

Practices and Factors Influencing Construction Enterprises' Corporate Social Responsibility (CSR) Implementation: a Conceptual Framework

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Abstract. Understanding the practices and factors influencing CSR implementation is important for construction enterprises in formulating effective strategies for CSR implementation in today's era of sustainable development. This study aims to explore construction enterprises' CSR behavior. Based on a review of the literature, this research presents a conceptual model on practices and factors influencing construction enterprises' CSR implementation by integrating three underpinning theories (i.e., stakeholder theory, institutional theory and self-determination theory). The results show that there are ten CSR aspects (with 36 sub-aspects) which closely relate to enterprise's stakeholders. The identified ten CSR aspects are shareholders, environment preservation, local community; employees; clients or owners; suppliers; government; competitors; non-government organizations (NGO); CSR institutional arrangement. It was found that construction enterprises' CSR implementations are affected by five groups of factors, namely: coercive factors; mimetic factors; normative factors; intrinsic factors; and identified factor. This framework will be tested in subsequent stages of the research project.

1. Introduction

The construction industry is often criticized for their lack of respect for the environment, confrontation with clients and inconsideration towards society [1]. Given that construction activities will always involve, to some extent, adverse environmental and social implications [2], corporate social responsibility (CSR) has been advocated and promoted as a complementary measure in the construction sector (e.g., [3-5]). In general, CSR emphasizes the overall contribution of businesses to sustainable development and fundamentally contributes to improve human well-being [6]. In essence, CSR is socially, environmentally and economically advantageous [7]. For the many previous studies on CSR in the construction industry, researchers' focusses were on: the evaluation of CSR performance (e.g., [8-10]); relationship between CSR performance and organization performance (e.g., [11]); CSR communications (e.g., [12]); and drivers, motivators and barriers of CSR actions (e.g., [8, 10, 12]). However, the implementation of CSR in the construction industry is still largely informal, unsophisticated, immature, narrowly focused (mainly on environmental activities), compliance driven and in its infant stages of development [13]. Hitherto, there are few studies that attempted to (i) provide a comprehensive view of CSR practices of construction enterprises as well

the categorizations of CSR practices; and (ii) investigate how the collective influence of different factors on CSR implementation of construction enterprises.

In addressing these gaps, based on a review of the literature, this research presents a conceptual model on practices and factors influencing construction enterprises' CSR implementation by integrating three theories (i.e., stakeholder theory, institutional theory and self-determination theory (SDT)). Understanding these CSR practices and influencing factors within the industry could help construction enterprises to formulate effective strategies for CSR implementation, thus ultimately promote the development of sustainable construction management [14].

2. Research methods

The development of the conceptual framework of this study is based on literature review. Peer-reviewed research articles in CSR within the construction domain were undertaken a content analysis. For this research, the purpose of content analysis, as indicated by Stemler [15], is to allow for contextualizing and identifying the categorization of CSR practices and their impact factors in the construction industry. Firstly, diverse classification of construction enterprises' CSR practices developed by previous scholars was compared, so as to identify generic aspects and sub-aspects of CSR practices. Thereafter, by reviewing of relevant theories underpinning construction enterprises' CSR behaviors, factors influencing CSR implementation mentioned in relevant studies can be easily extracted and grouped into different categories. Finally, we integrated three underpinning theories and proposed the conceptual framework which includes identified CSR practices and its impact factors.

3. Literature review

3.1. Categorization of CSR practices

While there is a considerable amount of research attempted to classify CSR practices into different aspects, it appears there is a lack of consistency in various categorization attempts (e.g., [8-10]). The review reveals that one of the most common approaches is the application of stakeholder theory as the theoretical underpinning to group CSR practices (e.g., [12, 16, 17]). According to stakeholder theory, the CSR essentially serves to manage a number of stakeholders, to fulfill expectations of diverse stakeholders, and to build a bridge between corporations and general society [18]. Accordingly, authors had classified CSR practices by relating CSR practices to the respective stakeholders of construction enterprises (e.g., [10, 16, 19]). However, not all classifications were organized by linking CSR practices directly to diverse stakeholder groups. Some significant aspects are regarded as the individual categories such as environmental aspect and CSR institutional arrangement (e.g., [8, 10]). For instance, by coupling project and corporate level CSR practices, Zhao et al. [10] translated CSR performance issues to nine stakeholders, including employees, shareholders, customers, suppliers and partners, resources and environment, local communities, government, competitor, and NGO. Wu et al. [9], on the other hand, identified seven stakeholder-related CSR practices categories to assess the Chinese international contractors' CSR performance, including labor practices, environment, fair operating practices, community involvement and development, human rights, shareholders' rights, and organizational governance. Construction quality and safety were also addressed as one of the most important aspects of CSR practices. Nevertheless, some studies attempted to separate it as an individual standalone aspect (e.g., [8]), while some studies recognized it as a sub-aspect of clients or owners' CSR practices (e.g., [10]). This study adopted the latter viewpoint in which quality and safety of construction product is seen as a company's responsible action for their clients or owners. Collectively, CSR practices can be categorized into ten aspects (with 36 sub-aspects) which closely relate to enterprise's stakeholders. The identified CSR aspects include shareholders, environment preservation, local community, employees, clients or

owner, suppliers and partners, government, competitors, NGO and CSR institutional organization, as shown in Table 1.

Table 1. Aspects and sub-aspects of construction enterprises' CSR practices.

Aspects	Sub-aspects	Aspects	Sub-aspects
Shareholders	Shareholder legal revenues	Clients or owners	Quality and safety of construction product (CL)
	Accurate disclosure of corporate status and development prospects		Client satisfaction
	Decision-making participation		Client service
Environment preservation	Shareholder relationship management system	Suppliers and partners	Disclosure of true performance information of
	Conservation of energy and resources		Enhancing communication and collaboration with partners/supplier
	Environment protection principles		Disclosure of credit records
local community	Environmental training and education	Government	Promoting CSR performance of partners and suppliers
	Research & Development (R&D)		Green supply chain management
	Project impact on the community		Obeying the requirements of laws and policy
Employees	Harmonious community relationship	Competitors	Providing employment opportunities
	Community involvement		Participation in public policy development
	Occupational health and safety of employees		Engaging in urban renewal programs
Employees	Legal working hours and rest time	NGO	Operation ethically
	Wages and welfare		Fair competition
	Staff employment	Institutional organization	Social and public service strategy
	Education and training		Media
	Freedom of association and bargaining	Institutional organization	CSR institutional organization
	Harmonious labor/management relationship		
	Human rights		

3.2. Categorization of factors influencing CSR implementation

External institutional and internal organizational factors can both lead to CSR implementations. Institutional theory was firstly developed to address the influences of external environment on implementation of organizational practices [20]. Authors have applied the institutional theory on evaluation of CSR practices and drivers of Chinese state-owned companies [14], and how to motivate CSR practices in Russia [21], and multi-national enterprises [22] as well as CSR disclosure [22]. According to institutional theory, isomorphism is the best description of the process of homogenization of an organization through coercive, mimetic and normative ways [23, 24]. Thus, institutional isomorphism can be divided into three different isomorphism processes, namely coercive isomorphism, mimetic isomorphism and normative isomorphism [23]. According to institutional theory, the coercive isomorphism process arises because of the pressure from powerful or critical stakeholders, such as investors, clients and government policy. Coercive factors refers to those in power can motivate companies to implement conform practices [14]. For instance, authors (e.g., [4, 25, 26]) indicated mandatory requirements and regulations from government policy, clients' demand on CSR practices (e.g., green material), competitors' CSR strategies, labour union requirement (e.g., legal working hours and rest time, occupational health and safety) can all serve as coercive factors that bring pressure to firms to implement CSR practices. DiMaggio and Powell posited that in the

mimetic process, organizations try to emulate or copy other competitors' successful practices, mainly to obtain competitive advantage in terms of legitimacy [23]. In this way, the mimetic factors can be defined as those isomorphic factors from competitors. Previous studies (e.g., [1, 4, 10]) recognized that profitability; human resource benefits; innovation and technology development (e.g., renewable energy, BIM technology); supplier-induced benefits (cost discount); collaborative advantage; investment attraction; award or certification; brand, image and reputation benefits brought by the competitor's CSR practices can motivate organization's mimetic CSR actions. The third and final isomorphic process is normative isomorphism which relates to the pressures emerging from common values to adopt particular institutional practices [24]. The normative factors could motivate companies to implement legitimate organizational activities in order to be perceived as conformity. Studies in the domain of CSR in the construction (e.g., [1, 27]) revealed that normative factors relate to public expectation or pressure, media attention, common social culture and community pressure.

Nevertheless, construction enterprises may have various levels of CSR performance driven by internal organizational factors even when they are subject to similar external institutional factors [14]. According to SDT, intrinsic factors relate to the individual construction enterprises' own sake, pleasure, and satisfaction derived from engaging CSR activities rather than for some separable consequences. In other words, organizations view CSR practices as inherently interesting or enjoyable. Brown et al. [28] pointed out that enterprises would take CSR actions based on organizational business strategies and organizational culture. On the other hand, from an organizational perspective, enterprises are more willing to take CSR actions if they have enough resources and capability [29]. Additionally, SDT supposes that individuals can perform out of choice and volition, such as when the individual organization considers CSR to be important. In this way, identified factor can be derived from the organizational awareness of the importance of CSR practices. Many previous studies (e.g., [11, 12, 30]) support this viewpoint, indicating that well organizational awareness, knowledge and positive attitude on CSR may lead to more active CSR practices. Table 2 summarizes the factors identified in the literature that may influence the CSR implementation of construction enterprises.

Table 2. Factors influencing CSR implementation of construction enterprises.

Coercive factors	Mimetic factors	Normative factors	Intrinsic factors	Identified factor
Governmental policy	Profitability	Public expectation/pressure	Business strategy	Attitudes towards CSR practices
Investor/client pressure	Human resource benefits	media pressure	Organizational culture	
Joint venture pressure	Innovation and technology development	Common social culture	Resource and capability	
Labor union organization pressure	Supplier-induced benefits	Community pressure		
	Collaborative advantage			
	Investment attraction			
	Award or certification			
	Brand, image and reputation benefits			

4. The proposed conceptual framework

This study adopted three theories to underpin the proposed conceptual framework for explaining construction enterprises' CSR practices that are influenced by both external institutional and internal organizational factors. They are: (i) stakeholder theory; (ii) institutional theory; and (iii) SDT. From the perspective of stakeholder theory, organizations would engage in CSR activities and disclosure CSR information in order to discharge their responsibility to all their stakeholders (in the ethical

perspective), or to economically powerful stakeholders (in the managerial perspective). Organizations' disclosure of certain aspects of their operation information is in line with their stakeholders' right-to-know the rewards brought by CSR practices such as increased turnover and corporate reputation [31], enhanced employee loyalty, attraction of talented personal [32], and minimized adverse impact on the environment [33]. In addition, some pressure from critical stakeholders can also drive organizations' CSR practices [24, 28]. From the managerial perspective of stakeholder theory, the motivation of organizations' CSR implementation is driven by the desire to manage the powerful stakeholders, while the ethical branch highlights the desire of organizations to be responsible to all their stakeholders irrespective of their economic power [24]. Therefore, all the CSR benefits and pressures from the critical stakeholders could be direct or indirect motivations for CSR implementation.

Turning into institutional theory, coercion, imitation and normative pressures are three major driving forces influencing organizations to adopt CSR practices. Top management of construction enterprises would try to conform to norms that are substantially imposed upon their organizations by adopting CSR practices that society (including enterprises' stakeholders) or powerful groups (powerful or critical stakeholders) consider as "normal" [24]. However, whether the organizations' behavior reap them with legitimacy depends on the extent of which the organizations' performance meets the society's expectations or is recognized by the society. Organizations could attempt to meet legal standards by complying with statutory obligations in a rather reactive manner, but they may not obtain legitimacy because they could not meet the expectations of the majority of their stakeholders. Through proactive CSR behaviors, organizations can deliver the information accurately and credibly to stakeholders that they are making efforts to improve the social and environmental performance positively, and finally improving the legitimacy in a given system with norms, values, or beliefs, so as to obtain stakeholders' acceptance and support [34]. Nevertheless, institutional theory emphasizes more on external environment influences on organizational behavior, SDT is used here for addressing both external and internal motivations for CSR practices. Corresponding to SDT, individual organizations' CSR practices are not only influenced by external environment, but also motivated by internal organizational factors. In this sense, coercive, mimetic and normative factors can be regarded as external motivations, while intrinsic motivations occur when construction enterprises have the corresponding organizational culture, business strategies, resource and capability within their organizations, and/or when top management consider CSR to be important (known as identified motivations).

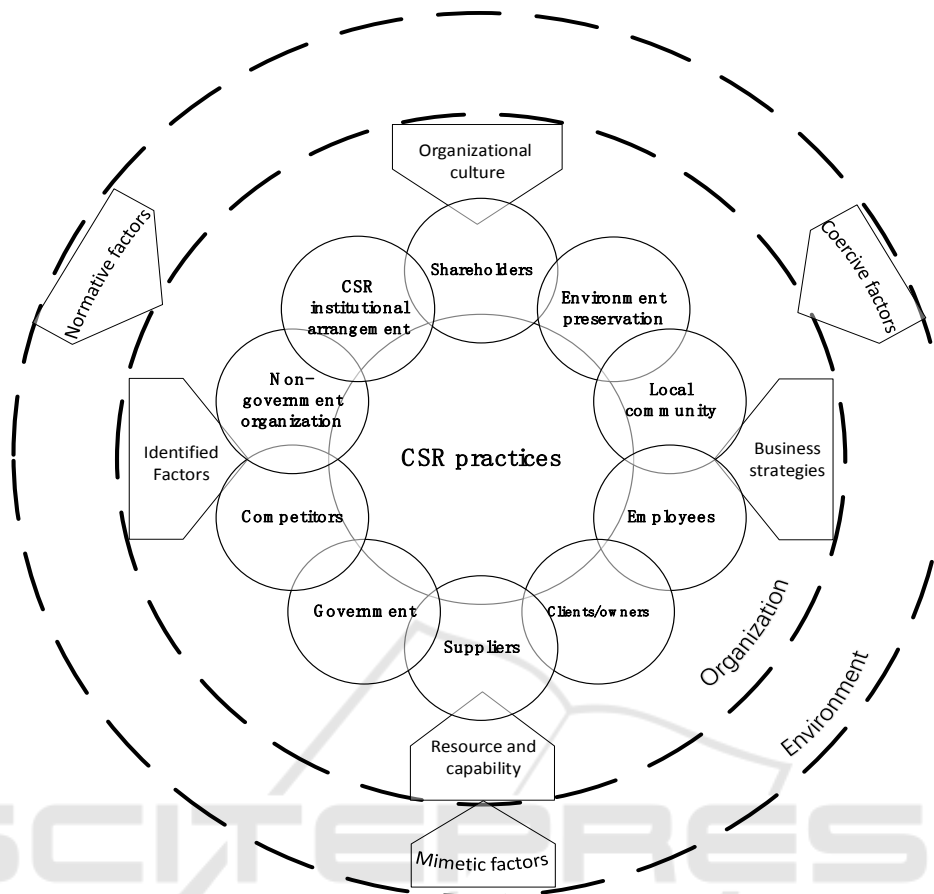


Figure 1. The proposed conceptual framework.

In summary, the interconnection of these theories can be succinctly highlighted as “organizations are motivated by external and internal factors to implement CSR practices to obtain and protect their legitimacy by meeting the institutional and organizations’ stakeholders’ expectations”. Figure 1 shows the proposed conceptual framework that underpinned by the three theories. The innermost circle presents the ten CSR aspects. The internal circle with bolded dotted line denotes construction enterprises’ internal organizational boundary with their businesses environment. It also demonstrates the enterprises are operating in dynamic systems and subject to institutional pressure from the businesses environment.

5. Conclusions

Based on a review of the literature, this paper identified ten aspects and 36 sub-aspects CSR practices as well as five categories of factors influencing construction enterprises’ CSR practices implementation. The proposed conceptual framework integrates the CSR practices and influencing factors by using stakeholder theory, institutional theory, and self-determination theory. This framework provides an insight into the external institutional and internal organizational factors influencing CSR implementation within construction enterprises. The framework could be adopted for testing its validity using a sample population of construction enterprises engaged in CSR practices.

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