al.*, 2000, p. 236). Indeed, being a successful negotiator could also assume one possessing some element of dishonest behaviour (Lewicki and Stark, 1996, p. 70), which can invoke unjust and misleading behaviour and – and which is capable of fast-tracking to unethical behaviour (Boles *et al.*, 2000, p. 237).

A key question in the negotiation field is "when and why" negotiators are to adopt such tactics in the negotiation process (Boles *et al.*, 2000, p. 236). "Self-interest" can overshadow a person's consideration for fairness or altruism and cooperation (Boles *et al.,* 2000, p. 236). "Weakness of the will" is used by philosophers to define scenarios whereby when an ethically-aware individual is pressured to forsake ethical standards (Lewicki and Stark, 1996, p.71). However, others see such ethical challenges as a choice, able to be overcome with wisdom and strengthy of character (Collier, 2006, p. 307). Regardless of what the motive of a negotiator is, the judgements are chiefly defined by "cost benefit" (Lewicki and Stark, 1996, p.75) which is the major luring factor for contractors or negotiators or employees towards offering full engagement of services and goods.

It is well established that trust decreases the cost of transactions because in trusted relationships there is predisposition for negotiators to not go deep in verifying the information provided. Indeed, in high trust relationships, some deals can be completed and scrutinised based on no more than a handshake since there is already created relational atmosphere that encourages the negotiators to fulfil their promises (Lewicki and Polin, 2013, p. 168).

Research question 2: What role does opportunism play among contracting parties towards building stronger system and its impact on the contract performance?

Velasquez (1996, p. 202) poses the question "is there any kind of systematic advantage that a business organization or business person, has to gain from just behaviour or is injustice truly more profitable?" The act of investigating the intricacies embedded in deception and its reckoning demands for a "rich but controlled negotiation context" (Boles *et al.,* 2000, p. 238).

People conceive that dishonest and intentional deceits are susceptible or probable in the negotiation process (Boles *et al.,* 2000, p. 238). The tendency to use these tactics reasonably varies – hinging on individual personality and situational context (Lewicki and Polin, 2013, p. 177) so as to retain reputation. Business ethics is one of the ethical principles that spring renowned reputation (Mescher, 2009, p.9) – it is truer for major organisations involved in contractual trascations with the lesser organisations to consistently monitor the power balance in order to avoid stalemate of contract which could hinder the progression of the parties involved and their respective reputation.

Though it is a world of the fittest, but the weakest has role to play too. This strives to address the concern of power abuse and the impact on weaker parties (stakeholders) involved (Mescher, 2009, p. 9). Information is the prevailing principal of power especially in negotiation and it augments negotiation power (Lewicki and Stark, 1996, p.75), on the part of the information holder. However, negotiation is a joint decision-making process that is dependent on each party's power and because there could be occurrence of agreement-stalemating which calls for a conciliatory movement (Zartman, 1977, p. 623).

Therefore, the negotiating parties have to increasingly inch toward having shared power of information by creating an atmosphere that can enable mutual cooperation. Though, sometimes, some negotiators exhibit actions with limited knowledge of the effect of the action on the other party. Therefore, parties, oftentimes, conclude to negotiate when they view the sharing of power between them going toward equivalence (Zartman and Maureen, 1982, p. 242).

Contracting parties are to focus on the psychological phenomenon of the individuals in order to deduce their truthfully usage of the interpersonal skills. This is also the "most appropriate" to examine negotiation and often applicable than coalition by focusing on the "fixed element" – the entities – and their tendencies to alter the "variable element" – that is "value at stake"; though this process is not usually easy to operationalise (Zartman, 1977, p. 624) – but deducible through the lens of ethicality.

It is agreeable to say that heightened satisfactorily-happiness from a given transaction can be conglomerated into a simple term called contract – therein, every terms, conditions and consequences are listed or mutually agreed upon. Giving contract a meaning is the inferential step in developing a consistent theoretical approach to planned interventions in service (Sykuta and Parcell, 2003, p. 332).

However, there is incremental assumption that contracts are incomplete due of the perceived impossibility in drafting a contract that can, in full detail, define all the parameters in the transaction; to avoid chances of one party taking unduly advantage of the other (Sykuta and Parcell, 2003, p. 334). Elsewhere, research on the reasons contracts fail to fulfil the agreed promises attributes the failure to muddled enactment, unclear faulty communication and equivocality of the drafted-contract leading to the extraordinary unintended withdrawal of clients from the contracts (Rhodes, 1977, p. 125). As a result, Sonya Rhodes carried out a research in order to determine the pragmatic implicitness of a contract process and the dimensions of contract; targeting the dimension that influences discrepancies between caseworkers and clients (1977, p. 126 – 127). However, an incontrovertible pattern manifested, indicating that most of the activities in contract are performed in the initial stage of the contract cycle and that the caseworkers dominate the client in regards to participation – which positioned the client to be following the lead of caseworkers with little personal contributions. Whereas the data analysis suggests that contracting could discontinue once the interview is a singular phasic endeavour (Rhodes, 1977, p. 138). Thus, this needs to be properly addressed in the contractual agreement.

Research Question 3: What role does ethical climate play in strengthening the trust and contractual performance among contracting parties?

A contractual project is a temporal set up with the ambition of establishing business deliverables in harmony with the commonly agreed upon conditions like time, cost, scope, quality and benefit; and it is highly characterised by temporality, change, cross-functionality, uniqueness and uncertainty. Importantly, projects are instruments of operational transformation and introduction of change in business environment (OGC, 2009, p. 3-5). Office of Government Commerce (OGC) described the lifecycle of project as the time of commencing a project to the reception of the project's deliverable (2009, p. 309).

In order to be considered successful, project management firms' teams need to explicitly outline how to measure the probability of the success rate of each project before venturing into it – so as to garner the expected benefits of the projects. Beneficial-outcome realisation necessitates bridging the primary gap between managing projects and the strategic management by inculcating wider organisational processes for change and strategy in the project management area (Breese, 2012, p. 342).

Beneficial-outcome management as applicable to programmes, is the description and formalisation of the predicted profits that a programme is projected to perform - inclusive of the tangible and intangible benefits, planning, modelling and tracking of given outcomes that add to the delivery of the whole programmes' estimated benefits (OGC, 2009, p. 25; IEE, 2011, p. 10).

Established organisations with advanced strategies of realising beneficial outcomes and supreme governance get their management boards to prioritise and encourage projects with promise of delivering the most appealing benefits. From this strategic point of view, organisations that embrace the efficacious nature of project governance can arguably decrease the rate of project failure (Serra and Kunc, 2015, p. 54). However, organisations are absorbed on the measuring of how successful that they are going with project implementation rather than valuing how far-reaching their projects are in launching value for the endeavour. Thus any strategy-making for increasing the success rate can be proven fruitless. Therefore, it is necessitated for organisations to redesign their success criteria to inculcate the important dimensions linked to the establishment of value for the business in their benefit realisation management in order to successfully implement business strategies (Serra and Kunc, 2015, p. 62).

Research Question 4: what role does institutionalisation of ethics play in creating relational ethical climate that could improve performance?

"Man is a social being" (Argandoña, 1998; p. 1094). Meaning that: (1) man requires the contribution of others to satisfy his desires (2) man advances the self through relational attributes of others (Argandoña, 1998; p. 1094); as man is responsible for others, so are others responsible for man – which is also attributable to the social responsibility theory (Argandoña, 1998; p. 1093) – which views this as a social common good. The common good, as the name implies, is everything whose goodness factor is good to more than one subject, especially in achieving their perfection; and it is common to all (Argandoña, 1998; p. 1095). The author progressed to give the characteristics of common good as: (a) the ultimate goal of the society is the common good (b) the common good is the goodness-factor of the society and her members (c) there is no partiality in common good, rather it belongs equally to all (d) the common good is a set of social presumptions or conditions which make it realistically for the members to accomplish their personal goals – meaning that it embodies the law and the upholding institutions (e) a set of means provided by the society for her members to be able to accomplish their goals (f) a unit of equal contributory and receptivity by all the involved members (Argandoña, 1998; p. 1095-1096).

In the business environment, the common good is obliged to generate the set of conditions that will allow the members of the business to realise individualised goals (Argandoña, 1998; p. 1097). This common good is common-good in itself and right – it is the goal of the firm and, also, is not the aggregative outcome of the individualised goals of the members because personal goals envelop list of items that the organisation will be unable to offer; however, the firm, as agent of common good, enhances the realisation of individualised goals, though indirectly – through the achievement of the organisational goals (Argandoña, 1998; p. 1097) – that is oftentimes the leveraged advantages of adequate institutionalisation of the organisational vision and ethics.

The institutionalisation and the management of ethics could be a singular problematic base applicable to all sectors of the economy. The institutionalisation of ethics simply is the integration of both implicit and explicit ethics into day-to-day activities of

the organisation – often achieved through the top management, coded ethically and implemented in work practices and decision making (Purcell and Weber, 1979, p. 6). Organisations can also sustain the institutionalisation of ethics by (1) the management of the psychological contract between the organisation and its employees, (2) strengthening the employee's commitment, and (3) encouraging and nurturing an ethically-oriented organizational culture (Schumacher and Wasieleski, 2013, p. 495).

Institutionalisation Theory emphasises on the institutionalisation of ethics in an organisation and it is deeply grounded in institutionalisation theory – that theorises organisations as a yield from societal reality that is fabricated by the interaction of human (Scott, 1995). Scholars equally attribute the process of institutionalisation of ethics in an organisation as structured-activities that promulgate the growth of ethicality on day-to-day work life (Sims, 2003). As evinced by Society for Human Resources Management, (2005), that there is overwhelming decrease in commitment of enactment of ethics by human resource professionals. This thus, calls for ingrained study of ethical institutionalisation (Foote and Ruona, 2008; p. 293). Nonetheless, dilemmatic ethical issues are inevitable at all domains of organisation – which demands stronger institutionalisation of ethics (White, 1990, p. 19). This necessity of adequate institutionalisation of ethics is highly voiced by the society which in turn is influencing leaders to stringently consider the restoration of ethicality-consciousness in the workplace as it is also a forecasting, trajectory, tool on the success or failure of firms (Sims, 2003, p. 299).

Further, being bespoken as an ethical firm lures forces in the form of investors, top talents and substantial customers (Fox, 2007, p. 43); consistency of this, all-in-all, yields a brand as reputational capital (Worden, 2003, p. 31). The ethical values of organisation are: suitable servitisation, justice, respect and honesty, direct influencing practices anchored in implementation of contracts, building corporate image and etc (Foote and Ruona, 2008; p. 297).

Therefore, this work focuses attention on the impact of ethical orientation, (therein are the implicit, explicit and climatic ethicality) – on the performative outcome of contractual lifecycle.

3. Overview of the Thesis

In this chapter, I introduced the background and contextual aspects for the study be-fore unpacking my research rationale, objectives and key research questions, In Chapter 2, I provide a comprehensive investigation of the literature, and in particular the justification for my research framework. Chapter 3 expands upon the relationship between the constructs of interested and my formulated hypotheses. In Chapter 4, the defined and refined methodologies and how I analysied the research results is explained. Chapter 5: the data analysis, discussion, the research implication to the-ory and practice, as well as some limitations to my study.

B. Conceptual Background

This section discusses the nature of contract – as the binding instrument among contracting parties, its characteristics, shortcomings and importance. Ethical contractual characteristics were also embelished for deeper insights since there is added-value of having ethicality in place while contracting because it has the ability to sustain and fulfil promisory notes of contracts. It emphasised on the importance of having control coordinates whilst operating on a project so as to obscure the damaging impact of opportunistic self-serving behavioural exudence. It further discussed the meaning and characteristics of project and how projects can be positoned to deliver the estimated deliverables and additional values.

1. The Nature of Contracts

Defining the contract is the first step in developing a consistent theoretical approach to planned interventions in the first phase of a service (Sykuta and Parcell, 2003, p. 332). Formally, contract is "an explicit agreement between the worker and the client on the work they are presently engaged in and their expectations of themselves and each other" (Rhodes, 1977, p.128 – 129). Economically, contract functions as an institutional governance structure (rules) describing the mutually agreed upon fundamental factors anticipated for distributive-value of decisions-making; linked with the transactional cooperation (Sykuta and Parcell, 2003, p. 332).

There is a growing assumption that contracts are incomplete because of the perceived impossibility in drafting a contract that can, in full detail, describe all the parameters in the transaction to avoid chances of one party taking unnecessary advantage of the other (Sykuta and Parcell, 2003, p. 334). On a separate account, research on the reasons contracts fail to fulfil the agreed promises attributes the failure to muddled enactment, unclear faulty communication and equivocality of the drafted-contract leading to the extraordinary unintended withdrawal of clients from the contracts (Rhodes, 1977, p. 125). Sonya Rhodes intriguingly carried out a research in order to determine the pragmatic implicitness of a contract process and the dimensions

of contract; targeting the dimension that influences discrepancies between caseworkers and clients (1977, p. 126 – 127). However, an incontrovertible pattern occurred indicating that most of the activities in contract are performed in the initial stage of the interview and that the caseworkers dominate the client in regards to participation – which positioned the client to be following the lead of caseworkers with little personal contributions. Whereas the data analysis suggests that there is higher possibilities that contracting could discontinue once the interview is only a singular phasic endeavour (Rhodes, 1977, p. 138).

Sonya Rhodes suggests that a systemic progressive approach towards contracting would be profitable in "maintaining a focused service" (1977, p. 138). Considering that project is phasic in nature, thereby, calling for assessment of the previously implemented phase prior to mapping out new fund for the new phase (OGC, 2009, p. 13). This, in turn, reduces the rate of project cost overrun.

In large-scale projects, there is often systemic cost overruns as a result of the imbalance relationship between the client and the contractor within which none of the parties can effectively commit to demand for extra actions over a long time (Lewis, 1986, p. 141). Contractors typically function efficiently in the beginning of projects in order to reduce the cost of the project and to encourage the client to continue the project with them, however, the cost increases as the project approaches completion though clients are not ignorant of this (Lewis, 1986, p. 141) regardless of the legally-binding protective power of the agreed contract.

A means that buyers and sellers govern risk of losing successful results is to engage in a contract in order to avoid loopholes that occur as a result of ambiguity or opportunism (Kim and Brown, 2012, p. 689). From the structuration of contract, clauses for non-performance or cost reimbursement are oftentimes drawn in order to avoid discrepancies. There are two set of contractual compensation – fixed price - contract positions compensation on the seller's performance - placing all risk on seller as the determining cost is fixed from onset of contract while cost reimbursement contract – compensation is based on the input like material and time; and the ultimate cost is estimated after the product is transported accordingly. However, the risk is on buyer since buyer pays for production expenses regardless of fluctuation of market price of

materials (Kim and Brown, 2012, p. 689) though it depends on the contract length and value. The mutually agreed time to transport the final product indicates the date of expected delivery though if non-fixed date, it can push contracts to run over many years (Kim and Brown, 2012, p. 689). In short-term contracts, the seller bears the risk since the date of delivery is set while the buyer runs the risk in long term contracts since uncertainties could ensue (Kim and Brown, 2012, p. 690). However, this is determined by the duration of the contract. This is alterable in the contract draft because once the length of the contract extends, it also increases the value for the contract and a provision for this, is usually made in the contract draft (Kim and Brown, 2012, p. 690).

Coordination and Control of Contracts

Previous research on the effects of contracts on trust has narrowly concentrated on the control role of contracts and the goodwill dimension of trust judgements with less attention on the coordination role of contracts and the competence dimension of trust (Lumineau and Malhotra, 2011, p. 993). It is necessary to demarcate between the concepts of control and coordination (Salbu, 1997, p.332). Coordination oftentimes exits where there is "relatively high, moderate, or low control" (Salbu, 1997, p.335). The greater the interdependent the parties in transaction are, the likelier the parties will be locked in "predictable patterns of behaviour by holding hostages or relying on reputational stakes" but "without evocation of contractual control" (Salbu, 1997, p.337). "The sacrifice of increments of control does not ensure flexibility, just as the sacrifice of flexibility does not ensure control" (Salbu, 1997, p.336). Inasmuch as the fact that contract functions as a behavioural control device, nevertheless, modern organisational relationship will favour flexible coordination in sacrifice of control (Salbu, 1997, p. 330). Regardless of the fact that contracts augment "coordination and control", inter-firms conflict can still occur, giving rise to the disturbing question of the form of relationship that will surface and the sustainability of the progressive collaboration when the parties are unable to preclude conflict (Lumineau and Malhotra, 2011, p. 981).

On the one hand, contracts may be focused on control issues. Such issues primarily relate to the problem of cooperation between organizations (Lumineau, 2014, p.3). In case of surfacing of conflict despite faith on the "provisions designed" to shield against opportunism, then, the entities are probably going to question the feasibility of the future transactions. Though control provisions could advance the wish for continuous exchange due to advancement in competence-based trust (Lumineau and Malhotra, 2011, p. 984). Competence awareness should enhance and assist future collaboration to be more eye-catching, should control provisions overwhelm "self-serving behaviour" as against the task-oriented activity. Therefore, future collaboration hinges on the dominance weighing effect of goodwill-based trust or competence-based trust (Lumineau and Malhotra, 2011, p. 985). Also, the coordination provisions will assist continuous exchange by creating elements that can impact increase in goodwill-based trust (Lumineau and Malhotra, 2011, p. 985).

A research carried out by Lumineau and Malhtra (2011) indicates that the higher the numbers of control-oriented provision's inclusiveness in a contract, the lesser the successive level of goodwill-based trust in the linked relationship. The authors discovered that increment in control provisions and in coordination provisions lead to greater degree of competence-based trust. However, control provision has adverse influence on the willingness to progress a broken relationship and goodwill-based trust moderates this influence and; competence-based trust does not perform as a moderator in the correlation between the intention to continue partnering and control provisions (Lumineau and Malhotra, 2011, p. 993).

Contracts and Ethics

From an ethical viewpoint, a contract is the pivotal central of all businesses' transactions as it envelops the decisive scope of exchange and performances (Mescher, 2009, p. 10). In this sense, the nature of a contract has been defined "as a reciprocally conditional promise" (Sharp, 1934, p.27) with the success and continuous existence of businesses depending on the "exchange and performance of promise" (Mescher, 2009, p. 11) bound by formal binding. A contract, in itself, can only bind

within some conditions (Sharp, 1934, p.29) and functional ethical rules for drafting contracts sprang from contract law itself (Duhl, 2010, p. 1033).

Honesty, trustworthiness and integrity are part of professional ethical conditions that facilitate the collaborative experience and decreases competitiveness. This is also reflective in ethically drafted contracts with clarity of language that can enable counter party to read and understand in order to enhance the confidence of the party in the contractual business (Duhl, 2010, p. 1033). While differing changes like, change in scope, accident, or shortage of material often stem up after the project contract has been penned despite however detailed the initial contract is – this triggers renegotiation in project life-cycle (Murtoaro and Kujala, 2007, p. 1).

It is a professional misbehaviour for a lawyer or a crafter of contract to participate in conduct which entails dishonesty, deceit or misrepresentation and fraud (Duhl, 2010, p. 996) especially in contract drafting. Clients consult the added function of the attorney in drafting out contracts in order to avoid adverse contractual effects of poorly unethical drafting (Duhl, 2010, p. 992). However without clarity from the crafter's ethical responsibility in crafting contract, guidelines and reporting will be hard (Duhl, 2010, p. 992). Attorneys or crafters of contracts should eschew vagueness in the language used in the contract drafting and clarify any present ambiguity (Duhl, 2010, p. 1032).

 "A contract is morally binding - independently of whether the alternatives between which the contractor has to choose are distasteful or not" (Sharp, 1934, p.34). "But a contract is not morally binding where it is employed to deprive one of the parties against his will of that to which he has an indubitable moral right" (Sharp, 1934, p.32). Equitable principles are built upon fairness and applicable by the courts in cases where common law resolutions are unfit (Mescher, 2009, p. 10). However, business calls for contract enactment (Mescher, 2009, p. 10) and this gives positive emotions.

Positive emotions encourage implementation behaviour though the effect much depends on the kind of contract in question. Binding contracts can hinder relationship of negotiators in case of longer continuation of the relationship in the future (Lewicki and Polin, 2013, p. 173). In jurisdiction, a set of action label-able as fraud entails:

misrepresentation, misrepresentation made with scienter, the party making misrepresentation purposes the counterparty to depend on the misrepresentation, the counterparty justifiably depended on the misrepresentation, and the counterparty experienced injury due to the misrepresentation (Duhl, 2010, 997 – 8). However, ethically aware negotiators try to balance behavioural disposition often by inching toward trusting one another for accomplishment of common purpose.

It is advisable to have increasingly coordination provisions, in the contract, as a way of developing competence-based trust in expectation of dispute (Lumineau and Malhotra, 2011, p. 994). Contracts function to control behaviour and decrease risk. However, a binding contract has been demonstrated to decrease cooperation (Lewicki and Polin, 2013, p. 173). Nevertheless, the chief interest of parties in a profitable contract is "certainty of performance" (Mescher, 2009, p. 10) which is also the essence of project managing.

In order to guarantee this certainty of performance, maximum decisions relating to contract structure needs an analysis of the main sources of weakness in a relationship; though it is practically hard to foretell the nature of vulnerability that can surface over a period of time. Therefore, parties entering into contract negotiation should preferably utilise the "contracting structure" that supports trust building through enhanced coordination provisions (Lumineau and Malhotra, 2011, p. 994). Prior research on the effects of contracts on trust has tended to be narrowly focused on a particular subset of these distinctions and has therefore overlooked the importance of examining the distinctions together as a whole (Lumineau, 2014, p.2). Trust denotes the prior relationship between the parties before engaging in a contract and it is an ethical perception while good faith relates to contract itself and it is a legal conception. However, without prior relationship of trust, no substantial contract would be engaged as ethical behaviour is an enabler towards acquisition of trust while honesty is a necessity in maintenance of trust – this enhances reputation and customer base (Mescher, 2009, p. 11).

Trust can be separated from the dimensions of trust judgements which involves the crediting of another party's trustworthiness "along relevant characteristics (e.g. integ-

rity)" and "attributions along relevant dimensions are what create in a truster a willing-ness to accept vulnerability" (Lumineau and Malhotra, 2011, p. 982). Trust is inher-ently an essential element in all business collaborations most especially in that of parties engaged in a contract (Mescher, 2009, p. 10).

The past decade had faced unprecedented discharge of ethical issues. Managers and corporate leaders are on the outlook to find means of remaining competitive as they encounter the challenges of enabling ethical environment within the working en-vironment. As a result of this, Carlson and Perrewe (1995), documented a model for the institutionalisation of ethics within an organisation. The authors considered trans-formational leadership style as the fit for the creation of ethical environment and also as a facilitator of the institutionalisation of corporate ethics of which the benefits re-flect in the organisational commitment, psychological contract, and ethical culture for the proper institutionalisation of ethics.

Business managers and top managers are meant to supposedly enact the promises made in the form of contract to ensure the continuity of the global business world. Following this sentence, Mescher, (2009), conducted a research in order to fathom the role of business ethics in contractual performance. The author demonstrated that law in itself is insufficient to guide and ensure top performance in business environ-ment unlike that of business ethics. The narrowness characteristics of the foundation of law is simply due to the fact that law was drawn from ethics – which is much broader. Imperatively, ethics is all about moral standard and business ethics and the philosophers drew their fundamental knowledge from ethics. However, law and busi-ness ethics are also different fields – nevertheless – the understanding of the both will assist managers in facing the day-to-day challenges that they encounter as it will encourage managers to embrace the cutting edge qualities of ethics whilst engaging in decision-making. The author concluded that trust and honesty are the basic princi-ples of ethical principles and as such, should be the fundamental elements of operat-ing business – most especially in entering into contractual agreement.

The aiding characteristics of contracting has its presence in the shaping and for-mation of multinational companies globally. Globalising brings its own pressure of

knowing what could work or be applicable to a given location and situation. Considering the uneasiness of making the perfect choice on international contractual business relationship, as such, Neim, (2013) conducted a research in regards to how the choice situation of a social contract for international business ethics could be crafted and justified and concluded that negotiators should focus on what firms and communities engage in. Above all, the author underpinned that social contract for business ethics should be self-disciplined – especially in terms of maintaining a widely accepted principles rather than only focusing on the solution for the problematic case.

Technology has been very helpful in progressing human kind through communication as digital communication is transforming the business world. However, the progressive use of digital communication equally sets pressure on privacy and trust. Following these challenges, Plaut, (1997), a research in regards to the ethical principles guiding online communication as it is perceived as an element of social contracting. The author further embellished the evolving standard for online communication into six classical categories namely: economy of time and space, protection of privacy, and vulnerable population; honesty and integrity, individual courtesies and accuracy of documentation. The paper concluded by recommending the absolute need to periodically review and redefine these standards as it has the tendency of springing "freedom of expression and the common good".

2. Projects and Benefits Realisation

A project is a "temporary organisation" set up with the aim of establishing "one or more business" deliverables in accordance with the commonly agreed upon conditions like time, cost, scope, quality and benefit (OGC, 2009, p. 3-5). Projects are characterised by temporality, change, cross-functionality, uniqueness and uncertainty. Significantly, projects are essential in business operation in terms of transformation and introduction of change (OGC, 2009, p. 3-5).

Life cycle of a project can be described as an assemblage of generally successive and occasionally overlapping phases of projects whose numbers and names are estimated by the management and regulating desires of the organisations concerned with the project - that generates framework for managing the project (IEE, 2011, p. 15). OGC described lifecycle of project as the time from commencing of project to reception of the project deliverable (2009, p. 309).

Though projects differ in scale and complexity, however, every project is map-able by following the below outline:

1. Project start-up
2. Preparing and organising
3. Performing the project work
4. Closing the project (IEE, 2011, p. 16).

The generic life cycle of a project is characterised by:

1: Cost and staffing levels are little at the initial stage and peak as the work progresses and drops toward the end closure of the project

2: Stakeholders, risk, uncertainty and influences are highest at the beginning of the project and reduce over the project life cycle

3: Capability to influence the project's product ending characteristics without appreciative impact on cost, and it is greatest in the beginning of the project and reduces as the project advances toward completion (IEE, 2011, p. 17).

Project Phases: these are divisions within a project in which additional control is required to adequately manage the accomplishment of a major deliverable of which are

usually achieved in sequence though can overlap in certain project scenarios. The phasic nature of project gives it room to segment into sensible subsets for easier planning, control and management (IEE, 2011, p. 18). This is often done by project governance which gives a complete, consistent methodology of managing the project and assures its success as described in the project management map (IEE, 2011, p. 20).

To become successful, project management firms' teams need to explicitly define how to measure the probability of the success rate of each project before venturing into it. Hence, firms are to endeavour to sustain success of their projects so as to be victorious in implementing their organised strategy and manifesting their idea into reality (Serra and Kunc, 2015, p. 53).

Benefit Realisation Management (BRM) is a facet of project management that has gained incremental attention in the past few years by researchers (Breese, 2012, p. 341). Along with benefit realisation management, portfolio management can be perceived as an advance approach to make sure that the right projects are selected and that they do "right" (Breese, 2012, p. 342). There is absolute need for organisations to focus on benefit realisation as it is the chief aim of management theory and practise (Breese, 2012, p, 342). Benefit realisation entails bridging the fundamental gap between managing projects and the strategic management by ingraining wider organisational processes for change and strategy in the project management area (Breese, 2012, p. 342).

In the past few years, there is increasingly noticeable focus on benefit realisation by all managers at different levels (Bradley, 2010, p. 33). Moreover, most chief executives and other directors are authorising the utilisation of benefit realisation management to projects; and programmes requesting greater quality measures and robustness in business cases and careful tracking and reporting of benefits (Bradley, 2010, p. 33).

Benefit management can also be viewed from a different perspective as a different mind-set founded on tactic that manages values on an active basis (Jenner, 2009, p. 2). In order to achieve that, Jenner concluded that:

1: make sure that benefit assertions are robust and achievable

2: gather all kinds of value established

3: accomplish benefits and establish value (2009, p. 121).

Benefit management as applicable to programmes is the description and formalisation of the anticipated profits that a programme is projected to perform - inclusive of the tangible and intangible benefits, planning, modelling and tracking of provided outcomes that add to the delivery of the whole programmes' predicted benefits (OGC, 2009, p. 25; IEE, 2011, p. 10).

Benefits are tangible or intangible. Tangible benefits are measurable and may link to financial objectives while intangible benefits (e.g., customer satisfaction or increased employee morale) are harder to quantify though most intangible benefits later add to a tangible benefit (e.g. improved revenue outcome or increment in event participation) (IEE, 2011, p. 10).

Mature organisations with well developed strategies and governance systems for realising benefits get their management boards to prioritise core obejctives and encourage projects with promise of delivering the most appealing benefits. From this strategic point of view, organisations that embrace the efficacious nature of project governance can arguably decrease the rate of project failure (Serra and Kunc, 2015, p. 54).

Breese (2012: p.349) made a list of concerns with benefits management in project management as:

1: defining and estimating benefits as not being a neutral process rather a one in which scope for various approaches like the extend that quality is embedded into the definition

2: mapping targets for benefit is repressed by difficulty due to the level the organisation of benefits realisation is low

3: cause and effect relationships with the benefits chain are often complex however the presupposition made at each stage are not explicitly clear

4: benefits realisation exceeds the life-cycle of the programme therefore, measuring the impact should basically include a lengthier term perspective

5: the interest of stakeholders will differ in various benefits usually leading to pressure between various groups during the process of benefit realisation. Oftentimes, what is benefit to one stake-holder is not to another.

Organisations are concentrating on measuring of how successful that they are going with project implementation instead of valuing how far-reaching their projects are in terms establishing value for the endeavour. Thus, any strategy-making for increasing the success rate can be proven fruitless. It is necessitated for organisations to redesign their success criteria to inculcate the important dimensions linked to the establishment of value for the business in benefit realisation management and in order to successfully implement business strategies (Serra and Kunc, 2015, p. 62).

Research on the extent that benefit realisation focused practises are being applied in IT development projects, for example, Ashurst et al. (2008, p. 365-366) found that benefits realisation practices were not comprehensively and systemically implemented for three core reasons. The first was lack of awareness of the basic need to guage project benefit realisation. Secondly, was IT developments' clients and consultants may view it as the other entity's obligation to make sure that benefits are accomplished. Thirdly, the complexity of mega projects with huge unforeseen circumstances meaning that organisations show less concern in striving to proactively plan benefits.

However, the greatest accountability for realisation of benefit dwells with the change sponsor who could assign responsibility to the programme manager. Though this line stands, but truer benefits are realised by the collective efforts of the assigned benefit realisation stakeholders oftentimes called benefit owners (Bradley, 2010, p. 25).

C. Conceptual Framework and Hypotheses

1. Social Exchange Theory and the Relationship between Flexibility and Performance

Functional Flexibility

Functional flexibility requires willingness and the capacity of embodying flexible-characteristics. Flexibility can be described as behaviour characterised by the eagerness of the subjects to alter or juggle from one task to another, like being multi-functional – meaning that it presents the gateway for employees to perform well on varying tasks (van den Berg, and van der Velde, 2005; p. 113), possibly concurrently.

There are different kinds of flexibility as shown on the table below. However for the purpose of this study, strategic flexibility will be considered. "Flexibility is the capacity to adapt" (Goldena and Powell 2000: p. 373). This work defines flexibility as the capacity to adjust. However, it takes a strategic-lens to be functionally flexible with the available resources. "Strategic flexibility can be defined as an organization's capability to identify major changes in the external environment (e.g., introduction of disruptive technologies), to quickly commit resources to new courses of action in response to change, and to recognize and act promptly when it is time to halt or reverse such resource commitments" (Shimizu and Hitt, 2004:p. 45).

Considering that transactions are usually complex, therefore, flexibility can be ascribed as a scarce-capability (Hartman, and De Grahl, 2011; p. 69). Hence, constructing and sustaining flexible capacity are both practical and socially compounded (Liao, et al., 2010, p. 9). Social exchange theory, (Thibaut and Kelley, 1959), states that the strength of a relationship is determined by the extent to which the needs of the involved parties are satisfied. In a satisfying relationship, one party must be willing to do something in exchange for the rewards of the other party – and this behaviour, if consistent, will advance the strength of the relationship.

Definitions of Kinds of Flexibility

Flexibility in negotiation is defined as "(1) pliable; not rigid; (2) ready to yield to influence; pliant; (3) capable of being adapted, modified, or moulded; plastic; (4) responsive to or readily adjustable to changing conditions, as to hold flexible opinions; and (5) not rigid, elastic" (Druckman and Mitchell,1995, p. 12).

Strategic flexibility is defined "as an organization's capability to identify major changes in the external environment (e.g., introduction of disruptive technologies), to quickly commit resources to new courses of action in response to change, and to recognize and act promptly when it is time to halt or reverse such resource commitments" (Shimizu and Hitt, 2004, p. 45)

Flexibility' in the legal view is a willingness to renegotiate the explicit contractual elements if circumstances shift (Macneil, 1980, p.15).

New Knowledge Introduction flexibility: flexibility as the willingness with which the parties modify their initial arrangements in order to adapt to new knowledge (Young *et al*., 2003, p. 443).

Flexibility is the capacity to adapt (Goldena and Powell, 2000, p. 373).

Contractual governance flexibility is denoted the exchange partners' attitudes toward and enactment of contractual agreements (Yli-renko, *et al.,* 2001).

Machine flexibility is the ease of creating the changes necessary to produce a given set of part types (Browne *et al.,* 1984).

Process flexibility the capacity to produce a given set of part types, each possibly using dissimilar materials, in different ways (Browne *et al.,* 1984).

Product flexibility is the capability to changeover to produce a new (set of) product(s) very economically and speedily (*Browne et al.*, 1984).

Routing flexibility is the ability to mitigate breakdowns and to proceed the production of a given set of part types (Browne *et al.,* 1984).

Equipment flexibility is defined as the ability of equipment to accommodate new products and some variants of the existing products (Son and Park, 1987).

Mix flexibility is defined as the capacity to produce variety of products within a little period of time and without major alteration of the existing facilities (Dixon, 1992).

Path flexibility is define as the tendency of having more than one path from the origin to the destination (Browne *et al.*, 1984).

Capacity flexibility is the capacity of the system to respond to unexpected demand for a given part (Bernardo and Zubair, 1992).

Material flexibility is the capacity to operate uncontrollable variations in the arrangements of the dimensions of the parts being processed (Gerwin, 1986).

Sequencing flexibility as the ability to reorganise the order in which different kinds of parts are processed into the manufacturing process (Gerwin, 1986).

Mix change flexibility is defined as the capability of the system to alter the product mix inexpensively and rapidly (Carter, 1986).

Product flexibility is the capacity of change to process new part type (Browne *et al.,* 1984).

Environmental flexibility is defined as the ability of the system to withstand disturbances due to external factors (Browne et al., 1984).

Production flexibility is define as the universe of part types that can be processed (Browne *et al.,* 1984).

Expansion flexibility is define as the ability to easily augment capability and capacity (Browne *et al.,* 1984).

Configuration flexibility is defined as the ease of modification of the transportation system as new centres are included to the FMS or ms new products are added - demanding for new station to station movement (Browne *et al.*, 1984).

New product flexibility is defined as the capacity to introduce new products (Dixon, 1992).

Modification flexibility is defined as the ability to better reach customers' needs by transforming existing products (Dixon, 1992).

Application flexibility is defined as the value of design adequacy (Zelenovic, 1982).

Quality flexibility is defined as the ability of the system to alter the quality degree of its products (Slack, 1983).

Labour flexibility in terms of contract is defined as the alterations in the volume of labour employed (Storey *et al.,* 2002).

Demand flexibility is defined as the adaptability to changes in demand (Gupta and Goyal, 1989).

Social Exchange Theory

On the study of the exertion of influence by means of social communication, some-time in 1950, Festinger, Back and colleagues use cohesiveness as a variable - while referring it as whatever that lures people to participate in a group. As a value-ori-ented-variable, cohesiveness delineates the level of reinforcement elicited from the group's undertakings. Festinger and colleagues embellished two kinds of reinforce-ment activities as symbolic behaviour – meaning social approval; while the other vari-able is communication – as the frequency of emission of verbal traits. The research outcome yielded that the more cohesive a group is the more the average frequency of communication among the group-members. Therefore, the greater the cohesive-ness of a group, the greater will be the change that the members can emit towards execution of activities to be more valuable (in Homans, 1958; p. 599), most espe-cially in terms of uplifting the outcome performance of the parties involved in a con-tract. Ng and Yip, (2009) defined outcome performance contracting as "a contracting mechanism that allows the customer to pay only when the firm has delivered out-comes, rather than merely activities and tasks" (in Ng *et al.,* 2010: p. 2). This con-tracting approach helps organisation to retain value and integrity of investment made.

Accordingly, Homans (1958, p. 602) postulates the preservation of one's integrity – to be a kind of reinforcement – whereby the subject maintains opinions in the face of discord with the group. Social behaviour in its simplest common sense, is an ex-change of both material and immaterial goods – which symbolises approval or pres-tige (Homans, 1958, p. 606). It is widely said that him much is given, much more is expected too. People that give much to others, also, in return, try to get it back from them and those unable to perform will be left wanting and pressurised. However, in the exchange process, this influence tends towards balance in order to form equilib-rium of understanding (Homans, 1958, p. 606).

Emerson, (1976, p. 336) underlined that the widely acknowledged balanced-frame-work for weighing the definition of exchange was given by Blau, (1964a) as, "limited to actions that are contingent on rewarding reactions from others". Blau further de-scribed exchange behaviour as "voluntary actions of individuals that are motivated by the returns they are expected to bring" (1964a: 91).

Standing on the shoulders of Skinner's operant pigeon box conditioning, Homan (1974), essentially made inferential characteristics of human behaviour as: (a) the success proposition – meaning that, for all individuals, the steadfastness of the re-ward of an action taken by a subject, the higher is the possibility that the individual will execute the action (p. 1 6) (b) the stimulus proposition – in the presence of a specific stimulus wherefore a subject's action was rewarded in the past, then, in the present event bearing similar stimulus, then, the greater the certainty of the individual performing the similar action (p. 22-23) (c) the deprivation-station proposition – the greater the oftentimes in the recent past a subject accepted a specific reward, then, any further composition of that reward becomes less valuable (p. 29) (d) the value proposition - "In choosing between alternative actions, a person will choose that one for which, as perceived by him at the time, the value, V, of the result, multiplied by the probability, p, of getting the result, is the greater" (p. 43) (in Emerson, 1976, p. 339). Therefore, it is important to study and understand human-characteristics and how the charachteristics, socially interplay with others; especially in a contracting re-lationship.

Historically, sociology and anthropology fields, focus on social relations – therein, perceiving subjects and actions as analytic substances. Instead of studying the mo-tion of leading people, one can analyse the underpinning role-relations; rather than applauding a subject's power, one can emphasis applause on power-dependency re-lationships. Therefore, in the event, wherefore the relationship is considered as the unit of examination, the problematic issue of "the closely related problem of value measurement" dissolves (Emerson, 1976, p. 346). This can have improved impact on the performance of the involved parties.

In the exchange relation, some parties enjoy power-balance – whereby "a touch of altruism" becomes "exchange rules" (Emerson, 1976, p. 354). It also takes flexible

mind to demonstrate altruism because it calls for the actor to alter the statuesque of static subjective views. This exchange norm comprises the progression from strategic interaction to regulated normative exchange (Emerson, 1976, p. 355) - which is highly characterised by the parties' ability to flex activities in the direction of producing maximum performance. van den Berg, and van der Velde, (2005), applied social exchange theory in the study of perception of work and flexibility (p. 112).

van den Berg, and van der Velde (2005) analysed functional flexibility in relation to personality traits and work perception on 250 employees of major public Dutch transportation company and it signalled that willingness to be flexible was positively connected to trust and initiative in administration, but negatively correlated to task formalization and age. While the ability to be flexible was positively related to self-efficacy and initiative - though negative with task formation. The authors concluded that the willingness to be flexible relies on fair treatment and autonomy offered by the organisation.

Hartman and De Grahl (2011), surveyed 155 managers, in outsourcing logistics relationship, in German companies, on the effects of flexibility on customer loyalty and overall outcome; and found that flexibility strongly spurs all aspects of customer loyalty (i.e., retention, extension and referrals) which is a performing edge advantage and positively linked with collaboration.

Ketkar and Sett (2009) investigated 103 service firms and 98 manufacturing firms in India, based on the link among elements of human resource flexibility and the firm level, financial performance and operational; and uncovered evidence supporting that the systemic human resource has direct positive impact on firm level human resource performance and its impact on increasing operational and financial outcomes is moderated by human resource performance that it produces. While behavioural flexibility mediated the systemic human resource practices' influence, both, direct and indirectly - on firm level human resource outcome.

Liao, Hong, and Rao, (2010) studied the connection between supply management and supply network, based on the influence on supply performance, while using a

sample of 201 manufacturing companies and the result resonated twofold direct significant positive relationship between supply flexibility and supply management practices; and between supply flexibility and supply performance.

Younga *et al.*, (2003) found that flexibility of trading relationships has a significant and positive influence on a firm's productivity even after controlling for the firm's age, size, and type of knowledge-based strategy (p. 448 - 449). That is, as a firm's governance flexibility with its customers' increase, its sales per employee and its flexibility with suppliers increase, thus, thereby, increases the productivity of its employees too - which can lead to satisfaction.

Chang, *et al.,* (2003), carried out a study on 87 small and medium sized Machinery industries in Taiwan and discovered that manufacturing strategic flexibility is critical to the business performance.

On an empirical study of 607 Chinese firms, Li *et al.,* (2010), reveal negative effects of the mediating consequence of resource flexibility on the progressive relationship between product innovation and firm performance.

Following a study on the increased exchange dependence contractual activities of 197 technologically oriented firms in UK, Yli-renko *et al.,* (2001), discovered that greater degree of contractual governance flexibility significantly, positively mediates the correlation between new product development and sales cost and non-impact - in the case whereby the partners depended on explicit contract (p. 547).

Bello and Gilliland (1997) investigated on the international distribution channels in regards to the harmonisation processes that govern the link between export manufacturers and their foreign-based distributors and found that controls-output with flexibility was established to advance export channel performance.

Hypothesis 1: Flexibility has a significant positive impact on performance.

2. Flexibility, Trust and Performance

Social Exchange Theory and Trust

Social exchange theory underscores that the power of an interorganisational relationship is embedded in the satisfactorily performance that matches the desires of the parties involved (Thibaut & Kelley, 1959). Therein lies the essential strength of flexibility - exuding from the parties involved - in a way to rise up to the demand of the given task. However, developing and sustaining long lasting flexibility capacity are both technical and socially complex (Liao, et al., 2010, p. 9), thereby requiring the subtle inherent strength of trust.

Trust occurs between organisations locked in an exchange relationship and covers a set of agreed behavioural displays with each party's willingness to obligatorily accomplish the accepted role-responsibility. Lewicki *et al.,* (1998) define trust as "confident positive expectations regarding another's conduct" (p. 439, in Lewicki and Polin, 2013, p.162). Upon revision of differing definitions of trust, Lewicki and Polin are of conviction that Rousseau *et al.,* (1998, p. 395)'s definition of trust as "a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another" as the building platform upon which research literature commonly springs from (2013, p.162). Trust, also according to Anderson and Narus (1990: 45), could be "the firm's belief that another company will perform actions that will result in positive outcomes for the firm, as well as not take unexpected actions that would result in negative outcomes for the firm".

Moorman, *et al.,* (1993: 82) define trust as "a willingness to rely on an exchange partner in whom one has confidence". "Trust is a psychological state that manifests itself in the behaviours towards others, is based on the expectations made upon behaviours of these others, and on the perceived motives and intentions in situations entailing risk for the relationship with those others" (Costa, *et al.,* 2001, p. 228). Trust could also be defined as "positive expectations about another's motives with respect to oneself in situations entailing risk" (Boon and Holmes, 1991, p. 194; in Wang, and Chen, 2006). Trust could as well be the observed "credibility and benevolence of a target of trust" (Doney, and Cannon, 1997: p. 36).

In an inter-organisation relationship, trust plays out to: devalue the chance of opportunism; a substitute for bureaucratic governance especially in cases of poor control system or unhealthy economic feasibility; and enhances market performance outcome (Aulakh, *et al.,* 1996, p. 1008- 1009). This statement is consistent with the study of Aulakh, *et al.,* (1996), who, in effort to comprehend the ex post substance of cross-regional marketing partnership, using 181 partnership with U. S. companies that possess distributor and licensing relationships with organisations from Europe, Asia, and Central South America. The research outcome agrees with the absolute importance of relational norms and informal monitoring units in establishing trust inter-organisationally; especially in terms of improving the performance of the international alliances.

Also, Hausman, (2001, p. 603), studied the relational impacts of trust, flexibility and the outcome using inter-organisational relationship theory while Young-Ybarra, and Wiersema, (1999; p. 144) utilised social exchange theory to study the influence of trust and flexibility on outcome of alliances.

Previous Empirical Findings on the Relationship among Trust, Flexibility and Performance

Hausman (2001) organised a research on 92 nationwide hospital material-purchasing decision-making managers in search for relationship strength in achieving relational outcomes such as satisfaction and performance. The result, through a structural modelling analysis, shows positive support for that a latent construct, relationship strength, can be established by employing the constructs, trust, commitment, solidarity, mutuality, and flexibility. Moreover, the result explicates that the higher the level of relationship strength that is present between members in a long term relationship, the greater the joint outcomes, like, the association of satisfaction and performance.

Following a research using a unique data set of more than 400 contractual relationships between American local governments and private service providers; and the result indicates that trust has a positive impact on overall contracting performance, while monitoring and competition are unrelated to contracting performance (Fernandez, 2009).

Ke, *et al.,* (2015), studied the impact of contractual governance and trust on projects in construction supply chain performance and discover that: (1) contractual governance has positive influence on EPC projects in construction supply chain performance, (2) trust has positive influence on both cooperation and performance (3) cooperation has a substantial positive impact on the performance (4) diverse dimensions of trust have various influence on cooperation and performance: system-based trust has a substantial positive effect on cooperation and performance; the effect of cognition-based trust on performance is unsubstantial, but exudes positive impact on cooperation; while affect-based trust has no effect on collaboration and performance (p. 357).

Hypothesis 2: Flexibility has a positive impact on trust.

Hypothesis 3: Trust has a positive mediating influence on the positive relationship between flexibility and performance.

3.   Transaction Cost Theory and the Relationship between Opportunism and Performance

Transaction Cost Theory

Transaction cost has its discovery in management literature from the 1937 classic paper on "The Nature of the Firm" brought about by Coase - who suggested firm and market as "alternative methods of coordinating production" (1937, p. 388); inferring that the both can be vertically integrated in a market framework; so as to suit a selected contract. The evolvement of contractual theories, from past 35 years has experienced the inclusion of ex ante incentive orientation (mechanism-design/agency theory, property rights theory, team theory) and the ex post governance of contractual relations wherein there is demand for analysis (Williamson, 2010; p. 216).

Williamson, (1996, p. 25), pointed out three vital characteristic of vertical integration of production as: be disciplined, have an active mind and be interdisciplinary. The possession of an active mind entails asking the question of "What is going on here?" than simply stating the contextual guiding law. Whereas there can be correct description of what is going on, the crucial aspect of what makes human behaviour alluring

is not the routinely-perceived-behaviours but the exceptionalism. In organisations, upon successful establishment of successful routine, then comes in the major role of the management – which is the tenacity to face exceptions. In the contractual realm, such exceptions spring from strategic perspectives of information asymmetries and contractual incompleteness – thus giving room for breed of opportunism as the operative framework (in Williamson, 2010; p. 219).

Commons (1932, p. 4) gave account of the principles that constitute a unit of transaction as mutuality, conflict and order; for the dependency relationship between man to man is that of both conflict and mutuality. Within the field of complex contractual-relation, transaction cost scholars focused attention on the approaches of decreasing the cost of a transaction with the assumption that complexity and uncertainty oftentimes inhibit people from proper allocation of duly-risks during the contractual negotiation and drafting (Goetz and Scott, 1983; p. 969).

Transaction cost economics is an ex post governance structure, in which continuity or breakdown of the exchange relation is of distinctively great significance (Williamson, 1996, p. 216) – which oftentimes is a result of interruptive opportunism. Opportunism, in its facets, has the potent of damaging reputation, reducing the speed at which negotiation takes place and ultimately overruns a project's budget. Opportunism can be described as the extent to which a company seeks its self-interest with no consideration on its impact on the business associates (Wuyts and Geyskens, 2005, 106). Williamson (1975, p. 6) defines opportunism as "self-interest seeking with guile".

Numerous authors have written extensively on the relationship of opportunism and the expected performance while using transaction cost theory. Among these authors are Bhattacharya et al., (2015) who conducted a research, in Australia, and disclosed that opportunism can be mitigated by the number of frequency of the transaction.

Previous Empirical Findings on the Relationship between Opportunism and Performance

On a sample of 400 manufacturing firms in China, Wang *et al.,* (2013) studied the interplay of drivers (relationship-specific investments and behavioural uncertainty) and

deterrents (inter-firm social capital) of opportunism's impact on partner's opportunism in buyer–supplier exchanges and uncork that focal firms' specific investments have positive influence on partner's opportunism; partner's opportunism is negatively linked to the focal firm's gauge of partner's performance. This study went ahead to uncover that at a certain degree of identification based trust, high social interaction significantly increases partner opportunism whereas a great level of commonly shared values could obstruct partners from acting opportunistically (p. 123- 127).

Lui, *et al.,* (2009) studied the role of assets specificity in interfirm cooperation and its influence on opportunism behaviour - on a sample of 3149 firm procurement relationships between Hong Kong traders and their suppliers in China. The outcome indicated significant negative relationship between opportunistic behaviour and performance (p. 1218).

Using a meta-analysis, Wang and Yang (2013), aggregated the empirical findings on extant inter-firm opportunism literature and concluded that congruency of goal has the largest impact on inter-firm opportunism while inter-firm opportunism influences organizational performance through a mediating phenomenon of commitment, overall satisfaction, functional conflict and trust.

Hypothesis 4: Opportunism has negative influence on contract performance.

4. Cognitive Dissonance Theory and the Relationship between Opportunism, Trust, and Performance

Cognitive Dissonance Theory

Festinger (1957; p. 13) originally inferred that dissonance is a motivational condition produced by the apposition of two cognitive elements of x and y, when "not-x follows from y". The instances of dissonance could be inferred like, an individual that holds that man can reach the moon in the nearest future, however, the same subject also proclaims that man is unequipped of building device that can travel above earth level. Taking another example, an individual standing in the rain and still unable to evince that he/she was drench. The statements are highly at dissonant (Festinger, 1957, p. 14; in Greenwald and Ronis, 1978; p. 53).

An individual that is experiencing dissonance can bring the dissonance into reduction by joining the elements in dissonance (Wicklund and Brehm, 1976). A study on the evolution of cognitive dissonance theory indicated that its development was from 1957 and it is fundamentally linked to the detection that "responsibility" is a requisite for dissonance reduction to occur (Wicklund and Brehm, 1976; p. 71).

Experiences in individuals are either: (a) symbolized, conceptualised and coordinated into some streams of relationship to the self, (b) neglected possibly there is no perceived link to the self, (c) denial of symbolisation due to inconsistency of the experience with self (Greenwald and Ronis, 1978; p. 55).

For instance, an individual's behaviour in a neutral state is one thing but behaves totally different when faced with a personal task. Therefore, when ego is involved, the personality manifests higher – meaning that self-deception takes place due to the primary desire to maintain or redeem self-esteem (Greenwald and Ronis, 1978, p. 55). Therefore, accordingly, anything that undermines the self is to be ignored (Greenwald and Ronis, 1978; p. 55).

In a stretched review of cognitive dissonance theory, Joule and Beauvois (1997) lauded two underlying principles, like, common sense – pointing at the dictum of consistency between cognition and behaviourism. This enable subjects to make self-perception of both internal states and the behaviours; since ones outlook is linked with one's perceptual behaviour (Joule and Beauvois, 1997; p. 2- 3). On a second thought, through consistency, personal worth is established either in the eyes of the subject or in the lens of others – for one cannot be incoherent with one's values (Joule and Beauvois, 1997; p. 3). Consistency between attitude and behaviour endeavours to promote the image of the subject's worth (Joule and Beauvois, 1997; p. 4).

The second principal for the evolement of dissonance theory – is a depiction of the subject as the holder of moral ideals which deal with both the principals of consistency and inconsistency. The likelihood of morally averseness generates dissonance. A scenario of forced compliance, neglecting the paradigm of decision-making, as a consequence of poor analysis – lead people to exude behaviours which contra-

dict with display of their indwelling traits; though this has no conspicuous moral impli-cation (Joule and Beauvois, 1997; p. 4). Regardless of how dissonance is perceived, for it to manifest, the individual got to be committed – however, the degree of the dis-sonance is independent of the commitment (Joule and Beauvois 1997; p. 28).

In accordance with the inference of psychological realm, the awareness of voluntary acceptance to expedite a task is inconsistent with the observation that the task is daunting – thus creating dissonance. Nevertheless, the understanding that executing the task as a favour, is consistent with successful implementation of the task, this will certainly, then, condense the dissonance. Therefore, the most direct convenient means of reducing dissonance is by embracing the ingrained worthwhile of the task (Joule and Beauvois, 1997; p. 8).

Kue, *at al.,* (2007), surveyed 103 males and 65 females, computer professionals in 30 companies in Taiwan, with the interest of figuring out whether male and female computer professionals differ in their self-regulatory tendencies towards protection of personal information privacy. The result reflected that females demonstrated a higher level of self-regulatory efficiency than males for the protection and non-acquisition of personal privacy-information.

On an ambitious experimental study, Gino, *et al.,* (2011) assessed how self-control depletion promotes unethical behaviour – while using a sample size of 101 students from local universities (58 male) in the South-eastern United States. The resulting outcome of the first study indicated that people depleted of self-control devices were likelier to exude dishonesty. The second study reflected that depletion shrank individ-uals' moral cognizance when faced with opportunity to cheat – hence leading to in-creased cheating. Whereas the final study indicated that people with heighten moral identification did not display high degree of cheating even when depleted of self-con-trol resources.

Hypothesis 5: Opportunism exalts negative influence on trust.

Indirect Effects

Hypothesis 6: Trust mediates the Impact of Opportunism on Outcome-based perfor-mance.

Hypothesis 7: Opportunism has negative impact on ethical climate.

Previous Empirical Findings on the Relationship of Ethical Climate, Opportunism and Performance

Boles, *et al.,* (2000) examine the dynamics of deception and retribution in repeated ultimatum negotiation and find that, inclination in the usage of contentious tactics like lies and threats were linked with the dissatisfaction of the negotiation process, feelings and outcome while positive outcomes were linked with trustworthy, cooperative and a desirable future negotiation (p. 255).

Jiang, *et al.,* (2016) conducted research with view of scrutinizing the influence of service climate and ethical climate on business performance. On a double phasic study, over 6months span, using a sample of 197 movie theatres, the documentarians recorded that service behaviour was strongly influenced by the business performance during a low level of unethical behaviour than when high. The furthering discovery stipulates that unethical behaviour was greatly strengthened by increased market turbulence and the intensity of competition.

Eltantawy, e*t al.,* (2009), carried out a study to ascertain the influence of supply management ethical responsibility on supply management perceived reputation and uncovered that supply management skills and reputation have direct relationship.

Advocates of self-discipline have long speculated that it will produce better performance. For example, people with poor self-control may procrastinate on tasks, which often leads to poorer performance and lower grades (Tice and Baumeister, 1997).

Tangney, *et al.,* (2004), conducted a research on students in order to figure out the effects of self-control and the results indicate that: people who score high on self-control scale show better interpersonal accommodation, better dyadic adjustment, and more satisfying relationships (Finkel and Campbell, 2000), lower juvenile delinquency and less adolescent alcohol abuse (Engels, *et al.*, 2000), and better ability to make themselves perform an aversive task in the laboratory as well as resistance to ego depletion (Twenge, *et al.,* 2000).

Cox, (2000), found that supervisors with high self-control were more trusted by their subordinates and received higher ratings on fairness. McKinney, *et al.,* (2010), were among the authors that are highly disturbed about various published indecent acts of ethical breaches from firms and agents. As a way to make a professional contribution to the ongoing restructuring of the ethical conducts in attempt to reinvigorate their images, the authors studied influence of ethical codes on ethical attitudes whilst utilising 1877 sample in 1993 and 1234 responses in 2001. The total sample includes responses from 3111 professionals' business leaders. The outcome evinced that business professionals employed at companies - with ethical codes of conduct – are, strongly, less tolerant of ethically questionable behaviour toward most stakeholders.

Fan, (2005) purposefully studied the concept of ethical branding and its relationship with corporate reputation. Upon qualitative exploration, the author resolved that brand value necessitates to be evaluated by both "financial and ethical measures". The concluding part further illustrated that ethical brand promotes the firm's reputation; and in turn, reputation reinforces the brand. However stating that "any unethical behaviour" will greatly injure the total intangible asset of the firm.

In view of the critics against multinational corporations' ethical standard, Bendixen and Abratt, (2007), examined the ethical standard of 28 members of board of directors of these large corporations on their 129 supplier representatives in the Gauteng province of South Africa; and the research resulted that these multinational corporations have good reputation among its own buying departments and suppliers (important stakeholder). The presence of ethical codes was observed to be imperative but insufficient for "good ethical practice". Frank relationship with vendors was found to be the next in order of importance. The authors further emphasised that elements that drive good relationships envelop: transparency, swift concession of problems, respect for partners, fairness in dealing, clear communication and importantly strong negotiation capacity – as these factors will advance the reputation of the corporation (p. 80).

On a two year longitudinal study, Brønn, (2007) examines the predictors of reputation on three groups of stakeholders from an outsourcing company and found an ample

correlation between the firm's treatment of its clients' customers and the influence on the clients' reputation.

Bennett and Gabriel, (2001), analysed the affiliation between supplier's corporate reputation, trust in the supplier, buyer commitment, and willingness to partake in "relationship-specific investments" using a sample of three UK seaports and their 144 shipping firms-customers and discovered that the reputation of the seaports increasingly influenced their customers on building closer relationship and equally moderated the impact of trust on the firms' commitment towards specific-investment relationship.

Adamson, *et al.,* (2003) studied the dimensions of commitment-trust on banking sector in Hong Kong and found that Bank reputation is negatively linked with trust and commitment.

Fulmer, *et al.,* (2009) conducted research on informational and emotional deception in negotiation and figure that behaviours grouped as misrepresentation were linked to greater negotiation result but reduced reputational outcome while the "making of false promises" were relational to reduced performance while behaviours toward emotional strategies has no influence (p. 704).

Manu, *et al.,* (2015) examine the trust impacting factors in the principle contractor–subcontractor relationships on projects and found that: change management process is impactful on trust and trustworthiness - established through honest record keeping of little discrepancies in price and genuine compensations for shortfalls (p. 1500 - 1501). To the subcontractors, this demonstrated the principle "contractor's commitment" to guarantee absolute pricing of jobs and payment for the services (p. 1501). Payment practice: the principle contractor's payment approach was the most determinant factor of how trustworthy the client is as subcontractors showed greater work rate with observation of main contractor's genuine willingness to pay. Perception of future work: subcontractors' perspective of future work prospects provided substantial impact on their trustfulness even when the principle contractor exhibited little degrees of trustworthiness during the project. Job performance: is a trust influencing factor on both key contractors and subcontractors as a trust. One of the interviewed highlights that, "…effectively you're only as good as your last job as far as I see it so

we look to perform on every single job and on that basis, their company have then got surety that our company does what it says". Another interviewed contractor voices that, "I think [how trust emerges], it's the team and talking to the team and keeping them informed I think is crucial… if those things happen in the right sequences and in the right timing, then they start to build up their trust and their confidence that you know what you're doing" (p. 1502 -1504). Project-specific context: "we haven't got a target but we're trying to get as many local companies as we can and we've done quite well so far…but I suppose if it's a low risk package, you're not as worried about it but you still want to monitor it because even low risk stuff can be messed up" (interviewed project manager) which "the cautiousness expressed by the project manager reflects low trustfulness towards unfamiliar subcontractors "(p. 1504).

Burchell, and Wilkinson, (1997) examined the role of trust in vertical contractual relationships between firms in Britain, Germany and Italy; and discover that: importantly, "promise-keeping" is centric component of trust (p. 232- 233). Perceived trust as being formulated by factors like: "reputation for fair trading; long-term personal and trading relations; and by direct interlinking by trading and marketing agreements and by jointly developing product and process" (p. 234).

Gino, *et al.,* (2011), conducted a quadruple experimental research on students from Southeastern United States - in order to discern that self-control depletion promotes unethical behaviour. The result confessed that people depleted of self-control, are less morally aware when they encounter the chance to cheat.

Hypothesis 8: Ethical climate positively mediates the impact of opportunism on contract performance.

5. Behavioural Integrity Theory and the Relationship between Ethical Climate and Performance

Behavioural Integrity Theory

Simon, (2002) described behavioural integrity as the centric managerial antecedent towards trust that explicates broader horizons of organisational enactments than that

of the psychological contract (p. 2). The author further described behavioural integrity as the "Perceived Pattern of Alignment between an Actor's Words and Deeds" - expressing its embodiment of "perceived fit" between the advocated views and the practical values. Meaning that it envelops conceptualisation of behavioural loyalty to psychological contracts, the mission statement, individualised values, specificity, and commitments towards fulfilment of the promissory note (Simon, 2002; p. 3-4). On the other hand, behavioural integrity is typified by employees' conception of managers' pattern of alignment of the word-deed (Simon, 2002; p. 4).

As a result of this attribution of perception of alignment and misalignment – however grounded on longitudinal observation – it therefore calls for the exuded "trait" of the advocator and its alignment with the "motivating values" (Simon; 2002, p. 6), so as to maintain integrity of words. Nevertheless, BI has little interest on the morality of the advocator but pays enlarged focus on the credibility of alignment or misalignment of the expressed words and the deeds (Simon, 2002; p. 6) – which could be the source for ascertainment of credibility.

Credibility can be explained as the evaluation of believability or of the probability that a given advocator can exhibit a set of codified information and could be avenue for trustful guides – which can produce behavioural beliefs (O'Keefe, 1990) and it has a link from Aristotle, ethos, or foundation of credibility as the most compelling avenues of persuasion (McCroskey and Young, 1981) and this leads to trustful relatiuonship. Trust has been widely perceived as the willingness of a party to be vulnerable to the deeds of the other party grounded on the inclination that the trustee will successfully perform a said action regardless of any control or monitory system - in place (Rousseau *et al.,* 1998).

On synthesis of trust definitions from the literature, Hosmer (1995, p. 393) labelled that, "trust is the reliance . . . upon a voluntarily accepted duty on the part of another . . . to recognize and protect the rights and interests of all others engaged in a joint endeavour or economic exchange". Robinson (1996) defines trust as "one's expectations or beliefs about the likelihood that another's future actions will be beneficial, or at least not detrimental, to one's own interests". However trust is defined, its basic inclination points at the coherence of goodwill and goal. Reasoning with these lines, a

failure to successfully complete what one is obliged to perform will basically dwarf the growing of trust (Simon, 2002; p. 7). From the lens of employees, the perception of the managers' word might be misaligned with the actions – this has ability to stimulate a mistrust sensation in the employees, sensing that the managers do not trust them enough and in return reciprocate in likewise manner.

Simon, (2002; p. 27), proposes that an employee perceived chronic accessibility constructs of behavioural-integrity like integrity, honesty, sincerity, and consistency - will increase the sensitivity of the behavioural integrity allocated to manager's words alignment with deeds. The consistency of these said behaviours could create a perceptive climate that can ensure the promotion of effectiveness. "Climate perceptions are psychologically meaningful molar descriptions that people can agree characterize a system's practices and procedures. By its practices and procedures a system may create many climates. People perceive climates because the molar perceptions function as frames of reference for the attainment of some congruity between behaviour and the system's practices and procedures. However, if the climate is one which rewards and supports the display of individual differences. People in the same system will not behave similarly. Further, because satisfaction is a personal evaluation of a system's practices and procedures, people in the system will tend to agree less on their satisfaction than on their descriptions of the system's climate" Schneider (1975, p. 474-475).

Ethically oriented climate has the potency of moulding the perception of a customer in believing the working environment to be genuine instead of pretence-plated-platform for breeding profit. This can consistently promote the link between manager's word and deeds – and can be translated in the services rendered to customers (Myer, *et al.,* 2016; p, 1180). As such, Victor and Cullen (1987) define the organization's ethical climate as "the shared perceptions of what is ethically correct behaviour and how ethical issues should be handled (p. 51–52)".

However, a perceived incoherence with manager's word and deeds may injure the financial outcomes of firms. On the other hand, top leaders that are enthused to ethi-

cally motivate the employees and customer services, most times, end up in increasing the trust - which both the customers and employees have in the firm – this thus boasts the financial status of the firm (Myer, *et al.,* 2016; p, 1180).

Previous Empirical Findings on the Relationship between Ethical Climate and Performance

Deshpande *et al.,* (2011), surveyed 118 successful Chinese managers in Zhejiang with the aim of finding the perceptions of ethical climate and ethical practices and uncorked that respondents acknowledge successful managers as being ethical. Whilst those with the conception that their organisation had a "rule" climate, view a conspicuous positive link between success and ethical behaviour. While the rest of the ethical kinds had no impact on the relationship between success and ethical behaviour.

Ensari and Karabay (2016) examined the effects of employee's trust in leader, organisational commitment to turnover intention – and the mediating effect of perceived ethical climate in respect to the correlation between trust, commitment and turnover intentions while using a sample of 717 employees of insurance agents in Istanbul. The discovery emphasised that employees that are committed to their organisations either chose to be less inclined on leaving their jobs while ethical climate partly mediated the effect on the interplay between trust and turnover intention.

In Pakistani's private and public organizations, Khan, (2012), assessed the relationship between corporate ethical values and work related outcomes like job satisfaction, on a sample of 350 managers. The outcome specified positive and strong significant association between corporate ethical values and work related outcomes.

DeConinck, *et al.,* (2013), on a sample of 426 salespeople, examined an ethical work climate, the outcome inferred that ethical work climate - impacts the degree to which a salesperson's identifies with their organisational goals and visions - and also positively linked with turnover intentions and indirectly related to turnover through organisational identification.

Following a research on 202 employees of furniture chain retail stores in the southern USA by Sharma *et al.*, (2009), in attempt to figure out that employees' views of organisational fairness will generate perceptual distortion of corporate ethical values. The gathered result recommended that perceived fairness moderates the impact of corporate ethical values on job performance and commitment.

Simiyu and Olala, (2016), conducted survey on 60 "Kenya Power staff" in effort to generate the correlation between ethical practices (like, accountability, diversity, equity and professionalism) of teams and accomplishment of projects. As an outcome, the authors documented that there is a positive relationship between ethical practices and the completion of projects.

Wahyudi, *et al.,* (2013) examined a sample of 304 lecturers in Central Java with aim of establishing the influence of multidimensional work ethical profile (delay of gratification, centrality of work, hard work, morality/ethic, self-reliance, leisure, and wasted time as independent variable), on performance while applying job satisfaction and affective commitment as mediating variables. The result acclaimed that among all the dimensions of work ethics, only the dimension of hard work significantly impact task performance - the dimension of delay of gratification influenced the job satisfaction (p. 173-179).

Being intrigued, Myer, *et al.,* (2016), pose the question of "whether being ethical comes at a cost to profits in customer-oriented firms"? On the same critique, the investigators utilised a sample of 16,862 medical sales representatives from a range of 77 subsidiary companies of a large multinational corporation in the health care product industry. The outcome unveiled enhanced profitability in service-oriented - that is attenuated by ethical climate (p. 1184).

On a comparative study between Mexico and USA, Weeks, *et al.,* (2006), in search for the supremacy in sales in regards to cognitive moral development and the impact of perceived organizational ethical climate. The result yielded that ethical climate has positive influences on organisation commitment for the US. sales-persons but with no impact for Mexican sale-persons. Likewise, individual commitment to quality positively influences performance for the U.S. sale-persons but no impact for the Mexican

sales-people. However, cognitive moral ethical development was negatively associated with the Mexican sale-person but with non on US sales-people.

Ng, *et al.,* (2013), conducted both qualitative and quantitative study of relational facet of two performance-based contracts with BAE Systems, MBDA and the UK Ministry of Defence and discovered that the alignment of human mannerism and information are critical to accomplishment of outcomes.

In effort to reaffirm the influence of performance base logistics on effectives, Randall, *et al.,* (2011), conducted 60 interview and surveyed 94 managers, from members involved with Performance Bases Logistics Conference in Crystal City, Virginia and the result reinforced that performance based logistics increasingly influence effectiveness. The authors further listed that, relational exchange, performance based leadership, and business sector as the antecedents of performance base logistics.

Hypothesis 9: Ethical climate has positive influence on contract performance.

6.   Stakeholder Theory and the mediating influence of Trust on the Relationship between Ethical Climate and Contract performance

Stakeholder Theory

Stakeholders theory have received huge admiration as an important element in the field of project management (Dervitsiotis, 2003; Freeman, 2002; Jergeas, Williamson, Skulmoski, and Thomas, 2000) and its adequate management has evolved to be essential aspect of advanced soft skill management (Crawford, 2005).

Genealogically, the word 'stakeholders' initially made its existence in the literature in an internal memorandum at the Stanford Research Institute in 1963 which was described as ``those groups without whose support the organization would cease to exist'' (Sternberg, 1996; p. 3). "Man is a social being" (Argandoña, 1998; p. 1094). Meaning that: (1) man requires the contribution of others to satisfy his desires (2) man advances the self through relational attributes of others (Argandoña, 1998; p.

1094); as man is responsible for others, so are others responsible for man. The social responsibility theory hinges around two extreme points: one in which the organizational obligation is the accomplishment of the greatest realizable gain for her shareholders while the other is that which points towards those with interest or stake in the organization like employees, suppliers, interest groups, customers, local communities and the wider world. On weighing these points, using enlarged ethical lens, the stakeholder aspect of the social responsibility is most compelling of the two points as it reflects a common good attribution (Argandoña, 1998; p. 1093).

The common good, as the name implies, is everything whose goodness factor is good to more than one subject, especially in achieving their perfection; and it is common to all (Argandoña, 1998; p. 1095). The author moved ahead to give the characteristics of common good as: (a) the ultimate goal of the society is the common good (b) the common good is the goodness-factor of the society and her members (c) there is no partiality in common good, rather it belongs equally to all (d) the common good is a set of social presumptions or conditions which make it realistically for the members to accomplish their personal goals – meaning that it embodies the law and the upholding institutions (e) a set of means provided by the society for her members to be able to accomplish their goals (f) a unit of equal contributory and receptivity by all the involved members (Argandoña, 1998; p. 1095-1096).

In the business environment, the common good is indulged to breed the set of conditions that will allow the members of the business to realise individualised goals (Argandoña, 1998; p. 1097). This common good is common-good in itself and right – it is the goal of the firm and, also, is not the aggregative outcome of the individualised goals of the members because personal goals encircle list of items that the organisation could not offer; however, the firm, as mediator of common good, enhances the realisation of individualised goals, though indirectly – through the accomplishment of the organisational goals (Argandoña, 1998; p. 1097).

For instance, in a firm, the shareholders could be seeking for increased profitability with limited threat while the managers and employees may be pursuing decent pay, sustainable employment, medical covers and etc. The point is that all the members must contribute towards the common good of the company – which is the firm's goal

– from which increased production and sales of goods and services can warrant the condition that can possibly satisfy each individual's desires (Argandoña, 1998; p. 1097 -1098). It is the moral obligation of any organisation to abide by the law and this is externalised from the major economics wellbeing's of the firm (Orts and Strudler, 2002; p. 221); considering that stakeholder theory leans on corporate social responsibility as its antecedent (Orts and Strudler, 2002; p. 216).

Goodpaster (1991; p. 57-68) popularised stakeholders' theory and tripartite it as: (a) the strategic level which bears the account of stakeholders' (the non-owners) interest as substantial route towards manifesting economic objectives of the organisation; though it is independent of the morality consideration (b) the multiple-trustee approach – this represents the morality level as it ensures that the managers perform their obliged responsibility fairly towards all her stakeholders (both owners and non-owners) (c) the new synthesis which discerns between fiduciary duty towards the owners and certain limitations of non-fiduciary responsibilities towards the non-owner stakeholders.

From Freeman (1984), stakeholders are group of people affected by the organisation and are capable of influencing the funnelling of the organisational goals to success. For these reasons of being influenced and capable of influencing, therefore, the stakeholders are worthy of being put into common consideration while making organisational strategic decisions. The concept of common good is fielded in the classic conceptualisation of good – signifying that the firm does well to the greater goodness of the people either voluntarily or obligatorily. Therefore, the concept of common good represents proper foundation for "ethical theory" than that of "interest" (Argandoña, 1998; p. 1099).

Donaldson and Preston (1995, p. 66-67) coined three schools of thoughts on stakeholder theory as: (1) descriptive, (2) instrumental – considers the strategic views of achieving maximum essence of goals for the benefit of the stakeholders and (3) managerial – deals with known and unknown cause-effect relations, and it is the forbearer of the firms' affairs. The descriptive theory is employed to explicate particular features of a firm. This is typified by some studies on stakeholder theory like the study of na-

ture of firm (Brenner and Cochran, 1991), the managers pattern of thoughts on management managing (Brenner and Molander, 1977), the way in which the board members perceive the stakes' of the firm's constituencies (Wang and Dewhirst, 1992), the manner that corporations are operated (Halal, 1990; Kreiner and Bhambri, 1991).

The major features of the stakeholder theory has its primary roots in normative and it entails corresponding to: (a) that stakeholders are those with valid interest in the majority of procedural activities of the firm (b) the interest is intrinsic in nature (group's own interest) (Donaldson and Preston, 19995; p. 69). Nevertheless, the goal of stakeholder theory is to give descriptive account of the operationalisation of the organisation and support in deducing the organisational behaviour so as to successed (Brenner and Cochran 1991: p. 452). Freeman defined stakeholders as "any group or individual who can affect or is affected by the achievement of the organisation's objectives" (1984, p. 46). However, stakeholders' theory falls short of full accountability.

It is imperative to grasp the notion of stakeholder theory's shortcomings, on the fact that it advocates the concept of being responsible or accountable to all members – which is much or less meaningless. Stenberg, (1996) argued that organisation that is accountable to all is equally accountable to none. Stressing that "multiple accountability" can only be functional in scenarios wherefore all involved adheres to common goal, however the theory of stakeholder declines this (p. 5).

On a review of Ethical Theory Egoism, Jones, *et al.,* (2007; p. 138) reveal it as an exclusive indulgence in own self-interest. The authors explicate two forms of egoism as: (1) psychological egoism - human as a behavioural organism is inherently predisposed to exude self-interest and consistently act to progress the interests (2) ethical egoism - which is more of the normative conception that individuals tend to act entirely for self-interest. Therefore, this form of egoism considers view in relationship with others as worthwhile, only if the relational-attributes favour the subject. Nevertheless, the foundational doctrine of ethics posits ethics as about concern for others than overly self-interested behavioural thoughts and displays. Kantian ethical utilitarianism-deontological approach postulates humans as not just as means but also ends in themselves. "An ethical "dilemma" is not seen as an abstract problem with only

one ethically "correct" solution that can be agreed on by unbiased observers employing universally accepted principles. An actor in dilemmatic scenario can mutually conjure solution – so as to ensure normative healthy relationship (p. 139).

Pincoffs, (1986: p. 85), professes the development of virtuous character as a primary duty of humans in order to become a co-existent being. This virtuous consciousness stimulates obliged-fairness in the relation. In turn, the parties benefit from the benefit-realisation that springs from the mutual cooperative engagement (Phillips, 1997: p. 57) that is stimulated by the mutually perceivedly-built trust. Among varying authors that utilised stakeholder theory to study the relationship among trust, ethical climate and performance, Hilman and Gorondutse, (2013; p. 38), studied the interactions between perceived ethics and trust of business social responsibility on performances and informed that perceived ethics and trust have positive impact on performance.

Previous Empirical Findings on the Relationship of Trust, Ethical Climate and Contractual performance

Gonzalez-Padron *et al.,* (2008) investigated 200 purchasing managers in multinational corporations, that were carefully chosen from the membership directory of the Institute of Supply Chain Management (ISM) with objectified view of finding the relationship among learning, entrepreneurial innovation and purchasing outcome in different ethical climate; and uncovered that entrepreneurial innovation positively influences the relational quality among sourcing participants whilst operating in a climate that is valuing ethics.

Chien and Ann, (2015), on a sample of 150 executives based in the Klang Valley, Malaysia, conducted a research with the outlook of establishing the influence of communication, empowerment and trust on organisational ethical climate. The results confirmed that empowerment was positively associated to a benevolent-local climate while trust was positively connected to both benevolent-local and principled-local climates. Whereas communication had no significant influence on the ethical climate types.

Schwepker Jr., (2017), on a sample of 413 sales, through online survey, investigated the role of psychological ethical climate and leader-member exchange in inspiring

salespeople's commitment to providing supreme customer value, while reducing their unethical intentions and enhancing sales performance. The outcome inkling that ethical climate perceptions impact the perceived link with sales supervisor and the commitment towards committing to provision of solid customer value.

Rooted in the proposed model of Hosmer (1994a), of, linking "right," "just," and "fair" treatment of extended stakeholders with trust and innovation in organizations, Ruppel and Harrington (2000), scrutinized this model; by employing Victor and Cullen's (1988) ethical work climate tool to gauge the perceptions of the "right," "just," and "fair" treatment of employee stakeholders. Based on a sample of 111 managers, the examiners test whether "right," "just," and "fair" treatment impact trust, both directly and indirectly through communication, and if trust influences views of commitment and innovation. The outcome displayed strong significant support for the study objectives.

Employing 233 architect contractors in Hong Kong, Lui, and Ngo, (2004), confirmed that the association between contractual safeguards and cooperative outcomes hinge on both the type and level of trust.

Through the assistance of the chief administrative officer in every U.S city, Feldheim and Wang, (2004), surveyed a sample of 249 cities (within are financial managers) and interviewed 50 randomly chosen officials in these cities – that were selected through National League of Cities file - with aim of discerning the relationship between administrative ethics and public trust. The outcome exposed that there are greater perception of trust in cities displaying higher perceptions of ethical behaviour.

In the context of Kano, Nigeria, in support with the postulation that organisational managers are meant to tailor the organisational practices to suit the ethical and business practices-standard, Hilman and Gorondutse, (2013), undertook the study on the interactions between perceived ethics and trust of business social responsibility on performances, and uncovered that perceived ethics and trust have positive effect on performance.

DeConinck, (2011) studied how an ethical work climate impacts on salespersons' supervisory trust, organisational identification, organisational commitment, turnover intentions and turnover. Employing a sample of 393 salespeople, the outcome shows that aspects of an ethical work climate are directly correlated with the supervisory trust and organisational identification. A facet of ethical work climate – ethical norm, was linked directly to turnover.

Based on an experimental research, on negotiation between automotive manufacturer and the supplier - carried out on Forty-one (41) male and thirty-nine (39) female MBA students, in effect to establish the influence of ethical climate and the availability of alternatives on the usage of deception during negotiation, Aquino, (1998)'s research revealed that ethical standard diminished the usage of deception by the negotiator and led to greater mutual agreement as an outcome; while the availability of alternative had no influence on deception.

Utilising a sample of 129 organisations that engaged with external contractors on client's project, Carson, *et al.,* (2003), found that trust-based governance impacts positively on task performance with skilled clients that understand the outsourced tasks.

Zaheer, *et al.,* (1998), investigated 107 buyer-supplier interfirm exchange to find out the impact of negotiation of conflict, cost and performance and discovered that trust is exponentially important for performance.

In Netherlands, Costa, *et al.,* (2001), used a data collated from 112 teams in three social care institutions to study the effects of trust on team performance effectiveness and found that trust is positively linked with perceived team performance, satisfaction and relationship commitment however negatively related with stress.

On investigation on the effects of trust between contractors and project owners using huge construction projects in Canada, Pinto and group (2009), found that the degree of trust on satisfaction with the relation and positive project outcome largely depends on the group asked.

Hypothesis 10: Trust has positive direct influence on contract performance.

Hypothesis 11: Ethical climate has significant positive influence on trust.

Hypothesis 12: Trust increases the relationship between ethical climate and performance.

7.   Institutionalisation of Ethics

Institutionalisation Theory

For two decades, workplace have experienced the evolutionary-formalisation of ethics wherein leaders promulgate the enactment of ethics through mechanism of codes and accountable-compliance-base. However, organisations are meant to cogitate beyond ethical base compliance to structuration of adoptable strategy to sustenance of ethics in the form of institutionalisation (Foote and Ruona, 2008, p. 292).

As evinced by Society for Human Resources Management, (2005), that there is overwhelming decrease in commitment of enactment of ethics by human resource professionals. This thus, calls for ingrained study of ethical institutionalisation (Foote and Ruona, 2008, p. 293). Nevertheless, dilemmatic ethical issues are inevitable at all domains of organisation – which demands stronger institutionalisation of ethics (White, 1990, p. 19). This necessity of adequate institutionalisation of ethics is highly voiced by the society which in turn is influencing leaders to stringently consider the restoration of ethicality-consciousness in the workplace as it is also a forecasting tool on the success or failure of firms (Sims, 2003, p. 299).

It is noteworthy to remark the infamous case of Enron and others like Tyco, World-Com and etc. As a result, incrementally, the corporate world is focusing attention on ethics, ethical climate and the institutionalisation of ethics (Singhapakdi and Vitell 2007, p. 77). A research fielded in by Chonko and Hunt in 1985 on American Marketing Association (AMA) practitioner members reflected top three marketing issues of bribery, fairness and honesty.

However, the literature on institutionalisation of ethics highlighted the common challenge of what explicit definition of ethical standard is. This illusiveness of ethical standardisation results from poor organisational-knowledgeability, ethical statement ambiguity and the indifference-inconsistency of leaders and managers to openly and courageously deal with moral issues in the workplace (Lennick and Keil, 2005; Paine,

1997). In a purer visualisation of ethics, it can best be described as the study of morality in regards to what is right, wrong, good and bad and the people contextualised it in terms of the belief system of what is right and wrong and the manner in which it influences them (Foote and Ruona, 2008, p. 297).

Institutionalisation-Theory, Ethics Institutionalisation and Definition

Hunt and Vitell (1986) model of ethics does not explicitly detail the institutionalization of ethics construct. Nevertheless, in 1993, the authors revised the model and explicate the intricate imperativeness of this construct by means of informal norms (e.g implicit institutionalisation of ethics and on the other hand, through formal codes and code enforcement e.g explicit institutionalisation of ethics).

Institutionalisation theory emphasises on the institutionalisation of ethics in an organisation and it is deeply grounded in institutionalisation theory – that theorises organisations as a yield from societal reality that is fabricated by the interaction of human (Scott, 1995). Scholars equally attribute the process of institutionalisation of ethics in an organisation as structured-activities that promulgate the growth of ethicality on day-to-day work life (Sims, 2003).

A code of ethics can be defined as a "written expression of an organization's ethical norms and values" (Valentine and Barnett, 2003, p. 359). Wherefore the code is descriptive of the sorts of occurrences in the firm like guidelines for managerial policy and employee decision-making (Sims, 1991). A code of ethics can best be presented in the form of: formal ethics training and instructional materials, policy manuals, employee's orientation-programs, ethics audits and the committees (Callan, 1992; Dean, 1992; Trevino˜ and Nelson, 1995; Vitell and Singhapakdi, 2008).

In order to build a lasting ethical system, organisations must first give institutionalisation of ethics a practical definition – as this enhances the understanding of why some out-perform others ethically and otherwise (Sims 1991, p. 493). Singhapakdi and Vitell (2007), defined institutionalization of ethics as the extent that an organization explicitly and implicitly inculcates ethics into its decision-making act. Implicitly institutionalisation of ethics means that ethical exudence is implied, or not directly commu-

nicated and perceived to be essential while explicitly institutionalisation of ethics denoted that ethical behaviour is formally communicated with no ambiguity (Singhapakdi and Vitell, 2007, p. 284 - 285).

Following Brenner's (1992) explicit-implicit categorisation as model, Singhapakdi and Vitell, postulates that implicit forms of institutionalisation of ethics entails: corporate culture, open communication and ethical leadership. While explicit ethics envelops ethical training, code of ethics, ethics committee and newsletters.

Models of Institutionalisation of Ethics

As a result of the need to structure activities in an organisation that encourage the promotional application of ethics, some scholars have come-up with ethical institutionalisation models to deeper understand the best approach toward increasing the ethicality practices of the organisation (Paine, 1997, Phillips, 2003, Costa, 1998).

For a period of five (5) years, Paine's (1997) fashioned a model that explored varying dimensions of ethics in large firms – that are societally perceived to be ethical in their operations. Therein, it surfaced that encouraging ethics in work-environment is hinged on the organisational principles, the purpose and the people; and the author concluded that organisations that continuously operationalise activities with proper values and unwavering leadership that displays integrity in fairness and reliability are most certain to be positioned to experience organisational excellence independent of the external factors of the environment. Among other themes that prompted in the study as factors that encourage the building of organisational ethical infrastructure - are committed leadership, the necessity of stakeholder engagement, ethical programmes and training, value statement and ethical compliance officer.

Elsewhere, Phillips, (2003), puts together a framework that demonstrated moral leadership and stakeholder fairness – whereas, stakeholder fairness has its inspirations from stakeholder theory regarding the rights and obligations of the organisations towards the stakeholders (p. 299).

Another contributor is Costa (1998) who utilised the term strategic sensibility to eluci-date the encouragement of ethics in workplace. The scholar described strategic sen-sibility as the process of consciously embedding an ethical orientation and strategy that enable flexibility and creativity, as solution, in the face of ethical challenges. Fur-thering that focus on: individual, group, open culture and focus on group dynamics - can enhance ethical practices in workplace.

Improving Institutionalisation of Ethics

The institutionalisation and the management of ethics could be a singular problematic base applicable to all sectors of the economy. The institutionalisation of ethics simply is the incorporation of both implicit and explicit ethics into day-to-day activities of the organisation – often achieved through the top management, coded ethically and im-plemented in work practices and decision making (Purcell and Weber, 1979, p. 6).

Organisations can also improve the institutionalisation of ethics by, the management of the psychological contract between the organisation and its employees, strength-ening the employee's commitment, and encouraging and nurturing an ethically-ori-ented organizational culture (Sims, 1991, p. 495). Barriers to matching ethical expec-tations can be in the form of inadequacy of discussion and clarity (Sims, 1991, p. 498). These inadequacy of clarity can emerge from evolving ethical expectation, in-terpretation of the contract and understanding of the expected ethical behaviour.

Evolving ethical anticipations – instances wherefore the psychological contract is on a constant evolvement of collective mutual performance and expectations (Sims, 1991, p. 498). Interpreting the ethical contract – this is on the top of the obligations of the executives of organisation to inherently understand that ethical behaviour is meant to be communicated. Therefore they are meant to be facilitators of ethical be-haviour.

Understanding ethical behavioural expectations – the greater the understanding of the ethical behavioural expectations of the members, the greater the chances of matching the anticipatory ethical standard (Sims, 1991, p. 498).

Encouraging organisational commitment through the funnel of ethical behaviour is vital for the institutionalisation of ethics (Sims, 1991, p. 498). On the other hand, organisational commitment can be defined as the relative strength of an individual's identification with a specific organisation (Mowday *et al.,* 1982). This entails three elements of: strong belief in the goals and values of the organisation, willingness to give reasonable effort for the good of the organisation and burning desire to remain with the organisation. Importantly, commitment is more than just being loyal to an organisation, it is an ongoing routine and a means that the organisational members voice their concerns to the organisation (Sims, 1991; p. 499).

Salancik (1977) proposes main factors towards comprehending organisational commitment as: visibility – scenario of promoting the organisational members on public image – positioning them as the image of the organisation; explicitness is a concrete component for the institutionalisation of ethics and the top management ought to make it an open emblem for the members to follow accordingly (Sims, 1991, p. 499 - 500).

Commitment to the organisational values and goals is a key predictor of ethical behaviour. Organisations that outperform others is simply because the organisations exercise stronger ethical culture (Sims, 1991, p. 502). Organisations can promulgate ethical culture through: socialisation, selection, mentoring and training (Northcraft and Neale, 1990).

Short Term and Long Term Instituttionalisation of Ethics

An institutionalised deed can be defined as a behaviour that is performable by multiple individuals, which were selected, usually on a longitudinal period and as part of the day-to-day functions of the organisation (Goodman and Dean, 1981). Institutionalisation of ethics within an organisation can be done by both short and long term components (Dunham, 1984). For long term course, organisations should enhance and structure organisational culture that encourages learning, relearning and promotion of ethical behaviour (Sims 1991, p. 494). For short term, ethical standard-encouragement, organisations can focus on: the attributes of the potential employee, publically reinforce the essentiality of ethicality, develop organisational policies that are

ethically aligned-and-for addressing ethicality, sustain an ethical culture and appraise ethical issues, allocate duties that are suitable for the staff – most especially the sensitive positions that are filled with ethical dilemmas and be reminded that decisions that necessitate moral consideration are best achieved by group decision-making as this results in greater moral reasoning (Sims, 1991, p. 503-504).

Strengthening Institutionalisation of Ethics

Organisation should create strong culture that can support learning and promotion of ethical behaviour (Sims, 1991, p. 494); which improves the ethical system. This strengthening of the ethical institutionalisation can be achieved by (1) encouraging demonstrative signs of ethical values through the mechanism of public statement – emphasising the imperativeness of ethicality-in-practice (Sims, 1991, p. 494) (2) by the usage of ethical code – whose principal function is to describe the overall value of the organisational system, gives meaning to the organisational purpose and enhances the guideline for adequate decision-making (3) another means of integrating ethics in an organisation is by training programme (Sims. 1991, p. 494).

Benefits of Ethically Instiututionalised Oriented Organisations

The ethical values of organisation like suitable servitisation, justice, respect and honesty - directly influence practices anchored in implementation of contracts, most especially in regards to the environment, corporate image and etc. (Foote and Ruona, 2008, p. 297).

Further, being bespoken as an ethical firm lures forces in the form of investors, top talents and substantial customers (Fox, 2007, p. 43) – of which, all-in-all, outputs a brand as reputational capital (Worden, 2003, p. 31). Therefore, good ethics can simply mean good business (Koonmee *et al.,* 2009; Lantos, 2001).

As Singhapakdi and Vitell (2007, p. 287) argue, "organizations that institutionalize ethics appear to value integrity and trust and, as a result, often treat their employees more fairly in terms of compensation, performance evaluation, promotion and conflict resolution" (p. 381).

Empirical findings on Institutionalisation of Ethics

In 1979, White and Montgomery, (1980) surveyed Fortune 100 corporations, the outcome hinted that three-fourths of the companies had codes; nevertheless, only one-half of the companies spread the codes beyond the level of key employees and officers. Berenbeim, (1988) surveyed 300 corporations, the output reflected that about 76% of all the respondents had a Corporate Code of Ethics.

Singhapakdi and Vitell (2007), developed scale for measuring the institutionalisation of ethics organisations and conducted twofold studies in order to test the impact of implicit and explicit institutionalisation on job satisfaction, ethics, espirit de corps, and organisational commitment. Using 126 and 306 samples on studies 1 and 2 respectively, from American Marketing Association practitioner. The result reflected that implicit institutionalisation of ethics directly has significant effect on job satisfaction, espirit de corps, ethics and organisational commitment. While explicit institutionalisation of ethics significantly impacted the perceived importance of ethics (p. 284).

Singhapakdi *et al.,* (2010), carried out research in effort to uncover the empirical findings linked with the direct and indirect impacts of implicit and explicit institutionalisation of ethics on marketing managers in regards to the imperativeness of ethics, quality of work life (QWL), spirit de corps, job satisfaction and organisational commitment. The result hinted that explicit institutionalisation has a significant influence on the perceived importance of ethics but fails on espirit de corps, job satisfaction and organisational commitment. On making implicit institutionalisation a mediating variable, it was found that explicit institutionalisation has a significant influence on implicit institutionalisation while implicit institutionalisation has significant impact on perceived importance of ethics, esprit de corps, job satisfaction and organisational commitment. Also, on using explicit institutionalisation as a mediator, the result reflected that implicit institutionalisation has significant impact on explicit institutionalisation. Explicit institutionalisation has a positive impact on perceived importance of ethics, esprit de corps, job satisfaction and organisational commitment. While the moderating interaction effects were significant only on perceived importance of ethics but not on job satisfaction, organisational commitment and esprit de corps. The authors carried out a

second study to extend the studies of Singhapakdi and Vitell, (2007), model of the interactive effect between implicit and explicit ethics institutionalisation and the influence on marketing managers' behavioural attributes like satisfaction, organisational commitment, esprit de corps and QWL - but this time in effort to discover the mediation effect of socialisation. The result indicated that explicit institutionalisation of ethics has positive impact on implicit institutionalisation of ethics which also had significant impact on esprit de corps, job satisfaction, organisational commitment and QWL (p. 88). The result also reflected that the influence of ethical institutionalisation on implicit institutionalisation is significant when socialisation is high only. This points that socialisation, as a means of exchange of awareness, can facilitate the clarification and institutionalisation of ethics because high socialisation increases the possibility of increased enactment of ethicality as standard practice (p. 88).

Marta *et al.*, (2013) carried out a comparative survey on 152 marketing managers from Thai organisations listed on the Stock Exchange of Thailand (SET) and 230 marketing managers from American Marketing Association in effort to find the effect of both explicit and implicit ethics institutionalisation on both Thai and US firms. The outcome indicated no significant difference between US and Thai organisations in terms of the extent of explicit institutionalisation. With respect to the degree of implicit ethics institutionalisation, Thai organisations have lower degree than US firms. Also, the authors discovered that Thai organisations scored higher on explicit ethics institutionalisation and on implicit ethics institutionalisation than that of US while the outcome on effect of implicit ethics institutionalisation on lower-order QWL is higher for Thai marketing managers than that of US. (p. 385-387).

In Chile, Majluf and Navarrete, (2011), conducted a research on 12, 321 employees from 54 corporations with the objective of establishing effect of implicit and explicit institutionalisation of ethics over: value consistency, what the company does that influences the other people, what the company does that impacts on employees and what the employees do that influence the company. The empirical result indicated that there are three separate components in the presence of ethical conflicts elements of: what the company displays that influences the employee, what company

does that impact on other people and what the employees do that influence the company. Explicit and implicit components of a compliance and ethical programmes have substantial influence on: employee behavioural value consistency, the manifestation of ethical conflicts in firms and the perceived importance of ethics as a major component to enhance economic performance.

In 2015, in Italy, Lee *et al.*, tested the impact of ethics institutionalisation on employees' experiences and overall life-satisfaction, and it was discovered that explicit ethics institutionalisation in work life has positive impact on implicit ethics institutionalisation which thereby augments employees' experiences in work life. Also, implicit institutionalisation had predictive-impact on job satisfaction, espirit de corps, organisational commitment and quality of work life, while job satisfaction and QWL have positive impact on happiness and the influence of organisational commitment and the quality of work life on overall life satisfaction were higher when work-family life conflict is less.

On a sample of 290 service staff members of five star hotels in Seoul, South Korea, Lee *et al.,* (2014) studied the impact of code of ethics and corporate philanthropy, the result uncovered that the code of ethics directly influence organisational engagement and corporate philanthropy. Further, corporate philanthropy was positively linked to employee engagement and turnover intention.

Hypothesis 13: Implicit institutionalisation of ethics has positive impact on contract performance.

Hypothesis 14: Ethical climate positively mediates the positive impact of implicit institutionalisation of ethics on contract performance.

Hypothesis 15: Implicit institutionalisation of ethics has positive influence on ethical climate.

Hypothesis 16: Ethical climate significantly-positively mediates the impact of explicit institutionalisation of ethics on contract performance.

Hypothesis 17: Explicit institutionalisation of ethics has positive effect on contract performance.

Hypothesis 18: Explicit institutionalisation of ethics has positive influence on ethical climate.

Conceptual Framework

The model is made of antecedents of ethical climate which are: explicit institutionalisation of ethics, implicit institutionalisation of ethics, flexibility and opportunism. It further discusses how the antecedents of ethical climate interplay to impact on the outcomes of ethical climate which are: trust and contract performance.

The below is the coneptual framework of this research.

1. Antecedents of Ethical Climate
   a. Explicit Institutionalisation of Ethics
   b. Implicit Institutionalization of Ethics
   c. Flexibility
   d. Opportunism
2. Outcomes of Ethical Climate
   a. Trust
   b. Contract performance

Figure 1: Conceptual Model
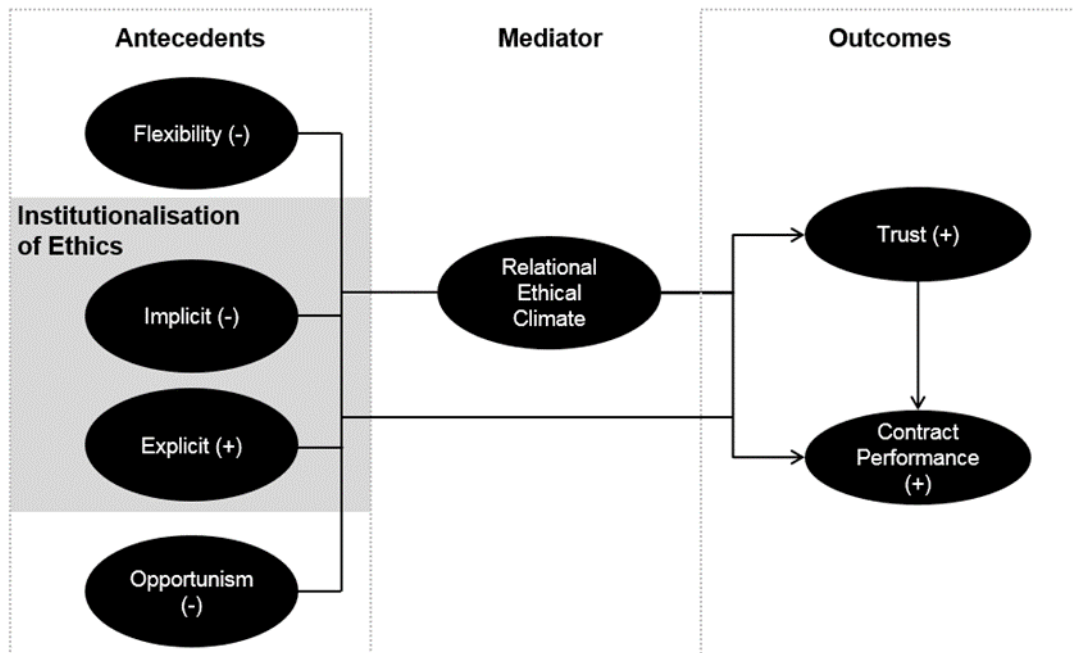
D. Empirical Study

1. *Research Design and Sample*

Epistemological position

There are very pleasing characteristics of positivism like for instance, positivism has the tendency of reducing the world into empirical facts, quantifiable as universal statements as to the nature of the world (O' Mahoney and Vincent, 2014) demonstrable as truth (Bougie and Sekaran, 2013). The generalisation ability is because it allows the collection of data that can be analysed quantitatively (Jonson and Onwuegbuzie, 2004), thus allowing a huge number of people to be examined at a reasonable time (Cohen *et al.,* 2007).

This study considered contractual relationship from the wider range of the industry inclusive of oil and gas, transportation, logistics, and etc. As such it aims at arriving at a generalised conclusion. Following the generalisation-characteristics of both the study of contract and the inherit nature of positivism, therefore, this research considered positivism as the suitable epistemological paradigm to base the conclusion.

To test the set of hypotheses derived in Chapter C, a survey-based, quantitative empirical study was designed. A correlational research design, was set up as this allows the researcher to analyse the relationship between two or more variables.

The survey research contributes greatly towards explanation of attitudes, opinions or trends of a population by fundamentally studying a section of that population - oftentimes by the utilisation of questionnaires or structured interviews for collation of data (Creswell, 2014, p. 14).

Quantitative research method has the advantage of providing the synopsis of the case under examination. Further, quantitative methodological research is endowed with the potency to explain the actions of large number of people (Udo, 2006; p. 309). Moreover, this research approach is much approachable to administer – thus, quicker to collect data from a large number of people when compared to qualitative

approach. In addition, the statistical data generated from quantititative research methodology could be used in terms of comparative analysis of distinct groups (Yauch and Steudel, 2003: p. 473). As a result of the above advantageous explanation of quantitative approach, this research deems this method fittingly with the structure of the research objectives.

The dataset utilised for testing the proposed set of hypotheses was obtained through an online survey conducted through an independent global platform for contractors namely, the International Association for Contract and Commercial Management (IACCM). The survey questionnaire was developed from existing literature and scales. For the purpose of assuring that the result research outcome can be generalised to the area of business-to-business contractual relationships, IACCM was considered as the perfect match as a platform to conduct the survey due to the fact that it is an association that is made up of diverse professional contractors. A sypnopsis of the major research findings was offered to the participated respondents as an icentive and could participate in a lottery for a waiver to attend the annual IACCM conference. Online questionnaire was distributed across the members of IACCM through the platform's top management. A total of 450 questionnaire was returned. Upon careful selection and elimination of the incomplete questionnaires from some of the respondents, a total of 200 usuable questionnaires were included in the analysis. Prior to the distribution of the question, a pilot study was conducted on more than 200 respondents from oil and gas, IT, transport, telecommunication and general contractors. From this pilot study, the questionnaire was amended accordingly. At the beginning of the questionnaire, respondents were provided with a brief description of the study context in regards to better understanding of the efficaciousness of contractual performance. The participants were assured that all answers will be treated anonymously while the confidentiality will be protected fully in accordance with the Newcastle University research ethical system. The participants were provided with options to mark the perspectives (like, whether on buyer or seller side of the transaction) at which they participated in the contractual performance. The respondent's business backgound varies from top industries like oil and gas, IT, supply chain firms, and contracting firms and engineering.

Methodology

Intrinsically, research is a component of the society. Most of the activities of human beings are grounded on assumptions and non-experimented hypothesis which are oftentimes admitted on common faith or belief. However, research entails the meticulous objective validations of hypotheses which need scientific examination of the problems and discernment of suitable methodologies for examining the developed hypotheses (Taylor, 2005, p. 3).

Both qualitative and quantitative research deal with study design and its associated reliability but the both methods are similar (Taylor, 2005, p.5). Research methods are efficacious once they ably draw truer feedback relevant to the desired information. It is essential that the participants clasp complete comprehension of the subject and requite to the posed questions as it is conceived by the researcher so that the response can be impactful.

Research methodologies are vital part of understanding our society, and nature, at large, but they should always be perceived as means and not ends in themselves. A prominent scholarly work or output is scarcely elucidated by methodological correctness alone. Impactful scholarly work could equally emerge from risk taking. On a wider assumption, some scholars are risk antagonistic, hence, the odds support the risk taker (Pettigrew, 2012, in Pettigrew, 2013, p. 123). The problematic issue with the term qualitative research has been its very indefiniteness as a construct and label and its, perhaps, inappropriate juxtaposition with the term quantitative research (Pettigrew, 2013, p. 123).

Researchers are endowed with the freedom of choice of philosophy and phenomenology, which are equally employable in research methodologies (Creswell, 2014, p. 11). Researchers employ any method for assemblage and assessment of data instead of subscribing to a particular means (Creswell, 2014, p.11). However, it is contingent on "what works at the time" (Creswell, 2014, p.11). Rather than concentrating on the methods, researchers stress the research issue and develop applicable-disposable approaches in order to make sense of the problem (Creswell, 2014, p. 10).

Qualitative researcher is the driver and explainer the experiential ways of the key people in the study. Whereas the quantitative researcher may incline towards prevalence, generalizability, and calibration, the qualitative researcher offers greater illumination to description, narration, interpretation, and explanation (Pettigrew, 2012, p. 124). "Sound empirical work begins with a strong grounding in relevant literature, identifies a research gap and proposes research questions that address that gap" (Eisenhardt and Graebner, 2007, p. 26).

Qualitative Design

Approaches employable to qualitative research had improvement from the era of 19th century to 21st century. Qualitative methodology has its roots in the humanities, anthropology, and sociology.

Approaches to Conducting Qualitative Research

Phenomenological research is a form of inquiry design that emerged from philosophy and psychology within the researcher explains the life experiences of people concerning a phenomenon as elaborated by the participants (Creswell, 2014, p. 14). This methodological design has solid philosophical ties and it encompasses conduction of interview.

Grounded theory is a design of inquiry, developed by the sociology, wherein the assessor establishes a generic, "abstract theory of a process, action or interaction grounded" in the views of the engaged participants (Creswell, 2014, p. 14). This phenomenon demands for the usage of pluralistic stages of collection of data and the refinement and interrelatedness of the categorised information.

Ethnography is a kind of design of inquiry sprang from anthropology and sociology whereby the examiner explores the common behavioural patterns, actions and language of a cultural group in a natural situation in a time (Creswell, 2014, p. 14).

Case studies are type of research design for inquiry which intakes many arenas usually in evaluation, wherefore the investigator builds a deep examination of a case – like event, activities, processes or collection of individuals. Cases are activity and

timely conditioned and investigators collect detailed data through a different set of data collation procedures for a substantial period of time (Yin, 2009 and 2012).

Ethnography

Ethnography research is executed to satisfy three synchronously linked requirements interconnected with human events:

1: the demand for empirical method

2: the call to maintain openness to factors that are unable to be codified at the moment of the research. That is, the researcher must retain open mindedness in order to fathom out the components that make up the world and how people expedite their interaction.

3: a necessity for grounding events witnessed in the field (Silverman, 1997, p. 8 and 9)

To follow ethnography, the following questions will need to be answered:

1: what is the position of this nature of situation within which the study ensues?

2: How is it elucidated?

3: How is the structure sharped?

The above are the chief converging points in conducting ethnographic study (Silverman, 1997, p. 11).

Integrative Ethnography

The tradition of ethnography contemplates blending successive observations through associating them to a particular comprehensive culture. This nature of ethnography offers opportunity for "monographic totalisation" (Silverman, 1997, 11). This can likely be the outcome from the experience of the assessor who endeavours to position him/herself with the people in the event, in empathic way so as to establish an integrative description of the phenomenon. This monographic totalisation can be achieved from the reflections of the researcher in which an "integrated vision" of his/hers personal life-encounters. This is the core reason behind the necessity to

demonstrate empathy with the people one meets which propels to proper understanding of the others (Silverman, 1997, p. 12). Nonetheless, the interpretation of the encounter will be largely based on the cultural background wherein the investigator spawn from. Therefore, grasping the holistic cultural form is "the process by which a participant observer gradually makes organised sense out of what he sees, hears and becomes a part of it" (Fox, 1974, p. 230).

Integrative ethnography has the tendency to gratify the call for solid data and same time, offer a discourse brought in together as a whole (Silverman, 1997, p. 13). Nevertheless, this integrative ethnography is unfitting, in some cases, due to doubled distinct criticisms that:

A: it is only effective in cases where one deals with mechanical solidarity among people like in a community or group that people are presumed to have shared joint factors of the "collective consciousness" (Silverman, 1997, p. 14).

B: During the methodological stage, the particular time that the data is blended as a whole happens at a mysterious point usually unknown in the process (Silverman, 1997, p. 14).

Quantitative Design

Through the late 19th to all of 20th century, inquiry strategies linked with quantitative study were those that appeal the worldview of post-positivists which emancipated from psychology like true experiments and lesser vigorous experiment termed quasi-experiments. On the other hand, a form of non-experimental quantitative research is causal-comparative research which allows the researcher to analyse two or more groups' comparable elements in regards to an already occurred cause. Following this, is another non-experimental research method called the correlational design within which the researcher applies the interrelated statistic to explain and evaluate the degree of relationship between two or more variables (Creswell, 2012, p. 13).

Survey research gives a numeric explanation of attitudes, opinions or trends of a population by assessing a section of that population (Creswell, 2014, p. 14) which

entails a cross-sectional and longitudinal research utilising questionnaires or structured interviews for collation of data (Creswell, 2014, p. 14).

Experimental research strives to discern whether a particular "treatment" influences result. This is achieved by the investigator by establishing a particular treatment to a group and covering-it-up from others and after define the manner in which the both groups performed on a result (Creswell, 2014, p. 14).

Mixed Method Design

Mixed method research can genealogically be traced back in 1959 era, when Campbell and Fisk adopted multiple methods to study psychological traits. This genuine attempt by Campbell and Fisk encouraged other researchers to try mixed methods. Mixed methods encompasses combination of qualitative and quantitative methodologies while conducting a research (Creswell, 2014, p. 14). Qualitative data predisposes to be "open-ended without predetermined responses" while quantitative data often envelops "closed-ended responses" like questionnaires (Creswell, 2014, p. 14).

Rather than concentrating on the methods, researchers stress the research issue and develop applicable disposable approaches in order to make sense of the problem (Creswell, 2014, p. 10). Researchers are endowed with the liberalism of choice to anybody of philosophy and phenomenon, which is equally applicable to research methodologies (Creswell, 2014, p. 11). Researchers adopt any method for collection and assessment of data - instead of subscribing to a particularly prescribed way (Creswell, 2014, p.11). However, it depends on "what works at the time" (Creswell, 2014, p.11).

Researchers implying mixed methods, indeed, necessitates the fully established the reasons for adopting the mixing – a rationale reason for mixing both quantitative and quantitative data (Creswell, 2014, p. 11), therefore, examiners employing mixed approach needs to pragmatically unlock the lock for the pluralistic methods, by suggesting varying assumptions and differing manners toward data collation and examination (Creswell, 2014, p. 11).

As a result of the pre-conceived weakness of both qualitative and quantitative methods, the thought of synchronising the both in order to eschew the intrinsic weaknesses in the aforementioned methods sprang the mixed methodology (Creswell, 2014, p. 14 and 15). Hence, giving birth to a triangulating method – so as to figure out the merging-point between quantitative and qualitative methods.

There are numerous forms of mixed method, however, the below three will be accentuated on:

Convergent parallel mixed methods are form of mixed design methodology within which the assessor links the both qualitative and quantitative data so as to generate the fullest assessment of the research matter. Within this practice, an investigator with this design as a chosen method should merge the collection of the both data simultaneously and make collective sense of the information during interpretation (Creswell, 2014, p. 15).

Explanatory sequential mixed methods is a type of mixed design wherein the research initially undergoes through quantitative phase, then, examines the outcomes and embellishes the result for further explanation by adopting qualitative methodology. It is termed sequential because the quantitative stage is followed by the qualitative phase (Creswell, 2014, p. 15).

Exploratory sequential mixed method is a kind of mixed research design in which the researcher first follows the qualitative phase, which offers room for the explorations of the participants' perspectives. Then, the researcher will sequentially examine the result of the qualitative data with quantitative method in order to further validate the findings (Creswell, 2014, p. 16).

Transformative mixed methods is a type of research design which utilises "theoretical lens" to established from "social justice or power" as an "overarching" view in conducting a research design that envelops both quantitative and qualitative data (Creswell, 2014, p. 16).

Interview

Survey research gives a numeric explanation of attitudes, opinions or trends of a population by assessing a section of that population (Creswell, 2014, p. 14) which entails a cross-sectional and longitudinal research utilising questionnaires or structured interviews for collation of data (Creswell, 2014, p. 14).

Each interview should commence with little lines of sentences, explaining about the study, ensuing the interview, the investigator's interests, the documentation of the interview and any other relevant supporting information. The recording of the interview is to follow the permission of the interviewee. A meaningful approach to start is to question the interview of his/her background personal stories, an honest question like, "please tell me about yourself?" (Shkedi, 2005, p. 63).

Types of interview questions

There exists six chiefly questions of:

(a) Descriptive (b) meaning questions (c) comparison questions (d) complement question (e) contrast question (f) triggered question.

Descriptive questions: in this, are the interview's fundamental questions like, the researcher asks the interviewee to tell his/hers story (Shkedi, 2005, p. 64).

Meaning question: this kind of question builds on descriptive answers from the interviewee whereby the researcher asks the respondents to further explain meanings and rationale behind the description rendered (Shkedi, 2005, p. 64).

Comparison questions: this hinges on the respondents' responses from the descriptive/meaningful question. In this, the respondent is expected to structure the question by relating to it with another similar experience. For example, the investigator can ask, what is the experience gathered from this project compared with the previous projects? (Shkedi, 2005, p. 64)

Compliment questions: in the time of interview, the respondent shallowly navigates through topic without in-depth explanation. Therefore, it is the role of the researcher to turn back the attention of the interviewee to the desired underdeveloped questions.

For example, the interviewer can ask the respondent to expand on a previously shallowly answered question. (Shkedi, 2005, p. 64).

Contrast question: this is like comparison question in which the interviewer utilises the already aggregated information. During the course of interview, the respondent can time-to-time give insights that contracts already emphasised information (Shkedi, 2005, p. 65).

Triggered questions: this is similar to the rest of the question types except that in this case, the respondent is thrown a question from another person in order to acquire the interviewee's reaction which helps to further shape the whole story (Shkedi, 2005, p. 65).

There are various formats toward obtaining exchange of information between the respondent (s) and the interviewer. However, for the purpose of this text, there are three generally proclaimed methods for gathering data: structured, semi-structured and unstructured.

Structured Interviews

Structured interviews have the predisposition of being used when the investigator knows the expected ending in the turn of the interview with the understanding that the structure of the question is adequate enough to yield the anticipated ends). This is advantageous since it is easy to be conducted, easy to be analysed and reasonably inexpensive. Nevertheless, it has limitations of further information as the rationale for answers, respondents could give opinions that are not very correct due to "fixed alternative answers" (Cargan, 2007, p. 108).

Semi-structured interview: the question list is used as guidance for the interview. In this, the sequence of the question can be adjusted in case the researcher feels like. This tends to elicit a great feedback. Also, there is lower tendencies of misinterpretation since there is no fixed answer and with extra allowed space for the respondent to add additional information that can be insightful. In this, the format is reasonably less controlled. The aim of this semi-structured interview is to explore a subject in a more

open manner that it is susceptible for the respondents to give their perceptions and ideations "in their own words" (Esterberg, 2002, p. 87).

Unstructured interview: this is founded on the opposite presumptions of structured interview. In this, the researcher is not fully aware of the questions relevant to the topic however, this gives the investigator the opportunity to conduct questions in any style or wording. This gives greater advantage to the interviewer since he or she will be opened to unanticipated information which can be helpful in developing "categories and hypotheses" during the enquiry (Cargan, 2007; p. 108).

Building Grounded Theory

Building theory is a centric function in organisational study. This is often achieved by researchers through aggregative perceptions of past literature, experience and common sense. Nevertheless, there is numerous discrepancies in distinguishing qualitative data, case study and inductive logic (Eisenhardt, 1989, p. 532).

There is poor perception surrounding the practise of building theory with cases particularly in the "central inductive process" (Eisenhardt, 1989, p. 532). Building theory hinges on progressive assessment of theory and data starting with the collection of data (Eisenhardt, 1989, p. 533).

The case study is a strategy of researching by focusing on comprehending the "dynamics" occurring in a singular setting. This study entails combination of methods like interviews, observations, archives, and questionnaires. The data could be quantitative or qualitative or both (Eisenhardt, 1989, p. 534). Eisenhardt and Bourgeois (1988) mixed quantitative facts from qualitatively based questionnaires through observations and interviews (Eisenhardt, 1989, p. 535).

Defining the research question from onset is crucial in developing theory through case studies inasmuch that no construct is indispensable in the emerging theory regardless of how well measured it is and the guideline in describing the theory is same for hypothesis validated research. Therefore, it is advisable for researchers to build

research problems and concentrate on the centric constructs by adequate consultation of the literature. As Mintzberg, (1979) illustrates that, "No matter how small our sample or what our interest, we have always tried to go into organizations with a well-defined focus-to collect specific kinds of data systematically" (p. 585). However, the researchers should strive to neglect the particular correlation between constructs and theories usually from the outset (Eisenhardt, 1989, p. 536).

Appropriate non randomised selection of population regulates irrelevance deviations and aid in giving boundary of generalising the outcomes (Eisenhardt, 1989, p. 537). The purpose of "theoretical sampling" is to select cases that can literally repeat or expand the developing theory and the role of the sampling is to provide correct statistical data on the distributed constructs in the population (Eisenhardt, 1989, p. 537). Incorporation of pluralised cases within a particular classification enables findings to be repeated in categories. This is observed in the different sampling adopted by Gersick (1988) so as to improve the generalisability of the group development model. Eishenhardt and Bourgeois, (1988), equally followed similar pattern of theoretical sampling in study of "the politics of strategic" decision-making. The study is about building a theory that connects the "centralisation of power" to the politicking in the "top management" groups which was established and expanded to accommodate the influence of altering team structure by inclusion of two cases within which the decision-making teams altered till the initial six. This strategy enabled inculcation of "dynamic effects2 of altering team's structure in the original research framework (Eisenhardt, 1989, p. 537).

Theory developing investigators aggregate pluralistic data collation strategies in order to form a triangulated method which is made stronger by "substantiation" of variables and hypotheses (Eisenhardt, 1989, p. 537 – 537). In some cases, case study is very much interchanged with qualitative method (see, Yin, 1981). Combination of both quantitative and qualitative can result to a quality synergetic method (Eisenhardt, 1989, p. 538). As defined by Mintzberg (1979, p. 587), "For while systematic data create the foundation for our theories, it is the anecdotal data that enable us to do the building. Theory building seems to require rich description, the richness that

comes from anecdote. We uncover all kinds of relationships in our hard data, but it is only through the use of this soft data that we are able to explain them".

Field Work

Building theory from case studies is a case of steady "overlap of data" assessment with data collation (Eisenhardt, 1989, p. 539). Entering into the field calls for notes to document whatsoever impresses that occurs – that is to respond rather than selecting what seems relevant since it is hard to ascertain what could be relevant or not in the future (Eisenhardt, 1989, p. 539). Secondly, in order to make successful field notes, it is imperative to thrust thinking in the notes by posing questions like "what am I learning?" and How does this case vary from the previous one?" Team meeting is another insightful gaining of vital information from the members (Eisenhardt, 1989, p.539). Overlapping in data assessment and collection of data provides the researcher with ahead of time advantage in analysing data and importantly gives flexibility in data collection (Eisenhardt, 1989, p. 539). This gives freedom to make adjustment during the theory-building (Eisenhardt, 1989, p. 539). For example, Gersick (1988) incorporated numerous cases to the original bunch of student teams so as to perceive, transition point behavioural tendencies within project teams, very closely (Eisenhardt , 1989, p. 539).

Same adjustment is applicable to the questions in a questionnaire. This adjustments enable the investigator to grab the presented advantage of special opportunities of discovery making (Eisenhardt, 1989, p. 539).

Many prescriptions on how to conduct research shy away from giving detailed understanding of how to analyse data. Analysis of data is the centric part of developing theory from case studies though it is the toughest part of the process (Eisenhardt, 1989, p. 540). Therefore, the correct cross-case analysis is counteracting these predispositions by viewing the data in differing ways. One way of going about this is by chosen dimensions and seek out for within-group resemblances and intergroup dissimilarities (Eisenhardt, 1989, p. 540). This dimension can be selected through adequate literature investigation or the researcher could formulate some.

The third strategy is to split the data according to the sources. For instances, in a team of researchers, one researcher could be responsible for observational data whereas another assesses interviews and yet another operationalises on the questionnaire data. By applying this strategy, unique insights spring from the differing sources of information thus making finding stronger and greatly grounded. This forces researchers go break the original framework of thinking to encompassing newly found novel insightful significant findings which allows fit of theory with data in order to arrive at stronger theory.

Shaping Hypothesis

The association among variables of interest commence to emerge from the analysis within-site and different cross-site impressions. The following step iterative step will be systematic comparison of the developing frame along with the insightful evidences from each singular case so as to review fittingly it matches with the case data (Eisenhardt, 1989, p. 541).

Shaping hypotheses necessitates sharpening of variables. This process comprises of:

1: purifying the definition of the variable and (2) evolving evidence that estimates the variable in each case. This is achieved by continuous comparison of data and variables in order to garner evidences from differing sources and later converge it on a specifically well-defined variable (Eisenhardt, 1989, p. 541).

The second step toward shaping hypotheses is inspecting the presented relationships between variables match it with the occurring evidence in a singular case. Sometimes, it is possible to endorse a relation by the evidence presented in the case (Eisenhardt, 1989, p. 542).

In logic of replication, ratification of developing associations improves confidence in the legitimacy of the relationship in the case and however, cases that are not incongruent with the relationships, oftentimes, produce the prospect of refining and extending the theory (Eisenhardt, 1989, p. 542).

The qualitative evidence is specifically crucial for comprehending why or why not evolving relationships exist; however, it is vital to surface the fundamental reasons for the existence of the relationships. This is strongly imperative in the accomplishment of internal validity of the results (Eisenhardt, 1989, p. 542).

Generally, the formative of hypotheses in the building of theory encompasses approximating variables and examining the relationships (Eisenhardt, 1989, p. 543); therefore, the researcher is to weigh the consistency and strength of the relationships inside and across cases and comprehensively establish the evidence and steps used to accomplish the result (Eisenhardt, 1989, p. 544).

Enfolding Literature

A very important aspect of building theory is the comparing and contradicting of the evolving concepts, hypotheses, theory with the already existing literature in order to surface similarities and dissimilarities and why the discrepancies if any. This is attained by proper consideration of wide reaching literature. Reviewing emerging theory for contradicting facts is important for a researcher: (1) in case where researcher ignores the surfaced-contradicting evidence, then, confidence on the findings can be lowered and (2) most relevantly, contradicting literature presents an opportunity for new discoveries. The juxtaposition of the contradicting discoveries, pushes researcher to increasingly become creative which eventually yields deeper insightful finding that could lead to frame breaking thinking mode and then, offers limits to generalisation of the study (Eisenhardt, 1989, p, 544).

Generally, joining the developing theory to the extant literature advances the generalizability of the internal validity. Linking findings to the literature is vital in many research cases but most importantly in building theory due to the fact that the results often hinges on highly limited "number of cases" (Eisenhardt , 1989, p. 545).

Reaching Closure

A researcher is to stop accumulation of cases once "theoretical saturation" is attained. However, ideally, there exists no number of cases. A number of cases ranging from 4 and 10 cases often performs well. With lower than 4 cases, it will be hard to produce theory with ample complication and the grounding of the empirical discoveries is probably going to be unconvincing – unless the case envelops numerous small cases (Eisenhardt, 1989, p. 545).

Discussion

Building theory from the premises of case study is an interactive phenomenon of backward and forward. For example, a researcher can go from "cross-case comparison" back to research question redefinition and enter field to acquire additional evidence. "Also, the process is alive with tension between divergence into new ways of understanding the data and convergence onto a single theoretical framework" (Eisenhardt, 1989, p. 545).

One of the strengths of building theory research is that it is likely to produce novel theory (Eisenhardt, 1989, p. 546). The second strength of theory building is it is likely testable with variables that can be estimated and hypotheses that can be verified to be false. Measurable variables are possible due to the fact that they have undergone measurement in the process of building the theory (Eisenhardt, 1989, p. 547). Thirdly, another aspect of the strength of developing theory is that the resulting theory will probably be empirically validated (Eisenhardt, 1989, p. 546).

Weakness of Theory Buidling

1: the thorough usage of the empirical outcome can produce theory that is too complicated. "A hallmark of good is parsimony" though due to huge voluminous amount of data, there is a weakness of attempt to build theory that captures everything – resulting in a theory that lacks the easiness of the whole perspective but hugely enriched in detail (Eisenhardt, 1989, p. 547).

2: Building theory from cases could consequent in idiosyncratic shallow and thin theory (Eisenhardt, 1989, p. 547).

Applicability

Building theory entails absolute reliance on empirical observations, previous literature and the theorist insights toward developing increasingly powerful theory (Eisenhardt, 1989, p. 548).

Evaluation

Therefore, a robust theory building research produces good theory which springs at the end of the study rather than in the beginning (Eisenhardt, 1989, p. 548). The examination of theory-building study relies on empirical concerns like the thoroughness of the method and the data "grounding the theory". Robust theory-building should yield unique insights. Thus, a strong theory-building study yields good theory (that is, parsimonious, testable, and logically coherent theory) which emerges at the end, not beginning, of the study. A theory-building that research simply reproduces previous theory, made modest contribution since 2replication is correct in "theory-testing research however, the goal of theory-building is for novel theory. Nevertheless, the strengths of theory-building and "its independence" of previous literature or empirical observation particularly makes it fit for new research (Eisenhardt, 1989, p. 548).

The case study is a strategy of researching by focusing on comprehending the "dynamics" occurring in a singular setting. This study entails combination of methods like interviews, observations, archives and questionnaires. The data could be quantitative or qualitative or both (Eisenhardt, 1989, p. 534). This is exemplified in Eisenhardt and Bourgeois (1988) mixture of quantitative facts from qualitatively based questionnaires through observations and interviews (Eisenhardt, 1989, p. 535).

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There is poor perception surrounding the practise of building theory with cases particularly in the "central inductive process" and the function of body literature (Eisenhardt, 1989, p. 532). Building theory hinges on progressive assessment of theory and

data starting with the collection of data (Eisenhardt, 1989, p. 533). For establishing theory, one needs to breed conceptual stratification or their compelling features from facts; and the facts from which the category sprang is utilised to illuminate the concept (Glasser and Straus, 1960, p. 23).

Defining the research question from onset is crucial in developing theory through case studies inasmuch that no construct is indispensable in the emerging theory regardless of how well measured it is and the guideline in describing the theory is same for hypothesis validated research (p. 536). Therefore, it is advisable for researchers to build research problems and concentrate on the centric constructs by adequate consultation of the literature. As Mintzberg (1979) illustrates that, "No matter how small our sample or what our interest, we have always tried to go into organizations with a well-defined focus-to collect specific kinds of data systematically" (p. 585). However, the researchers should strive to neglect the particular correlation between constructs and theories usually from the outset (Eisenhardt, 1989, p. 536).

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Positivism

In early nineteenth century, Auguste Comte invented the theory of positivism. The fundamental intent was to generate science oriented society founded on natural science methodology like observation (Ashley *et al.,* 1996). Comte's positivism aimed to create a social science methodology that is supported on evidences rather than suppositions (Ashley *et al.,* 1996).

Positivism is inherently unconcerned with the driving psychological force of the prac-
tioners but with the logic of science (Keat, 2013). Positivism thrives to justify the dis-
covery and the context. Hence, little attention is allocated to the theoretical develop-
ment however, it concentrates on the examination aspect – which is the most im-
portant (Keat, 2013). In effort to create a universal law of science, Comte employed
the assembling of data in order to test theories. Comte established four operational
means. The first is social science occurrences and observation – which is ascribed
as 'social facts'. In this phenomenon, observation is demarcated from biased moral
judgement and it focuses on the dynamic and fixed aspect of social forces (Turner,
2001). The second approach is the examination of social facts. Employing this strat-
egy, the pioneer contemplated that sociologists can comprehend the holistic societal
activities by viewing the social disorder and making a comparative analysis with sta-
ble society. The third approach is simply comparison –like known in biology as com-
paratist anatomy. Following this approach, the identification and pinpointing of simi-
larities across society which assists in unveiling the primary knowledge of the collec-
tive human society. Finally, the forth strategy deals with historical investigation.
Herein, a society can be examine, the dynamic occurrences can be measured, docu-
mented and funnel into the guiding laws of the human society.

Positivism reduces the world to empirical-facts – which are quantified to hint universal
statements regarding the nature of the world. Therefore, within this field, things that
are unobservable are considered unreal (O' Mahoney and Vincent, 2014). Positivism
deals with the relationship of factors but unable to explicate the reasons for the corre-
lation (O' Mahoney and Vincent, 2014). Positivism also strives to uncork the truth
(Bougie and Sekaran, 2013).

Durkheim puts forward that social realities are things and thus, should be demar-
cated from the individuals. Durkheim further contemplates that social realities or facts
are meant to be objectively examined just like the examination of physical data
(Hughes and Sharrock 1997). Another kind of philosophical positivism thought is that
of logical positivism – which was invented in 1920, in Vienna Circle. The force be-

neath this, is that only significant statements are worthy of receiving logical or scientific contemplation. Nevertheless, meaningful statements could be stringently ascribed to only statements which are analytical or synthetic (Caldwell, 1980, p. 55).

To a great degree, positivism is very helpful in generalising theory upon examinination of the findings in differing population (Jonson and Onwuegbuzie, 2004). It is great in gathering data that allows estimation quantitatively (Jonson and Onwuegbuzie, 2004). Considering positivism geralisation abilities, a huge number of people can be examined at little time – meaning that it saves time (Cohen *et al.,* 2007).

Positivism is unfit for comprehending complex and volatile nature of the social-behavioural displays (Rodwell, 1987). Scholars deliberate that the idea of application of scientific structure can lead to the undervaluing of research as important tool in reaching appreciations of the intricacies of the social world. As such, the scientific means of which positivism employs is incomplete so long as learning about people, their experiences and lives; and how they shape and aspire to modify it – are into consideration (Antonoses *et al.,* 2006).

Also, human behaviour could be complex with differing significance or meanings however, quantitative strategy encourages the susceptibility that complexly displayed behaviours could be perceived as simple behaviour – just like to say that any behaviour has the same meaning or significance regardless of the context (Sayer, 1992). "Excessive confidence in its claims to objectivity and empiricism do not stand up to scrutiny when used in both the social and natural sciences, and thus it cannot be truly considered to work" (Houghton, 2011). Explicitly, positivism cannot be able to configure the explication of individual distinguished ability by comprehending their experiences and presenting them for others to view (Cohen *et al.,* 2007). Positivism is inherently oriented with generalisation characteristics, therefore, it is daunting to apply it directly to a specific limited scenario considering that the yielded knowledge might be more abstract in nature (Jonson and Onwuegbuzie, 2004). Some scholars argue that positivists trust that everything can be measured, and calculated, henceforth, perceiving everything as they are and tend to ignore the incomprehensible-mystery of the process (Johnson, 2014).

Critical Realism

Bhaskar (1978, 1989, and 1998) was among infamous scholars of critical realism. Following Bhaskar, "we will only be able to understand-and so change-the social world if we identity the structures at work that generate those events and discourses… These structures are not spontaneously apparent in the observable pattern of events; they can only be identified through the practical and theoretical work of the social sciences" (1989). This paradigm contends the world as a distinct ontological layer. Its core role causation and it endeavours to capture the causative structure of a social phenomenon in such a manner that it sharply differs from the traditional positivists' outlook for the causal-generalities (Layder, 1993).

Bhaskar (1978, 1989, and 1998) further outlined three domains as: the actual, the real and the empirical. The actual domain entails scenarios and the corresponding behaviour – while focusing on the pattern of the event's occurrences. The real domain comprises of the primary structure, behaviours, scenarios, the relations and the experiences. While the empirical domain deals with what the experience is like, and thus envelops the experiential situations.

Critical realism scholars contend that the relationship between variables could not occur through the reductive lens of positivists considering that the social community is not laboratory that happens in closed or control mechanism, instead, it is susceptible to differing-complex impacts that are often unpredictable (O' Mahoney and Vincent, 2014).

Critical realism concentrates on the promulgated mechanism. The critical realist inclines towards dealing with two interweaved scenarios: first, it is the explication of the empirical outcome and secondly, is a processual investigation that theorises the mechanism that established the event (O' Mahoney and Vincent, 2014), hence, yielding wider sense of the complex set-up beneath the scenario. Critical realists embrace open social world (O' Mahoney and Vincent, 2014).

Critical realism ignores giving the methodological approach applicable in events so as to reach at successful empirical finds however, it is more inclined in creating the

particular causal correlations and sense-making of the link between the relations (O' Mahoney and Vincent, 2014).

Advantages of Qualitative Research Method

Chambers *et al.,* (1997, p. 46) defined the below nine advantages of qualitative research method:

1: It provides space for deep analysis of the research problem – hence, excavating the intricacies of the research issue.

2: It is employable in research or cases with extremely sensitive scenarios in order to find the validity within the appraised dynamism of the case study.

3: Qualitative research methodology can be used for the assembling of interpersonal-interaction over a long longitudinal time.

4: The flexibility of qualitative research assists researchers to fine-tune accordingly with the time, pace and venue of the interviewing site with the interviewee.

5: Considering that qualitative method is unstructured in nature, therefore, it can be employed in varying kinds of research.

6: The qualitative methodology is independent of the organised date since it can offer the researcher room and time for data collection.

7: It is susceptible to for simultaneous observation by the interested parties – thereby, giving them room to study the same time but with differing perspective or conceptualisation of the outcome.

7: Oftentimes, it is very relatively affordable to operationalise.

8: It is effective in untying the nuances present in behavioural attributes and best for phenomenological study based on longitudinal viewpoint.

9: It permits examiner to be subjective while the study is ongoing with the interviewee.

6: It has ability of being independent in regards to data gathering since it is good enough to assist in adequate gathering of data or can be utilised at different stages of research thereby giving the researcher a lot of space for data collection.

7: It permits for simultaneous "observation" by the entities interested with the research input where it is accordingly applicable. Meaning, many researchers can be doing the study at the same time but with differing perspectives as to what the actual occurrence is.

Disadvantages of Qualitative Research Method

1: With the application of the empirical result into theory building could yield complicated theory (Eisenhardt, 1989, p. 547).

2: It relies on the subjective examination of the data during the perod of data collection.

3: It is in alignment with the constrained extrapolation of the wide population

4: It adopts very little sample of units than the counterpart – quantitative methodology

5: Most times, it reflects misleadingly simple to form or implement.

6: It is not widely accepted as the perfect methodology since it lacks

1: The thorough usage of the empirical outcome can produce theory that is too complicated. "A hallmark of good is parsimony" though due to huge voluminous amount of data, there is a weakness of attempt to build theory that captures everything – resulting in a theory that lacks the easiness of the whole perspective but hugely enriched in detail (Eisenhardt, 1989, p. 547).

2: Building theory from cases could consequent in idiosyncratic shallow and thin theory (Eisenhardt, 1989, p. 547).

3: Structured interviews possess the disposition of being applied in cases whereby the investigator is forehand aware of the expected ending during the interviewing, with the understanding that the structure of the question is adequate enough to yield the anticipated ends. This is advantageous since it is easy to be conducted, easy to

be scrutinised and reasonably cost-effective. Nevertheless, it has limitations of ac-quiring broader insights since the drawn information which is posed as the rationale for answers, hence, respondents could offer opinions that are slightly incorrect due to "fixed alternative answers" (Cargan, 2007,p. 108).

4: It depends basically on "subjective" analysis during the period of data collation pro-cess (Chamber *et al.,* 1997, p. 46).

5: It agrees to limited "extrapolation" to the whole population (Chamber *et al.,* 1997, p. 46).

6: It uses very minute sample unites than quantitative strategies (Chamber *et al.,* 1997, p. 46).

7: Oftentimes looks misleadingly simple to form, implement, assess and document (Chamber *et al.,* 1997, p. 46).

8: It can be misapplied, misconstrued considering the relatively "naturalness" of the technique (Chamber *et al.,* 1997, p. 46).

9: Very expensive if on per capital level (Chamber *et al.,* 1997, p. 46).

10: It is relatively limited to standard theoretical and operative guidelines which hin-der the "respectability" of the method (Chamber *et al.,* 1997, p. 46).

11: It is not yet commonly known or appreciated as a robust standard research meth-odology by the broader "scientific community" (Chamber *et al.,* 1997, p. 46).

12: It allows for generalisation of findings.

2. Data Analysis

The research data analysis employed five phase in order to reach to conclusive findings. The first phase commences with data screening in order to detect the missing data and influential outliers. While, the second phase emphasis on the confirmatory factor analysis. The third phase describes the outcome of the confirmatory factor analysis and model respecification. The fourth phase presents the sample characteristics and the correlational outcome among the variables. The final part presents the result of the structural equation model - which addressed the research queries and questions.

Data Screening and Descriptive Analysis

Data must be meticulously screened for varying features (Hair et al., 2010). Within this research, the investigator started out by examining the missing data by using the time differences that it took the respondents to complete the questionnaire. Examiner checked the highest time and use it to select data. Respondents that spent longer time completing the file was selected through SPSS mechanism. Further, the researcher assessed the data for missing data, normality, homoscedasticity, linearity, multivariate and multicollinearity (Kline, 2001). These were conducted using SPSS.

Outliers or influential data can be described as data values that are oftentimes at extreme on either the independent (x-variable) or dependent (y-variable) or both. The occurance of this outlier is due to error in: data entry, observation, self-report data of extreme values and possible discrepancies in the instruments used. However, outliers influence the standard deviation, the mean, and the correlation coefficients' values, therefore, the outliers-values are supposedly to be deleted while sometimes there will be absolute need to include additional data in order to complete the gap (Schumacker and Lomax, 2010 p. 27).

Also, AMOS can be applied in estimating the multivariate analysis and SEM places special concerns on multivariate outliers. Thus, for the purpose of this analysis, univariate outliers were not considered in this research since SEM goes with multivariate outliers. This multivariate outlier can be estimated by Mahalanobis Distance (D2) –

which is the extent of the gap in the multidimensional space from the mean centre of the multidimensional centrality (Hair et al., 2010). Further, the outcome of the fit indices were accurate. Therefore, there was no misrepresentation of the study model and their variability within the sample.

Structural Equation Modelling

Overview

Structural equation modelling entails the evaluation of the relationships between constructs. It is notably applied in social sciences. Therein, there are two approaches for the assessment of the structural models. The covariance-base means – which is denoted as linear structural correlations (LISREL) – basically due to its conforming software application and the other is variance-based means – the partial least squares (PLS), (Mooi, and Sarstedt, 2011, p. 221).

A path model comprises two types of constructs (1) Exogenous constructs (x) – that which do not rely on the other constructs and the (2) Endogenous constructs (n) – which relies on one or more exogenous constructs. The link between the constructs (g) are referred to as inner relations whereas the correlation between the constructs and their given items (I) are referred to as outer relations (Mooi, and Sarstedt, 2011, p. 221).
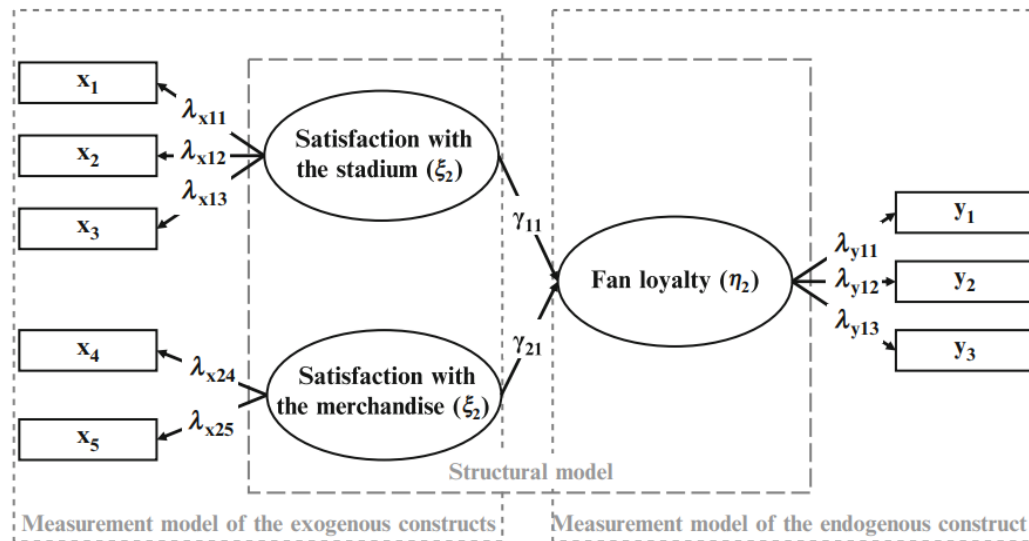
Figure 2: Path Model
(Source: Mooi, and Sarstedt, 2011, p. 222)

A model is a statistical outline, explicated through equations or diagrams regarding the structured hypothesised correlations among variables grounded on theory and research (Hoyle, 1995). Latent variables are considered as the unobserved variables whose indicators or facets are measured and known. Any measured and latent variable is either exogenous (independent) or endogenous (dependent) since they rely on respective latent variables.

Following a standardised test-theoritic view, variance of each observed measure entails true score and error. Reliable measures contain less error and accepted as better measure of the fundamental construct. This presumption is mirrored in SEM especially during the error variance modelling for dependent variables. The presumption is that dependent variables contain some variance that are inexplicable by the latent variables – therefore, error variables are meant to be modelled too. The latent variable denotes the fundamental attribute linked with a truer score while error variance presents the erraticism undue, due to the true score (Weston, and Gore Jr., 2006, p. 728).

Assumptions of Structural Equation Models

There are few assumptions taken into consideration while embarking on the usage of the SEM. The below are few assumptions to take into account:

(1) Univariate and Multivariate Normality. Multivariate normality can be a key presumption for conducting SEM analysis especially in AMOS consideration (Byrne, 2013). Univariate normality can be achieved by examining skewness and kurtosis value. However, it is significantly advisable to devote attention on kurtosis in SEM analysis because it influences the outcomes of variance and covariance (Kline, 2011; Byrne, 2013). An item could be said to be kurtoic if it possess a value equal to 7 (West et al., 1995). A review of the kurtosis in this present work revealed no item being in this category.

(2) Non-Multicollinearity. This points to a relationship in which the measured variables are very highly correlated (this can be calculated by screening bivariate relationship. In situations whereby two observed variables are sharply related, a solution is to erase the redundant variables (Weston, and Gore Jr., 2006, p. 735). Bivariate correlation greater than $r = 0.85$ can signify potential issues (Kline, 2005).

(3) No outliers: Respondents' scores demonstrate a univariate outlier when they are extreme on only a variable. In case of having extreme or unusual scores, then, multivariate outliers ensued. Univariate outliers can be transformed or altered to the next most extreme score but contingent on the normality of the data (Weston, and Gore Jr., 2006, p. 735).

(4) Normality: Most statistics employed in SEM presume that the multivariate distribution is meant to be normally or evenly distributed. A violating attempt to this supposition could be problematic considering that non-normality will greatly impact the exactness of the statistical analysis (Weston, and Gore Jr., 2006, p. 735). In order to estimate if the univariate normality exists, the investigator will need to check the distribution of each of the observed variable for skewness or kurtosis. Skewness stands as the extent to which the distribution of a variable is asymmetrical. Positive skew denotes a distribution wherein many scores are at the lower end of the scale. For skewness index, absolute values higher than 3.0 are extreme (Chou & Bentler, 1995).

Whereas, positive kurtosis refers to very peaked distribution. While negative kurtosis presents itself when the distribution is very flat. Absolute values greater than 10.0 for the kurtosis index reflects a problem and of greater than 20.0, are very extreme (Kline, 2005; Weston, and Gore Jr., 2006, p. 735).

Multicollinearity presents itself if there are two or more variables that are much correlated, hinting that they denote the same primary construct (Hair et al., 2010). In this work, the multicollinearity issue was addressed by investigating the relationships between latent constructs through the lens of varian inflation factor (VIF). Accordingly, 0.90 or higher correlation between two constructs could signify the existence of multicollinearity (Tabachnick and Fidell, 2007).

Steps in SEM

Scholars concur on five steps imperative for model testing. These are: (1) model specification, (2) model identification, (3) model estimation, (4) model evaluation and (5) model re-specification or modification (Hoyle, 1995; Kline, 2005; Schumacker and Lomax, 2004).

The **first step**, model specification, ensues when an examiner stipulates and separates the hypothesised relationships that are in existence or not among the latent and observed variables. This separation is vital since any unspecified linkages among variables are taken to be equal to zero (Weston, and Gore Jr., 2006, p. 729). There are about three kinds of parameters namely: directional effects, variances and co-variances. Directional effects explicates the link between indicators (denoted as factor loadings) and latent variables and the correlation between latent variables and other additional latent variables referred to as path coefficients (Weston, and Gore Jr., 2006, p. 730).

Examiners can model the error linked with observable dependent and latent variables in twofold. First option is by measuring the variance of each of the error terms and putting the loading of error terms on the reliant variables to 1.0. While the second is by standardising the error term and measuring the parameters that demonstrate factor loading. Upon setting the path loading for an independent latent variable to

1.0, the variance of the independent latent variable is measured. Covariance are non-directional correlations among exogenous variables (Weston, and Gore Jr., 2006, p. 731).

Step two – model indentification, the objective of SEM is to figure out the most parsimonious output of the interplay among variables that properly demonstrate the observed associations in the given data (Weston, and Gore Jr., 2006, p. 732). Primarily, the investigator is analysing the hypothesis that variable a links weakly with variables c and d – and the link is insubstantially different from zero. While a second set of hypothesis assess the relationships among variable b, c, and d; and are substantially different from zero. However, if the model fails to captivate the relationships between variable b and d, then it is likelier that of the case of mis-specifications (Weston, and Gore Jr., 2006, p. 732).

In **step three**, estimation, involves determining the value of the unknown parameters and the error associated with the estimated value. As in regression, researchers include both unstandardized and standardized parameter values, and coefficients, as output (Weston, and Gore Jr., 2006, p. 737).

There exists varying programmes for: model testing, multiple groups' comparison, evaluation of parameter, categorical indicator and specific fit indices output like LISREL (Linear Structured Relationships (Jöreskog and Sörbom, 1996), PROC CALIS (Covariance Analysis and Linear Structural Equations; Hartmann, 1992), EQS (Equations; Bentler, 1995), SAS (SAS Institute, 2000), AMOS (Analysis of Moment Structures; Arbuckle, 2003), and Mplus (Muthén & Muthén, 1998-2004).

There are different estimation procedures like ML, least squares (LS), generalised LS, unweighted LS, and Asymptotic Distribution Free (ADF) (Weston, and Gore Jr., 2006, p. 738). ML and generalised LS methods presume multivariate normality while LS and ADF do not. LS evaluation does not provide accurate inference to the sample population however, ADF does when the sample is large enough. Researchers tend to apply ML when data are reasonably moderate (Weston, and Gore Jr., 2006, p. 738).

In **step four**, model evaluation, confirmatory factor analysis is used to assess the measurement model prior to calculating the full structural (Weston, and Gore Jr., 2006).

Confirmatory Factor Analysis

Confirmatory factor analysis is one of the main statistical means of investigating the links between latent and observed variables – henceforth, it relies on the strength of the regression paths from the observed variable to the latent factors. By the application of this statistical tool, the investigator examines the covariance and variance of a set of observed variables so as to garner insights on the latent factors.

Confirmatory factor analysis provides the primary-structure for testing hypothesised model within a set of variables (Mooi, and Sarstedt, 2011, p. 218). This allows examiner towards gathering the underlying insights of the item's capacity in rgards to its tendency to measure a particular construct. In other words, it is called construct validity in which the examiner checks whether a measure relates with another defined scale of the same construct (convergent validity), or if a construct is indeed distinctively differ from others in the model (discriminant validity). It is also used in estimating each construct's reliability (Mooi, and Sarstedt, 2011, p. 220).

Cronbach (1951) proposed estimating the average of all split-half coefficients emanating from varying means of splitting the sample item scales. The Cronbach's Alpha coefficient ranges from 0 to 1, and scholars widely concurred that the lower limit for the coefficient is 0.7. However, 0.60 is acceptable in exploratory research, and 0.8 or higher are deemed satisfactory for advanced stages-research (Mooi, and Sarstedt, 2011, p. 220).

A researcher employs confirmatory factor analysis in situations whereby the investigator is familiarised of the knowledgeability of the latent variable model - which could be gathered from theory and empirical findings – that would aid the researcher in putting together the hypothetical structure by projecting relational links between the observed measured variables. With confirmatory factor analysis, the investigator would be able to test the hypothesised theoretic model, then collects data and

examines the fitness of the model with the data (Schumacker and Lomax, 2012, p. 164).

Considering the above lines, this research adopted confirmatory factor analysis in order to figure out insightful inferences between observed variables and the corresponding latent factors that made up the hypothesised structural equation model. As a result, the confirmatory factor analysis was applied in this research in order to test the fitness of the overall measurement model.

The overall quality of a CFA can be assessed by looking at the goodness of fit indices of the overall measurement model (Schumacker and Lomax, 2010). The essence of fit is to hint that a model can be able to reproduce the data. A fitting model is typical when it is greatly in consistence with the measured data and it is needless of modification. It is advisable to attain a well-fitting model in structural equation modelling prior to the interpretation of the causal paths of the model (Schumacker and Lomax, 2010; Byrne, 2013). Hence, in low-fitting model, the researcher is advised to re-specify the model so as to achieve a well-fitting model in order to reflect greater practical relevance (Schumacker and Lomax, 2010; p, 166). Confirmatory factor analysis is employed to test if indicators load on particular latent variables as projected. Afterwards, the examiner checks the factor loadings in order to estimate if any indicator does not load as projected. Example is when indicators load on multiple factors instead on one factor or fails to load significantly on the anticipated factors (Weston, and Gore Jr., 2006, p. 739). Subsequently, the investigator assesses the full structural model by measuring the anticipatory-directional correlations among latent variables. Scholars normally present standardised measures but end up estimating the unstandardized slice of the output. Likewise, the significance of this path coefficient is estimated by analysing the unstandardized output (Weston, and Gore Jr., 2006, p. 740). The objective of model evaluation is to estimate if the correlations among the latent and measured variables in the model significantly reflect the correlations in the date. Statistical scholars are of the opinion that fit should be evaluated in terms of (a) significance and degree of strength of the appraised parameters (b) variance are accountable for the endogenous observed and latent variables (c) the wellness degree of the overall

model fits with the observed data as demonstrated by varying fit indices (Weston, and Gore Jr., 2006, p. 741).

Absolute fit indices directly checks the degree of fitness of a model with the observed data whilst comparing models in the process of assessing the competing hypothesis. Absolute fit indices entails goodness-of-fit-indices (GFI; Jöreskog & Sörbom, 1981), $\chi2$ (Bollen, 1989), and scaled $\chi2$ (Satorra & Bentler, 1994). GFI is like R2 employed in regression to summarise the variance explicated in a dependent variable however, GFI reflects the variance presented in the whole model. It also helps to check model misspecification (Weston, and Gore Jr., 2006, p. 741).

Therefore, a significant $\chi2$ indicates that the model does not fit the sample data. However, a nonsignificant $\chi2$ suggests that a model fits data well. Two limitations are embedded in this, (a) it estimates if the model is an exact fit to the sample data – however, finding perfect fit is rare; (b) large sample sizes rises power, "resulting in significance with small effect sizes" (Henson, 2006).

SRMR: the SRMR (Bentler, 1995) index is grounded on covariance residuals, with lesser values thus suggestive of better fit. It is the absolute mean of all differences that exist between the observed and the model concomitant correlations. A mean of zero suggests no differences between the observed data and the correlations in the model. Therefore, SRMR of 0.00 suggests perfect fit (Weston, and Gore Jr., 2006, p. 743).

With regard to guidelines for fit indices, Tabachnick and Fidell (2007) put-forward that there is consistency in all fit indices outcome and it is the preference of the re-searcher to report more or less of the multiple indices. Guidelines for acceptable fit involved a nonsignificant $\chi2$, CFI greater than .90. RMSEA less than .10 with a maximum upper bound of the 90% CI of .10 (Browne and Cudek, 1993), and SRMR less than .10. (Bentler, 1995). However, recent studies suggest a minimum cut-off of 0.95 for CFI and a maximum cut-off of 0.06 for RMSEA (Weston, and Gore Jr., 2006, p. 743).

The final step (if needed) in the SEM process is model respecification. Considering that estimating a SEM is a complex procedure, researchers often struggle to achieve

appropriate model fit for the first model that was specified (Hooper *et al.,* 2008). In instances of unfitting data, the researcher can re-specify the model in order to achieve better model fit (Schumacker and Lomax, 2010; p. 173). In support, Hair *et al.,* (2010) and Hooper et al. (2008: p. 56) equally recommend to remodify a model until the data fits. In this research, the above recommendations were taken into consideration in step-wise manner.

(1) Examination of Factor Loading. A factor loading defines the relational power of observed variables with the corresponding latent variables (Byrne, 2013). The below table indicates outcome of the standardized factor loadings of the employed-observed variable. Measurement items structured to capture a particular factor should score high factor loading on that particular factor but low on other factors. It is acclaimed that factor loading should be greater than 0.5 (Hair *et al.,* 2010).

(2) Examination of the Residual Matrix. Residual matrix is a means of improving fit. The essence of this is to capture the inklings pertaining the original-unaccounted variance and covariance of the model. The residual matrix captivates the difference between the corresponding model (reproduced) covariance matrix ∑ and observed covariance matrix S. Weighty residuals oftentimes yield low model fitting. Researchers concur that residual values greater than 2.58 indicates improper accountability of a variable's relationship (Schumacker and Lomax, 2010; p. 205; Jöreskog and Sörbom, 1993). Following the above, in this study, all residual are not affecting model since all of the residuals were lesser than 2.58 as recommended.

(3) Examing Modification Indices. In cases whereby the fit of the implied or initial or original model does not reflect significance, then, the researcher is advised to modify the model and re-examine the remodified model. This can be achieved by specification search – which is the process of altering the originally specified model until a fitting model is achieved. Investigator can realise good fit by releasing parameters with larger modification indices (Schumacker and Lomax, 2010; p. 64).

In this research, the goodness-of-fit value of the model was improved by releasing the paths with higher modification indices and the re-evaluation was conducted.

Overview of the Measurement Model

This study adopted two-fold approach in examining the characteristics of the scale. Henceforth, two separate approaches are demonstrated which are: the measurement model and the structural model.

Assumptions in the context of the measurement model

Construct validity can be denoted as the extent that the measurement scale fits with the latent constructs that were examined (Tabachnick and Fidell, 2007; Hair *et al.,* 2010. In acceptance or decline of the claims of the validity of the constructs, researchers often refer to the convergent and discriminant coefficients (Zhu, 2000, p. 190). Unidimensionality objectifies to establish the degree to which, "a set of items forming an instrument all measure just one thing in common" (Hattie, 1985, p.139).

Convergent validity is described as the evidence that varying statistical methods configured to measure same-characteristics, - demonstrating "all measures the same construct". This occurs when correlations among the varying methods of the same kind are substantially significant. Discriminant validity can be described as the evidence that varying statistical methods developed to measure diverse traits, indeed expedited as said. This occurs when correlation among varying approaches of measuring diverse characteristics, are smaller than the convergent validity coefficient and reliability coefficient (Zhu, 2000, p. 190).

Convergent validity can be examined in diverse approaches like average variance extracted (AVE), factor loadings of the indicators, and the reliability of constructs (Hair *et al.,* 2010 and Tabachnick and Fidell, 2007). Significant factor loading indicates that a factor is substantially denoted by its items (Tabachnick and Fidell, 2007). However, it is generally conceived that factor loading are significant in events whereby it is more than 0.5 (Hair *et al.,* 2010). AVE can be estimated by summing all the squared standardised loading of the items of each factor and dividing by the number of items of the same factor. The below table displays the AVE outcomes and it signifies that the AVE of latent constructs were above 0.5 (Hair *et al.,* 2010).

Further, convergent validity was equally examined through estimation of construct reliability by the measure of the Cronbach's Alpha. The Cronbach's Alpha is in the front of the statistical approaches used for the estimation of the convergent validity (Churchill, 1979). It is generally acclaimed that good-fit reliability is denoted by Cronbach's Alpha of 0.70 or greater.

Table D-1: Reliability and validity of constructs.

Scale/item	Alpha	CR	AVE
ANTECEDENTS OF ETHICAL CLIMATE			
Flexibility (adapted from Heide 1994)	*.91*	*.75*	*.52*
Flexibility in response to requests for changes is a characteristic of our relationship.			
If necessary, we both make adjustments in the ongoing relationship to cope with changing circumstances.			
When some unexpected situation arises, we would rather work out a new deal than hold each other to the original terms.			
Explicit Institutionalisation of Ethics (adapted from Singhapakdi and Vitell, 2007)	*.91*	*.86*	*.76*
There is a top-level person(s) responsible for ethics compliance programs.			
It is compulsory to participate in training programs communicating ethical standards and policies.			
An ethics committee or team deals with ethical issues.			
There are training programs to create an effective ethical culture.			
Implicit Institutionalisation of Ethics (adapted from Singhapakdi and Vitell, 2007)	*.88*	*.89*	*.57*
Top management has established a legacy of integrity for the organization.			
There is a sense of responsibility for maintaining an ethical reputation.			
Top management accepts responsibility for unethical and illegal decision making on the part of employees.			
There is open communication between superiors and subordinates to discuss ethical conflicts and dilemmas.			
It is not allowed to perform certain questionable actions even if these actions help us achieve our organizational objectives.			
Unethical decisions are always punished.			
ETHICAL CLIMATE (adapted from Singhapakdi and Vitell, 2007)	*.91*	*.91*	*.68*
In our relationship, the partner organization has established a legacy of integrity.			
In our relationship, the partner organization, believes that ethical behaviour, not just legal compliance, is paramount to contract performance.			
In our relationship, the partner organization has a sense of responsibility for maintaining an ethical reputation.			
In our relationship, the partner organization accepts responsibility for unethical and illegal decision making.			
In our relationship, the partner organization, openly discusses ethical conflicts and dilemmas with us.			
OUTCOMES OF ETHICAL CLIMATE			
Trust (adapted from Carson et al., 2006)	*.81*	*.70*	*.56*

The parties expected that conflicts would be re solved fairly even if no guidelines were given by our formal agreements			
The parties held mutual expectations that each would be flexible and responsive to requests by the other, even if not obliged by our formal agreements.			
Both parties understood that each would adjust to changing circumstances, even if not bound to change by formal agreements.			
In our relationship... ...our partner is generally trustworthy.			
Opportunism (adapted from Carson et al., 2006)	*.92*	*.91*	*.66*
Our partner sometimes exaggerated the necessity of changes it wanted to the development plan or budget.			
Our partner sometimes altered facts to get what they wanted.			
Our partner would try to renegotiate to its own advantage.			
Our partner exaggerated the costs they actually incurred.			
Cost estimates provided by our partner tended to escalate as the project progressed.			
Our partner would do anything within its means to get a larger share of the gains from our relationship.			
Performance (adapted from Ng, et al., 2012)	*.85*	*.84*	*.64*
The contract is performing very well overall.			
Compared to other contracts of a similar nature, the contract is performing very well.			
The contract leaves nothing to be desired from an overall performance standpoint.			
The contract is performing well that it need an award.			

CFI = 0.948; TLI = 0.940; RMSEA = 0.052; SRMR = 0.106

Discriminant validity is present when the shared correlation between a construct and another, in the model, is lower than the correlation that the construct shares with its own items (Fornell and Bookstein, 1982). In this research, discriminant validity was deduced by the procedure suggested by Fornell and Larcker (1981). In particular, the square root of the AVE for a particular latent construct is compared with the correlations between the construct and the other latent constructs. In cases whereby the square root of the AVE value attributable to a single latent construct is greater than any correlation between any combined constructs and the construct would be greatly correlated with its item than with the rest of the items of the other constructs. From table below, it displays that all constructs on the model diverged significantly from each other, hinting no discriminate validity issue.

Table D-2: Correlations between latent constructs

	1	2	3	4	5	6	7
Flexibility	1.00						
Explicit	0.13	1.00					
Implicit	0.19	0.49	1.00				
Climate	0.54	0.20	0.37	1.00			
Trust	0.49	0.09	0.24	0.73	1.00		
Performance	0.44	0.10	0.31	0.66	0.72	1.00	
Opportunism	-.470	0.03	-.287	-.560	-.704	-.607	1.00
AVE	0.51	0.75	0.57	0.68	0.55	0.64	0.65
Fornell-Larcker	ok	Ok	ok	Ok	Ok	ok	ok

Adopted Scale

Flexibility

Flexibility followed the 5 point likert scale (1 = completely disagree - 5=completely agree) which was produced by Heide (1994), was employed in this research.

Explicit Instutionalisation

7 item scale developed by Singhapakdi and Vitell (2007) was used and reduced to 4 (four) item scale with 5 point likert scale (1 = completely disagree - 5=completely agree).

Implicit Ethical Institutionalisation

Singhapakdi and Vitell (2007) developed a 9 item scale for the operationalisation of ethical institutionalisation. This scale was reduced to 6 (six) in this study in order to fit the needful; and was measured on a 5 point likert scale (1 = completely disagree - 5=completely agree).

Ethical Climate

5 item scale of relational ethical climate used by by Singhapakdi and Vitell (2007) was employed. The scale was applied on a 5 point likert scale (1 = completely disagree - 5=completely agree).

Trust

8 item-scale from Carson *et al.,* (2006)'s scale on trust was adopted and modified to 4 (four) item scale and deployed on a 5 point likert scale (1 = completely disagree - 5=completely agree).

Opportunism

Carson *et al.,* (2006) developed 6 item for measuring opportunism, this items were applied in this present research and was used 5 point likert scale (1 = completely disagree - 5=completely agree).

Performance

Ng, *et al.,* (2012), established 4 items for measuring scale for the measurement of outcome-based performance with 5 point likert scale (1 = completely disagree - 5=completely agree). This linearly was adopted.

3. Structural Equation Model Results

Having applied the five steps process outlined above, this section presents the findings of the conceptual model formulated in Chapter C. The researcher incorporated the leveraging services of structural equation modelling to test and analyse the conceptualised model. Due to suitability reasons, AMOS 21 (Arbuckle, 2006) was utilised in examining the structural model with the concomitant data.

Assessment of overall model fit

With regard to step four of the SEM process (model evaluation), varying criteria were considered. Among these criteria are chi-square, CFI, P value, CFI, RMSEA, IFI, TLI, which were employed for the testing of the overall fit of the hypothesised correlations between the latent constructs and the given data. Of which ultimately, the direction is to know the estimation of the impacts of the exogenous variables on the endogenous ones. The unidimensionality of the measures was accounted for. Also, the employed measuring scales for the latent variables reflected acceptable degrees of psychometric characteristics.

Looking at overall model fit, IFI = 0.948; TLI = 0.940 and CFI = 0.948 – suggest the model fit corresponds with the collected data. The RMSEA was = 0.052 – which hints good fit of the model in correlation with the degree of freedom. All in all, the fit-result reflected fit of the hypothesised structural model with the data.

Results of Hypothesis Testing

The conceptual model shown in figure1 reflects eighteen hypothesis. These hypothesis concentrated on the antecedents, the mediators and the consequences of the ethical orientation on the performance of a contractual project. The outcome of the hypothesised model are discussed in three segments. The first sector discusses the direct impact of ethical institutionalisation, flexibility and opportunism on the endogenous variable – contract performance. The second part emphasised on the impact of

mediating effect of the collective direct impact of both implicit and explicit institutional-isation of ethics, and opportunism on ethical climate and then with trust mediating the directed impact of flexibility, opportunism and ethical climate on performance. Finally, the third dimension explicates the indirect impact of both implicit and explicit institutionalisation of ethics, flexibility and opportunism on the performance of the contractual project. The observed output was examined based on the measured path coefficients β value with critical ratio and p-value. The standardised benchmark of p-value of $\leq$ .05 is employed in order to mark the significance of the path coefficient between antecedent and outcome variables (Byrne, 2013).

Antecedents of Contractual Performance

Following the proposed ethical orientation framework on chapter 3, the research questions used the output from the SEM in order to make practical analysis of the findings.

From hypothesis 1 on this research that flexibility has positive impact on performance of a contractual project. On the contrary, the findings reflect that the standardised estimated path coefficient for the relationship between flexibility and contract performance is negative (β = -.146) with insignificant p value of .187. This is not inconsistent with previous findings in the literature investigating the impact of flexibility on performance. However, performance of a contract sharply differs from the normal performance in the sense that award is provided at the end of commonly agreed phase of a contract. Unlike the normal performance in which the buyer or client burns all the risk of non-performance by awarding significant value from the onset of the project.

Looking at hypothesis 2 which poses a positive relationship between flexibility and trust, the standardised estimated path coefficient for the correlation is low (β = .126) and insignificant with p value of .227. These findings suggest that flexibility has no influence on trust in a contractual performance.

In hypothesis 3, it was stated that trust mediates the relationship between flexibility and performance of a contractual project. The SEM yield stipulates the standardised estimated path coefficient for the indirect impact of trust on link between the flexibility

and contract performance is insignificantly low (β =. 080) with insignificant p value of .177. This does not support the hypothesis.

Following hypothesis 4, oftentimes, opportunism as an antecedent negates the outcome or consequences. From the literature, it is widely discovered that opportunism has adverse influence on performance. Following this well-known knowledge, this research, equally, estimated opportunism to be inversely affecting the performance of a contractual project but with no significant impact. Result from the SEM inkling that the standardised estimated path coefficient for the rapport between opportunism and contract performance is negative (β = -.144) with insignificant p value of .301. This does not support the hypothesis which said that opportunism has significant negative influence on the performance of a contractual project because the finding is not significant.

On hypothesis 5, equally, the literature on opportunism and trust hints negativity. On this particular research, the SEM for the relationship between opportunism and trust is statistically significant with the standardised estimated path coefficient for the link significantly negative (β = -.422) with significant p value of .002. This supports the hypothesis that opportunism has negative effect on trust and it aligns proportionally well with the previous findings from the literature.

Hypothesis 6, states that trust positively mediates the impact of opportunism on contract performance. The SEM result reflects that the standardised estimated path coefficient for the indirect impact of trust on the correlation between the opportunism and contract performance is negatively significantly high (β = -.218) with significant p value of .006. These findings contradict with the postulated hypothesis and hence do not support it.

Likewise on hypothesis 7, the literature on opportunism and ethical climate voices inverse relationship between the both variables. Following the SEM result which reflects the standardised estimated path coefficient for the connection between opportunism and ethical climate to be significantly negative (β = -.533) with negative significant p value of .001. This is in line with the prophesised hypothesis that opportunism has sharp negative influence on ethical climate. This is also inconsistent with the previous findings in the literature.

From hypothesis 8, this research predicted that ethical climate positively mediates the impact of opportunism on contract performance. However, the result of SEM postulates that the standardised estimated path coefficient for the indirect impact of ethical climate on the association between opportunism and contract performance is negatively high (β = -.117) with an insignificant p-value of .066. These outcomes do not support the stated hypothesis. However, it reflected significant meaning of the level of negative influence that opportunism could exude on any endeavour.

The hypothesis 9 suggests that ethical climate has positive impact on the performance of a contractual project. This proclamation aligns perfectly with the previous findings on the literature regarding the relationship between ethical climate of a working environment and the performance. The SEM outcomes clue that the standardised estimated path coefficient for the relation between ethical climate and contract performance is moderate (β = .215) with insignificant p value of .085. This suggests that this hypothesis is partly supported.

From the literature review, it is widely proclaimed that trust has extra leveraging edge in ensuring utmost and outstanding performance. Inconsistence with this literature discovery, this research hypothesis 10, equally assumed trust to be positively correlated with the performance of a contractual project. From the SEM output, it can be said that the findings are in line with the previous findings on the literature. The SEM output hints that the standardised estimated path coefficient for the link between trust and contract performance is high (β = .504) with significant p value of .008. These findings are in support of the hypothesis 10 which forecasts trust to have positive relationship with the contract performance.

On hypothesis 11, trust and ethical climate relatively go hand-in-hand with each other. The previous findings from the literature strongly point that ethical climate has positive impact on building and sustaining trustful working environment and believe in the hiring firm. The SEM outcome, evidences that the standardised estimated path coefficient for the relationship between ethical climate and trust is high (β = .441) with significant p value of .001. This supports the hypothesis that ethical climate is positively related with trust and it is in line with the previous findings on the literature.

Following hypothesis 12, trust as a factor, has a way of improving almost every other thing. From the literature, trust often increases the influence of ethical performance. On this research, it was reasoned that trust indirectly increases the impact of ethical climate on contract performance. From the SEM statistical findings, which showcase that the standardised estimated path coefficient for the indirect impact of trust on the relationship between the ethical climate and contract performance is significantly high (β = .238) with significant p value of .004. This supports the acclaimed hypothesis 12 and it is inconsistent with the previous findings on the literature.

From hypothesis 13, it can be reviewed that implicit institutionalisation of ethics was postulated to be positively connected to the contract performance of a contractual project. From the SEM output, it can be seen that the standardised estimated path coefficient for the link between implicit institutionalisation of ethics and contract per-formance is low (β = .096) with insignificant p value of .357. This does not support the hypothesis which suggests implicit institutionalisation of ethics to be positively linked with the contractual performance of a project.

From the hypothesis 14, ethical climate was positioned to positively mediate the im-pact of implicit institutionalisation of ethics on contract performance. The SEM out-come reflects that, the standardised estimated path coefficient for the indirect impact of ethical climate on the relationship between implicit institutionalisation of ethics and contract performance, is low (β = .034) with insignificant p value of .10117. This hy-pothesis was not supported.

Following the hypothesis 15 that suggested that implicit institutionalisation of ethics has positive impact on ethical climate, the standardised estimated path coefficient for the relationship between implicit institutionalisation of ethics and ethical climate is low (β = .148) with insignificant p value of .145 – which reflects that the hypothesis was not supported.

Following hypothesis 16, it was hypothetically stated that ethical climate positively mediates the impact of explicit institutionalisation of ethics on contract performance. The result of SEM postulates that that the standardised estimated path coefficient for

the indirect impact of ethical climate on the association between explicit institutionali-sation of ethics and contract performance is high (β = .037) with significant p value of .054. This supports the stipulated hypothesis.

The hypothesis 17 of this research projected explicit institutionalisation of ethics to be positively correlated with the performance of a contractual project. From the SEM output, the standardised estimated path coefficient for the association between ex-plicit institutionalisation of ethics and contract performance is negative (β = -.012) with insignificant p value of .767. As a result, this hypothesis was not supported.

Likewise, the hypothesis 18 of this research projected explicit institutionalisation of ethics to be positively correlated with the performance of a contractual project. Incon-sistence with the hypothesis, from the SEM output, the standardised estimated path coefficient for the association between explicit institutionalisation of ethics and con-tract performance is moderate (β = .160) with significant p value of .042. This sug-gests that the hypothesis is supported. Meaning that explicit institutionalisation of eth-ics is a great antecedent in actualising ethical climate of a working environment in a contractual project.

Table D-3 Hypothesis

Effects	Hypothesis	Result	Path-Coefficient
Flexibility -> Performance	H_1	x	-.146
Flexibility -> Trust	H_2	x	.126
Flexibility -> Performance	H_3	x	. 080
Opportunism -> Performance	H_4	x	-.144
Opportunism -> Trust	H_5	✓	-.422**
Opportunism x Trust -> Performance	H_6	x	-.218***
Opportunism -> Ethical climate	H_7	✓	-.533***
Opportunism -> Performance	H_8	x	-.117
Ethical climate -> Performance	H_9	✓	.215
Trust -> Contract performance	H_{10}	✓	.504***
Trust -> Ethical climate	H_{11}	✓	.441***

Ethical climate x Trust -> Performance	H_{12}	✓	$.238^{***}$
Implicit institutionalisation of ethics ->Performance	H_{13}	x	.096
Implicit institutionalisation of ethics x Ethical climate -> Performance	H_{14}	x	.034
Implicit Institutionalisation of ethics -> Ethical climate	H_{15}	x	.148
Explicit institutionalisation of ethics x Ethical climate -> Performance	H_{16}	✓	$.037^{***}$
Explicit institutionalisation of ethics -> Performance	H_{17}	x	-.012
Explicit institutionalisation of ethics -> Contract Performance	H_{18}	✓	$.160^{***}$

Table D-4 Sample Characteristics

	%
Sample 200	100
Buying/Selling side contract:	
The selling side	41.0
The buying side	59.0
Years of Contracting Experience around contracting and negotiations	
< 1 year	.5
1-3 years	6.0
3-5 years	12.0
5-10 years	24.0
10-20 years	34.0
20+ years	23.5
Individual functions/role within business unit	
Contract Management	51.0
Finance	.5
Procurement / Strategic Sourcing	24.0
Sales / Commercial	7.0
Engineer	.5
Legal	8.0

Operations	2.5
IS / IT	.5
HR / Recruitment	.5
Other:	5.5

Contracting industry

Aerospace / Defence	13.0
Business Services & Consulting	6.5
Consumer Products	2.0
General Retail	.5
General Manufacturing	2.5
Banking / Insurances / Financial Services	5.0
Energy	13.0
Pharma	1.0
Healthcare	3.0
Logistics	1.5
Legal	2.0
Software & Information Services	7.0
Telecommunications	5.0
Technology Hardware & Equipment	3.0
Engineering & Construction	13.5
Public Sector & Government	6.5
Others:	15.0

Contracting Qualifications

Yes	59.5
No	40.5

Transaction price / contract value: USD.

< $15,000,	3.5
$15,000 - $30,000	2.5
$30,000 - $60,000	1.0
$60,000 - $120,000	6.5

$120,000 and $240,000	3.0
$240, 00 and $500,000	7.5
$500,000 and $1,000,000	6.5
$1,000,000 and $5,000,000	19.0
$5,000,000 and $10,000,000	10.0
> $10,000,000 < $100,000,000	17.0
$100,000,000 >	23.5

E. Discussion

In order to effectively discuss the research questions instilled in Chapter 1, a framework model and set of hypotheses were established in Chapter 3. The SEM output will be discussed here following the standard rule of the estimated path coefficient β higher than or equivalent to 1.96, and p value of ≤ .05, – which were used to assess the significance of the path coefficients' findings (Byrne, 2013).

Ethical climate mediates the Impact of Implicit and Explicit institutionalisation of ethics on Contract performance

The business environment has witnessed evolutionary-institutionalisation of ethics, therein, the leaders are the champions of the enactment of ethics by means of codes, and accountability-compliance-base (Foote and Ruona, 2008, p. 292). Nevertheless, there still lingers famous cases like those of Enron, Tyco and etc. Cases of this nature motivate the corporate world in redirecting focus towards establishment of institutionalisation of ethics that can reinforce ethical climate (Singhapakdi and Vitell 2007; p. 77). The institutionalisation of ethics has its inspiration from institutionalisation theory that describes the organisation as a product of societal interaction (Scott, 1995).

Organisations that are willing to exercise the added advantage of ethical orientation will first need to practically described institutionalisation of ethics because a problem known is half solved. Singhapakdi and Vitell (2007), defined institutionalization of ethics as the extent that a firm explicitly and implicitly incorporate ethics into the decision-making act. Implicitly institutionalisation of ethics can be delineated as ethics that is indirectly communicated and perceived to be essential while explicit institutionalisation of ethics symbolised ethical behaviour which is formally communicated with no ambiguity (Singhapakdi and Vitell, 2007, p. 284 - 285). Organisations can further tap into the inherently reserved resources of the employees by encouraging organisational commitment, which is a great antecedent of ethical orientation, through the funnel of ethical behaviour and this is essential towards ensuring adequate institutionalisation of ethics in the given firm (Sims, 1991,

p. 498). Yong-Ki *et al.,* (2014) investigated the impact of codes of ethics and corporate philanthropy on the Korean service industry while using a sample of 290 managers from 12 five-star Korea Hotel Association directory and the outcome surfaced that code of ethics directly affected corporate philanthropy and organisational engagement (p. 103- 104).

The current study hypothesised that ethical climate positively mediates the influence of both implicit and explicit institutionalisation of ethics on performance of a contract. Following the findings-outcome, it was discovered that ethical climate had no impact on the insignificant relationship between implicit institutionalisation of ethics and performance of a contract. This result reflects that presumptuous or ambiguous ethical standard that are unclearly stated will hinder the prospect of institutionalisation of ethics. This finding is partly inconsistence with the findings of Singhapakdi *et al.,* (2010), who conducted a research in effort to surface the empirical findings that linked with the direct and indirect impacts of varying kinds of ethical institutionalisation (implicit and explicit) on marketing managers in regards to the imperativeness of ethics, quality of work life (QWL), espirit de corps, job satisfaction and organisational commitment. The result confirmed that explicit institutionalisation of ethics has a significant influence on the perceived importance of ethics but fails on espirit de corps, job satisfaction and organisational commitment.

Singhapakdi *et al.,* (2010) finding is relatively essential especially in terms of ensuring adequate ethical working climate and it supports the fact that making the expected ethical behaviour to be explicitly known to the employees and even the customers, will blossom the proper establishment of ethical standard that can be accomplished by explicitly institutionalising the ethical standard in the firm. This can be achieved in the form of code of ethics, ethical emblems, and ethical public statement. The ingraining of ethics in the day-to-day life activities of organisations can be achieved in both short and long term period (Dunham, 1984). Long term target will have to make sure that the organisational culture supports learning, relearning and promulgation of ethical behaviour, while short term can be achieved by encouragement of ethical standard, establishing organisational policy that can support enactment of ethical standard and by appointing the appropriate experienced

candidates to be in sensitive positions wherein ethical dilemmatic issues crop-up, often. By having ethics explicitly instutionalised in a firm, decisions that warrant moral reasoning can be achieved – since ethical working environment encourages coherence for group thinking and decision-making. Therefore, in times of challenging ethical matters, the organisation can easily brainstorm – which will result in heightened moral reasoning and decision making (Sims, 1991, p. 494-504).

Further, being bespoken as an ethical firm lures forces in the form of investors, top talents and substantial customers (Fox, 2007, p. 43); all-in-all, producing a brand as reputational capital (Worden, 2003, p. 31) - meaning that good ethics can simply mean good business (Koonmee *et al.,* 2009; Lantos, 2001). As Singhapakdi and Vitell (2007, p. 287) argue, "organizations that institutionalize ethics appear to value integrity and trust and, as a result, often treat their employees more fairly in terms of compensation, performance evaluation, promotion and conflict resolution" (p. 381).

Trust mediates the Impact of Ethical climate on Contract performance

Pincoffs, (1986: p. 85), professes that the establishment development of virtuous character is the primary responsibility of humans so as to become a co-existent being. This virtuous consciousness rouses obliged-fairness in the relationship. In turn, the parties profit from the benefit-realisation that stems from the mutual cooperation (Phillips, 1997: 57) that is facilitated by the mutually perceivably-built trust. Among varying authors that utilised stakeholder theory to study the relationship among trust, ethical climate and performance, Hilman and Gorondutse, (2013; p. 38), studied the interactions between perceived ethics and trust of business social responsibility on performances and informed that perceived ethics and trust have positive impact on performance.

Humans, as social beings, require the contribution of others in order to stimulate self-advancement; and as man is responsible for others, likewise, others are responsible for man and this is social responsibility. This is equitable with organisations, as common-good agents, therein, the endeavour is to satisfy the common good of her stakeholders including employees (Argandoña, 1998; p.1093-94). In the business environment, the common good functions to spawn the set of conditions that will

allow the members of the business to actualise individualised goals (Argandoña, 1998; p. 1097) This common good is common-good in itself and right – it is the goal of the firm (Argandoña, 1998; p. 1097). This present study studied the mediating effect of trust on the positive impact of ethical climate and on contract performance. The findings demonstrated that trust increasingly heightened the positive relationship between ethical climate and contract performance.

Previous similar research has made marks on this. In the context of Kano, Nigeria, in support with the supposition that managers are meant to tailor the organisational practices to uniform with the ethical and business practices' standard, Hilman and Gorondutse, (2013), conducted a study on the interactions between perceived ethics and trust of business social responsibility on performances and uncorked that perceived ethics and trust have positive effect on performance. This current finding stands out from the previous findings on the literature in the sense that this considered that in the presences of trust from the managers and firms, the members of organisations, that are already enjoying the freeing ethical climate, will increasingly offer more commitment - which in turn spurs the given task towards successful completion.

Trust and contract performance

Trust is a binding factor that assists parties locked in an exchange relationship – and it tends to cover a set of commonly agreed upon behavioural displays and the parties are to be willingly accept their obligations toward accomplishing common goal. As such, trust can be a substitute for bureaucratic governance and improves market performance outcome (Aulakh, et *al.,* 1996, p. 1008- 1009). This is consistent with the study of Aulakh, *et al.,* (1996), who attempted to understand the ex post substance of cross-regional marketing partnership with U. S. companies that have distributor and licensing relationships with organisations from Europe, Asia, and Central South America. The outcome concurs with the absolute significance of relational norms and informal monitoring units in forming trust, inter-organisationally, most especially in regards to improving the performance of the international alliances. This current research aligns with this finding. However, this present

research is intrigued in the direction of discovering the impact of trust on the performance of a contractual relationship.

From the findings on this present study, it was uncovered that trust increasingly and positively influenced the performance of a contractual project. This finding is inconsistent with Ke, *et al.,* (2015)'s study, which explored the impact of contractual governance and trust on projects in construction supply chain performance and realise that: (1) contractual governance has positive effect on EPC projects in construction supply chain performance, (2) trust has positive impact on both cooperation and performance (3) cooperation has a substantial positive impact on the performance (4) diverse dimensions of trust have varying influence on cooperation and performance: system-based trust has a substantial positive effect on cooperation and performance; the effect of cognition-based trust on performance is insubstantial, and but exudes positive impact on cooperation; affect-based trust has no effect on collaboration and performance (p. 357).

Also, Lui, and Ngo, (2004), confirmed that, the association between contractual safeguards and cooperative outcomes, pivot on both the type and level of trust. Additionally, a research that used a unique data set of more than 400 contractual relationships between American local governments and private service providers, hints that trust has a positive influence on overall contracting performance, while monitoring and competition are not related to contracting performance (Fernandez, 2009). Again, on a study of organisations that engaged with external contractors on client's project, Carson, *et al.*, (2003), found that trust-based governance influences positively on task performance with skilled clients that comprehend the outsourced tasks.

This finding on the importance of trust among contracting parties in terms of achieving the determined tasks or goal, gives further insight as to why managers and organisations are to be symbols of admiration, so that the staff members can easily believe in the given organisational system and the top managerial individuals involved. Trust has a way of increasing the commitment of the parties involved in a project, since people offer the best of them when they feel trusted by the other

contracting party. This in turn, spurs the productivity of the firms involved which will reflect in successful outcome of the contractual project.

The theoretical link between **ethical climate** and **performance** has its fundamental traces from behavioural integrity. Behavioural integrity is the perceived pattern of matching and mismatching of an organisation or manager which is chiefly the pivotal point between organisational words and its implementation. A perception or conceptualisation of a fit between words and deeds, boosts the motivation of the employees – which then reflects in the exuded commitment, and in turn blossoms performances (Simon, 2002; p. 4). This perceived standard between words and deeds gives the organisation credibility. It is recorded that credibility is the utmost compelling factor of persuasion (McCroskey and Young 1981). Employees' chronic sensible perception of accessible behavioural integrity's constructs like integrity-in-itself, honesty, consistency of alignment of words and deeds, and sincerity - will induce the employees to trust and believe in the managers and the organisations – which influences the working environment toward respectful fulfilment of promissory mandates (Simon, 2002; p. 27 and Myer, *et al.,* 2016; p, 1180). From the lens of this research, it was discovered that ethical climate has positive influence on performance of a contractual project.

Similar research, in other fields has confirmed a positive link between having ethical climate and its influence on performances. Deshpande *et al.,* (2011)'s research, on successful Zhejiang, Chinese managers, with the objection of uncovering the views on ethical climate and ethical practices and uncorked that respondents confess successful managers as being ethical. Whereas organisations that are considered to be ethically oriented in rules of practices were agreed be conspicuously performing well. As enthralled as they were, Myer, *et al.,* (2016), pose the question of "whether being ethical comes at a cost to profits in customer-oriented firms"? In critiquing the line, the researchers conducted research on subsidiary companies of a great multinational corporation in the health care's product line and the result unveiled enhanced profitability in service-oriented due to having ethical climate (p. 1184).

Similarly, Ng, *et al.,* (2013), carried out both qualitative and quantitative research on BAE Systems, MBDA and the UK Ministry of Defence, in regards to the relational

facets of performance-based contracts and figured out that the matching of human mannerism and information is critical to accomplishing substantial outcomes. Also, Randall, *et al.,* (2011), studied members involved with Performance Bases Logistics Conference in Crystal City, Virginia. The outcome strengthens that performance based logistics incrementally influence efficaciousness and confirmed relational exchange as chief antecedent of performance base logistics.

However, these previous findings are in support of the current findings on the positive link between ethical climate and contract performance. This present work differs in the sense that it considered the impact of ethical climate on performance of contractual project. This finding strongly supports the fact that creating an ethical environment that is capable of growing a "believe in a working system" can spur the commitment of the employees towards fulfilling the obliged duties with no dissonance. Organisations that are ably to implement a lasting ethical climate will harvest much more from the employees – since people offer more upon realisation that the working environment is inclusively-ethically conducive. Then, the ethically acclaimed working environment will definitely shine forth to the awareness of the customers and stakeholders. This increases the image and credibility of the firms and in turn heightens the financial output of the organisation.

Ethical climate and Trust

Following a review of cognitive dissonance theory, Joule and Beauvois (1997) lauded two underlying principles, namely, (a) common sense – pointing at the dictum of consistency between cognition and behaviourism. This enables subjects to trust and make self-perception of both internal states and the behaviours; since ones outlook is linked with one's perceptual behaviour (Joule and Beauvois, 1997; p.2- 3). Lewicki *et al.,* (1998) define trust as the "confident positive expectations regarding another's conduct" (p. 439, in Lewicki and Polin, 2013, p.162). On reviewing different definitions of trust, Lewicki and Polin concluded that Rousseau *et al.,* (1998, p. 395)'s definition of trust as "a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another" as the building platform upon which research literature commonly springs

from (2013, p.162). A firm with an ethical climate can easily win the trust of the employees and customers. It is vital to note that people tend to be less stringent upon knowing that there is lesser threat to their perceptions and wellbeing – hence, the people tend towards being vulnerable – which is a trustful-state. An **ethical climate** can sustain inviduals in vulnerable state of **trusting**.

Chinomona, *et al.,* (2017), put up an argument that human resource is the best resource of any organisation and these resources are contingent on the given empowerment and presence of ethical climate from top management – which will lead to higher performance and satisfaction. The authors furthered this study and the outcome referenced that employee empowerment, ethical climate, and support from the top management have positive influence on job satisfaction.

In the same manner, this research fated that ethical climate and trust enjoy positive relationship. The findings are in support of this claim. This is in line with the previous findings on ethical climate and trust. This can further illustrate that the maintenance of top-management's words and ethical obligations go a long way in luring the trust of the members and the externalised client portfolio. Like the remark from Pinto, et al., (2009), who examined trust in projects by assessment of owner/contractor relationships and found that: clients appreciate integrity and competence trust from their association with contractors, while contractors ranked only integrity trust as the essential predictor of positive working relationships (p. 645). Both integrity trust and competence trust are strong predictive of satisfaction with working relationships for the owner (Pinto, *et al.,* p. 643).

In support to this positive link between ethical climate and trust, Chien and Ann, (2015), conducted a research with the viewpoint of establishing the influence of communication, empowerment and trust on organisational ethical climate. The results confirmed that empowerment was positively associated to a benevolent-local climate while trust was positively connected to both benevolent-local and principled-local climates. Whereas communication had no significant influence on the ethical climate types. Through the assistance of the chief administrative officer in every U.S city, Feldheim and Wang, (2004), carried out a survey with aim of discerning the relationship between administrative ethics and public trust. The outcome exposed

that there are greater perception of trust in cities displaying higher perceptions of ethical behaviour

Peculiarly, this research is carried out in the field of contractual project management, with contractual-performance as a relatively new construct for measuring contract performances. Therefore, the context of this research makes it quite unique and different from the previous studies on ethical orientation.

Flexibility and Contractual Performance

Following the literature, to be flexibly functional calls for the inner willingness of the parties involved to be able and willingly alter pattern of job sequences in order to ably achieve the most of the given task (van den Berg, and van der Velde, 2005; p. 113). However, in a contractual undertaking, the collective effort, usually, comes in directions of differing expertise, since most contractual projects are temporarily in nature. From this research, it was observed that **flexibility** had no impact on **performance** of a contract.

This finding is partly in line with Li, *et al.,* (2010), empirical study on 607 Chinese firms, which reflected negative effects of the mediating consequence of resource flexibility on the progressive relationship between product innovation and firm performance whilst 'coordination flexibility' is positive. However, the current finding on the impact of flexibility on performance contracts contradicts with the mundane discoveries found on the literature which suggest flexibility to be a critical factor for performance (Chang, *et al.,* 2003 and Liao, *et al.,* 2010).

Nevertheless, performance of a contract differs from the usual performance in the sense that the award or benefit comes at the end of each phasic process of the project. Project on its own is a gathering of varying professionals from different disciplinary background – with possibility of not having any previous collaborative endearvour with the present team, thus, becoming flexible with a newly formed team is not the very possible practice in trying to achieve better performances.

Explicit institutionalisation of ethics and Ethical climate

It has been recorded that for two decades, workplace have ethically evolved in its formalisation and enactment of ethics. However, the challenge still lies in organisations' ability to progress further from ethical compliance to structuration of workable ethical standard which can strengthen the organisation in times of ethical dilemmas (Foote and Ruona, 2008, p. 292). Institutionalisation theory stresses the need to properly ingrain the values of the organisation in the working environment which can also sustain ethical standard and practices (Sims, 2003).

The creation of strong organisational culture arguments learning and maintenance of ethical behaviour. This is practically achievable by means of encouraging emblematic display of ethical signs in form of public statement, through ethical code and training programmes (Sims. 1991, p. 494). Singhapakdi and Vitell (2007), defined institutionalization of ethics as the scope that an organization explicitly and implicitly instils ethics into its decision-making act and defined **explicit institutionalisation** of ethics as ethical behaviour that is formally communicated with no ambiguity (Singhapakdi and Vitell, 2007, p. 284 - 285).

There are different models provided by ethical institutionalisation scholars. However, a typical model that is close to ensuring **ethical climate's** enactment is that of Costa (1998) who operated the term strategic sensibility to illuminate the reinforcement of ethics in workplace. The scholar described strategic sensibility as the phenomenon of consciously embedding an ethical orientation and strategy that enables flexibility and creativity as solution - in the face of ethical dilemmas.

Nevertheless, the literature emphasised that the common challenge in institutionalisation of ethics is the illusiveness of what explicit ethical standard is, and the inability of the organisation to explicitly and openly state what ethical standards are and the expectations on the employees (Lennick and Keil, 2005; Paine, 1997) so as to ensure that it yields adequate ethical climate – capable of projecting the organisational visions. Victor and Cullen (1987) described the organization's ethical climate as the shared or common insights of what is ethically correct behaviour and how ethical matters should be treated (p. 51–52).

This current study considered the above emphatic points on explicit institutionalisation of ethics and the consequent ethical climate. As such, it followed in line with the endeavours to uncover the embedded relationship between ethical institutionalisation of ethics and ethical climate. From the findings, the results demonstrate positive relationship between these two ethical factors. Meaning that, explicitly institutionalising of ethics can result in an improved ethical climate which can assist the working environment to be in cohesiveness - which produces greater outcome. This is same case with contractual enactment in the form of projects.

The parties involved in contractual enactment need to adequately emphasis and accept on what is ethically acceptable and the expectations. Previous studies on ethical institutionalisation have considered the impact of instutionalisation of ethics on job related outcomes. For example, Singhapakdi and Vitell (2007), established scale for measuring the institutionalisation of ethics in organisations and carried out twofold studies as to test the impact of implicit and explicit institutionalisation on job satisfaction, ethics, espirit de corps, and organisational commitment on a sample of 126 and 306 samples of studies 1 and 2 respectively, from American Marketing Association practitioner. The result hinted that implicit institutionalisation directly has significant impact on job satisfaction, espirit de corps, ethics and organisational commitment. Whereas, explicit institutionalisation significantly influenced the perceived importance of ethics (p. 284).

Opportunism and Ethical climate

The literature is highly prescriptive of what business environment is meant to look like in regards to ethical conduct; but there abound pressuring factors in the less ideal society – which shrink the will of an ethically aware individual (Lewicki and Stark, 1996, p.71-72). Contractual negotiators often tend to hide the bottom interest, due to self-interest (Boles *et al.*, 2000, p. 235), and this often does not go down very well – most especially when dealing with core ethically oriented parties that face ethical dilemmatic issues with confidence and wisdom (Collier, 2006, p. 307). The dogma that individuals should trust others to discharge similar task is vital; however, weighing the opponent's ethical orientation is an important aspect of negotiation

strategic formulation (Boles *et al.*, 2000, p. 238). This can be achieved by monitoring and trying the other party's honesty and truthfulness' degree on sporadic basis (Lewicki and Polin, 2013, p. 184). As a result of this thrilling line, Boles *et al.*, (2000) conducted an experimental negotiation research in order to fathom (1) the influence of knowledge (2) the impact of revelation of offers, acceptances and strategies and (3) the link between negotiator's estimation of each other and deception. The researchers uncorked that negotiators increasingly request more upon cognitive awareness (knowledge) of the size of previously obscured information or facts. The research outcome hinted that those deceived but ignorant of being deceived graded the opponents as lower in truth telling and indicated lower interest in future relationship with the opponent, than those that were undeceived (Boles *et al.*, 2000, p. 255).

This present research confirms the above findings. From the statistical result, the link between **opportunism** and **ethical climate** reflected significant negative impact. This shows that opportunism still exists in an ethically oriented environment however, it does not have long lasting effect. Nevertheless, dishonest individuals have the ability of showcasing power advantage but this advantageous power is unsustainable. Lewicki and Stark delineated the forms of lies as: misrepresentation of position to the opposition, bluffing, falsification, deception, and selective disclosure to constituencies (1996, p. 77 – 78). Empirical literature on the "consequences of deception in negotiation" is slim but it prophesies that deception is unprofitable to the deceiver most especially in a distributive negotiation (Boles *et al.*, 2000, p. 237).

Therefore, advisably, there is absolute need to have coordination provisions in the contract as means of establishing comptetence-based trust (Lumineau and Malhotra, 2011, p. 994). It is the function of contracts to control opportunistic behaviours in order to decrease unnecessary unforeseen threats (Lewicki and Polin, 2013, p. 173). A research conducted by Lumineau and Malhtra (2011) on control provisions in a contractual relationship signposts that increment in control provisions and in coordination provisions led to heightened level of competence-based trust. However, control provision has adverse influence on the willingness to evolve a broken relationship and goodwill-based trust moderates this influence and; competence-

based trust does not act like a moderator in the link between the intention to continue partnership and control provisions (Lumineau and Malhotra, 2011, p. 993).

Opportunism and Trust

In the contractual field of project management, fairness facilitates an extraordinarily outcome among the negotiating parties. Otherwise, there would be tremendous inclination towards declining of the outcome (Albin, 2003, p. 8). Trusting, justice and fairness are the indispensable factors that pull negotiating parties to a commonly agreeable ground and sustain the entities till common understanding is struck (Albin, 2003, p. 4). Hence, trust is the centre of concentration on the psychological process of the individuals, in order to deduce their truthful intention and the interpersonal skills. This is also the "most appropriate" to scrutinise negotiation by evaluating the "fixed element" – the negotiating-parties – and their predispositions toward altering the "variable element" – which is "value at stake"; though this process is unease to operationalise (Zartman, 1977, p. 624).

Springing from an experimental research, on negotiation between automotive manufacturer and the supplier, – examination was conducted on Forty-one male and thirty-nine female MBA student, in attempt to present the influence of ethical climate and the availability of alternatives on the usage of deception during negotiation. Aquino, (1998)'s research revealed that ethical standard diminished the usage of deception by the negotiator and steered to greater mutual satisfactorily agreement as an outcome; while the availability of alternative had no influence on deception.

Kue, *at al.,* (2007), surveyed 103 males and 65 females, computer professionals in 30 companies in Taiwan with the interest of figuring out whether male and female computer professionals differ in their self-regulatory tendencies towards protection of personal information privacy. The result reflected that females demonstrated a higher level of self-regulatory efficiency than males for the protection and non-acquisition of personal privacy-information.

On an ambitious 4 experimental study, Gino, *et al.,* (2011) assessed how self-control depletion promotes unethical behaviour – while using a sample size of 101 students

from local universities (58 male) in the South-eastern United States. The resulting outcome of the first study indicated that people depleted of self-control devices were likelier to exude dishonesty. The second study reflected that depletion shrank individuals' moral cognizance when faced with opportunity to cheat – hence leading to increased cheating. Whereas the final study indicated that people with heighten moral identification did not display high degree of cheating even when depleted of self-control resources.

The current study also reflects outcome that is in accordance with the above findings in the surroundings of **trust** and **opportunism**. This particular research confirmed that opportunism hinders the development of trust. These findings signal that opportunistic scenarios or individuals or contractors could not be trustworthy. This can be argued following this discovery. Opportunistic individual will often be a parasite in a trustful relationship. Hence, opportunism is to be avoided in contractual projects so that it will not melt away the given trust from the opposite contracting party.

Similarly, Terawatanavong, *et al.,* (2007), explored the effect of relational constructs like total dependence, commitment, trust, cooperative norms and conflict – on 162 Australian buyers' relationship satisfaction over a relational lifecycle and originated that trust and interdependence are related with heightened relationship satisfaction on the start-up and maturity stages while commitment is linked with increased relational satisfaction in the maturity stage. Conflict was found to be ineffective on the relational satisfaction during the declining phase.

Trust mediates the Impact of Opportunism on Contract performance

This research hypothesised that trust mediated the impact of opportunism on contract performance. The theoretical relationship for the links among trust, opportunism and performance can be traced to transaction cost theory. Williamson, (1996, p. 25), sharply listed three essential properties of vertical integration of production or performance as: be disciplined, have an active mind and be interdisciplinary. The ownership of a vigorous mind necessitates asking the question of "What is going on here?" than by simply expressing the contextual guiding law.

However, there can be accurate description of what is going on, the critical aspect of what makes human behaviour appealing is not the routinely-behaviours but the exceptionalism. In organisations, upon formation of successful routine, then ensues the major obligation of the management – which is the tenacity to face exceptions. In the contractual realm, such exceptions sprung from strategic view of information asymmetries and contractual incompleteness – thus yielding room for breed of opportunism as the operative framework (in Williamson, 2010; p. 219). Opportunism, has the potent of injuring reputation, decreasing the speed at which negotiation takes place and ultimately overruns a project's budget.

Varying authors have documented extensively on the link between opportunism and the expected performance while using transaction cost theory. Among these authors are Bhattacharya *et al.,* (2015) who conducted a research, in Australia, and disclosed that opportunism can be mitigated by the number of frequency of the transaction. Further, Wang et *al.,* (2013) studied the impact of opportunism in buyer-supplier relationship and uncovered that opportunism is negatively associated with performance.

Grounded on transaction cost theory, Bhattacharya *et al.,* (2015) carried out a research, in Australia, on drawing out the antecedents of buyer opportunistic behaviour and strategies to mitigating these. Based on a dyadic data of 51 outsourcing firms, the output pronounced that buyer's opportunism tendencies can be controlled by the frequency of the transaction. A meta-analysis, carried out by Wang and Zhilini, (2013), aggregated the empirical findings on the degree of inter-firm opportunism, from the literature, and concluded that congruency of goal has the largest effect on inter-firm's opportunism whereas, inter-firm's opportunism impacts organizational performance through a mediating phenomenon of commitment, overall satisfaction, functional conflict and trust.

The current research discovered that in a business relationship with an opportunistic party, the presence of trust will increase the opportunism of the entity. This is clearly so as the findings suggested that the presence of trust increasingly and significantly influenced contractual performance negatively. Meaning that, on assuming that an opportunistic party is reliable and worthy of winning the other party's trust, once this

happens, the opportunistic party will increase the self-interest – of which will later adversely affect the contractual performance.

This finding is supported by previous studies conducted on a sample of 400 production firms in China, by Wang *et al.,* (2013), who researched the interplay of drivers (relationship-specific investments and behavioural uncertainty) and deterrents (inter-firm social capital) of opportunism influence partner's opportunism in buyer–supplier exchanges and the result uncorked that focal firms' specific investments bear positive impact on partner's opportunism; partner's opportunism is negatively correlated to the focal firm's gauge of partner's performance. This study documented that at a certain degree of identification-based trust, high social interaction strongly increases partner opportunism whereas a great level of commonly shared values could obstruct partners from acting opportunistically (p. 123- 127).

Ethical climate mediates the Impact of Opportunism on Contract performance

Believers of self-discipline have long suggested that it will produce better performance. For example, people with poor self-control may be lackadaisical on tasks, which oftentimes lingers to poor performance and degraded results (Tice and Baumeister, 1997). Cox, (2000), found that supervisors with heightened self-control were more trusted by their subordinates and in return, were rated highly on fairness. Fan, (2005) purposefully researched the concept of ethical branding and its correlation with corporate reputation, the author resolutes that brand value demands evaluation by both "financial and ethical measures". The final aspect further explicated that ethical brand upholds the firm's reputation; and in turn, reputation strengthens the brand. However, stating that "any unethical behaviour" will significantly injure the total intangible asset of the firm if susceptibly engaged in.

McKinney, *et al.,* (2010), studied the impact of ethical codes on ethical behaviours while using 1877 samples in 1993 and 1234 responses in 2001. The total sample includes responses from 3111 professionals' business leaders. The outcome evinced that business professionals employed at companies - with strong ethical codes of conduct – are, highly, less tolerant of ethically questionable behaviour toward most of the stakeholders.

In view of the critics on multinational corporations' ethical standard, Bendixen and Abratt, (2007), inspected the ethical standard of 28 members of board of director of these large corporations on their 129 supplier representatives and the research's outcome documented that these multinational corporations pose good reputation among her own buying department and suppliers (essential stakeholders). However, the presence of ethical codes were observed to be imperative but inadequate for "good ethical practice". Candid relationship with vendors was found to be the next in order of essentiality. The authors further emphasised that factors that drive good relationships entail: transparency, swift concession of problems, respect for partners, fairness in dealing, clear communication and importantly strong negotiation proficiency – as these factors will advance the reputation of the cooporation (p. 80).

On a two year longitudinal study, Brønn, (2007) studies the predictors of reputation on three groups of stakeholders from an outsourcing company and uncovered an ample association between the firm's treatment of her clients' customers' relationship and the effect on the clients' reputation. Fulmer, *et al.,* (2009) organised a research on informational and emotional deception in negotiation and observed that behaviours grouped as misrepresentation were related to greater negotiation result but decreased reputational outcome while the "making of false promises" were interactive to reduced performance while behaviours toward emotional strategies has no influence (p. 704). Burchell, and Wilkinson, (1997) examined the role of trust in vertical contractual relationships between firms in Britain, Germany and Italy; and discover that: importantly, "promise-keeping" is centric component of trust (p. 232-233). Also, perceived trust as being formulated by factors like: "reputation for fair trading; long-term personal and trading relations; and by direct interlinking by trading and marketing agreements and by jointly developing product and process" (p. 234).

The present study is supported by the above eye-catching discoveries. From chapter 3, it was hypothesised that ethical climate will negatively mediate the negative-impact of opportunism on contract performance. The result confirmed this hypothesis. It can be stated from this evidence, that opportunism is a very strong negative relational-factor, especially in the business environment. It can be deduced, from this result, which even upon having an ethical climate, opportunism still negatively overshadows

other factors that it pairs with. Meaning that, ethical climate is insufficient to deter opportunistic view. This was confirmed to have adverse effect on the contractual performance of the firm. Organisations are meant to be on the outlook of pinpointing opportunistic behaviours or views in order to ensure successful performance of the contract. This can also be achieved by confidence and wisdom.

These previous and present findings endorsed opportunism as a factor to watch-out for and as a hindering contractual element that requires adequate control measures especially during the time of signing of contract. Organisations and managers that avoid the pitfall of opportunism will have a better performance to put-out for.

1. Managerial Contribution of the Research Findings

This study has extant implications on managerial aspect of businesses on day-to-day basis. The findings emphasised that in an organisation that manages projects with specific-targeted output within the constraints of time on projects that are often designed to focus much on the outcome of the project as the project-progression-benchmark, do not perform well while trying to be flexible with the available resources. This is arguably correct, because, projects are unique and entails the common contribution of different kinds of professionals from numerous cultural background. A group of experts within a project environment, that is characterised by limited time and utmost focus on the outcome of the project before the next phase of the project could be approved, - would strive most to achieve the outlined milestones in order to progress to the next phase of the project. In instances whereby the team tries to flex the available resources, it could rebound to injure the progression of the parties – because of the temporary nature of the performative-team – that have little or no past working relationship. However, flexibility could be possible in ordinary day-to-day business environment that harbours people that have been working closely together for ages.

The study equally uncovered that implicit institutionalisation of ethics had no impact on the performance outcome of a project. From a broader view of point, this finding reflects the primary need to avoid ambiguity and presumption of ethicality. In a project

environment, there is need to explicitly reach-out to all the project members as per what the standard ethical conduct requirements expected at all times.

Importantly, the research discovered that making ethical standard as explicit as possible in a working and project environment, thrusts the performance of the employees in a positive direction. Managers of organisations are to concentrate on explicit description of the needful ethical standard required. This can be best achieved by institutionalising these guiding principles as the basic standard-expectation of the organisation from the employees. On the other hand, employees within an ethically induced environment will perform even greater. This is evinced in this study whereby the result states that organisations that explicitly institutionalise ethics in the working place, that is characterised - as ethical climate, increasingly performed greater. This presence of ethical climate in a working environment could boost the working morale of the employees, thus, inducing an organisation-employee trusting system.

From this study, it was shown that upon making trust to mediate the ethical climate, the outcome based performance directly increased. This supports the above lines that trust increases the motivation of the employees which will automatically reflect on the performance outcome of the organisation. Therefore, managers are to look out on how to build trusting system that inwardly draws the employees to be ambassadors of the organisation – which in turn influences on the employees' performances – which then holistically sprung the organisational performance.

Finally, opportunism reflects a problematic factor that organisations are to watch-out for. The findings of this study underscores that opportunism has negative influence on trust, ethical climate and performance. This shows the danger of allowing opportunistic views to cloud organisational goals. Managers are to avoid opportunistic settings and the concomitant factors to set-in in the working environment. Opportunism could be capable of destroying the efforts of the other team members and this can go on to hinder the larger organisational goals and objectives – which subsequently, perhaps gradually, depletes the organisational resources.

2. Theoritical Contribution of the Research

This research contributed towards the betterment of the ethical institutionalisation models. From this research, it has been uncovered that making ethics as explicit as possible in an ethical climate working environment has penetrative performance-outcome. Thus, the models of institutionalisation of ethics should endeavour to inculcate the explicit ethics in an already ethical working climate in order to ensure adequate performance.

Further, this research was conducted in the field of outcome-based performance of contractual projects while considering ethics as the centric of the motivation to out-perform. Prior to this research, from the extant literature, it is worthwhile to note that this study is the first to consider institutionalisation of ethics in the field of contractual project performance-based outcome.

The research findings, also, contributed to the better understanding of transaction cost whereby opportunism has adverse impact on performance even in the presence of trust.

Finally, behavioural integrity theory was utilised in the research while studying the relationship between ethical climate and performance – of which the research outcome indicated increased performance due to presence of ethical climate. Therefore, the creation of ethical climate as part of the elements of behavioural integrity theory would assist in the further development of the theory.

3. Theoritical Implications of the Research findings

This research utilised social exchange theory to explicate the relationship between flexibility and performance. From the literature review, it can be added that flexibility is useful in contractual management however, has less value in contracting that involves specificity in the sense of the clause in the contract that hints the need for speedy production that is directly linked with the given expectations – thus, this given structure might not be very obtainable in, for example, a vehicle production company whose each unit deals with specificity of the needful. Therefore, this research brought to light as per the need to have lesser expectation of flexibility in contractual relationship that deals with specificity of productivity.

Secondly, this research employed transaction cost theory and cognitive dissonance theory toward explaining the impact of opportunism on contractual performance. The research findings suggested that opportunism has negative impact on the performance of contracts even when trust is present in the relationship. Therefore, it furthered the theoretical supports of the need to avoid opportunism in the contract which could spring from vague understanding and ambiguity of the requirements for the perfect functioning of the contract. Also, opportunism in distribution of resources (Goetz and Scott, 1983) can be ameliorated by periodically checking the counter contracting party's state of trustfulness – so as to reassure the self that the relationship is still headed in the right direction – thereby tending to reduce any given dissonance (Wicklund and Brehm, 1976).

Thirdly, this research utilised behavioural integrity to describe the relationship between the creations of ethical climate the accompanying performance. From this research outcomes, it can be informed that ethical climate has positive impact on performance. This creation of ethical atmosphere is mainly the alignment of the top management's words and deed (Simon, 2002). This alignment of words and deeds toward establishing the ethical elements can truly reflect that which can be described as ethical climate. Upon successful accomplishment of such ethical climate, there will be increased guarantee towards achieving the expected performance. Therefore,

these findings support the behavioural integrity theory and strongly emphasise the need for achieving ethical climate that can be able to assist performance.

Fourthly, stakeholder's theory was employed in the study among trust, ethical climate and contractual performance. Stakeholders' theory advocates that within a firm, or society, the stakeholders are those that influence and being influenced by the decisions of the firm or society that they are associated with (Freeman, 1984). From this research, it was uncovered that trust positively influenced the impact of ethical climate on performance. Therefore, this finding strongly points that creating trust can assist members of an organisation or a society to believe more in the society and as such, the members will offer more – which would reflect on the performance of the contract. Therefore, stakeholders are to focus on building ethical climate that the members can fully trust in – and in return offer better performances than expected.

Finally, institutionalisation theory was used in explaining the relationships among: explicit and implicit institutionalisation of ethics, trust and performance of contract. The results of the research suggested that making explicit institutionalisation of ethics as explicit as possible while passing it through ethical climate would have increased influence on the performance of the contract. The institutionalisation theory suggests organisations as an outcome of the interactions among human members of the society (Scott, 1995). This research contributed towards the betterment of the ethical institutionalisation models. From this research, it has been uncovered that making ethics as explicit as possible in an ethical climate working environment has penetrative performance-outcome. Thus, the models of institutionalisation of ethics should endeavour to inculcate the explicit ethics in an already ethical working climate in order to ensure adequate performance. Further, this research was conducted in the field of performance of contractual projects while considering ethics as the centric of the motivation to out-perform. Prior to this research, from the extant literature, it is worthwhile to note that this study is the first to consider institutionalisation of ethics in the field of contractual project performance. This research finding that making institutionalisation of ethics as explicit as possible in a working environment has implications for the models of institutionalisation of ethics. For instance, Paine's (1997) style of institutionalisation of ethics focuses on the need for organisations to

encourage ethics in the workplace by having strong organisational principles, purpose and championed by adequate leadership. This model of institutionalisation of ethics in a workplace can also integrate the need of creating and sustaining explicit institutionalisation of ethics through the funnel of ethical climate. This, undoubtedly, thrusts the performance of the firm to greater level. Also, Philips (2003) designed a framework of institutionalisation of ethics in a working environment which expresses moral leadership and stakeholder fairness as mediums of incorporating ethics in an institution. With the result of this research, the model can further be expanded to demonstrate the need for agreeing and making institutionalisation of ethics as explicit as possible as this will be like a reminder and reinforcement of the absolute need to maintain ethical perspectives even in challenging times. Finally, the institutionalisation of ethics model pioneered by Costa (1998) that concentrated on the advantages of using strategic sensibility towards encouragement of ethics in a workplace so as to enable adequate flexibility and creativity. This model of institutionalisation of ethics, also, needs to ingrain the need to make explicit institutionalisation of ethics as explicit as possible while passing it through an ethical climate. Having these ethicalities in a workplace responsibly promote proper flexibility and innovation – since ethical environment has the ability of bringing the best out of people and this would reflect on the performance of the organisation.

4. Managerial Implication of the Findings

This study has extant implications on managerial aspect of businesses on day-to-day basis. The findings emphasised that in an organisation that manages project with specific-targeted output, within the constraints of time on projects that are often designed to focus much on the outcome of the project, as the project-progression-benchmark, do not perform well while trying to be flexible with the available resources. This is arguably correct because projects are unique and entails the common contribution of different kinds of professionals from numerous backgrounds. A group of experts within a project environment, that is characterised by limited time and utmost focus on the outcome of the project before the next phase of the project could be approved, - would strive most to achieve the outlined milestones in order to progress to the next phase of the project. This is most appropriate especially in the case of buyer and seller that are locked in predictable contractual outcome.

The parties would have to fashion out a workable flexible pattern capable of sustaining them for a longer period of time. For a buyer involved in a contract with a seller, there is absolute need for the client to have perceptual comprehension of the necessity to have flexible understanding of the nature of the project or business that the both are locked in. It is the duty of the buyer to have the necessary skill-set of being a successful buyer. This pre-requite skill-set are oftentimes acquired through series of activities that are accumulated over a period of time which literally transform to formulate workable solutions applicable in suitable scenarios. A company buyer with the necessary expansive experience can always become flexible in circumstances of confusions and uncertainty – which might not basically be the fault of the counter cooperative party. This specialised kind of skill-set makes it susceptible for the company to maintain competitive edge in the market environment by estimating the needful business niche. This is mainly obtainable from the lens of experience – because it takes experiential thought to make accurate discernment of what is going on at a particular time or place. This experiential thoughtful-set could be transferable to the younger generation of the company by making adequate documentation of the lessons learnt while contracting out each project. Nevertheless, though there are numerous documentations and records of research findings hinting

that flexibility has a way of promoting performance. This is also very correct but in some case, depending on what the business function is. Flexibility, in no doubt, is a scarce resource, so, not readily available for everyone. Therefore, this calls for matured approach from the contracting firm to firmly look into its operational units and find the particular area case, where flexibility could be suitable. It is also imperative to note that flexibility is not necessarily applicable in all fields of the industry. For instance, a manufacturer of vehicle line, would require trained and experienced technicians but specific in terms of the attributable skill set required to undertake a particular function in the production line. In this case, the technicians do not necessarily need to fully acquire the skill set needed in the other units of the same vehicle production company. Considering that a production line requires a calculated timely input and output from different units – thus, this movement would not necessary allow the managerial department of the firm to fully utilise the members in terms of when the need to switch technical roles arises. However, a vehicle manufacturing firm could still be flexible with her customers or clients in terms of striking the decisive agreement that can enable the both parties to actualise a win - win outcome. For example, a buyer of a vehicle might be looking to get about 5years guarantee from the vehicle manufacturer or seller. However, this request might be daunting to the given seller; and then comes in the power of negotiation. It also takes flexible mind to engage in meaningful negotiation that is capable of producing a better result than the outcome of no negotiation and no deal.

Explicit institutionalisation of ethics and Ethical climate

The ethicality is an element that is capable of maintaining working members to remain being part of the bigger goal of the collaboration. This is true for case of buyer and seller that are functioning on a working contract. There is absolute need to make the expected ethical characteristics that will guide the cooperation towards actualising the estimated goal. There is expected ethical behavioural characteristics from a buyer involved in a contractual relationship with the counter supplier. This should be made as much explicit as possible – therein, highlighting the ethical standard expectation from the named buyer. These ethical standardised norms are to

be embellished on the contractual agreement – and this is to be mutually agreed by both the buyer and the seller. Within this agreement, the parties are to freely ascertain and agree on the terms and conditions involved in the standardised ethical norms that would mutually progress the both buyer and the seller to a greater degree of relationship. In stances whereby this behavioural display is consistent over a period of time, this can automatically influence the other aspect of the business venture. This virtuous chain of goodwill will translate the working environment of the contract, meaning that every other thing about the contract would be taken with the lens of ethical relationship, within such relational atmosphere, the other party can easily sacrifice for the other. The consistency of this, would thrust the relationship towards spanning over decades. Since people feel safe where they feel comfortable with lesser threat of the other party being taking advantage of them – even in the absence of the other.

Likewise, this strategy of making the expected standard as explicit as possible on the contract, is to be followed for the case of seller involved in a contractual relationship with client or a buyer. The both buyer and the seller are to mutually agree on the standard ethicality from the seller's view point. This could be in the form of working accordingly with the mutually agreed on specification – for a slight error in specification has ability of putting every other thing involved in the contract off. It is the ethical responsibility of the seller to adequately execute the bestowed specification so that it would not alter the trust embedded in the supplier by the buyer. In the same manner, being ethical is also about the tendency to completing a given task as - Kent's ethics of work accounted. It is the responsibility of the buyer to follow the agreed ethical expectation and consistency of this behaviour from the supplier could encourage the contractual relationship with the buyer. The continuity of this behavioural ethical performance will definitely influence the other terms involved in the contractual agreement – which then offers it a holistic performance since the enveloping terms of the contract has been adequately transformed into ethicality.

This finding also has implication for government and the society – both in organising the society towards being a betterment of itself or in cases of being involved in

contractual agreement with both externalised companies and internalised members. With this finding that while implementing the mutually agreed upon ethical standard, it is meant to be made as explicit as possible so that the members in the institutions could easily relate with the displayed ethically standardised norms that could guide the system towards achieving greater value for the society and government. It is also the responsibility of the governmental agencies to ensure that the working environment has well enough room that could nurture being ethical especially in the face of unequal dilemmatic situations whereby externalised standard would need to be referred to as a guiding benchmark towards solving the presently presented problems. Societies and governmental agencies that involve the cutting edge of properly institutionalisation ethics in the organisational day-to-day activities would in no distance time rip the benefits that are concomitant with being ethical. Being ethical has been documented as having the ability of moulding the participatory members in the group into a stronger cohesive force that could be capable of outperforming themselves – most especially on individual to individual base. An interwoven consistency of these behavioural display from both the governmental bodies, society and the citizens, would bring about a consistency in the promotion of habitable environment – capable of leading to ethical climate. It has been recorded that there is higher tendency to outperform in an ethical climate than otherwise.

Equally, this is also referable to citizens of a society and members of larger organisations. It is the responsibility of the citizenry to mutually agree with the governing body of the society so as to commonly achieve the bigger goals and aspirations of the society, nations and the globe. Law abiding society has advantage of moving forward in a fast forwarded pace since there are lesser sources of disruptions from the public. A societal environment that adequately makes it possible for the citizens to adhere to the norms guiding the society would constantly enjoy the reward from nurturing law abiding citizens.

Ethical climate mediating the Impact of Opportunism on Contract performance

Following the extent literature on opportunism, it offers discouraging outlook – considering that most research involving opportunism ended up with negative

remarks as per the adverse nature of opportunism on other organisational variables and elements. Similarly, the present research recorded in line with the previous findings on opportunism. It was deduced that opportunism has negative impact on performance of a contract – even when the contractual environment was made ethical. This reflects that opportunism as a relational factor is to be watched out in organisations, societies, and governments. For instance, a supplier with opportunistic outlook or intention would end up disrupting the estimated progression of the contracting parties. A supplier that agrees to perform according to certain mutually agreed terms, is supposedly meant to follow-up the agreement with positive performative mind-set. Unfortunately, it is difficult to fully ascertain the intentions of counter – parties involved in a contractual performance. Therefore, it is imperative to put the binding force of contract into play so that unnecessary advantage would not be taken by the supplier – simply because the supplier is in better position after the contract has been signed and the buyer made the necessary commitment needful to achieving the mutually agreed contract. Here then, the control and coordinating terms involved in standard contract come into function. Regardless of how strong a binding contract is written and mutually agreed upon, it is the sole, obligation of the buyer to constantly, though periodically, search-out to understand the honesty-level of the counter supplier or seller. Having curious mind-set could assist to deter the opportunistic seller from implementing the mischievous displays in the contract – which are capable of hindering the successful outcome of the contract. However, in cases whereby these control mechanisms of deterring the seller from indulging in opportunistic outlook fail to function appropriately, then, the counter buyer would first need to consent for renegotiation which if declined or if the outcome of the renegotiation is unsuitable, then, the parties would need to end up in law court in order to fully settle the dissociated interests.

Ethical climate mediates the Impact of Implicit and Explicit institutionalisation of ethics on contract performance

From this research, it was deduced that ethical climate has an improving influence on the impact of explicit institutionalisation of ethics on contractual projects but, from the

findings, there was no observable impact when ethical climate mediates the influence of implicit institutionalisation on the performance of contract. This observation points towards the stronger need to have adequate institutionalisation of ethical standard in place – of which if ingrained in ethical climate or environment, then there are greater chances of fulfilling greater performance than otherwise. This can be achieved by having public ethical statetement, creating the necessary awareness of the need to remain being ethical, by giving ethical training and rewarding ethical behaviours. These, of course, has embedded implications for organisations, institutions, society and the government. For buyer involved in a contractual transaction with a seller, it is necessary to ensure that there is explicit awareness of the necessary ethical standards to observe and maintain whilst running a contractual project. In this case, it is the both responsibility of the buyer and seller to fully establish the ethical code that is standardly agreed by the both. The proper addressing of the expected ethical standard and implementing it within ethically perceived environment, will propel the contract towards complete and successful performance. A consistency of this would strengthen the both buyer and seller relational affiliations, and this healthy association, could lead to expansive business collaboration. However, in situation whereby the standard ethical expectation is not explicitly displayed and agreed on by both buyer and seller, then, there is greater possibility of weak understanding of each's given ethical obligations. This could lead to confusion since the right thing to do is not well stated and thus uncommonly agreed on – this would hinder the performance of the contract, just like uncovered by this research that implicit institutionalisation of ethics had no improving influence on performance even when in ethically observed climate.

This research outcome equally has implications for the society and the governmental institutions. A society that embraces the graceful leveraging edge of ethicality would also gain the benefits that accompany it. A society that has the common understanding that having an ethically institutionalised system while creating ethical environment, would certainly propel greatly. This, perhaps, could be the reason why Japan has a healthy economy considering its ethically fashioned orientation. Likewise, governmental institutions that are able to adequately ingrain ethical

standard within an ethically perceived environment, in all her contractual and day-to-day activities would gain the associated benefit of enjoying heightened performance. This increased performance would incrementally influence the economy of the government and this in turn, would influence every aspect of the government – thereby producing benchmark to follow. If this benchmark is strongly embedded in the life of the government, then there would be higher chance of having a long lasting economy that could be self-sustainable – because people from other countries would like to associate with a moving-forward economy. Also, the citizens of the given government would also be compelled to comply accordingly in order to achieve the bigger goal of the government. Moreover, citizens that observed genuine interest and attempt from the government towards the betterment of the society by the government bringing in stronger ethically institutionalised dictum, and making it to work – would definitely work in alignment with the bigger picture of the government. This ethically perceived orientation in a society has transformative ability of changing the perception of even those that, somewhat, abhor the governmental policies. Nevertheless, societies and governments that neglect the powerful need to make ethicality as explicit as possible, would suffer from poor performance in almost all ramifications of the economy. This could also influence the law guiding system of the government – since the citizen act with no explicit understanding of the implication or advantage of having an explicitly ethically institutionalised society; and this if not curtailed, could go on and on to damage the following generations of the society – since success is successive.

Trust mediates the Impact of Ethical climate on Contractual performance

Part of the discovery of this research is that trust positively mediates the impact of having an ethically oriented working environment - that is able of nurturing the necessary high performance habits that can be very useful in terms of accomplishing a given goal. Upon successful achievement of this comfortable or soothingly atmosphere, hence, there is a guarantee that there will be increment in performance. This statement is true with the outcome of this research which reflects that trust increasingly and positively influences the relationship between having an ethical

climate and performance of a contract. Indeed, this research outcome has varying and vital implications for organisations, society and governmental institutions – inclusive of those involved in contract and otherwise – since the case of ethics is a widely utilised element in all aspects of operationalisations of institutions. Parties need to carefully consider the past performance records of any potential partner in order figure out the ethical behavioural outlooks of the parties before engaging fully in contracting.

For buyer and seller involved in a contractual agreement, there is absolute need to create the necessary conducive working environment that can be able to boost the performance level of the individuals involved. Having ethically oriented working environment assists the individuals in settling quicker in a given task. A buyer and seller or a contractor and a client that are locked in a contract would need to mutually agree on the strategic ways of creating an ethically oriented environment that can be able to enhance the possibility of getting the best out of the contract workers which would in turn reflect in the performance of the team. This fashioning of the best working environment can be achieved by the top management - by making ethical public statement, and by having public statement or emblem that displays the organisational goals which would be a reminder to the employees about the aspirations of the organisation – and thus,assisting the staff members to focus on the needful and avoid disruptive behaviours. By the creation of such standardised ethical climate that can assist the subordinates towards better believing in the goals, aspirations and strategies of the organisation and this could be a great source of fulfilment for both the parent firms, managers and the subordinates. It has been widely acclaimed that people are the best resources any firm could possess, however, there is also concern about how the people or employees will perceive the company. Oftentimes, people are able to offer more than they could only for the fact that they enjoy conducive working environment – as a result of the fact that they have already formed the mental mantra that they work with the best organisation that is also capable of trusting the employees to be able to fully achieve to the highest needed level of operationalisations. Trust increases the motivation of the employees which will automatically reflect on the performance outcome of the organisation.

Therefore, managers are to look out on how to build trusting system that inwardly draws the employees to be ambassadors of the organisation – which in turn would influence on the employees' performances – which then holistically promotes the organisational performance. Hence, creating a trusting devotion towards the societal structure – of which this would go a longer way in ensuring increased performance from the members of the society.

This glaring relationship explicated by the examples of employees and the contracting firms that they work for, could also be replicated in the relationship between the client and the contractor or buyer and seller. A working relationship that is characterised by ethicality can easily enjoy the mutual trustworthiness that is concomitant with having heathy ethical environment – which could be able to sustain the contracting parties towards complete fulfilment of the mutually agreement task. Accordingly, this equally has societal implication – in the sense that members of a society would increasingly believe in the societal structural trusting system. Upon having the conviction that the society and government are the proper advocators of this ethically trusting system, the members would likely automatically respond to the given trustful system – since, the members' capability to offer their trust has been increased.

It is noteworthy to have the core understanding that people offer more on knowing or being rewarded or recognised in a given group or environment. Employees become ambassadors of a firm upon being empowered by the power of trust. Organisations that outperform others solely achieve this through the funnel hard-work of the employees – and the employees are only able to promote the organisations to level of success because they believe in the given organisation. In the same way, societies and governments that are ably to create ethically sustainable working environment will signal a sign of seriousness and readiness for extraordinary performance, likewise, the employees or the people of the society or nations would also work accordingly in order to match the displayed ethicality. This, holistically would tremendously increase the output of the society or nations since everyone seemingly would be working for the common good of the bigger society. This also could be reflected in relationship that the society would enjoy from the citizens. Since

there is lesser complication of what ethicality looks like – considering that it has been obviously been demonstrated by the society which means that there would be increase in understanding of what the expectations are to be like. Those below the given ethically fashioned working environment would need to level up in terms of ethicality in order to fit in the generally accepted ethically working environment. If such system by a given society worked towards perfection, it will have the potency of sustaining for a longer period of time and the generations would also benefit from it. Likewise, ethically oriented society would also have the advantage of working with the best companies. Having an ethically oriented environment has a means of drawing top companies. Every success recognises a success and likes to reckon with the success. Likewise, top companies would be lured to participate in a society that has created adequate ethical environment that the people of the society trusted which has ability to echo beyond the given country to other countries, hence, attracting positive returns for the nation. The amazing part of it is that when the new people arrive in the country or nation, there is also higher certainty that they would amend or bend in order to fit in – in the society. Equally, contractors that would be dealing with the said nation or society would also work accordingly in order to suit the needful or the stated standard of the society. This, all in all, would increase the trusting level of the people of the world on the society and it would also influence the performance and sustenance of the society or nation.

5. Limitations of this research

The findings of this study could be endorsed by underlining the perceived limitations during the study design.

Firstly, the basic unit for this study was based on contract performance portfolio. This took considerations into the positions of both buyer and seller locked in a contractual relationship. In so doing, the research configuration did not control for buyer and seller locked in specific contractual relationship. However, further study that could consider splitting the study of buyer and seller perhaps the parties locked in specific contractual relationship on both long and short term. The examinination of this seller and buyer phenomenom would further enrich understanding of the intricacies in contractual relationship.

Secondly, the study confided in the trusting system of self-report measures in terms of drawing the contractual performance. However, within this lies the threat of measurement error across the given firms due to error attributable to overstatement.

Thirdly, this study utlised quantitative research approach – whereby standing the risk of unable to collect data on the rich informative data from the dynamic interaction between buyers'and sellers'organisational contractual relationship, particularly in understanding the important roles of team-manager relationship both on inter and intra level of organisational contractual performances. Thus, a further study should consider using a qualitative approach in order to capture further insightful knowledge in this area of contractual performance.

Finally, the survey scale utilised in this research considered the most needful or irrelevant of the scales' items and as such, a careful analysis of the needed scale items was conducted and thereafter, the scale items were amended accordingly. Further, some of the respondents failed to fully completely fill the questionnaire. As a result, the incomplete questionnaires were removed from the final data used for the analysis of the findings.

F. Summary

Plethora of organisations, societies, nations and governmental institutions often engage in a contractual agreement with servicing companies and her own internal members, however, the outcome is oftentimes blurred by poor ethical awareness which later goes on to hinder the success of the projects. However, there exists numerous significant documentaries and research on contractual arrangements but little is known on how ethical orientation impacts the outcome of contractual project. Therefore, this research found it necessary to cover this gap by exploring ethical elements involved in institutionalisation of ethics and other facets of being ethical and having it work within organisational and societal settings. As such, this research focused on exploring the role of ethical climate in constructing contractual performances. In other to figure out the underlying factors in ethicality, this research further investigated the internal linking factors of ethicality like flexibility, implicit and explicit institutionalisation of ethics and opportunism.

As a way to further embellish the intricately embedded meanings of these factors, this research went ahead to study the compatible fundamental organisational theories that guide these ethical elements. These theories are social exchange theory, transaction cost theory, cognitive dissonance theory, stakeholders' theory, behavioural integrity and institutionalisation theory. On reviewing the literature, it was stated that social exchange theory has the underpinning role in fashioning the relationship among flexibility, trust and performance. On its own, social exchange theory describes the strength of a relation and it is most oftentimes determined by the degree at which the needs of the parties involved in the contract or relation is satisfied. Therefore, one party must be willing and able to offer value in exchange for a reward. The consistency of this mutual bilateral behaviour will motivate the relationship to last longer – considering that it will breed trust along the line of the longer relational interaction.

In the contractual-relationship field, transaction cost scholars concentrated on the means of reducing the cost of a transaction with the understanding that complexity, uncertainty, and opportunism hinder the progressive tendencies of parties involved in

a contractual agreement – which hinder the proper distribution of the resources and the accompanying risks among the contracting parties (Goetz and Scott, 1983; p. 969). In 1932, Commons recorded account of the principles that make-up a unit of transaction as that which is mutual, conflictual and orderly – hinging on the fact that the relationship among human is that of both conflictual and mutuality. Following this fundamental theoretic understanding from the literature, this research based the relationship between opportunism and contractual performance on transaction cost theory. The literature strongly recorded negative relationship between opportunism and contractual performance.

Further, cognitive dissonance theory was also explored in order to figure out the impact of trust on the opportunism on contractual performance. Scholars of cognitive dissonance theory state the importance of bringing the dissonance into reduction by combining the factors of the dissonance – and it is perceived as the responsibility of the subject to reduce the dissonance (Wicklund and Brehm, 1976). Dissonance is created upon having the awareness of voluntary acceptance to discharge a certain duty and the understanding that the perceived task is equally challenging; however, a counter-understanding that carrying out the duty would bring about some intrinsic values – would go somewhat great extent to reduce the occurring dissonance (Joule and Beauvois 1997; p. 28).

In order to find out the internal relationship between ethical climate and performance, the literature suggests behavioural integrity as the antecedent of trust. Simon, (2002) termed behavioural integrity as the "Perceived Pattern of Alignment between an Actor's Words and Deeds" – signalling that it entails the fit between the advocated opinions and the concomitant deeds. Meaning that in an organisational settings the employees would be at the look-out on the managerial views and the behavioural tendencies towards accomplishing the said views. As such, the alignment of the words and the deeds from the top management would enable the flourishing of ethical climate which would translate its significance on performance.

Stakeholder theory was also considered in terms of figuring out the intricacies involved in the contractual relational interaction among trust, ethical climate and con-

tractual performance. Stakeholders are generally perceived as those that are influenced by the decisions that organisations or societies that they are part of. From Freeman (1984), Stakeholder theory has its root in the concept of common good – referencing that firms perform well for the benefit of the people – either voluntarily or obligatorily (Argandoña, 1998; p. 1099).

Institutionalisation of ethics was studied and it has its inspirational theory from institutionalisation theory which theories organisations as the product of the interaction among humans (Scott, 1995). In order to further understand the role of institutionalisation of ethics on contractual performance, broader literature was reviewed – and the outcome hinted institutionalisation of ethics as structurally constructed activities that enhance the development of ethicality degree of the organisation in regards to her day-to-day activities (Sims, 2003) and could be streamlined into code. A code of ethics could be explicated as a "written expression of an organization's ethical norms and values" (Valentine and Barnett, 2003, p. 359) whereby the code describes the expected behavioural guidelines for the firm's policy and decision making processes (Sims, 1991). Following the understanding of institutionalisation of ethics and the abiding theory, the research looked in to the impact of both implicit and explicit institutionalisation of ethics on ethical climate and contractual performance.

Following the literature reviewing and structuring it to fit the present study, as such, a conceptual framework was developed and tested on a sample of 200 business-to-business commercial relationships between buyers and seller from varying industries like oil and gas, IT , engineering, transportation and supply chain management. The respondents came from top commercial managers through the platform of IACCM (International Association of Contract and Commercial Management: a peak international professional association for contract and commercial managers).

Structural Equation Modelling was employed for the testing of the proposed framework and the hypothesis – in order to fathom if the data fits properly with the conceptual model. The result of the research reflected that joining explicit institutionalisation in an already created ethical climate has positive impact on the performances of contracts. However, implicit institutionalisation of ethics had no influence on both ethical climate and the outcome of contractual performance. Flexibility also signalled less

positive promise as it had no influence on the performance of contract. Finally, it was established that opportunism had significant negative impact on ethical climate, trust and performance of contract. In conclusion, the research made adequate contributions both theoretically and managerial in the sense that it boosted the spirit of institutionalisation of ethics by suggestive gesture that having ethical climate would tremendously improve contractual performance. Also, it discussed the managerial implication – suggesting that organisations, societies and governmental institutions that are able to embrace the added advantage of having ethics, being explicitly incorporated, in an encouraged ethical climate would increasingly influence the performance and productivity of the given organisation and society.

Appendix

Questionnaire

My name is Charles Nnaji. I am a PhD candidate with Newcastle University Business School. This survey aims to help to better understand the effectiveness of a performance contract. Kindly assist in answering the questions. All answers will be treated anonymously and the confidentiality will be highly protected in full accordance with the Newcastle University research ethical system. A copy of the outcome of the research can be provided to you in the future if you provide your email. Your opinion is hugely appreciated as it makes a difference both in the theory and in the industry. Thank you for your time and participation.

Q2

Please select the degree at which you agree or disagree with each of the following sentences in terms of your experience as a contractor.

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	× Not applicable
We have good reputation in the market.	○	○	○	○	○	○
We have a good performance record	○	○	○	○	○	○

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	✕ Not applicable
for serving our prior clients.						
We have a good reputation for being credible.	○	○	○	○	○	○
We have a good reputation for fair dealing with the clients.	○	○	○	○	○	○

Q49

As a client that outsources contracts to typical contractors, please indicate to which degree, in which you agree or disagree with each of the below sentences:

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	✕ Not applicable
We have good reputation in the market.	○	○	○	○	○	○
We have a good performance record for serving our prior contractors.	○	○	○	○	○	○
We have a good reputation for being credible.	○	○	○	○	○	○
We have a good reputation for fair dealing with the contractors.	○	○	○	○	○	○

Q3

Please to what extent do you agree or disagree with the following questions, applicable, when you are using outcome-based contracts for collaborative relationship and you are the client or the owner?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree	× Not applicable
Both partners are able to make adjustments in the relationship to cope with the changing market environment.	○	○	○	○	○	○
Working with our contractor, we have developed processes to increase flexibility to respond to contractor's requests.	○	○	○	○	○	○
We are unable to make adjustments in the relationship with our contractor	○	○	○	○	○	○

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree	× Not applicable
to accommodate changing.						

Q50

Please to what extent do you agree or disagree with the following questions, applicable, when you are using outcome-based contracts for collaborative relationship and you are the contractor?

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	× Not applicable
Both partners are able to make adjustments in the relationship to cope with the changing market environment.	○	○	○	○	○	○

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	✕ Not applicable
Working with our client we have developed processes to increase flexibility to respond to customer requests.	○	○	○	○	○	○
We are unable to make adjustments in the relationship with our client to accommodate changing.	○	○	○	○	○	○

Q48

As a typical contractor, contracted to manage a recent large project, please, to what degree do you agree or disagree with each of the below sentences?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	× Not applicable
Our client is dependable.	○	○	○	○	○	○
Our client always keep his/her word.	○	○	○	○	○	○
We are confident of the capability of our client.	○	○	○	○	○	○
Without monitoring, our client will try to fulfill his/her obligations.	○	○	○	○	○	○

Q6

As a project owner or client, please to what degree do you agree or disagree with each of the below sentences about your contractors?

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly disagree	✕ Not applicable
We often have different points of view on how best to manage our business with our contractors.	○	○	○	○	○	○
We have disagreements in our working relationship that need to be managed.	○	○	○	○	○	○
We frequently debate with the contractor on issues relating to how we should conduct our business.	○	○	○	○	○	○

Q4

As a client in a recent project with a typical contractor, please indicate from each of the below sentences the degree that you agree or disagree:

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Not applicable
Our contractor is dependable.	○	○	○	○	○	○
Our contractor always keep his/her word.	○	○	○	○	○	○
We are confident of the capability of our contractor.	○	○	○	○	○	○
Without monitoring, our contractor will try to fulfill his/her obligations.	○	○	○	○	○	○

Q5

You are a client involved in a recent project, please indicate to what extent you agree or disagree with each of the blow statements:

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Not applicable
Our requirements for contractual project services are complex.	○	○	○	○	○	○
Our requirements for contractual project services change quickly.	○	○	○	○	○	○
The turn-over this service provider makes with us varies strongly from transaction to transaction.	○	○	○	○	○	○
The prices this service provider realizes with us vary	○	○	○	○	○	○

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Not applicable
strongly from transaction to transaction.						
When we need new project material, we inform this service provider early about our requirements.	○	○	○	○	○	○
When we plan new projects, this service provider can be almost sure to receive the order to conduct the project.	○	○	○	○	○	○

Q7

As a typical contractor, please indicate to what extent that each of the below statements are applicable to you:

	Never	Fairly many times	Often	Very often	Always	Not applicable
I have been late for important appointments during project contracting.	○	○	○	○	○	○
I have passed on information to others although I had promised to keep it to myself while project contracting.	○	○	○	○	○	○
I have earned money on the side and not declared it fully in my income tax returns during project contracting.	○	○	○	○	○	○
I could have saved myself a lot of trouble if I had watched	○	○	○	○	○	○

	Never	Fairly many times	Often	Very often	Always	Not applicable
what I said during project contracting.						
I've got physically rough when someone provoked me during project contracting.	○	○	○	○	○	○
In the mood, I have drunk more than I could handle while project contracting.	○	○	○	○	○	○
I have bought materials which I really did not need for project contracting.	○	○	○	○	○	○
I have said things to my project partner in an argument	○	○	○	○	○	○

	Never	Fairly many times	Often	Very of-ten	Always	Not ap-plicable
which hurts her or him badly.						
When filing an insurance claim, I have inflated the amount involved a little during project contracting	○	○	○	○	○	○
In a bad mood, I have insulted people without any particular cause during project contracting.	○	○	○	○	○	○
I did no longer care for people who used to be my project partners.	○	○	○	○	○	○

	Never	Fairly many times	Often	Very of- ten	Always	Not ap- plicable
I have not been ex- actly tactful in disa- greements with my project boss or other people in pro- ject authority.	○	○	○	○	○	○
I have switched price tags on pro- ject materials in or- der to pay less for an item.	○	○	○	○	○	○
I have bought pro- ject material of con- siderable value without comparing prices beforehand.	○	○	○	○	○	○
I have borrowed project material and	○	○	○	○	○	○

	Never	Fairly many times	Often	Very of-ten	Always	Not ap-plicable
never returned them.						

Q51

As a client of a large project, please indicate to what extent that each of the below statements are applicable to you:

	Never	Fairly many times	Often	Very of-ten	Always	✗ Not applica-ble
I have been late for important appoint-ments during pro-ject contracting.	○	○	○	○	○	○
I have passed on information to oth-ers although I had promised to keep it to myself while pro-ject contracting.	○	○	○	○	○	○

	Never	Fairly many times	Often	Very often	Always	✕ Not applicable
I have earned money on the side and not declared it fully in my income tax returns during project contracting.	○	○	○	○	○	○
I could have saved myself a lot of trouble if I had watched what I said during project contracting.	○	○	○	○	○	○
I've got physically rough when someone provoked me during project contracting.	○	○	○	○	○	○
In the mood, I have drunk more than I	○	○	○	○	○	○

	Never	Fairly many times	Often	Very often	Always	✗ Not applicable
could handle while project contracting.						
I have bought materials which I really did not need for project contracting.	○	○	○	○	○	○
I have said things to my project partner in an argument which hurts her or him badly.	○	○	○	○	○	○
When filing an insurance claim, I have inflated the amount involved a little during project contracting.	○	○	○	○	○	○

	Never	Fairly many times	Often	Very of-ten	Always	✕ Not applica-ble
In a bad mood, I have insulted peo-ple without any par-ticular cause during project contracting.	○	○	○	○	○	○
11) I did no longer care for people who used to be my pro-ject partners.	○	○	○	○	○	○
I have not been ex-actly tactful in disa-greements with my project partner or other people in pro-ject authority.	○	○	○	○	○	○
I have switched price tags on pro-	○	○	○	○	○	○

	Never	Fairly many times	Often	Very often	Always	✗ Not applicable
ject materials in order to pay less for an item.						
I have bought project material of considerable value without comparing prices beforehand.	○	○	○	○	○	○
I have borrowed project material and never returned them.	○	○	○	○	○	○

Q8

As owner of a project involved with a typical contractor, please indicate to what extent that you agree or disagree with each of the below sentences?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Not applicable
I like to contract projects from this contractor	○	○	○	○	○	○
I am pleased with the experience of purchasing products from this contractor.	○	○	○	○	○	○
I think contracting projects with this contractor is a good idea.	○	○	○	○	○	○
Overall, I am satisfied with the experience of contracting projects from this contractor.	○	○	○	○	○	○

Q52

As typical contractor of a project involved with a client, please indicate to what extent that you agree or disagree with each of the below sentences?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	✕ Not applicable
I like to contract projects from this client.	○	○	○	○	○	○
I am pleased with the experience of purchasing products from this client.	○	○	○	○	○	○
I think contracting projects with this client is a good idea.	○	○	○	○	○	○
Overall, I am satisfied with the experience of contracting projects from this client.	○	○	○	○	○	○

Q9

You are the CEO or manager of a large construction organisation that operates on outcome base contracts, and you have employees under you, please indicate to what extent each of the below sentences are likely true or not to you:

	Highly unlikely	Unlikely	Neither unlikely nor likely	Likely	Highly likely	✕ Not applicable
Listens to what employees have to say.	○	○	○	○	○	○
Disciplines employees who violate ethical standards.	○	○	○	○	○	○
Conducts his/her personal life in an ethical manner.	○	○	○	○	○	○
Has the best interests of employees in mind.	○	○	○	○	○	○
Makes fair and balanced decisions.	○	○	○	○	○	○
Can be trusted.	○	○	○	○	○	○

	Highly unlikely	Unlikely	Neither unlikely nor likely	Likely	Highly likely	✕ Not applica-ble
Discusses business ethics or values with employees.	○	○	○	○	○	○
Sets an example of how to do things the right way in terms of ethics.	○	○	○	○	○	○
Defines success not just by results but also the way that they are obtained.	○	○	○	○	○	○
When making deci-sions, asks "what is the right thing to do?"	○	○	○	○	○	○

Q46

As a client or project owner of a large project, which you presently contracted out to a contractor, please indicate to what extent each of the below sentences are likely true or not to you:

	Highly Unlikely	Unlikely	Neither unlikely nor likely	Likely	Highly likely	× Not applicable
Listens to what contractor have to say.	○	○	○	○	○	○
Disciplines contractor who violate ethical standards.	○	○	○	○	○	○
Conducts his/her personal life in an ethical manner.	○	○	○	○	○	○
Has the best interests of contractor in mind.	○	○	○	○	○	○
Makes fair and balanced decisions.	○	○	○	○	○	○
Can be trusted.	○	○	○	○	○	○
Discusses business ethics or values with contractor	○	○	○	○	○	○

	Highly Unlikely	Unlikely	Neither unlikely nor likely	Likely	Highly likely	✕ Not applica-ble
Sets an example of how to do things the right way in terms of ethics.	○	○	○	○	○	○
Defines success not just by results but also the way that they are obtained.	○	○	○	○	○	○
When making deci-sions, asks "what is the right thing to do?"	○	○	○	○	○	○

Q10

As a contractor, please, for the recent significant contract you are involved in, how well do you think it's going so far?

	Very poor	Poor	Neither poor nor well	Well	Very well	Not ap- plicable
The contract is per- forming well overall.	○	○	○	○	○	○
The contract is do- ing well on the com- pany side.	○	○	○	○	○	○
The contract is do- ing well on the cus- tomer side.	○	○	○	○	○	○

Q53

As a client of a recent large project, please, how well do you think it's going so far?

	Very poor	Poor	Neither poor nor well	Well	Very welll	✕ Not applica- ble
The contract is per- forming well overall.	○	○	○	○	○	○
The contract is do- ing well on the com- pany side.	○	○	○	○	○	○

	Very poor	Poor	Neither poor nor well	Well	Very welll	✗ Not applicable
The contract is doing well on the contractor side.	○	○	○	○	○	○

Q11

You are a contractor in an organisation that implements outcome base contracts, to what extent do you agree or disagree with each of the below sentences?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Not applicable
My organization respects my work-related ideas.	○	○	○	○	○	○
My organization values what I contribute on project environment.	○	○	○	○	○	○

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Not applicable
My organization respects the work I do.	○	○	○	○	○	○
My organization appreciates my unique contributions on the project.	○	○	○	○	○	○
My organization approves of how I do my job on the project environment.	○	○	○	○	○	○

Q54

You are a client or manager in an organisation that outsources outcome base contracts, to what extent do you agree or disagree with each of the below sentences?

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	✕ Not applicable
My organization respects my work-related ideas.	○	○	○	○	○	○
My organization values what I contribute on project environment	○	○	○	○	○	○
My organization respects the work I do	○	○	○	○	○	○
My organization appreciates my unique contributions on the project.	○	○	○	○	○	○
My organization approves of how I do my job on the project environment.	○	○	○	○	○	○

Q12

As a client involved in partnership with contractors, please, to what extent do you agree or disagree with each of the below sentences?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Not applicable
We enter into special agreements with contractors who have improved performance.	○	○	○	○	○	○
We are loyal to key contractors.	○	○	○	○	○	○
We have very frequent face-to-face planning/communication with key contractors.	○	○	○	○	○	○
There is high corporate level communication on important	○	○	○	○	○	○

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Not applicable
issues with key suppliers.						
There are direct computer to computer links with key contractors.	○	○	○	○	○	○
Purchasing can influence first tier supplier's responsiveness to purchasing requirements.	○	○	○	○	○	○

Q55

As a typical contractor involved in partnership with a client, please, to what extent do you agree or disagree with each of the below sentences?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	× Not applicable
We enter into special agreements with clients who have improved performance.	○	○	○	○	○	○
We are loyal to key clients.	○	○	○	○	○	○
We have very frequent face-to-face planning/communication with key clients.	○	○	○	○	○	○
There is high corporate level communication on important issues with key clients.	○	○	○	○	○	○

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	✗ Not applicable
There are direct computer to computer links with key clients.	○	○	○	○	○	○
Purchasing can influence first tier clients' responsiveness to purchasing requirements.	○	○	○	○	○	○

Q13

Please indicate from each of the below sentences, the extent to which the 'Project Manager' shows the following behaviours in promoting the success of an outcome base contract, on the site.

	Not at all	Once in a while	Sometimes	Fairly often	Frequently	Not applicable
Seeks out new technologies, process, techniques	○	○	○	○	○	○

	Not at all	Once in a while	Some-times	Fairly of-ten	Fre-quently	Not ap-plicable
and/or product ideas.						
Maintains a network of contacts.	○	○	○	○	○	○
Seeks differing per-spectives when solving problems.	○	○	○	○	○	○
Gets others to look at problems from many different an-gles.	○	○	○	○	○	○
Challenges the way it has been done before as the only answer.	○	○	○	○	○	○
Expresses confi-dence in what the innovation can do and achieve.	○	○	○	○	○	○

	Not at all	Once in a while	Some-times	Fairly of-ten	Fre-quently	Not ap-plicable
Enthusiastically pro-motes the ad-vantages of new ideas and solutions.	○	○	○	○	○	○
Pushes innovation actively and vigor-ously.	○	○	○	○	○	○
Shows optimism about the success of innovation.	○	○	○	○	○	○
Shows tenacity in overcoming obsta-cles.	○	○	○	○	○	○
Accepts responsibil-ity for the results.	○	○	○	○	○	○
Gives top priority to getting results.	○	○	○	○	○	○
Coordinates and brings together the	○	○	○	○	○	○

	Not at all	Once in a while	Some-times	Fairly of-ten	Fre-quently	Not ap-plicable
key individuals or contractors.						
Gets the necessary resources (e.g. people, time, dollars) to implement new ideas, technology and/or solutions.	○	○	○	○	○	○
Backs the people involved.	○	○	○	○	○	○
Builds trust.	○	○	○	○	○	○
Gets the problems into the hands of those who can solve them.	○	○	○	○	○	○
Gets support from the top level.	○	○	○	○	○	○
Accepts feedback.	○	○	○	○	○	○

	Not at all	Once in a while	Some-times	Fairly of-ten	Fre-quently	Not ap-plicable
Sets up harmonious and cooperative working environ-ment among par-ties.	○	○	○	○	○	○
Keeps project stakeholders in-volved in the pro-cess.	○	○	○	○	○	○

Q14

From your perspective as an experienced client or project owner, please, to what extent do you agree or disagree with each of the below sentences?

	Strongly disagree	Disagree	Neither agree nor disa-gree	Agree	Strongly agree	Not ap-plicable
We have specific, well-detailed agree-ments with this con-tractor.	○	○	○	○	○	○

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Not applicable
We have formal agreements that detail the obligations of both parties.	○	○	○	○	○	○
We have detailed contractual agreements with this contractor.	○	○	○	○	○	○

Q56

From your perspective as an experienced contractor, please, to what extent do you agree or disagree with each of the below sentences?

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	✕ Not applicable
We have specific, well-detailed agreements with this client.	○	○	○	○	○	○
We have formal agreements that detail the obligations of both parties.	○	○	○	○	○	○
We have detailed contractual agreements with this client.	○	○	○	○	○	○

Q15

 As a client of a project, please indicate the degree you think each of the below questions occurs?

	Much lower	Low	Neither low nor high	High	Much high	Not applicable
To what degree must individuals acquire company-specific information to adequately perform the HR function?	○	○	○	○	○	○
To what degree is your approach to the HR function custom-tailored to the company?	○	○	○	○	○	○
How costly in terms of time, investments and training would it be to switch to outsourcing this function?	○	○	○	○	○	○
How costly in terms of time, investments	○	○	○	○	○	○

	Much lower	Low	Neither low nor high	High	Much high	Not applicable
and training would it be to switch outsourcing contractors?						

Q16

As a project owner involved in an outcome project with a contractor, please, to what degree do you agree or disagree with the below sentences?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Not applicable
We intend to maintain the relationship with this contractor as long as possible.	○	○	○	○	○	○
We do our best not to threaten the relationship with this contractor.	○	○	○	○	○	○

	Strongly disagree	Disagree	Neither agree nor disa- gree	Agree	Strongly agree	Not ap- plicable
We are willing to put more effort into this relationship than usual	○	○	○	○	○	○
Problems rarely arise in the relation- ship	○	○	○	○	○	○
From time to time, we are looking for alternative suppliers for the service this company provides us with.	○	○	○	○	○	○

Q57

As a typical contractor involved in an outcome project with a client, please, to what degree do you agree or disagree with each of the below sentences?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	✕ Not applicable
We intend to maintain the relationship with this client as long as possible.	○	○	○	○	○	○
We do our best not to threaten the relationship with this client.	○	○	○	○	○	○
We are willing to put more effort into this relationship than usual.	○	○	○	○	○	○
Problems rarely arise in the relationship.	○	○	○	○	○	○
From time to time, we are looking for alternative client for	○	○	○	○	○	○

	Strongly disagree	Disagree	Neither agree nor disa- gree	Agree	Strongly agree	✕ Not applica- ble
the service this company provides us with.						

Q58

As a client, please, how easy are negotiations between your business unit and a typi- cal contractor over sharing the burden of costs (not explicitly covered by the contract) when?

	Very dif- ficult	Difficult	Neither difficult nor easy	Easy	Very easy	✕ Not applica- ble
Your business unit requests engineer- ing changes?	○	○	○	○	○	○
Contractor's raw material costs in- crease?	○	○	○	○	○	○

Q17

As a typical contractor of a large scale project, please, how easy are negotiations between your business unit and a client over sharing the burden of costs (not explicitly covered by the contract) when?

	Very difficult	Difficult	Neither difficult nor easy	Easy	Very easy	Not applicable
Your business unit requests engineering changes?	○	○	○	○	○	○
The Contractor's raw material costs increase?	○	○	○	○	○	○

Q40

As a typical contractor of a large scale project, please, how quick are negotiations between your business unit and a client over sharing the burden of costs (not explicitly covered by the contract) when?

	Very un-quick	Unquick	Neither unquick nor quick	Quick	Very quick	✕ Not applica-ble
Your business unit requests engineering changes?	○	○	○	○	○	○
Contractor's raw material costs increase?	○	○	○	○	○	○

Q60

As a client of a large scale project, please, how quick are negotiations between your business unit and a typical contractor over sharing the burden of costs (not explicitly covered by the contract) when?

	Very un-quick	Unquick	Neither unquick now quick	Quick	Very quick	✕ Not applica-ble
Your business unit requests engineering changes?	○	○	○	○	○	○

	Very un-quick	Unquick	Neither unquick now quick	Quick	Very quick	✕ Not applica-ble
Contractor's raw material costs increase?	○	○	○	○	○	○

Q42

As a project owner or client that currently contracted a contractor for a large project, please to what degree do you agree or disagree with each of the below sentences?

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	✕ Not applica-ble
This contractor often exaggerates its needs to get what it desires.	○	○	○	○	○	○
	○	○	○	○	○	○
This contractor often alters the facts to get what it wants.	○	○	○	○	○	○

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	✕ Not applicable
This contractor often promises to do things, even though it actually had no intention of following through.	○	○	○	○	○	○
We have reason to believe that this contractor hides important information from us.	○	○	○	○	○	○

Q43

As a typical contractor currently managing a large project for a client, please to what degree do you agree or disagree with each of the below sentences?

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	✕ Not applicable
This client often exaggerates he/she needs to get what it desires.	○	○	○	○	○	○
	○	○	○	○	○	○
This client often alters the facts to get what she/he wants.	○	○	○	○	○	○
This client often promises to do things, even though he/she actually had no intention of following through.	○	○	○	○	○	○
We have reason to believe that this client hides important information from us.	○	○	○	○	○	○

Q19

As a project owner or client, please to what degree do you agree or disagree with each of the below sentences about your firm's standard incentives, that a typical contractor receives?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Not applicable
Extra incentives to increase their constructing effort for our project.	○	○	○	○	○	○
Extra dollars for their use in local promotional activities that help promote our project.	○	○	○	○	○	○
Extra monetary assistance for targeted events that help promote our project.	○	○	○	○	○	○

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Not applicable
Extra incentives to work harder in support of our project.	○	○	○	○	○	○

Q47

As a client/owner of a large project, to what extent do you perceive each of the below sentences to be truthful or false, about your main contractor's company?

	Completely false	False	Neither false nor true	True	Completely true	✕ Not applicable
In this company, people are mostly out for themselves.	○	○	○	○	○	○
The major responsibility for people in this company is to consider efficiency first.	○	○	○	○	○	○

	Com-pletely false	False	Neither false nor true	True	Com-pletely true	× Not applica-ble
In this company, people are expected to follow their own personal and moral beliefs.	○	○	○	○	○	○
People are expected to do anything to further the company's interests.	○	○	○	○	○	○
In this company, people look out for each other's good.	○	○	○	○	○	○
There is no room for one's own personal morals or ethics in this company.	○	○	○	○	○	○
It is very important to follow strictly the	○	○	○	○	○	○

	Completely false	False	Neither false nor true	True	Completely true	✕ Not applicable
company's rules and procedures here.						
Work is considered sub-standard only when it hurts the company's interests.	○	○	○	○	○	○
Each person in this company decides for himself what is right and wrong.	○	○	○	○	○	○
In this company, people protect their own interest above other considerations.	○	○	○	○	○	○
The most important consideration in this	○	○	○	○	○	○

	Com-pletely false	False	Neither false nor true	True	Com-pletely true	× Not applica-ble
company is each person's sense of right and wrong.						
The most important concern is the good of all the people in the company.	○	○	○	○	○	○
The first considera-tion is whether a decision violates any law.	○	○	○	○	○	○
People are ex-pected to comply with the law and professional stand-ards over and above other consid-erations.	○	○	○	○	○	○

	Completely false	False	Neither false nor true	True	Completely true	✕ Not applicable
Everyone is expected to stick by company rules and procedures.	○	○	○	○	○	○
In this company, our major concern is always what is best for the other person.	○	○	○	○	○	○
People are concerned with the company's interests to the exclusion of all else.	○	○	○	○	○	○
Successful people in this company go by the book.	○	○	○	○	○	○
The most efficient way is always the	○	○	○	○	○	○

	Completely false	False	Neither false nor true	True	Completely true	× Not applicable
right way, in this company.						
In this company, people are expected to strictly follow legal or professional standards.	○	○	○	○	○	○
Our major consideration is what is best for everyone in the company.	○	○	○	○	○	○
In this company, people are guided by their own personal ethics.	○	○	○	○	○	○
Successful people in this company strictly obey the company policies.	○	○	○	○	○	○

	Completely false	False	Neither false nor true	True	Completely true	✕ Not applicable
In this company, the law or ethical code of their profession is the major consideration.	○	○	○	○	○	○
In this company, each person is expected, above all, to work efficiently.	○	○	○	○	○	○
It is expected that you will always do what is right for the customer and public.	○	○	○	○	○	○
People in this company view team spirit as important.	○	○	○	○	○	○
People in this company have a strong	○	○	○	○	○	○

	Completely false	False	Neither false nor true	True	Completely true	× Not applicable
sense of responsibility to the outside community.						
Decisions here are primarily viewed in terms of contribution to profit.	○	○	○	○	○	○
People in this company are actively concerned about the customer's, and the public's interest.	○	○	○	○	○	○
People are very concerned about what is generally best for employees in the company.	○	○	○	○	○	○
What is best for each individual is a	○	○	○	○	○	○

	Completely false	False	Neither false nor true	True	Completely true	✕ Not applicable
primary concern in this organization.						
People in this company are very concerned about what is best for themselves.	○	○	○	○	○	○
The effect of decisions on the customer and the public are a primary concern in this company.	○	○	○	○	○	○
It is expected that each individual is cared for when making decisions here.	○	○	○	○	○	○

	Completely false	False	Neither false nor true	True	Completely true	✗ Not applicable
Efficient solutions to problems are always sought here.	○	○	○	○	○	○

Q41

As a typical contractor of a large construction company, to what extent do you perceive each of the below sentences to be truthful or false about your client's company?

	Completely false	False	Neither false nor true	True	Completely true	✗ Not applicable
In this company, people are mostly out for themselves.	○	○	○	○	○	○
The major responsibility for people in this company is to consider efficiency first.	○	○	○	○	○	○

	Completely false	False	Neither false nor true	True	Completely true	× Not applicable
In this company, people are expected to follow their own personal and moral beliefs.	○	○	○	○	○	○
People are expected to do anything to further the company's interests.	○	○	○	○	○	○
In this company, people look out for each other's good.	○	○	○	○	○	○
There is no room for one's own personal morals or ethics in this company.	○	○	○	○	○	○
It is very important to follow strictly the	○	○	○	○	○	○

	Completely false	False	Neither false nor true	True	Completely true	× Not applicable
company's rules and procedures here.						
Work is considered sub-standard only when it hurts the company's interests.	○	○	○	○	○	○
Each person in this company decides for himself what is right and wrong.	○	○	○	○	○	○
In this company, people protect their own interest above other considerations.	○	○	○	○	○	○
The most important consideration in this	○	○	○	○	○	○

	Com-pletely false	False	Neither false nor true	True	Com-pletely true	✕ Not applica-ble
company is each person's sense of right and wrong.						
The most important concern is the good of all the people in the company.	○	○	○	○	○	○
The first considera-tion is whether a decision violates any law.	○	○	○	○	○	○
People are ex-pected to comply with the law and professional stand-ards over and above other consid-erations.	○	○	○	○	○	○

	Completely false	False	Neither false nor true	True	Completely true	× Not applicable
Everyone is expected to stick by company rules and procedures.	○	○	○	○	○	○
In this company, our major concern is always what is best for the other person.	○	○	○	○	○	○
People are concerned with the company's interests to the exclusion of all else.	○	○	○	○	○	○
Successful people in this company go by the book.	○	○	○	○	○	○
The most efficient way is always the	○	○	○	○	○	○

	Completely false	False	Neither false nor true	True	Completely true	✕ Not applicable
right way, in this company.						
In this company, people are expected to strictly follow legal or professional standards.	○	○	○	○	○	○
Our major consideration is what is best for everyone in the company.	○	○	○	○	○	○
In this company, people are guided by their own personal ethics.	○	○	○	○	○	○
Successful people in this company strictly obey the company policies.	○	○	○	○	○	○

	Completely false	False	Neither false nor true	True	Completely true	× Not applicable
In this company, the law or ethical code of their profession is the major consideration.	○	○	○	○	○	○
In this company, each person is expected, above all, to work efficiently.	○	○	○	○	○	○
It is expected that you will always do what is right for the customer and public.	○	○	○	○	○	○
People in this company view team spirit as important.	○	○	○	○	○	○
People in this company have a strong	○	○	○	○	○	○

	Com-pletely false	False	Neither false nor true	True	Com-pletely true	× Not applica-ble
sense of responsibility to the outside community.						
Decisions here are primarily viewed in terms of contribution to profit.	○	○	○	○	○	○
People in this company are actively concerned about the customer's, and the public's interest.	○	○	○	○	○	○
People are very concerned about what is generally best for employees in the company.	○	○	○	○	○	○
What is best for each individual is a	○	○	○	○	○	○

	Completely false	False	Neither false nor true	True	Completely true	× Not applicable
primary concern in this organization.						
People in this company are very concerned about what is best for themselves.	○	○	○	○	○	○
The effect of decisions on the customer and the public are a primary concern in this company.	○	○	○	○	○	○
It is expected that each individual is cared for when making decisions here.	○	○	○	○	○	○

	Completely false	False	Neither false nor true	True	Completely true	✕ Not applicable
Efficient solutions to problems are always sought here.	○	○	○	○	○	○

Q20

For a contractual relationship between a client and a contractor; as a client, please indicate to what extent you agree or disagree with each of the below statements?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Not applicable
The confidence that any short term inequities will be made up over time serves as a strong incentive for both firms to cooperate.	○	○	○	○	○	○

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Not applicable
The confidence that the financial benefits will be fair over the long run serves as a strong incentive for both firms to cooperate.	○	○	○	○	○	○
The confidence that investments made in the relationship today will pay off over the long run serves as a strong incentive for both firms to cooperate.	○	○	○	○	○	○

Q61

For a contractual relationship between a client and a contractor; as a contractor, please indicate to what extent you agree or disagree with each of the below statements?

	Strongly agree	Disagree	Neither agree nor disagree	Agree	Strongly agree	× Not applicable
The confidence that any short term inequities will be made up over time serves as a strong incentive for both firms to cooperate.	○	○	○	○	○	○
The confidence that the financial benefits will be fair over the long run serves as a strong incentive for both firms to cooperate.	○	○	○	○	○	○
The confidence that investments made in the relationship today will pay off over the long run	○	○	○	○	○	○

	Strongly agree	Disagree	Neither agree nor disagree	Agree	Strongly agree	× Not applicable
serves as a strong incentive for both firms to cooperate.						

Q21

As a client of a large project outsourced to a contracting firm; please to what degree do you agree or disagree with each of the below sentences, in terms of sharing of risk with the contractor?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Not applicable
Risks out of control of both parties will be shared.	○	○	○	○	○	○
Risks which both parties have potential to generate will be shared.	○	○	○	○	○	○

Q62

You are a typical contractor of a large project contracted by a client's company; please to what degree do you agree or disagree with each of the below sentences, in terms of sharing of risk with the client?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	× Not applicable
Risks out of control of both parties will be shared.	○	○	○	○	○	○
Risks which both parties have potential to generate will be shared.	○	○	○	○	○	○

Q22

Please select one or several kinds of project-type-application area, that you were involved with:

- ○ Engineering and construction.
- ○ Information systems IT.
- ○ Organization and business
- ○ × Not applicable

Q23

As a client, please select the degree of complexity of the recent significant contractual project in which you experienced:

- ○ High
- ○ Medium
- ○ Low
- ○ ✕ Not applicable

Q63

As a contractor, please select the degree of complexity of the recent significant contractual project in which you experienced:

- ○ High
- ○ Medium
- ○ Low
- ○ ✕ Not applicable

Q24

Please consider a recent significant project you a contractor of and kindly indicate from the below stage(s) of that which the project achieved:

- ○ Feasibility
- ○ Design
- ○ Execution
- ○ Close-out
- ○ Commissioning

- ○ ✗ Not applicable

Q64

Please consider a recent significant project you a client for; and kindly indicate from the below stage(s) of that which the project achieved:

- ○ Feasibility

- ○ Design

- ○ Execution

- ○ Close-out

- ○ Commissioning

- ○ ✗ Not applicable

Q25

As a client, please select from the below, the strategic importance of a recent significant contractual project you managed as a contractor:

- ○ Mandatory

- ○ Repositioning

- ○ Renewal

- ○ ✗ Not applicable

Q65

As a contractor, please select from the below, the strategic importance of a recent significant contractual project you managed as a contractor:

- ○ Mandatory

- ○ Repositioning

- ○ Renewal

- ○ ✕ Not applicable

Q26

On the project site, please select if culturally you are a:

- ○ Host

- ○ Expatriate

Q33

Has your company previously been engaged with your partner company in other alliances?

- ○ Yes

- ○ No

Q27

Please select the contract type that you recently managed:

- ○ Fixed price

- ○ Re-measurement

- ○ Alliance

Q28

If the answer to the above question is yes, please indicate how many years did your previous relationship, with other companies in building projects, last?

[   ]

Q28

Please write the name of your three top clients.

[   ]

Q29

Following a recent significant project in which you are a contractor of, and the client or sponsor allocated adequate fund for administering the contracting process, monitoring the contract and paying or reimbursing the contractor; as a contractor, please to what extent do you agree or disagree with this statement from the below options?

- ○ Strongly disagree

- ○ Disagree

- ○ Neither agree nor disagree

- ○ Agree

- ○ Strongly agree

- ○ Not applicable

Q66

Following a recent significant project in which you are a contractor of, and the client or sponsor allocated adequate fund for administering the contracting process, monitoring the contract and paying or reimbursing the contractor; as a client, please to what extent do you agree or disagree with this statement from the below options?

- ○ Strongly disagree

- ○ Disagree

- ○ Neither agree nor disagree

- ○ Agree

- ○ Strongly agree

- ○ ✗ Not applicable

Q31

Please indicate the number of employees in your organisation.

- ○ 3-10

- ○ 11-20

- ○ 21-30

- ○ 31-40

- ○ 41-50

- ○ 51-60

- ○ 61-70

- ○ 71-80

- ○ 81-90

- ○ 91-100

- ○ 101-120

- ○ 121-140

- ○ 141-160

- ○ 160-180

- ○ 181-200

- ○ 200-250

- ○ 251-300

- ○ 301-350

- ○ 351-400

- ○ 401-500

- ○ 500-1000

- ○ 1000-2000

- ○ 2000-3000

Q32

Please indicate your highest level of education.

- ○ O'level certificate

- ○ University graduate

- ○ Masters

- ○ MBA

- ○ PhD

Q33

Please indicate your age.

- ○ 20-30

- ○ 31-40

- ○ 41-50

- ○ 51-60

- ○ 61-70

- ○ 71-80

- ○ 81-90

Q34

Please indicate your gender.

- ○ Male

- ○ Female

Q35

Please what is your job function?

Q36

Please indicate your ethnicity.

- ○ North American

- ○ South American

- ○ Australian

- ○ Antarctica

- ○ European

- ○ Asian

- ○ African

Q37

Please what project management certificate do you have?

Q39

Thank you for participating.

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