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TOPIC:
CORPORATE SOCIAL RESPONSIBILITY (CSR) ENGAGEMENT IN THE
GHANAIAN CONSTRUCTION INDUSTRY

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A Dissertation presented to the Department of Building Technology in partial
fulfillment of the requirements for the award of a Master of Science (MSc.) in
Construction Management

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DECLARATION

I hereby declare that this work is the result of my own original research and has neither in whole nor in part been prescribed by another degree elsewhere. References to other people's work have been duly cited.

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DEDICATION

I dedicate this piece of work to the Almighty God for taking me to this level in life. Secondly to my wife Grace Djabatey, my mother Comfort Tsakuor and Aunty Mary Nyemisaano and her Husband.

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ABSTRACT

In the last two decades, business managers have come under pressure to allocate scarce corporate resources to the environment that is continually mounting pressure on them. This concept of allocating scarce resources has gained currency recently, although its existence can be traced some late decades. However, to the increasing consternation of construction companies, efforts to affect communities positively are not appreciated by the public. The aim of this study was to explore the extent of corporate social responsibility engagement by D1K1 contractors in the Ghanaian Construction Industry. Hence the study was guided by the following objectives in achieving the aim including; to identify the drivers of CSR engagement by D1K1 construction companies in the Ghanaian Construction Industry; to identify the benefits of CSR engagement in the construction industry; and to explore the inherent challenges of CSR engagement by D1K1 construction companies in Ghana. The study adopted quantitative research strategy. Subsequently, survey questionnaire was used to elicit response from the target population. The data gathered was subjected to rigorous analysis involving one sample t-test and relative importance index. Based on the overall sample, the findings revealed that the identified drivers were all significant obtaining mean score values exceeding 3.50 i.e. the hypothesized mean. Likewise the challenges and the benefits. However, some of the factors emerged as strong among the variables. Brand name and Consumer demands ranked 1st and 2nd drivers respectively. Under the challenges, Time consuming and communication were the first two challenges. The activities the contractors usually engage in were more of internal rather than pertaining to the society as a whole. It is recommended that central regulatory body to oversee the CSR activities be set up, rating agencies and rewarding structures must be put in place and ultimately, companies must develop coherent strategies to address CSR engagement. The study is an epitome of CSR in the Ghanaian construction industry.

Keywords: Corporate Social Responsibility, Engagement, D1K1 contractors, Ghanaian Construction Industry, Core business.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

In the last two decades, businesses and managers worldwide have come under increasing pressure and are continually faced with the decision to allocate scarce corporate resources to the environment that is placing more pressures on them (Jenkins, 2009; Dahlsrud, 2006; Waddock and Graves, 1997). Such allocation of scarce resources can only be correctly perceived by the public if its social and environmental value creation is transparent (Graafland *et al.*, 2004). This concept of allocating corporate scarce resources to the environment has been there for a very long time and dates back to centuries ago (Carroll, 1999), but its recognition, however became predominant in a recent decade ago and has since been gaining momentum across business communities (Campbell, 2007; Jones *et al.*, 2006).

This attempt by businesses to engage in social and environment activities that affect the public has been termed Corporate Social Responsibility (CSR). However, despite the attempts to bring about clear definition of CSR, the term is flawed with uncertainty (Dahlsrud, 2006). This is evident in the plethora of definitions that exist for the definition of CSR (Dahlsrud, 2006). Accordingly, Dahlsrud (2006) analyzed thirty-seven (37) definitions of CSR. Nonetheless, however one chooses to define term, implies that a company is responsible for its wider impact on society (Frankental, 2001). The construction industry has been identified to have significant impact on the society through its activities (Jones *et al.*, 2006).

The contribution of the construction industry to the development of economies is well documented. Ofori (2012) noted that the construction industry contributes to socio-economic development through the provision of buildings which are used in the production of all goods and services. However, the construction industry also has a number of adverse impact on the environment (English nature, 2004 as seen in Jones *et al.*, 2006). CSR relates activities of businesses in terms of their contribution to achieving social and environment sustainability (Jenkins, 2009). Consequently, governments and other stakeholder have become adept at making businesses and companies accountable for the social consequences of their activities (Porter and Kramer, 2006). This is seen in the attempts by myriad number of companies to rank businesses not solely base on their financial standings but also on the performance of their CSR (Leonard and McAdam, 2003).

In Ghana, several attempts have been made by reputable firms within the construction industry to engage in CSR. These are encapsulated in the various goals and missions of the construction companies especially those with higher capacity. For instance, Berock Venture Limited, a D1K1 construction company limited in Ghana, prides itself to be eco friendly and been a good corporate citizen in the business of community upliftment (Berock Ventures Ltd., 2013). These attempts are geared towards the improvement of the construction industry which have failed to succeed upon several attempts as noted by Ofori (2012).

The increasing need for construction organizations to engage in CSR also stems from the palpable potential benefits derived from it. Jones *et al.* (2006) argued that a wide range of benefits are available when engaged in CSR and include improvement in financial performance and profitability, reduced operating costs, long-term sustainability for companies and employees and most importantly good relationship with government and communities. Prior to that, late

studies had been conducted to show the linkage between CSR and other corporate goals (Profitability, competitive advantage, etc.) (See for instance Carroll, 1999). Consequently, Porter and Kramer (2006) studied the link between CSR and competitive advantage; and has been identified as indispensable for the sustained growth of companies (ibid, 2010).

It is against this background that the study will explore through extant literature the corporate social responsibility (CSR) of construction companies in Ghana.

1.2 PROBLEM STATEMENT

The construction industry is fragmented and involves a number of common general issues that bring construction to the social realm (Jones *et al.*, 2006). These include health and safety, environmental issues inter alia. To the increasing consternation of construction companies, efforts to affect communities positively are not appreciated by the public. As aforementioned, CSR will only be appreciated when the value creation is transparent. Consequently, Graafland *et al.* (2004) argued that transparency of CSR activities of companies can be perceived when is benchmarked by independent institutes. Surprisingly, such institutes are non-existent in Ghana and attention has also not been geared towards the field of independent benchmarking of CSR activities.

Additionally, the fragmented approaches to CSR are usually disconnected from business which obscure the palpable opportunities to benefit society (Porter and Kramer, 2006). This problem is further exacerbated by the perception of businesses that corporate success and social welfare is a drain on the scarce resources of the business and hence represent zero-sum game (Porter and Kramer, 2006). Their reluctance to support society could also stem from the lack of reward by the market for engaging in CSR (Frankental, 2001). He further posits this problem in a question

form - If socially responsible behavior does not feed into a company share price or its profits, what is the incentive for a company's leadership to pursue socially responsible policies?

Undoubtedly, CSR can only take root when it is rewarded by the financial markets (Frankental, 2001). Unfortunately, this has not been the case. The country is also faced with a number of developmental challenges owing to financial constraints by the central and subsequently decentralized governments. Construction companies are expected socially to go beyond only the execution of their awarded projects in their region(s) of operation, at least to make up for the environmental and other possible losses to be incurred by these communities.

1.3 AIM AND OBJECTIVES

1.3.1 Aim

The primary aim of the study was to explore the extent of CSR engagement by D1K1 construction companies in the Ghanaian construction industry in their regions of operation.

1.3.2 Objectives

To achieve this primary aim of the study, the following measurable objectives was set;

1. To identify the drivers of CSR engagement by D1K1 construction companies in the Ghanaian construction industry;
2. To identify the benefits of CSR engagement in the Ghanaian construction industry; and
3. To explore the inherent challenges of CSR engagement by D1K1 construction companies in the Ghanaian construction industry.

1.3.3 Research Questions

The key research questions that will facilitate this study are;

1. What are drivers of CSR engagement by D1K1 construction companies in the Ghanaian construction industry?
2. What are the benefits of CSR engagement in the Ghanaian construction industry?
3. What are the inherent challenges of CSR engagement facing D1K1 construction companies in the Ghanaian construction industry?

1.4 SCOPE OF THE STUDY

The study was limited to construction firms who are qualified and registered with the Ministry of Water Resources, Works and Housing. Consequently, the study geographically was limited to the Greater Accra and Ashanti regions. Accra and Kumasi Metropolises were chosen from the region because of the readily available data as compared to other parts of the regions. The construction firms considered for the study were D1K1 ministry of works classification of contractors (the minimum annual turnover of these companies over the past three years should not be less than GH¢ 475,000.00 US\$ 500,000.00) as they have the requisite capacity to undertake the works to engage in CSR and moreover public usually turn to these companies for help.

The respondents in these companies were top management as they are involved in decision making. Purposive sampling was used to draw sample from the population for the determination of the CSR engagements in the Ghanaian construction industry.

1.5 METHODOLOGY

The methodology utilized a two-stage approach; desk study and field research. Consequently, the research adopted a quantitative approach of enquiry. A critical review of germane literature was

conducted to discover the theoretical paradigms underpinning the subject and help to explore the extent of awareness of CSR engagements in the Ghanaian construction industry. The review sourced credible and scientific data from the extant literature through journals, unpublished thesis, publications of corporate bodies and books.

The second stage, field research, involving data collection targeted data and information collection. By using series of questionnaires data and information was gathered from the various respondents in Kumasi Metropolis. The information on the questionnaires included also Likert scale rating of variables for the determination of CSR engagements in the Ghanaian construction industry to allow easy categorization and synthesis. The data was further analyzed using relative importance index, one sample t-test, and mean score rankings (index).

1.6 ORGANIZATION OF CHAPTERS

The study was organized into five chapters. The first chapter (Chapter One) was dedicated to introduction of the study, background of the study, problem statement, aim and objectives, scope of the study and the methodology. In the second chapter (Chapter Two) literature was reviewed on areas such as conceptual explanation of Corporate Social Responsibility (CSR), evolution of Corporate Social Responsibility, contemporary works on CSR, relevance of Corporate Social Responsibility in the construction industry, drivers of Corporate Social Responsibility and challenges of Corporate Social Responsibility engagement. The third chapter (Chapter Three) explained the methods adopted in conducting the study. The strategy adopted for the study, the sampling technique used, sources of data as well as data collection methods were explained in this chapter. The penultimate chapter (Chapter Four) presented the data collected and discussed the results of the study. The final chapter for this study (Chapter Five) concludes the study by presenting how the set objectives were achieved and recommendations for future studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

Undoubtedly, there is a huge deficit in terms of provision to satisfy societal needs in Africa and for that matter Ghana. Recently, the future of Africa has captured the attention of sundry researchers. A classic example is the report for commission of Africa in 2005 over our common interest (Visser, 2005). Apparently, businesses have a keen role to play in the transformation of Africa, with much of their contributions being framed in terms of CSR (Visser, 2005). The construction industry is noted for its contributions towards the transformation of economies in terms of GDP contribution, asset creation, and employment creation among other things. Hence the effective engagement of CSR by construction companies can have tremendous benefits. The dangers and threats construction poses is well documented (Jones *et al.*, 2006). These dangers make it more than a benevolent act for construction companies to engage in CSR.

This chapter seeks to give an insight on the various aspects of the project topic to give an in-depth understanding of the research area. The chapter starts with a conceptual explanation of CSR, evolution of CSR and overview of the construction industry. The review attempts to cover at length the drivers of CSR engagement, the benefits that come with it and also the inherent challenges hampering the effective practice of CSR.

2.2 CONCEPTUAL EXPLANATION OF CORPORATE SOCIAL RESPONSIBILITY

By nature organizations have responsibilities (i.e., economic, ethical, legal and social) assigned to them by law, shareholders and other stakeholders and the society at large (Carroll, 1979; Brummer, 1991; Peattie, 1992). In order to ensure their continuous existence, these responsibilities have to be diligently executed. In the academia and business literatures, these responsibilities are commonly discussed under the term CSR (Amponsah-Tawiah, 2010).

In spite of its cosmic and growing body of literature, defining the concept of CSR is very challenging (Moon and Chapple, 2005; Lockett and Moon, 2007; Moon *et al.* 2007). The reasons are that, presently in academia and business CSR is an ‘essentially contested concept’ being ‘appraised’ (or, considered as valued); ‘internally complex’; and having relatively open rules of application (general) (Moon *et al.*, 2004; Moon *et al.*, 2007; Petcu *et al.*, n.d.). It is an umbrella term overlapping and sometimes synonymous with other conceptions of business-society relations (Matten and Crane, 2005; Petcu *et al.*, n.d.); it has clearly been a dynamic phenomenon and sometimes take the particular connotations depending on the geographical area or environment where they are used (Carroll, 1999; Petcu *et al.*, n.d.). For instance, in the UK, the term CSR is mostly used, depending on situation. The term Social Responsibility is sometimes adopted. In Chile, the term Social Responsibility originates from the Spanish *Responsabilidad Social Empresarial*, its Anglophone equivalent being Entrepreneurial Social Responsibility. Meanwhile in South Africa, expressions like sustainable development, corporate sustainability, corporate social investment, and corporate citizenship are also used (Petcu *et al.*, n.d.).

Petcu *et al.* (n.d.) identified that Dahlsrud (2006) from a total of thirty-seven (37) definitions from twenty-seven (27) authors from 1980-2003, arrived at five (5) dimensions which bracket the range of meanings of the CSR concept. The table 2.0 below elaborates Dahlsrud

(2006) five (5) dimensions, manner of application of the coding scheme and phrases as cited in Petcu *et al.* (n.d.)

Table 2.0 Definitions of CSR

Dimensions	The definition is coded to the dimension if it refers to	Example phrases
The environmental dimension	The natural environment	“a cleaner environment” “environmental stewardship” “environmental concerns in business operations”
The social dimension	The relationship between business and society	“contribute to a better society” “integrate social concerns in their business operations” “consider the full scope of their impact on communities”
The economic dimension	Socio-economic or financial aspects, including describing CSR in terms of a business	contribute to economic development “preserving the profitability” “business operations” Operation
The stakeholder dimension	Stakeholders or stakeholder groups	“interaction with their stakeholders” “how organizations interact with their employees, suppliers, customers and communities” “treating the stakeholders of the firm”
The voluntariness dimension	Actions not prescribed by law	“based on ethical values” “beyond legal obligations” “voluntary”

Despite, the attempts to bring about clear definition of CSR, the term is flawed with uncertainty (Dahlsrud, 2006). This is evident in the plethora of definitions that exist for the definition of CSR (Dahlsrud, 2006). The definitions below will further illuminate the dimensions scheduled above and the concept of CSR.

Frederick *et al.* (1992) defined CSR as a principle stating that corporations should be accountable for the effects of any of their actions on their community and environment. Corporate social responsibility is the overall relationship of the corporation with all of its stakeholders. These include customers, employees, communities, owners/investors, government, suppliers and competitors. Elements of social responsibility include investment in community outreach, employee relations, creation and maintenance of employment, environmental stewardship and financial performance (Khoury *et al.* 1999).

CSR is the ethical behaviour of a company towards society; management acting responsibly in its relationship with other stakeholders who have a legitimate interest in the business, and it is the commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large (WBCSD, 1999). McWilliams and Siegel (2001) also defined CSR as actions that appear to further some social good, beyond the interests of the firm and that which is required by law.

A concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (EU, 2004). CSR can be defined as: the extent to which – and the way in which – an organization consciously assumes responsibility for – and justifies – its actions

and non-actions and assesses the impact of those actions on its Legitimate constituencies. Those constituencies – or stakeholders as they are often called – represent the network of interactions an organization maintains with its direct and indirect environment (Habisch *et al.*, 2005).

Kotler and Lee (2005) defined CSR as a commitment to improve community well-being through discretionary business practices and contributions of corporate resources. The International Labour Organization (ILO) (2007) defined CSR as a way that enterprises consider the impact of their operations on society and CSR principles are integrated in enterprises' internal processes and interactions with stakeholders on a voluntary basis. Keinert (2008) defined CSR, as a definitional construct, aims at describing the relationship between business and the larger society surrounding it, and at redefining the role and obligations of private business within that society, if deemed necessary.

The European Commission (2011) simplified the CSR definition as the responsibility of enterprises for their impacts on society, which indicates that enterprises should have a process in place to integrate CSR agenda into their operations and core strategies in close corporation with stakeholders.

2.3 EVOLUTION OF CORPORATE SOCIAL RESPONSIBILITY

CSR is neither new nor unique. However from Adam Smith's time to the Great Depression, the social responsibility of business was not widely considered to be a significant problem (Hopkins, 2004).

Over the past decades, corporate responsibility has undergone a momentous growth from a narrow and often marginalized notion into a complex and multifaceted concept whose importance extends from business to the theory and practice of law, economics and politics;

increasingly becoming the core of much of today's corporate decision making (Cochran, 2007; Hopkins, 2004).

Several literatures – Cochran (2007), Hopkins (2004) and Ruževičius and Žėkienė (2011) asserted that concept of CSR emerged in an academic debate between Columbia professor Adolf A. Berle and Harvard professor E. Merrick Dodd in a series of articles featured in the Harvard Law Review in the 1930s (Cochran, 2007; Hopkins, 2004). However, Carroll (2008), Abe and Ruanglikhitkul (2013) and Katsouloukos *et al.* (2004) trace the practice of the concept to the 1800s. Notwithstanding the aforesaid assertions, the concept is mostly said to be a product of the twentieth century, especially in the early 1950s (Carroll, 2008; Sahay and Srivastava, 2008; Barlett and Jones, 2009; Ruževičius and Žėkienė, 2011; Khan *et al.*, 2012; Wenzhong *et al.*, 2012).

But for the purpose of clarity on how the concept of CSR evolved, we will consider literatures that explain the concept from the 1800s to the late 1900s.

CSR in the 1800s

Prior to the 1900s, corporate contributions were perceived by many in a negative light, being seen as giving away stockholders' assets without their approval (Carroll, 2008). However, there exist instances of such actions of corporate contributions in several literatures – Katsouloukos *et al.* (2004), Heald (1970) and Wren (2005) in Carroll (2008) - with a few examples cited below.

Katsouloukos *et al.* (2004) stated that the early roots of CSR can be found in the business practices of successful companies in the eighteenth (18th) century. He cited Cadbury chocolate makers of the UK who prospered in the 1870s as a notable example. According to Katsouloukos *et al.* (2004), in 1879 the company moved to 'Greenfield' site which came to called Bourneville. The opening of the Cadbury 'factory in a garden' heralded a new era in

industrial relations and employee welfare with joint consultation being one of the initiatives. By 1899, the size of the Bourneville trebled, with more than 2,600 employees and was managed scientifically with analytical laboratories, advertising and costs offices, a sales department, works committee, medical department, pension funds, education and training for employees. In 1900, the Bourneville Village was established by George Cadbury to promote housing reform and green environment; an epitome of today's CSR theme "successful business in successful communities" (Katsouloukos *et al.*, 2004).

Carroll (2008) also stated that the examination of the mid-to-late 1800s showed that emerging businesses were concerned with employees and how to improve their productivity. In Carroll (2008), Wren (2005) noted that the Great Britain and America were suffering criticisms over their emerging factory systems, particularly the employment of women and children. He stated that the reformers in both countries perceived the factory system to be the source of numerous social problems, including labor unrest, poverty, slums, and child and female labor. Carroll (2008) stated that Wren (2005) depicted the industrial betterment/welfare drive of this early period as an uneven mixture of humanitarianism, philanthropy, and business acumen; pointing to industrialists such as John H. Patterson of National Cash Register as one executive instrumental in setting the course for the industrial welfare drive. Welfare schemes emanating from this drive sought to prevent labor problems and improve performance by taking actions which could be interpreted as both business and social. Examples included the provision of hospital clinics, bathhouses, lunch-rooms, profit sharing, recreational facilities, and other such practices (Wren, 2005 in Carroll, 2008).

In addition to concern for employees, philanthropy was rose into the scenes in the late 1800s, but sometimes it was difficult to determine whether the philanthropy was on individual or business basis. The growth of philanthropy suffered setbacks due to; 1) the unscrupulous practices of leaders of such philanthropy companies, and 2) legal issues, particularly the cases

of; West Cork Railroad Company, where the court held that the company's money was to be used only for the purpose of carrying on the business, as such, charity had no business on the table of the board directors; and the Steinway in which the court saw 'improved employees relations' as a major benefit accruing to the company hence ordered the piano maker to procure an adjoining tract of land to be used for a church, library and school for the employees.

Although individual entrepreneurs and business owners out of their own will supported social causes, it took decades later before company management could engage in philanthropy that provided benefits to the general public (Wren, 2005 in Carroll, 2008).

Philanthropy or corporate contributions have assumed a central role in the development of CSR since the beginning of the time periods being examined but were not a general case (Carroll, 2008). Carroll (2008) stated that Eberstadt (1973) had observed that in the late 1800s a charter of incorporation was a favor conferred only on those businesses that were socially useful. But, by the end of the Civil War, charters were available under any business pretext, and large corporations which had the power of government began to dominate the economy. Economic power concentrated in the hands of a few (corporate class). This made many business leaders and captains of industry hold invincible powers in the society, holding their fellow citizens and the government in contempt; creating monopolies and frequently defying the rules of market pricing and sometimes even cheated the stakeholders of the company. This twist of events was followed by the Great Depression and massive unemployment and business failure (Eberstadt, 1973 in Carroll, 2008). This period is what is dubbed as 'profit maximizing management' phase in the development of social responsibility (Hay and Gray, 1974 in Carroll, 2008)

CSR in the 1900s

Early 1900s to 1940s

The period from the 1920s to the 1930s is the second phase of social responsibility dubbed as the 'trustee 'trusteeship management' phase. It resulted from changes occurring both in business and society with corporate managers taking on the responsibility for both maximizing stockholder wealth and creating and maintaining an equitable balance among other competing claims, such as claims from customers, employees, and the community. Thus, the manager started to be viewed as the 'trustee' for the various groups in relationship with business and were not seen just as agents of the company. The two major trends brought these changes about: (1) the mounting diffusion of stock ownership, and (2) a gradually more pluralistic society (Hay and Gray, 1974 in Carroll, 2008).

According to Muirhead (1999) in Carroll (2008) in a research report for The Conference Board, the period of the 1870s to 1930s should be considered the 'prelegalization period' of corporate contributions but Murphy (1978) posited in Carroll (2008) that period up to the 1950s was the 'philanthropic' era in which companies donated to charities more than anything else.

The pinnacle of the concept in law was in the 1930s where the first and famous academia debate between Columbia professor Adolf A. Berle and Harvard professor E. Merrick Dodd, in a series of articles featured in the Harvard Law Review. Whereas Berle contended that managers were responsible only to a firm's shareholders, Dodd argued that managers had a wider range of responsibilities. In a classic exchange, Professor Dodd (1932) asked: "For whom are corporate managers trustees?" Answering his own query, he posited corporations served a social service, as well as a profit-making function hence corporate managers were

responsible to the public as a whole, and not just to shareholders (Dodd, 1932 in Cochran, 2007 and Hopkins, 2004).

The crux of Dodd's argument was his contention that, in addition to the economic responsibilities they owed shareholders, managers had social responsibilities to society because the modern large firm is "permitted and encouraged by the law primarily because it is of service to the community rather than because it is a source of profit to its owners". This reasoning became the intellectual basis for the assertion that firms have a corporate social responsibility (Dodd, 1932 as cited in Cochran, 2007).

In the increasingly 'corporate period,' (1930s), the corporations began to be seen as institutions that had social obligations to fulfill. In the 1940s, and World War II, with the growth in business, the companies thought they were being socially responsible by standing up as an anti-Communist institution (Eberstadt, 1973 as seen in Carroll, 2008).

A more practical indication that social responsibility had been accepted by businessmen was the poll conducted by Fortune magazine in the 1940s which had 93.4% of participants (businessmen) answering 'yes' to the question 'do you think that businessmen should recognize such responsibilities and do their best to fulfill them?' while the question, 'about what proportion of the businessmen you know would you rate as having a social consciousness of this sort?' had 'about a half' and 'about three quarters' being the most frequent responses among the categories. These results support the idea that the concept of trusteeship or stewardship was a growing phenomenon among business leaders (Carroll, 2008).

1950s

Many literatures; Abe and Ruanglikhitkul (2013), Carroll (1991, 2008), Barlett and Jones (2009) believe that this period marked the formal birth and growth of the concept of CSR.

Carroll (2008) dubbed thus 1950s as the within which CSR gained shape, referring to it as the period which marks the modern era of CSR (Carroll, 1999). Carroll (2008) stated that Murphy (1978) classified this period, specifically the period between 1953 and 1967 as the ‘awareness’ era as the overall responsibility of business and its involvement. Carroll (2008) acknowledged that the concept was more often referred to as social responsibility (SR) than corporate social responsibility (CSR) and that Bowen’s (1953) publication best marks the beginnings of the modern era of literature on the subject of CSR. Carroll (1999 and 2008) credit Bowen as the father of “CSR” stating that Bowen’s (1953) query, ‘What responsibilities to society may businessmen reasonably be expected to assume?’ still remains a question (Carroll, 2008). Moreover, Carroll (2008) believes Bowen was one of the first to articulate a definition as to what SR means; “It (SR) refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (Bowen, 1953 in Carroll, 2008). Conclusively, Carroll (2008) reiterated that Bowen’s book and definition represented the most noteworthy literature from the 1950s.

Consequently, Carroll (2008) declared that the decade of the 1950s was one of more ‘talk’ than ‘action’ with respect to CSR and a period of changing attitudes, with business executives learning to get comfortable with CSR talk in community affairs gained more recognition during this era.

1960s

Carroll (2008) stated that if there was scant or limited evidence of CSR definitions in the literature in the 1950s and before, the decade of the 1960s marked a momentous growth in attempts to formalize, or more precisely, state what CSR meant. This is because the 1960s saw the rise of scholars striving to best define or state what CSR really meant. Among these

scholars is Davis (1960) who defined social responsibility as: ‘Businessmen’s decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest’.

Frederick (1960) argued that social responsibility refers to: ‘Social responsibility in the final analysis implies a public posture toward society’s economic and human resources and a willingness to see that those resources are utilized for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms’. In addition to this definition, Frederick (1960) summarized the development of CSR in the 1950s into three core ideas: (1) corporate managers as public trustees through the shareholding system; (2) stakeholders’ balanced claims to corporate resources; and (3) the acceptance of business philanthropy. Walton’s (1967) definition is attributed to his quote: ‘In short, the new concept of social responsibility recognizes the intimacy of the relationships between the corporation and society and realizes that such relationships must be kept in mind by top managers as the corporation and the related groups pursue their respective goals’.

Towards the late 1960s, business practices that might be categorized as social responsibility embraced such topics as philanthropy, employee improvements (working conditions, industrial relations, and personnel policies), customer relations, and stockholder relations (Heald, 1970 as cited in Carroll, 2008). Evidently, there was still more talk than action on the CSR front in the 1960s (McGuire, 1963 as cited in Carroll, 2008).

1970s

At the end of the 1970s, perhaps the earliest and most comprehensive framework of CSR was proposed by Carroll (1979). He constructed a three-dimensional CSR conceptual model, which consisted of corporate responsibilities, social issues of business and corporate actions.

Corporate responsibilities embodied four types, namely economic, legal, ethical and philanthropic (the order of those four types of responsibilities suggests the relative importance of each type). While social issues of business can include various topics, such as labor standards, human rights, environment protection and anti-corruption, to which the four types of responsibilities are tied, corporate actions are more concerned with specifying generalized modes of response (e.g. reactive, defensive, accommodative and proactive). According to the four types of corporate responsibilities, CSR issues are selected by each firm and the actions of the firm are derived from this selection. In other words, the responsibilities lead to responses of the firm on particular social issues partially depending on the seriousness of issues perceived by society (and the firm). It should be observed that these issues and their relative importance may be different between business and society and have changed over time. The model also helps managers to have a clearer view of the social issues they face and helps them plan and improve their social performance.

1980s

In the 1980s, the focus on developing new or refined definitions of CSR swayed paving way for the splintering of writings on alternative or complementary concepts and themes such as corporate social responsiveness, corporate social performance, public policy, business ethics, and stakeholder theory/management, just to mention a few (Carroll, 2008).

This era saw Jones (1980) entering CSR discussions with a definition Carroll (2008) describes as an ‘interesting perspective’. This perspective described CSR as: ‘Corporate social responsibility is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract. Two facets of this definition are critical. First, the obligation must be voluntarily adopted; behavior influenced by the coercive forces of law or union contract is not voluntary. Second, the obligation is a broad one, extending beyond the traditional duty

to shareholders to other societal groups such as customers, employees, suppliers, and neighboring communities' (Jones, 1980 as cited in Carroll, 2008).

A notable example of alternative approaches of stakeholder theories that emerged in the 1980s is Freeman's (1984) publication which focused on stakeholder theories and business ethics (Abe and Ruanglikhitkul, 2013 and Carroll, 2008). Abe and Ruanglikhitkul (2013) stated that Wartick and Cochran's (1985) 'Three-dimensional model of principles, policies and processes' was also developed in the 1980s. Wartick and Cochran's (1985) concept focused on integration of the principles of corporate responsibility, the policies of social issue management and the process of action into an evolving system (Abe and Ruanglikhitkul, 2013).

Carroll (2008) stated that Epstein (1987) provided an explanation of CSR in his quest to relate social responsibility, responsiveness, and business ethics. Epstein (1987) as cited in Carroll (2008) pointed out that these three concepts dealt with closely related, even overlapping, themes and concerns. He is quoted to have said: 'Corporate social responsibility relates primarily to achieving outcomes from organizational decisions concerning specific issues or problems which (by some normative standard) have beneficial rather than adverse effects upon pertinent corporate stakeholders. The normative correctness of the products of corporate action have been the main focus of corporate social responsibility' (Epstein, 1987 as cited in Carroll, 2008).

1990s

Generally, a very few unique contributions to the concept of CSR occurred in the 1990s. More than anything else, the CSR concept served as the base point, building block, or point-of-departure for other complementary concepts and themes, many of which embraced CSR thinking and were quite compatible with CSR. The prominent themes which continued to grow and take center stage in the 1990s included the; corporate social performance (CSP), stakeholder theory, business ethics, sustainability, and corporate citizenship (Carroll, 2008).

Abe and Ruanglikhitkul (2013) stated that Wood (1991) the concept of 'Institutional framework and extended corporate actions' which posited that four types of corporate responsibilities (i.e., economic,

legal, ethical and philanthropic) were linked to three institutional levels (i.e., legal, organizational and individual), while corporate actions are extended to assessment, stockholder management and implementation management. During the same period, the focus on developing new or refined concepts of CSR gradually gave way to alternative approaches such as corporate citizenship (Pinkston and Carroll, 1994).

2.4 CONTEMPORARY WORKS ON CSR

Since entering into the twenty-first century (by the 2000s), the emphasis on theoretical contributions to the concept and meaning of CSR had given way to empirical research on the topic and a splintering of interests away from CSR and into related topics such as stakeholder theory, business ethics, sustainability, and corporate citizenship (Carroll, 2008). Abe and Ruanglikhitkul (2013) also stated that the CSR community has focused more on the implementation of CSR initiatives. A notable examples of the development and application of the CSR concept are elaborated as follows:

In a special issue of *Business & Society* (December 2000) titled 'Revisiting Corporate Social Performance', a number of different perspectives, if not definitions, of CSR were set forth. In most instances, these were studies manifesting CSR as well as CSP. Rowley and Berman (2000) presented 'a brand new brand of corporate social performance'. The authors argued that the future direction of CSP needed to be built not on an overall concept of CSP but rather by reducing CSP to operational measures. Griffin (2000) discussed 'CSP: Research Directions for the 21st Century'. She argued that existing research in related disciplines (e.g. marketing, human relations) can help accelerate our understanding of CSP (Carroll, 2008)

The International Labour Organization (ILO) (2007) redefined CSR as a way that enterprises consider the impact of their operations on society and CSR principles are integrated in

enterprises' internal processes and interactions with stakeholders on a voluntary basis (ILO, 2007 in Abe and Ruanglikhitkul, 2013). Carroll's four categories of corporate responsibilities (i.e. economic, legal, ethical and philanthropic) was to three domain approach, namely economic, legal and ethical by Schwartz and Carroll (2003) (Abe and Ruanglikhitkul, 2013; Carroll, 2008).

As businesses became more prone to intensified challenges; including rapid globalization, increasing environmental concerns and mounting pro-poor needs, there has been a growing need for the adoption of result-based CSR management and stringent evaluation of CSR performance (ESCAP, 2009). In 2010, the appearance the International Standards Organisation (ISO) 26000 Guidance on Social Responsibility was a breakthrough development reflecting the modern approach towards corporate operations and business as an activity inseparable from people, society, communities and the environment in which we all live and act. The Standard will help organizations in identifying the links and managing them. (Ruževičius and Žėkienė, 2011).

The European Commission (2011) simplified the CSR definition as the responsibility of enterprises for their impacts on society, which indicates that enterprises should have a process in place to integrate CSR agenda into their operations and core strategies in close corporation with stakeholders. The World Business Council for Sustainable Development (WBCSD) (2012) also emphasized a balance of return on financial, natural and social capitals, particularly suggesting the integration of CSR reporting into annual report. According to Abe and Ruanglikhitkul (2013), the contribution of CSR to sustainable development has attracted more attention during this era. Sustainable development is defined as development that meets the needs of the present without compromising the ability of the future generations to meet their own needs (Strategies, 2003 as cited in Abe and Ruanglikhitkul, 2013). Carroll (2006) stated that CSR activities in the context of sustainable development could mitigate the

adverse impacts of business. For instance, the environmental damage caused by business (e.g. water pollution and deforestation) has an impact on local communities which, in turn, becomes a barrier to their long-term socio-economic development. Sustainable development can therefore be said to be inextricably linked to environmental issues in addition to social and economic issues (Sachs, 2012 as cited in Abe and Ruanglikhitkul, 2013).

2.5 OVERVIEW OF THE CONSTRUCTION INDUSTRY

The construction industry refers to the industry that deals with the creation renovation, extension or repairs of building and other engineering construction such as roads, bridges, dams etc. (Anaman and Osei-Amponsah, 2007). Available literature opine that a vibrant construction industry is an important means to promote employment and consequently to improve economic growth (Anaman and Osei-Amponsah, 2007; Xue *et al.*, 2008; Al-Najjar *et al.*, 2009; Hammad *et al.*, 2011). More so, the industry plays a keen role in the attainment of socio-economic policies and also seen as a major driver of development especially in developing economies (Anaman and Osei-Amponsah, 2007). A United Nations Environment Programme (UNEP) report argued that about one-tenth of the global economy is dedicated to constructing and operating homes and office. It further reported that the industry consumes 16.67% to 50% of the world's wood, minerals, water and energy. The industry generates employment and income for about 7%, 8% and 5.5% of Europe, United States and Turkey's the workforce respectively (Kazaz *et al.*, 2008). With the current market for construction projects in African countries dominated by foreign contractors (Adinyira and Ayarkwa, 2010), the construction industry is perceived as highly competitive and a volatile market (Chang *et al.*, 2007).

The Construction Industry is one of the major economic sectors in Ghana and the third largest contributor to Gross Domestic Product (GDP) overtaking the Manufacturing Industry

(Anaman and Osei-Amponsah, 2007; see Table 1). Moreover, the construction industry recorded 11.2% growth rate in the industry sector in 2012 (GNA, 2013) ahead of other sub sectors in the Industry. According to the 2000 Population and Housing census, out of 9,039,318 of Ghana economically active population of age 15years and above, 2.3% were engaged in the construction industry placing the industry 9th to offer employment among the 17 industries of the Ghanaian economy (Population and Housing Census Report, 2001; Amankwa, 2003 cited from Fugar and Agyakwah-Baah, 2010). Consequently, it has been projected further that 3.08% of the economically active population of 13,468,288 are engaged in construction in 2007 (Ghana Statistical Service).

2.6 THE RELEVANCE OF CSR IN THE CONSTRUCTION INDUSTRY

Taped grounds has demonstrated that the environment symbolizes a broad scope of the extrinsic fate, conditions and the actions that cause to sleep the being and development of an individual, organism, group and society (Isaichei, 1999). In Ghana, the construction industry is one most contributors to create wealth for the country's economic growth. Nevertheless, it is also the main contributor which ranks high in the scales of terrible and deadly occupational injuries in compared to other industries (Bhattacharjee and Gosh, 2011). Environmental related issues in the country such as environmental pollution, sanitation, erosion, depletion of ozone layer, bush burning, desertification, flooding etc. are constituting to the reality that issues of environment has occupied a center stage in the development of Ghana. While traditional design and construction focuses on cost, performance and quality objectives, sustainable design and construction adds to these criteria minimization of resource depletion and environmental degradation, and creating a healthy built environment (Kibert, 1994).

Consequently, advancement in the Ghanaian construction industry fetched pre-construction method, Zoning, which Maantay (2001) agrees that is employed to assign certain areas as “appropriate” for certain uses. These uses include residential, commercial, institutional and industrial. Not surprisingly, the construction industry is been regarded as one of the major contributors of negative impact to the environment. Waste management in the building industry in Ghana has become a prime environmental issue in recent years. A survey on construction Waste Management Plan (WMP) at sites had exhibited that, they were not fully applied on site. A study conducted by Nagapan *et. al.* (2013) revealed that the reason for illegal dumping was lack of awareness, accountability, responsibility and greed for maximum profit. Moreover, contractors tend to allow considerable amount of material loss or wastage on site.

Presently in Ghana, there is very limited research being conducted on the issue of construction waste. Therefore there are few data available on the current construction waste flows. Various researches agree that, the causes of waste generation identified by intensive surveys showed that; wrong material storage, poor materials handling, poor quality of materials, ordering errors, mistakes in quantity surveys, poor attitudes of workers, poor supervision, lack of waste management plans (Nagapan *et. al.*). These devastating causes affects the environment and its dwellings harmfully.

In a construction project, success has been regarded as achieving project objectives, which traditionally have been provision on time, on budget, of a required performance or achievement (Williams, 1995) regardless of its environmental effects. The UN Summit on Environment and Development in 1972, over the ‘Agenda 21’, which emerged at the UN ‘Earth Summit’ in 1992, the maturity of concerns for shielding the environment for the future generation produced sustainable development concept (IISD, 2012). Economic effects such as life cycle costs, cost-benefit of society, costs incurred by user; environmental effects are

those on soil, air, water, biodiversity, energy consumption, waste, and social are effects on culture, accessibility, participation of all actors, security, social integration (FIDIC, 2004). Evidently, construction is exposed to more risk and uncertainty than perhaps and other industry sector (Flanagan and Norman, 1993). The construction industry is afflicted by various risks and uncertainties which are diverse in its nature and have potential to lead undesirable consequences when they occur. Risk management as shown in literature in construction projects is full of deficiencies that affect its effectiveness as a function of project management and in the end, projects' performance (Serpella *et. al.*, 2014), which includes environmental protection. The lack of a competent project risk management function has some negative upshots for participants in a project due to lack of preventive action against the risks and precariousness that any project presents. For instance, the lack of prevention against the risk of scope definition of a project, or environmental hazards or communication risks between others, leads to delays, significant increases in costs and contractual disputes, among others (Serpella *et. al.*, 2014).

These dangers and threats underscore the need for construction companies to integrate CSR in their core business objectives. Consequently, some construction companies have integrated CSR in their core business whilst others are yet to give it the necessary attention it deserves.

2.7 DRIVERS OF CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility (CSR) offers a challenge of intensifying and improving the activities for the society and likewise the environment, so that profit and economic development do not far outweigh the cost of natural depletion of the system. The obligation of an enterprise to succeed i.e. achieving its economic goals (Dos, 2011) further makes this

CSR a more challenging one. Also businesses have come under increasingly pressure to engage in CSR (Jenkins, 2009).

Notwithstanding, there are empirical evidences on the factors that drive CSR engagement by firms despite these challenges. Many argued that CSR has reached its tipping point (see for instance Back, 2011). Malcolm Gladwell defined tipping point as the point of critical mass after which an idea spreads widely and becomes generally accepted and broadly implemented (Back, 2011). Accordingly, Back (2011) argued that CSR has reached that point because of five main factors – Increased Affluence, Ecological Sustainability, Globalization, Free Flow of Information and the Power of Brand. However, another perspective was also looked at, and the main drivers identified as Consumer demands, Investors, Government and public pressures (www.csrquest.net). Also, in a recent research the respondents identified two (2) main drivers out of the twenty-four (24) underlisted drivers (Green Capital and CSR Sydney, 2008).

This section highlights on the drivers of CSR engagement.

2.7.1 Brand Name/Image

Undoubtedly, brands represent the focal point of corporate success (Back, 2011). Brand name is very powerful when it comes to marketing of products and also securing of contracts. The end result is increase in profit margins of corporate businesses. The main backbone of brand, according to Back (2011) is the public perception of the corporation. The loss of public confidence in the corporate world automatically results in a decline in market which invariably affect the potential growth of corporate bodies (www.csrquest.net). Hence, Back (2011) posited that honest CSR is the only way to protect corporation reputation and therefore the brand. More so, in order to be able to attract quality human resource the corporation must demonstrate that it is responsible to its people, to the community and the

environment (Green Capital and CSR Sydney, 2008). Accordingly the factor revealed itself as a major driver of CSR engagement in a research by Green Capital and CSR Sydney (2008). As a consequence, brand name/image is a major driver of CSR.

2.7.2 Consumer demands

Consumer demands has also been identified to trigger CSR practices in corporate companies. For instance Green Capital and CSR Sydney (2008) found it as a major driver as seventeen (17) respondents regarded it as such. The palpable explanation is reflected in the pressure exerted by consumers on companies to address their environment impact and consequently invest in ‘environmentally friendly product’ (www.csrquest.net). As a result corporations are now more turning their attentions and becoming more inclined to solving societal problems i.e. CSR in order to change or meet customers expectation.

2.7.3 Company Culture/Value

Change is not realized in a day. It is something cultivated over a long period of time. To be able to engage in CSR, there must be a company policy requiring the corporation to do so. There should be a moral obligation that the companies have a duty to do good to the community (Porter and Kramer, 2006). Accordingly, people in the company have been identified as major stimulators of change (Green Capital and CSR Sydney, 2008). Doing the right thing also enhances the corporate reputation of the corporation (www.csrquest.net) and this is reflected in the cultural practices of the corporation. However, possibly the primary driving force is the recognition by an increasing number of people that it is time for a fundamental change in the role of businesses in a world that has to develop in a sustainable manner. This strengthens the motivation for companies to join the relatively few companies that have adopted corporate responsibility and sustainability as a business philosophy. Not surprisingly, the factor was identified as major significant driver of CSR engagement (Green Capital and CSR Sydney, 2008)

2.7.4 Globalization

The enormous contributions of globalization to CSR engagement cannot be overstated (Back, 2011). Global activism and the increasing number of advocates are making demands on companies to act in a socially responsive manner in order to earn their legitimacy (Juholin, 2004). Currently, Multinationals have come under severe attacks and scrutiny from different organizations (Juholin, 2004). The crux of the matter is the increased wealth and power of multinational corporations which have led to a decline in authority in nation-state, especially in developing countries (Back, 2011). He further argued that increased wealth is directly proportional to increased responsibility and globalization has fueled the need to filter all strategic decisions through a CSR lens to ensure optimal outcomes for diverse stakeholders.

2.7.5 Free flow of information

The new development is that myriad companies now rank corporations on their performance of CSR and these rankings attract publicity (Porter and Kramer, 2006). Consequently, in the advent of media information is easily accessible and affordable more now than ever. This implies only truly authentic and transparent companies can profit in the long run (Back, 2011). As a result, CSR has become an inescapable priority for business leaders in every country (Porter and Kramer, 2006).

2.7.6 Competitive advantage

Despite the efforts by companies to engage in CSR, their approaches, however, have been fragmented and disconnected from business strategy making it less productive as compared to their core goals (Porter and Kramer, 2006). However, if businesses analyzed CSR like their core business choices and adopt same framework for it CSR would be more than a benevolent or charitable deed. It can be a source of innovation and competitive advantage (Porter and Kramer, 2006). Any organization that engages in CSR indirectly attract

consumers or increase their demand. Fortunately, many companies are beginning to realize the importance of CSR in gaining competitive advantage.

2.7.7 Ecological Sustainability

Perhaps the most obvious and discussed topic fueling CSR engagement concerns pollution, waste, depletion of natural resources, climate change and the likes (Back, 2011). Undoubtedly, it will be in the best interest of the businesses to protect and sustain the environment which they depend. The Norwegian Prime Minister, Gro Harlem Brundtland, put sustainability in the right perspective and defined it as “meeting the needs of present without compromising the ability of future generations to meet their needs” (Porter and Kramer, 2006). Thus businesses should operate in a way that would not be socially detrimental and environmentally wasteful (Porter and Kramer, 2006). Hence many advocate that business should achieve commercial success without endangering the environment. This advocacy is the prominent goal of the leading nonprofit CSR business organization in the United States – Business for Social Responsibility (Porter and Kramer, 2006).

2.8 BENEFITS OF CORPORATE SOCIAL RESPONSIBILITY ENGAGEMENT

The proliferation of CSR engagement has been met with unparalleled benefits. The benefits of CSR has been studied by different authors (see for instance Sun and Yuan, 2010; Green Capital and CSR Sydney, 2008; Jones *et al.*, 2006; Morsing and Schultz, 2006; Welford and Frost, 2006; Dawkins, 2004; Leonard and McAdam, 2003). The benefits were found to be both financial and non-financial (Green Capital and CSR Sydney, 2008). As such, CSR is becoming increasingly more important in the corporate business world (Leonard and McAdam, 2003). Even so, in the wake of business scandal, the only way to regain or secure public (consumers) confidence is through the engagement of CSR. The whole idea behind

CSR engagement was summarized by Bush as “A firm should be loyal to the community, mindful of the environment” (Leonard and McAdam, 2003). However, Porter and Kramer (2006) argued that CSR should not only be about what businesses have done that is wrong-importance as that is.

The benefits of CSR can be looked at from two different perspective – internal and external. That is to say the corporate business world enjoys certain benefits (internal) when engaged in CSR, likewise the society or environment or the public (external benefits). This section highlights on the benefits of CSR engagement.

2.8.1 Improved Brand Image

The obvious benefit of CSR engagement by businesses is the widespread of the firm’s name (Green Capital and CSR Sydney, 2008) and the protection of brand image (Leonard and McAdam, 2003). Although, this benefit is non-financial (Green Capital and CSR Sydney, 2008) given the importance of brand name or image in the corporate business world; there would be increase in profit margins. And also all the benefits that come with brand image would increase because of the improvement in brand image as a result of the CSR engagement. The impact of poor CSR stance can have on brand image is usually evident in the rankings of businesses by corporate organizations (Leonard and McAdam, 2003).

2.8.2 Attracting good and quality staff

Companies are only as good as the quality of their staff or workers. Engagement in CSR has been found to attract good and quality staff (Green Capital and CSR Sydney, 2008). Safe products and good working conditions do not only attract good and quality workers; but also attract customers (Porter and Kramer, 2006). All other things being equal, the attraction of good and quality staff results in increased output and hence bolstering of business growth.

2.8.3 Competitive Advantage

The basic definition of competitive advantage is the ability of firms to outweigh their counterparts as a result of a unique advantage they enjoy. Companies that engage in CSR do not only help the society, but also gain competitive advantage in return, even in the attraction and retention of workers (Cochran, 2007). Sun and Yuan (2010) captured this as the performance of CSR practices could lead to a reduction in management cost, securing commercial credit facilities, etc. which improves corporate values.

2.8.4 Higher staff retention

“The action that the enterprise performs its responsibility for the employees can help to improve their loyalty, make them work efficiency and reduce the cost of human resources, so as to improve the corporate value” (Sun and Yuan, 2010). This benefit has been studied by many authors. Green Capital and CSR Sydney (2008) identified it as a major or significant benefit. Globally, google receives over 6000 applications from which they can select from (Cochran, 2007). This is partly due to the CSR the company engages. These employees are likely to be more enthusiastic and their morale towards works increase and hence increase in productivity. All these may provide the company with competitive advantage.

2.8.5 Cost savings

Contrary to many assertions CSR should not cost money but rather must lead to cost savings. Forbes (2012) agreed that the easiest place to cut cost is through engagement in CSR. Notwithstanding, Green Capital and CSR Sydney (2008) argued that CSR practices increase cost. However, the argument on this factor as a benefit or barrier appeared to be mixed. Thus, this benefit was subsequently identified as very significant (Green Capital and CSR Sydney, 2008). This savings can be achieved through:

- More efficient staff hire and retention;

- Implementing energy savings programs;
- Managing potential risks and liabilities more effectively;
- Less investment in traditional advertising; and
- Competitive advantage

2.8.6 Reduced regulatory oversight

Companies that demonstrate in the engagement of CSR face less scrutiny by local and national government. Such companies are also in higher positions to fully enjoy preferential policies of the governments (Sun and Yuan, 2010). The companies may enjoy tax-holidays and also other policies of government. The resultant effect is reduction in cost and improved corporate value (Sun and Yuan, 2010).

2.9 CHALLENGES OF CSR ENGAGEMENT

Despite the attempts by corporate bodies to engage in CSR, these efforts are saddled with numerous challenges. A lot has been studied in this regard. Palpable among the challenges is the issue of communicating CSR to the public. This section highlights on the challenges of CSR engagement.

2.9.1 Time consuming

CSR engagement can be very time consuming. What is more disturbing is its competition with core business objectives, especially in the wake of corporate business competition. More so, companies are driven by competition and market forces (Frankental, 2001). Consequently, businesses find it difficult to grant time to CSR objectives (Green Capital and CSR Sydney, 2008).

2.9.2 Communication

Despite the increasing recognition of the need for companies to be socially responsible, communication of such responsibilities often remain a missing link in the practice of

corporate responsibilities (Dawkins, 2004). Apparently, companies are not credited or given credits for their responsible corporate behaviors. Moreover, there is no overwhelming evidence that a company loses substantially, share profits when failed to engage in CSR (Frankental, 2001). As a result most companies fail to be socially responsible. That is to say there's no incentive for companies to engage in CSR since those social engagements do not feed into the companies' share profit (Frankental, 2001).

2.9.3 Lack of resources

To engage in sustainable practices requires resources (Green Capital and CSR Sydney, 2008). Usually CSR engagement is seen as a waste of company's resources since it is regarded as not part of the company's core business (Porter and Kramer, 2006). Hence, all resources are directed towards the core objectives of companies often at the neglect of social responsible behaviors (Green Capital and CSR Sydney, 2008).

2.9.4 Lack of Coherent Strategy

The existing approaches to CSR appear to be fragmented and disconnected from business and strategies hampering the need for companies to benefit society (Porter and Kramer, 2006). The more plausible explanation to the above is the reason aforementioned – CSR engagement not on the core agenda of businesses. Consequently, companies fail to demonstrate reasonably engagement in CSR to benefit the society and the nation in general.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

The research was undertaken based on the observation that CSR has gained currency recently and there is the increasing advocacy for it to be integrated into the core business of construction companies. The mismatch between current needs of society and the available resources; and also the threat construction industry pose make it more imperative to study the extent of CSR engagement in the Ghanaian Construction Industry. In order to achieve the research aim and objectives, this chapter presents the philosophical assumptions underpinning this research as well as finding the best methodology to answer the research questions raised. This chapter threw more light on the research strategy, research design and development process that were used prior to administering of the questionnaires. The chapter also defined the sampling technique and the characteristics of the sample size; also the statistical tool adopted for the data analysis is also discussed in this chapter.

3.2 PHILOSOPHICAL POINT OF THE RESEARCH

The concept of the paradigm is central and imperative to the research process in all areas of the study (Mangan *et al.*, 2004). Before deciding on the research strategy to adopt, philosophical underpinnings of the various strategies have to be reviewed. According to Knox (2004), the relationship between research philosophy and research methods is an important one. Such philosophical foundations influence research beliefs and assumptions about nature (Wangombe, 2013). Consequently, Kuhn (1977) defined research paradigm as a research culture with a set of beliefs, values, and assumptions that a community of researchers share in common regarding the conduct of research, or, according to Mangan *et*

al. (2004) is a general conception of the nature of scientific endeavor within which a given enquiry is undertaken. Research process has been identified to have three major dimensions – ontology, epistemology and methodology (TerreBlanche and Durrheim, 1999).

Ontology raises questions about nature of reality, whereas epistemology is interested in the origins and nature of knowing and the construction of knowledge (Maykut and Morehouse, 1999) and ‘world view’ of researchers (Carter and Little, 2007). However, Wangombe (2013) believed that ontological assumption in research is concerned with truths about knowledge, information and the world. Hence, at the ontological level, the position that is adopted is objectivism. The plausible explanation is that the extent of CSR engagement by the construction firms beyond the reach and influence of the researcher. These effects are not the constructs of the researchers. Thus in addressing the research objectives, the objectivism ontological stance was followed. Epistemology, on the other hand, is concerned with the acquisition of knowledge and the relationship between the researcher and the research (Wangombe, 2013). Epistemology of every research borders on either empiricism (Positivism) or interpretivism.

The Positivist approach also assumes that absolute knowledge is unattainable (Wangombe, 2013). However, according to the Positivists, the world works according to certain fixed laws of cause and effect; and scientific thinking is used to test theories about these laws either to reject or accept those (Carter and Little, 2007). Hence, the research was of the opinion that the extent of CSR engagement by construction companies in the Ghanaian Construction Industry be carried out in an unbiased way (free of researcher effects) which can be replicated.

3.3 RESEARCH STRATEGY AND DESIGN

In order to find solution to the research problem, it is therefore imperative to technically disentangled relationship between or among variables in a situation and analyze the relationship devoid extraneous influences (Nenty, 2009). Consequently, Nenty (2009) opines that research design involves the procedures through which we can explore and analyze the relationship among the variables involved in our problem and consequently to argue the preference of particular procedures over others. Thus research design is a master plan that shows how the research is to be conducted. However, this research adopted questionnaire survey in an attempt to explore the extent of CSR engagement of D1K1 Ghanaian contractors. According to Janes (1999), the only available way of getting the current picture of a group, profession, organization, etc. is a survey. Consequently, Cresswell (2005) cited in Ayyash *et al.* (2011) argues that survey helps to provide trends in the population. In addition, survey questionnaire has been identified to be less expensive and not time consuming to conduct (Ayyash *et al.*, 2011).

The explanation to the direction of the researcher towards the conduct of research is very imperative (Baiden, 2006; Bryman, 1992). Naoum (1998) defines research strategy as the enquiry of research objectives. Accordingly, Baiden (2006) asserted that, the three main types of research strategies are quantitative, qualitative, and triangulation. However, the choice to adapt any particular strategy depends on the purpose of the study, the type, as well as availability of information for the research (Naoum, 1998 cited from Baiden, 2006). Hence, this research adopted a quantitative strategy.

3.4 POPULATION AND SAMPLING

Population refers to a group or units of interest located in a geographic area of interest during the time of interest (Taylor-Powell, 1998). The research focused on the D1K1 contractors in the Accra and Kumasi Metropolis. The choice of the location was due to the fact that it is a major hub in construction since new developments are springing up and has the highest population of contractors and consultants (Assah-Kissiedu *et al.*, 2010).

3.5 SAMPLING TECHNIQUE

Although sampling was not necessary, nonetheless purposive sampling was used to determine those to partake in the survey. In this case, those to be engaged in every company was decided based on purpose. Purposive Sampling is a sampling technique whereby the researcher decides who to be engaged in the research. This is selected because it allows information-rich issues that are important to the study to be added and also focus on specifics rather than general (Tuuli *et al.*, 2007; Taylor-Powell, 1998). The choice was based on contractors that belong to the D1K1 classification of Ministry of Water Resources, Works and Housing. Hence their input was imperative in the determination of the extent of CSR engagement in the Ghanaian construction industry.

3.6 SAMPLE SIZE

Sample refers to using a part to represent a whole. Information gained from the sample can thus be used to generalize only to the population from which the sample was taken (Taylor-Powell, 1998). Notwithstanding, he also opined that sampling must be guided by certain factors – population size, information needed and the resources available. The population in this study were D1K1 contractors in the construction industry and the total number as

obtained from the Registrar General's Department pegged at twenty five (25). However, Taylor-Powell (1998) argued that sampling may not be necessary if the population is small. Owing to the small size of the population, sampling was not necessary. Accordingly, the whole population i.e. D1K1 contractors were targeted.

3.7 SOURCES OF DATA AND DATA COLLECTION

Both primary (field survey) and secondary (literature review) data were employed in this research. The primary and secondary data were collected to cover every aspect of the research. Neville (2007) argued that research should contain empirical research data. Thus primary data are thus indispensable in the conduct of any research endeavor. The primary data sources in this research include contractors in the construction industry.

Over the years, scientific methods of data collection have come to dominate the field of evaluation (Taylor-Powell and Steele, 1996). According to them, these methods seek to establish cause-effect relationships and provide quantitative data. Data were collected through a questionnaire survey targeting contractors. The response structure on the questionnaire included only close-ended questions. Closed-ended questions were included because of its simplicity and ease in analysis. The questionnaire sought to establish, the extent of CSR engagement of D1K1 contractors in the Ghanaian construction industry. The questionnaire is divided into two main parts, with Section A relating to the general information and background of the respondent. Section B included questions on the barriers, challenges and drivers of CSR in the Ghanaian construction industry. A 5-point Likert scale was used to rate these factors.

3.8 DATA PRESENTATION AND ANALYSIS

The retrieved questionnaire were coded and analyzed using simple statistical tools such as the Statistical Package for Social Sciences (SPSS) 20.0 and Microsoft Excel. The interpretation of the data was consequently done by these two tools. To elucidate the discussion in this discipline, the data obtained are presented graphically and in tabular form. Information involving the background of respondents were presented in pie charts and bar graphs. The outcome of the study was assessed with the research objectives and questions.

3.9 ETHICAL ISSUES

This research was compiled with principles which aimed at protecting the privacy of every individual who, in the course of the research work was requested to provide personal or commercially valuable information about themselves (hereinafter referred to as a subject of the research). Before an individual becomes a subject, the person was notified of, the aims, methods, anticipated benefits and potential hazards of the research.

No person becomes a subject unless the person is fully abreast or cognizant of the notice referred to in the preceding paragraph.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF RESULTS

4.1 INTRODUCTION

The chapter presents analysis on the data collected from the various respondents in the construction industry in Greater Accra and Ashanti regions. Respondents were purposively sampled from the D1K1 construction companies. This chapter provides overview on the analysis and discussion of results of the data collected in order to explore the extent of CSR engagement by D1K1 construction companies in the Ghanaian construction industry in their region of operation.

The study employed the use of Statistical Package for Social Sciences (SPSS) and Microsoft Excel for the data presentation, description and analysis. The statistical tools used for the analysis were the descriptive, Relative Importance Index (RII), and Mean Score rankings, Standard deviations and one sample t-test to analyse the dependent variables. This chapter also presents the results of the analysis and discussions in the form of texts, figures and Tables. The chapter is organized as follows; Background information of Respondents and analysis of dependent variable. The analysis is based on the number of questionnaires retrieved – 80%. Out of the twenty-five (25) questionnaires administered, twenty (20) were completed and returned.

4.2 ANALYSIS OF DEMOGRAPHIC VARIABLES

The section was dedicated to the analysis of the background of the respondents and covered among other things position, annual turnover of the company, size of company, and their involvement in corporate social responsibility. Such analyses are necessary because the background of the respondents is to give credibility of data collected; and thus the findings of the study.

4.2.1 Position in Establishment

The intention of the question was to establish the position of respondents in their respective companies. It considered that such analysis is imperative as the position in the company influences things such as company policies which include the integration of CSR in company strategic plans. The findings (refer to Fig. 4.1) revealed the following: Chief Executive Officers/Senior Management – 2, Quality Assurance Officer – 9, Human Resource Manager – 3, Public Relations – 2 and Environmental Manager – 4.

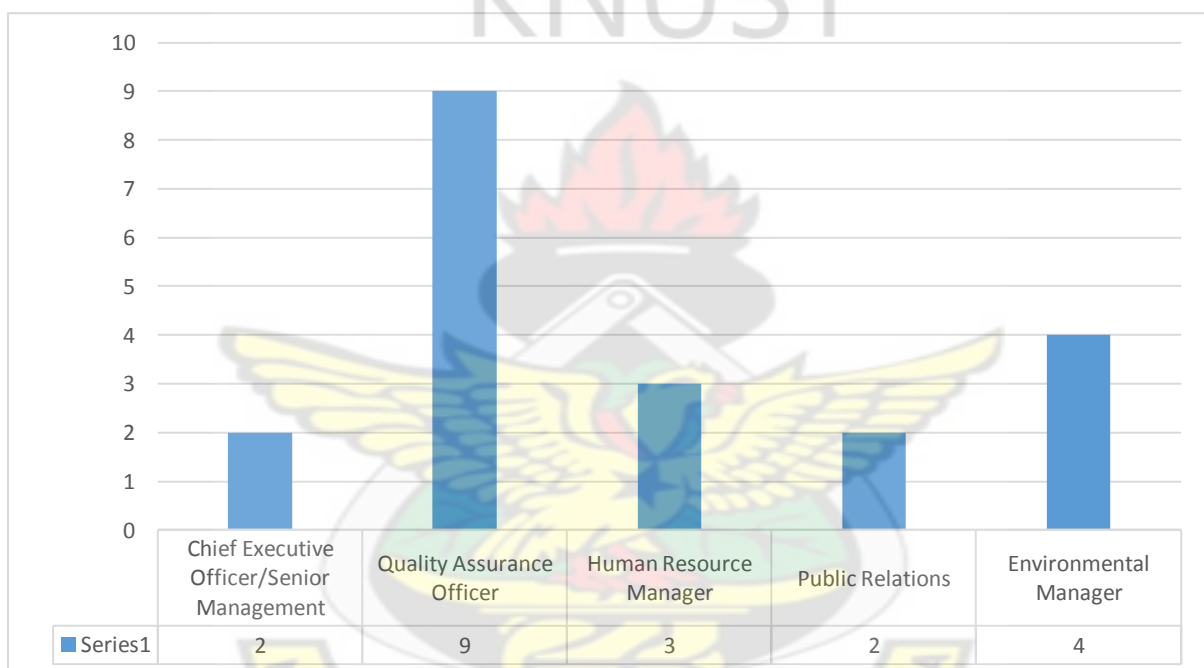


Figure 4.1Position of respondents

4.2.2 Annual Turnover of Company

Annual turnover of a company refers to the percentage rate at which a mutual fund or exchange-traded fund replaces its investment holdings on an annual basis. Turnover is meant to adjust for the inflows and outflows of cash and report on the level of trading activity in the fund. Annual turnover invariably determines areas of company investment. Hence, the question was to establish the level of annual turnover of companies involved in the survey.

From the Table 4.1 below, 20% of the companies experience less than GhC 1 million, 60% had annual turnover of between GhC 1 - 5 million and the remaining 20% experience annual turnover of above GhC 5 million.

Table 4.1 Annual Turnover of Company

Annual Turnover	Frequency	Valid Percent	Cumulative Percent
Less than GhC 1 million	4	20.0	20.0
Between GhC 1 - 5 million	12	60.0	80.0
Above GhC 5 million	4	20.0	100.0
Total	20	100.0	

4.2.3 Size of Company in terms of number of employees

The study already focused on D1K1 construction companies which are larger companies according to the classification by Ministry of works and housing. However, the study also sought to know the sizes of the company in terms of the number of employees. Consequently, the respondents were asked to indicate the number of employees. The question was of the view that companies that engage in CSR activities or have CSR activities integrated in their companies' core objectives are likely to have higher number of employees. Figure 4.2 presents a graphical view of the results. It is apparent from the results that most of the companies have employees more than forty (40) i.e. representing 40%, whereas 35% have employees in the range 20-40; with the remaining 25% employing less than 20 employees. This findings also reveal that most D1K1 contractors (40+35=75%) lie in the bracket of medium enterprises (see for instance Dalitso and Joshua, 2010).

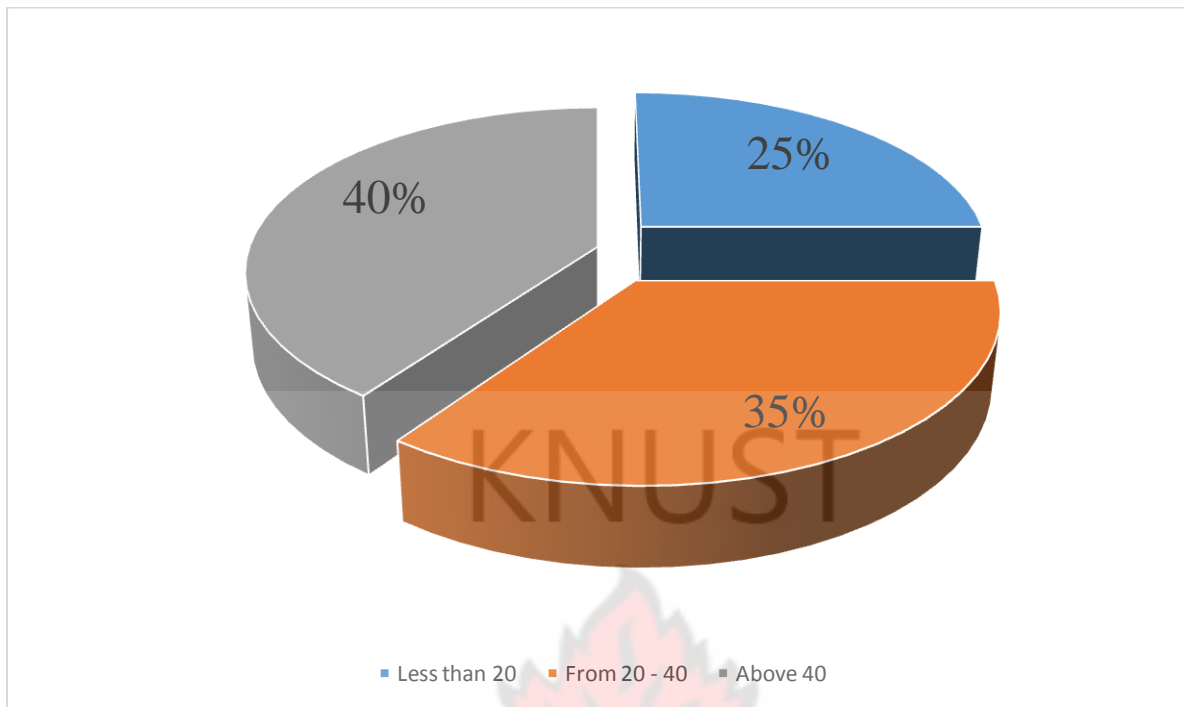


Figure 4.2 Size of company

4.2.4 Years of Experience in CSR Engagement

Common sense has it that all things being equal, the years of experience in a particular discipline or engagement influence inter alia the challenges and benefits. Hence, this subsection was intended to establish the years of experience in CSR Engagement of the companies. It is obvious from the results that majority of the respondents indicated that their companies have more than 3 years' experience in the discipline ($35+40=75\%$). A further assessment of the results indicate that only 25% have less than 3 years' experience (see Fig. 4.3).

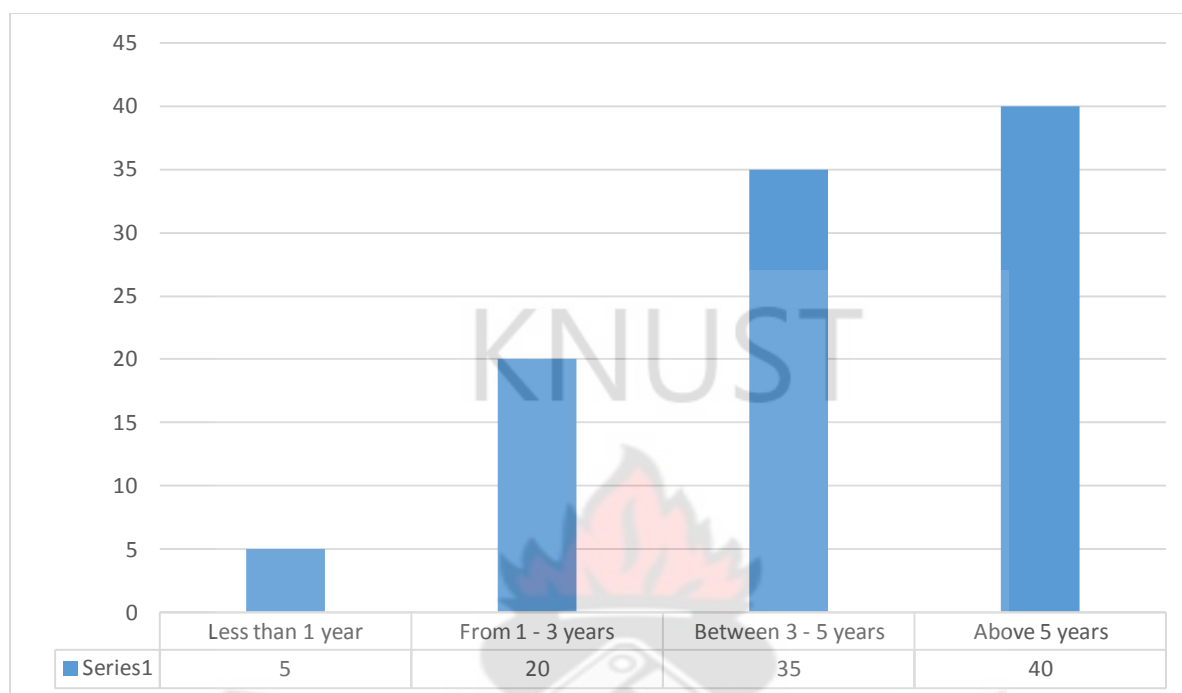


Figure 4.3 Years of Experience in CSR Engagement

4.2.5 Relationship between integration of CSR into core business and the annual turnover

Table 4.2 Correlation analysis between Annual turnover and Integration of CSR objectives

		Annual Turnover	Integration of CSR objectives
Annual Turnover	Pearson Correlation	1	.363
	Sig. (2-tailed)		.116**
	N	20	20
Integration of CSR objectives	Pearson Correlation	.363	1
	Sig. (2-tailed)	.116**	
	N	20	20

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

From table 4.2.5.1 above it is established that overall, Annual Turnover has a positive correlation with Integration of CSR objectives, which is significant at 0.01 level of significance ($r=.116^{**}$, $n=20$). This means that Annual Turnover would improve when the companies incorporate CSR into their core objectives. However, in terms of determining the strength of this relationship, it is revealed by the analysis that there is a large correlation between the two variables ($r= .363$) Cohen (1988), suggesting quite a strong relationship between innovative capabilities and firm performance.

4.3 ANALYSIS OF DEPENDENT VARIABLES

The section was dedicated to the analysis of the dependent variables. The statistical tools adopted included: Relative Importance Index, Standard deviation, Mean score rankings, and one sample t-test. The procedure, presentation and discussion of results are as follows.

4.3.1 RELATIVE IMPORTANCE INDEX OF CSR ACTIVITIES

CSR can be undertaken in the form of several activities. It was therefore necessary to establish from the respondents the CSR activities their companies usually engage in. Consequently, respondents were asked to indicate on a scale the activities they usually practice. It considered that knowledge of this nature will provide insight on the level of integration of CSR activities in companies' policies. The 5 point Likert scale adopted was 1- never considered in business, 2-rarely considered in business, 3-sometimes considered in business, 4-mostly considered in business, and 5- always considered in business.

In the analysis of the extent of the agreement in order to establish the highly practiced CSR activities, the Relative importance index cum standard deviation was utilized. The idea was to establish the relative importance of the various CSR activities. The score of each factor is

calculated by summing up the scores given to it by the respondents (for instance see Badu *et al.*, 2013; Fugar and Agyakwah-Baah, 2010). For a five-point response item, RII produces a value ranging from 0.2 – 1.0 (cf Badu *et al.*, 2013; Ugwu and Haupt, 2007). In the calculation of the Relative Importance Index (RII), the following formula was used (Badu *et al.*, 2013):

$$RII = \frac{\Sigma W}{A * N}$$

Where, W: weighting given to each statement by the respondents and ranges from 1 to 5;

A – Higher response integer (5), and N – total number of respondents. Where variables have the same RII values the variable with the lowest standard deviation is assigned the highest ranking (Ahadzie, 2007). Standard deviation values of less than 1.0 indicate consistency in agreement among the respondents of the reported level of results (see for instance, Field, 2005;

Table 4.3 Index and Rank of CSR activities

A. CSR Activities	Rank					W	RII	SD	Ranking
	1	2	3	4	5				
1. Working places to meet OH and S regulations	0	0	1	5	14	93	0.93	.587	1
2. Reducing adverse impacts on consumers	0	1	8	10	1	71	0.71	.686	8
3. Restoring the environment	0	0	7	7	6	79	0.79	.826	3
4. Reducing natural resources consumption	3	2	7	6	2	51	0.51	1.210	12
5. Measuring and reporting on CSR impact issues	0	1	6	9	4	76	0.76	.834	6
6. Developing donations to charity/philanthropy	0	1	11	5	3	70	0.70	.827	10

7. Developing volunteer program	1	1	13	0	5	67	0.67	1.090	11
8. Using sustainable technologies	0	1	2	8	9	85	0.85	.851	2
9. Developing green products/services	0	0	6	12	2	76	0.76	.616	5
10. Using CSR as a source of commercial innovation	1	2	5	8	4	72	0.72	1.100	7
11. Linking community engagement and business success	0	2	8	7	3	71	0.71	.887	9
12. Designing product/packaging to minimize environment impacts	0	3	3	7	7	78	0.78	1.071	4

The highest ranked activity was working places to meet OH and S regulations and the least ranked was reducing natural resources consumption. Comparatively, health and safety are major issues for all construction companies (Jones *et al.*, 2006). The ability to be able to attract workers and retain them to a larger extent depends on the Organizational Health and Safety (OH and S) regulations which ultimately has a bearing on the annual turnover of employees and thus annual turnover of firms. George as mentioned in Jones *et al.* (2006) has established earlier that Health and Safety is his topmost priority citing accident prevention among other things as the frequently practiced health and safety activities. It was therefore not surprising that construction companies rated the variable first. Importantly, the variable had RII value closer to one (RII=0.930) and standard deviation less than one (SD=0.587) indicating the level of importance and consistency in agreement among the respondents respectively. The findings thus concur the initial assertion by the aforementioned researchers that health and safety issues is always high company's health and safety report (see Jones *et al.*, 2006; Leonard and McAdam, 2003).

Second ranked CSR activity was *using sustainable technologies* with RII of 0.85 and a standard deviation of 0.851. The construction industry has a huge impact on the environment through the technologies adopted for the operation. As a result there has been the increasing advocacy to adopt a more sustainable technologies to construction. This advocacy may be the plausible explanation to the variable been ranked second. The indication is that construction companies are increasingly incorporating sustainability into their mode of operations.

After using sustainable technologies, is restoring the environment. The activity was ranked third obtaining RII value of 0.79 and a standard deviation of 0.826. As noted earlier, high RII values indicate that such CSR activities are important and hence, mostly practiced by the companies. According Jones at al. (2006), environmental issues are often seen in CSR agendas of construction companies because of the dangers construction exposes the environment to. Land use and its planning have been identified to be some of the issues normally considered. It was therefore not surprising when the activity ranked third. The survey showed that nearly all the construction companies agreed that restoring the environment is a frequently engaged CSR activity.

Designing product/packaging to minimize environment impacts and developing green products/services were ranked fourth (RII=0.78) and fifth (RII=0.76) respectively by the respondents altogether. It is however worthy of note that the former activity had a standard deviation greater than one indicating inconsistency in agreement amongst the respondents. The findings further reinforces the earlier stance by Jones *et al.* (2006) that environment issues loom large in the CSR agendas being addressed by construction companies. However, surprisingly the activity reducing natural resources consumption was ranked least with RII of 0.51. More so, Standard deviation greater than one suggests variability in the level of agreement among the respondents. The plausible explanation is that respondents may have understood the activity in their own ways.

The next highest ranked activity was measuring and reporting on CSR impact issues. The activity obtained RII value of 0.76 and thus ranking sixth. In order to make meaningful assessment of any engagement it is imperative to measure and report the impact of such endeavors. This suggests construction companies in Ghana are gradually approaching the point of integrating CSR in their core business values.

CSR must not only be a drain of the company's resources but must also serve as a tool to gain a competitive advantage. Consequently, some companies use CSR as a source of commercial innovation, accounting partially for the activity – using CSR as a source of commercial innovation obtaining a high RII value (0.72). However, a cursory observation of the analysis indicate that the activity had a standard deviation (1.100) greater than one. Seemingly, using CSR as a commercial tool have not well been understood by the respondents alike.

Reducing adverse impacts on consumers was ranked eighth by the respondents altogether. Construction consumers and the communities regularly feature in CSR reports (Jones *et al.*, 2006), especially when Juholin (2004) had argued that in the imminent years businesses shall be judged by their social policies. In order to be more socially acceptable most construction companies engage in reducing the adverse impact of their products on consumers (Jones *et al.*, 2006) and this is empirically proven from the finding.

Developing donations to charity/philanthropy and Developing volunteer program were rated tenth and eleventh activities respectively. However, the latter had a standard deviation above one suggesting variability in agreement as already noted. Engagement in charitable deeds by construction companies has long been the practice of many construction companies in the UK (Jones *et al.*, 2006). Such companies include Gleeson. Surprisingly, it appears construction companies in Ghana are not doing well with regard to these activities. Consequently, Juholin (2004) observed that benevolent actions are being demanded in developing countries.

4.3.2 DRIVERS OF CSR ENGAGEMENT

More so, it deemed necessary to establish from the respondents the drivers of CSR engagement – motives. The factors that stimulate construction companies to engage in CSR. Respondents were thus asked to rate the drivers identified from literature to indicate their level of significance. In the analysis of the extent of their agreement to the drivers in order to ascertain the ‘pushers’ of CSR engagement in the construction industry in Ghana, the Relative Importance Index (RII) together with standard deviation and mean score was used. Based on the five-point Likert scale, variables with Mean greater than 3.5 are considered important. The drivers were all considered to be important having mean values greater than 3.50 and standard deviations less than 1.00.

Table 4.4 Drivers of CSR engagement

B. Drivers of CSR engagement	Weighting	RII	Mean	Standard Deviation	Ranking
1. Brand Name/Image	90	0.90	4.500	.51299	1
2. Consumer demands	87	0.87	4.350	.58714	2
3. Competitive advantage	85	0.85	4.250	.91047	3
4. Company Culture/Value	84	0.84	4.200	.76777	4
5. Free flow of information	81	0.81	4.050	.68633	5
6. Globalization	81	0.81	4.050	.88704	6
7. Ecological Sustainability	78	0.78	3.900	.78807	7

Brand Image

Back (2011) has already established that brand name represents the focal point of every business. Hence, any venture or endeavor likely to enhance the image of the organization is most likely to receive the attention of companies. Consequently, the finding concurs the

above assertion and brand image was thus rated highest by the respondents altogether. The variable had a RII value of 0.90, mean value of 4.500 and a standard deviation of 0.513. Moreover, loss of public trust in brand impacts negatively on the performance of organizations and ultimately the turnover of companies. The survey also confirms the study by Green Capital and CSR Sydney (2008) which established Brand Image as a major driver of CSR engagement.

Consumer Demands

As already noted, companies over the world have come under increasing pressure to incorporate CSR into company core values (see Juholin, 2004). Such demands include advocacy for companies to invest in 'environmentally friendly products'. As a result, Green Capital and CSR Sydney (2008) found the variable to be a major push factor for the adoption of CSR. This survey reinforces the finding established by Green Capital and CSR Sydney (2008). The driver was ranked the second highest obtaining a mean of 4.350 and a standard deviation smaller than one.

Competitive Advantage

The construction setting is very competitive and survival in such an industry requires competitive advantage. Hence any deed that is likely to enhance competitive advantage is regarded important by the companies. CSR can be a source of innovation and competitive advantage, if analyzed and integrated in core business of businesses (Porter and Kramer, 2006). The driver was ranked high by the respondents because it has been realized to provide competitive advantage. The driver had a mean value of 4.250 and a standard deviation of 0.910.

Company Culture/Value

Culture refers to the way things are done. Hence company culture or values determines the adoption and integration of policies in a particular company. When CSR is cultivated into the company's culture there is the likelihood of it being undertaken. The driver was identified as significant by the respondents. The mean value achieved, like the aforementioned drivers, had a mean value greater than 3.50.

Free Flow of Information

This driver was ranked fifth (5th) by the respondents. It is considered that free flow of information has a bearing on the engagement of CSR practices in the construction industry. Recently, CSR has gained currency and now most companies rank performance of organizations based on this. In the age of information, these rankings attract the attention of many; and is likely to influence the award of contracts, staff hiring among other things. These derivatives of free flow of information are critical indirect drivers of CSR in the construction companies.

Globalization

Like the drivers discussed before, globalization was identified to be a significant driver of CSR engagement in the construction industry, obtaining RII value of 0.81, mean value greater than 3.50 (4.050) and a standard deviation less than one. Back (2011) and Juholin (2004) had already identified globalization to have a huge impact on the engagement of CSR. This finding confirms this initial position by these two studies. The plausible explanation is that Global activism and increasing advocates are mounting pressure on corporations or organizations to increasingly engage in CSR activities.

Ecological Sustainability

Surprisingly, the least ranked was Ecological Sustainability. However, most of the topical issues on CSR have hinged on ecological sustainability (see for instance Back, 2011; Porter and Kramer, 2006). Thus, one might think of the driver to loom large on companies' policies as a major driver of CSR. Although it ranked as significant, that is to say it has a mean value greater than 3.50. But when compared to other identified drivers, ecological sustainability did not 'place'. Further assessment may suggest ecological sustainability as very low on the agendas of construction companies.

4.3.3 CHALLENGES TO CSR ENGAGEMENT

In an attempt to examining the challenges to CSR engagement, it deemed necessary and imperative to establish the various challenges to CSR engagement. In view of this six factors were identified from literature and respondents were asked to rate them according to their degree of significance on a five-point Likert scale items (Not Very severe, Not severe, moderately severe, severe and Very severe).

In analysing the results of the challenges to CSR engagement, this research was interested in the factors that successfully impede the engagement of CSR in order of significance. Hence, in establishing the relative significance of the variables the one-sample t-test was used. According to Ahadzie (2007), the one sample t-test normally is used to establish whether a sample mean is significantly deviant from a hypothesized mean. The hypothesis for a single sample –test is typically set thus:

Ho: $U = U_0$

Ha: $U <, > U_0$

Where, Ho denotes the null hypothesis, Ha denotes the alternative hypothesis and U_0 denotes the hypothesized or population mean. In a typical one-sample-test, the mean of the test group,

degree of freedom for the test (which approximates the sample size), the t-value (which is an indication of the strength of the test) and the p-value (i.e. the probability value that the test is significant) are commonly reported (see for instance, Ahadzie, 2007; Field, 2005; Hair *et al*, 1998; Reymont and Joreskog, 1993).

Subsequently, a statistical t-test of the mean carried out to determine whether the population considered a specific challenge to be significant or otherwise. The mean ranking of each challenge tabulated to help elucidate the consensus reached by the respondents. A summary of the test results presented in Tables 4.4 to 4.6.

The mean for each variable including the associated standard deviation and standard error presented in Table 4.4. For each variable, the null hypothesis was that the criterion was not significant ($H_0: U = U_0$) and the alternative hypothesis was that the criterion was significant ($H_a: U > U_0$), where U_0 is the population mean. Thus U_0 represented the critical rating above which the criterion considered significant. Given that the rating adopted ascribed higher ratings of 4 and 5 to important and very important criterion, U_0 fixed at an appropriate level of 3.5 (see for instance Ahadzie, 2007; Ling, 2002).

The significance level was also set at 95% in accordance with orthodox risk levels (see for instance Ahadzie, 2007 and Colen, 1992 as cited in Ling, 2002). That is, based on the five-point Likert scale rating, a success criterion deemed significant if it had a mean of 3.5 or more. Where two or more criteria have the same mean, the one with the lowest standard deviation assigned the highest significance ranking (see for instance Ahadzie, 2007; Field, 2005; Shen and Liu, 2003).

According to Ahadzie (2007), the standard error is the standard deviation of sample means as well as a measure of how likely a sample represents the population. Hence, a large standard error (relative to the sample mean) suggests that there is a lot of variability between means of

different samples (ibid). A small standard error suggests that most sample means are similar to the population mean, therefore the sample is likely to be an accurate reflection of the population (Ahadzie, 2007; Field, 2000; 2005). The standard error associated with all the means is relatively close to zero suggesting that the sample chosen is an accurate reflection of the population (Table 4.4). More so, the mean scores were greater than 3.50 suggesting that all the challenges identified are significant.

Table 4.5 Results of t-test showing one-sample statistics

Challenges	N	Mean score	Std. Deviation	Std. Error Mean
Time consuming	20	4.3500	.87509	0.196
Communication	20	4.1000	.71818	0.161
Lack of resources	20	4.2500	.78640	0.176
Lack of Coherent Strategy	20	4.0500	1.14593	0.256
Lack of market incentives within the industry	20	3.7500	.85070	0.190
Unsupportive reward structures	20	3.5500	1.05006	0.235

The fact that the standard deviations are all less than 1.0 indicates that there is little variability in the data. Alternatively, standard deviation values of less than 1.0 indicated consistency in agreement among the respondents of the reported level of results (see for instance, Field, 2005; Steven, 1996). However, variables such as Lack of Coherent Strategy and Unsupportive reward structures obtained a standard deviation greater than 1.0 (refer to table 4.4) indicating that respondents interpreted the variables in their own ways resulting in variability in the agreement. Further discussion on the t-test below provides plausible explanation for this.

The significance (i.e. p-value) of each attribute is displayed in Table 4.5. The p-value is for a two-tailed test, however as shown per the test hypothesis, what is of interest here is one-tailed test (i.e. $U > U_0$). Subsequently, the “sig.” value in Table 4.5 has been divided by two and the summary listed in Table 4.6.

Table 4.6 Results of one-sample Test showing test significance

Challenges	Test Value = 3.5					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
<i>Time consuming</i>	4.344	19	.000	.850	.4404	1.2596
<i>Communication</i>	3.736	19	.001	.600	.2639	.9361
<i>Lack of resources</i>	4.265	19	.000	.750	.3820	1.1180
<i>Lack of Coherent Strategy</i>	2.146	19	.045	.550	.0137	1.0863
<i>Lack of market incentives within the industry</i>	1.314	19	.204	.250	-.1481	.6481
<i>Unsupportive reward structures</i>	.213	19	.834	.050	-.4414	.5414

Table 4.7 Summary of t-test showing rankings and results of 1-tailed test.

Challenges	Mean score	Std. Deviation	Sig. (1-tailed)	Ranking
Time consuming	4.3500	.87509	0.000	1
Lack of resources	4.2500	.78640	0.000	2
Communication	4.1000	.71818	0.001	3
Lack of Coherent Strategy	4.0500	1.14593*	0.023	4
Lack of market incentives within the industry	3.7500	.85070	0.102	5
Unsupportive reward structures	3.5500	1.05006*	0.417	6

Note: *shows high inconsistency in its agreement

The findings as summarized in Table 4.6 indicates that all the challenges are significant and likely impediments to the engagement of CSR. However, time consuming occurred as the highest ranked challenge, whereas unsupportive reward structures ranked least amongst the challenges.

Time Consuming

The variable *Time consuming* was ranked highest by the respondents altogether. The variable had a mean of 4.350 significantly above the hypothesized mean of 3.50 and a standard deviation less than 1.00 suggesting consistency in the level of agreement. The finding agree with conventional wisdom that any endeavor not considered as part of core business objective is regarded as time consuming. Moreover, in this business era of ever increasing competition businesses are only focused on the core objectives. As already established by Green Capital and CSR Sydney (2008), businesses find it difficult to grant time to CSR objectives. The plausible explanation is what the finding provides – CSR can be time consuming and also most businesses do not have it as a core business objective.

Lack of resources

Every activity requires resources. Thus availability of resources influence the activities engaged by organizations. *Lack of resources* was rated second after *time consuming* with a mean of 4.250 and a standard deviation of 0.786. The findings largely agrees with the study by Porter and Kramer (2006) which found that CSR engagements is usually seen as waste of resources, so most businesses direct their resources to their core business objectives. Often the resources are not available for the engagement of CSR practices.

Communication

If a trees fall in the forest, and there is no one to report, does it make a sound? This adage is perhaps what underpins this challenge – communication. Dawkins (2004) noted that the missing link in the practice of CSR is communication. Although, there might be some extent of engagement by these firms if not communicated only the affected people may know. The survey agrees with the position of Dawkins that communication is a major challenge to CSR engagement. *Communication* had a mean value of 4.100 and consequently was rated third by all the respondents altogether.

Lack of Coherent Strategy

The challenge obtained a mean value of 4.05 which indicates respondents considered *Lack of Coherent Strategy* as a significant challenge to CSR. However, it is worthy of note that the challenge had a standard deviation greater than 1.00 indicating inconsistency in agreement among the respondents. The plausible explanation lies in the way the challenge was interpreted by the respondents. Porter and Kramer (2006) had established that the approaches of many businesses to CSR engagement are usually fragmented and diverse. That is to say the companies lack coherent strategy to CSR engagement.

Lack of market incentives within the industry

Lack of market incentives within the industry was ranked fifth by the respondents. The respondents considered it as a significant challenge to the engagement of CSR with a mean score above 3.500. As already noted, the challenge had a standard deviation less than 1.00 suggesting invariability in the level of agreement. Frankental (2001) has observed that companies rarely engage in CSR activities because the activities do not reflect in the profit books. Apparently, companies are apathetical towards the society in the engagement of CSR largely because the construction market does not recognize CSR practice and consequently provides no incentive to that effect.

Unsupportive reward structures

Unsupportive reward structures commensurate lack of market incentives. That is to say when there is an incentive, the latent effect would be putting in place structures to reward those who engage in CSR practices. It was therefore not surprising the challenge ranked after Lack of market incentives. However, the variable had a standard deviation greater than 1.00 indicating inconsistency in the level of agreement.

Overall, the survey seemingly indicates that the practice of CSR is saddled with significant challenges.

4.3.4 BENEFITS OF CSR ENGAGEMENTS

More so, it deemed necessary to establish from the respondents the benefits CSR engagements yields. It considered that knowledge on this has the potential of stimulating the growth in the engagements of CSR. Six benefits were identified from literature and respondents were accordingly asked to rate them on a five-point Likert scale. In analyzing the results, one sample t-test was utilized. As aforementioned, the crux of this analytical tool is to measure the relative significance of the variables. Table 4.7 through to 4.9 provides examination of the analysis.

Table 4.8 Results of t-test showing one-sample statistics

Benefits	N	Mean	Std. Deviation	Std. Error Mean
Improved Brand Image	20	4.4000	.88258	.19735
Attracting good and quality staff	20	4.7000	.47016	.10513
Competitive Advantage	20	4.7500	.44426	.09934
Higher staff retention	20	4.1000	.55251	.12354
Cost savings	20	3.9500	.94451	.21120
Reduced regulatory oversight	20	4.0000	.85840	.19194

All the variables had a standard deviation less than one suggesting that the data collected has less variability. The upshot of the table is that the respondents were on the same grounds regarding the appreciation of the variable. Moreover, the mean values also were greater than the hypothesized mean indicating that they benefits were significant.

The significance (i.e. p-value) of each attribute is displayed in Table 4.8. As already noted, the interest lies with one-tailed, hence the sig. value in table 4.8 is correspondingly divided by two to arrive at the one-tailed values in table 4.9.

Table 4.9 Results of one-sample Test showing test significance

Test Value = 3.5						
Benefits	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Improved Brand Image	4.560	19	.000	.900	.4869	1.3131
Attracting good and quality staff	11.414	19	.000	1.200	.9800	1.4200
Competitive Advantage	12.583	19	.000	1.250	1.0421	1.4579
Higher staff retention	4.857	19	.000	.600	.3414	.8586
Cost savings	2.131	19	.046	.450	.0080	.8920
Reduced regulatory oversight	2.605	19	.017	.500	.0983	.9017

Table 4.10 Summary of t-test showing rankings and results of 1-tailed test

Benefits	Mean	Std. Deviation	Sig. (1-tailed)	Ranking
Competitive Advantage	4.7500	.44426	.000	1
Attracting good and quality staff	4.7000	.47016	.000	2
Improved Brand Image	4.4000	.88258	.000	3
Higher staff retention	4.1000	.55251	.000	4
Reduced regulatory oversight	4.0000	.85840	.009	5
Cost savings	3.9500	.94451	.023	6

The proliferation of CSR engagements has been met with unparalleled benefits. The benefits as summarized in the table above shows that the benefits are palpable with competitive advantage ranking first and cost savings least. Further examination as presented below further elucidate the findings.

Competitive Advantage

Earlier on, Cochran (2007) had established that companies that engage in CSR have edge in the hiring and retention of workers, securing bank loans, commercial facilities amongst others. This Sun and Yuan (2010) observed that such benefits are instrumental in the fueling of corporate improvement. These benefits and their tandem effect are captured competitive advantage; and it is indispensable in the attainment of corporate success. Consequently, the respondents noticed that engagement in CSR reaps many benefits, palpable among them is competitive advantage. Thus, the variable was ranked first obtaining a mean score far above the hypothesized mean (i.e. 4.750).

Attracting good and quality staff

Attracting good and quality staff was ranked second by the respondents altogether. The findings largely concur the earlier study by Green Capital and CSR Sydney (2008) which found that CSR engagements is commensurate to attracting good and quality workers. A pool of quality staff also demonstrates the level of the human resource capacity which in construction largely plays a major role in the awarding of contracts. Ultimately, more contracts would mean an increase in the profit margins.

Improved Brand Image

Green Capital and CSR Sydney (2008) and Leonard and McAdam (2003) postulated that CSR engagement puts the name of the firm on a pedestal because of the pervasive nature of CSR. The finding agrees with the studies by these aforementioned researchers. Consequently was ranked third by the respondents. Though the benefit is non-financial (Green Capital and CSR Sydney, 2008), with popularity gained as a result the company, thus is exposed to all and sundry. And this is helpful in the acquisition of private projects not tendered using the PPA Act 663.

Higher staff retention

The benefit has been explored by many authors (Green Capital and CSR Sydney, 2008; Sun and Yuan, 2010). They all established CSR to have a direct correlation to higher staff retention. As showed in the table 4.9, higher staff retention was identified to be significant. The findings thus confirm the earlier findings established.

Reduced regulatory oversight

The respondents established the finding to be significant obtaining a mean score of 4.000 relatively lower than the aforementioned benefits but higher enough to be regarded as significant. It has been observed that companies that engage in CSR face less scrutiny and also enjoy preferential policies by government (Sun and Yuan, 2010).

Cost Savings

After the above discussed benefits, the respondents ranked cost savings the least. The plausible explanation is that the above benefits would have to be reaped first before they are translated into reduction in cost of production. That is to say cost savings is a by-product of the above benefits. The findings agree more with the study of Forbes (2012) that posited that engagement in CSR cuts down cost.

4.4 CHAPTER SUMMARY

This chapter was dedicated to the analysis and discussions of the results of the data collected from obtained from the field survey. It opened with a brief discussion of the survey questionnaires and descriptive statistics of the results obtained from the field. The chapter concluded one sample t-test (i.e. Mean score index) of the benefits of CSR engagements. In addition, RII was used to analyse other specific objectives of the research.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 INTRODUCTION

Organizations over the world have incessantly come under pressure to engage in CSR (Jenkins, 2009; Juholin, 2004). The advocates argued that companies have a social responsibility to the community within which they operate. The advocacy has had an evolving past, but until recently has the advocacy been amplified by social groups and citizens alike. The danger and threats the construction industry exposes even makes the engagement in CSR more of an obligatory responsibility rather than a benevolence act in the industry. As challenging the engagement may seemingly appear, if measures are put in place, regarded as core corporate values; CSR can also be mouthwatering with a lot of benefits.

These discussions stimulated this study and accordingly the study was aimed at exploring the extent of CSR engagement by D1K1 construction companies in the Ghanaian construction industry. The previous chapters presented the theoretical underpinnings of the study, procedures for addressing the research theme, analysed and discussed the results of the study. Finally, this chapter presents the results of the study in relation to the laid out objectives of the study. Recommendations from the study are clearly defined. The study limitations and directions for future research are also presented.

5.2 DEFINITION OF TERMS

Throughout the study, almost in every chapter, the term CSR has been repeatedly been encountered. Definitions of this term abound. However, for the purpose of this study, Corporate Social Responsibility refers to all activities that lead to or ensures sustainability of the environment and integration of societal needs in the corporate objectives of businesses. Additionally, it encapsulates the contribution to the development of economy.

5.3 ATTAINING THE RESEARCH OBJECTIVES

This study was with the aim of exploring the extent of CSR engagement by D1K1 construction companies in the Ghanaian construction industry in their regions of operation. In order to realize the above stated aim, several research objectives were set. The objectives include:

1. To identify the drivers of CSR engagement by D1K1 construction companies in the Ghanaian construction industry;
2. To identify the benefits of CSR engagement in the Ghanaian construction industry;
and
3. To explore the inherent challenges of CSR engagement by D1K1 construction companies in the Ghanaian construction industry.

5.3.1 REVIEW OF OBJECTIVES

In order to explore the extent of CSR engagement by D1K1 contractors in the Ghanaian Construction Industry, a holistic review of germane literature was performed to establish the drivers, benefits and challenges of CSR engagement. Subsequently, the aforementioned objectives were set around them. Under this subsection, the various objectives are revisited and the extent to which they were accomplished throughout the various phases of the study.

OBJECTIVE 1: To identify the drivers of CSR engagement by D1K1 construction companies in the Ghanaian construction industry

Following the objective 1, the study proceeded to identify from literature factors that drive CSR engagement in the Ghanaian Construction Industry. Seven (7) drivers were identified from the literature. Subsequently, respondents were asked to indicate the relative level of

importance of the identified objectives based on their experience. All the drivers ranked important to the engagement of CSR in the Ghanaian Construction Industry.

OBJECTIVE 2: To identify the benefits of CSR engagement in the Ghanaian construction industry

Subsequently, respondents were asked to rate based on their level of experience the benefits of CSR engagements in the Ghanaian Construction Industry. Overall, six factors were identified from the literature review. The respondents established that all the six factors are significant. That is to say the engagement in CSR yields the identified benefits.

OBJECTIVE 3: To explore the inherent challenges of CSR engagement by D1K1 construction companies in the Ghanaian construction industry.

Every endeavor presents its own unique challenges and the resolution of the challenges inevitably lead to the uptake of such endeavor. This discipline, like many other disciplines is inundated with challenges. From literature, six challenges were identified. Subsequently, respondents were asked to rate the level of significant of the challenges. Surprisingly, all the challenges were indicated to be significant.

5.4 RECOMMENDATIONS

The burgeoning advocacy of the engagement of CSR and the incessant pressure on companies to act in a socially responsible manner stimulate the need to put the radar on the extent to which construction companies engage in CSR. The findings from the study informed the following recommendations.

- Central Regulatory Body

A regulatory body backed by a parliamentary act must be set up to oversee the CSR activities of the various construction companies. Although, almost all the respondents claim their companies engage in CSR or have it as part of their core business, there must be annual reports submitted to these agencies for perusal.

- Rating Companies and Rewarding structures

There is the need to have rating agencies that seek to evaluate the CSR practices of every company and the results published in the public domain. As a result, many companies would be geared up as it would serve as a platform for the widespread of the companies' name.

- Coherent Strategy

The companies must develop coherent strategies, not the usual disjointed and fragmented approaches to CSR engagement. It must be seen more of a core business value capable of getting return on investment rather than as a benevolent act. A unit to handle such practices is necessary to devising coherent strategy.

5.5 LIMITATION OF THE STUDY

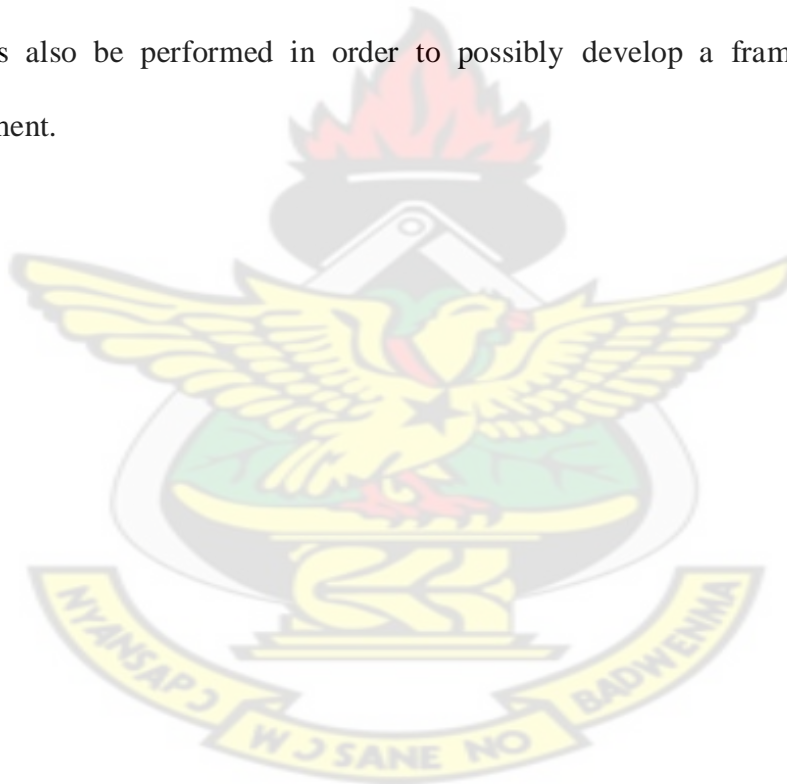
As with any research endeavor this study also had certain limitations. The study was limited geographically to only D1K1 in Accra and Kumasi in the Greater Accra and Ashanti region

respectively. Thus the sample used for the study was affected. There was the possibility of the mean values being affected if the sample size was increased.

5.6 DIRECTIONS FOR FUTURE STUDY

The study limitation spurred new areas to be explored. These areas need further research attentions. The following areas have been suggested for future studies:

- A more holistic approach must be adopted focusing on the various classifications of contractors in the Ghanaian Construction Industry.
- More so, the current study employed quantitative research design. Qualitative study can thus also be performed in order to possibly develop a framework for CSR engagement.



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APPENDIX 1

RESEARCH QUESTIONNAIRE

The objectives of the study are:

4. To identify the drivers of CSR engagement by D1K1 construction companies in the Ghanaian construction industry
5. To identify the benefits of CSR engagement in the Ghanaian construction industry
6. To explore the inherent challenges of CSR engagement by D1K1 construction companies in the Ghanaian construction industry.

The information obtained from this survey shall be kept anonymous and completely confidential. Only findings in aggregate form will be submitted to the relevant authorities.

Your participation in this survey is much needed and we will be grateful if you could answer these few questions.

We would like to thank you for your cooperation in completing these questions.

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SECTION A: BACKGROUND OF RESPONDENTS

1. Please indicate your position in your establishment?
 - a) Chief Executive Officer/Senior Management
 - b) Quality Assurance Officer
 - c) Human Resource Manager
 - d) Public Relations
 - e) Environmental Manager
2. What is the annual turnover of the company
 - a) Less than Gh¢ 1 million
 - b) Between Gh¢ 1 – 5 million
 - c) Above Gh¢ 5 million

3. What is the size of your company in terms of the number of employees
 - a) Less than 20
 - b) From 20 – 40
 - c) Above 40
4. Please indicate your years of experience in Corporate Social Responsibility Engagement?
 - a) Less than 1 year
 - b) From 1 – 3 years
 - c) Between 3-5 years
 - d) Above 5 years
5. Is Corporate Social Responsibility integrated in the core objectives of the company?
 - a) Yes
 - b) No

SECTION B: CORPORATE SOCIAL RESPONSIBILITY IN THE GHANAIAN CONSTRUCTION INDUSTRY

- I. In your experience, which of the following CSR activities does your firm usually engage in? Please indicate the level of consideration of each factor by ticking the appropriate boxes.

1-Never considered in business, **2**-Rarely considered in business, **3**-sometimes considered in business, **4**-mostly considered in business, **5**-Always considered in business

C. CSR Activities	Rank
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	1	2	3	4	5
13. Working places to meet OH and S regulations					
14. Reducing adverse impacts on consumers					
15. Restoring the environment					
16. Reducing natural resources consumption					
17. Measuring and reporting on CSR impact issues					
18. Developing donations to charity/philanthropy					
19. Developing volunteer program					
20. Using sustainable technologies					
21. Developing green products/services					
22. Using CSR as a source of commercial innovation					
23. Linking community engagement and business success					
24. Designing product/packaging to minimize environment impacts					

- II. In your experience, which of the following factors are the drivers of CSR engagement in Ghana? Please indicate the level of influences of each factor by ticking the appropriate boxes.

1-Not Very Important, **2**-Not Important, **3**-Moderately Important, **4**-Important, **5**-Very Important

D. Drivers of CSR engagement	Levels of influence				
	1	2	3	4	5
8. Brand Name/Image					
9. Consumer demands					
10. Company Culture/Value					
11. Globalization					

12. Free flow of information					
13. Competitive advantage					
14. Ecological Sustainability					

- III. In your experience, which of the following factors are the challenges to CSR engagement in the construction industry in Ghana? Please indicate the level of influences of each factor by ticking the appropriate boxes.

1-Not Very Severe, 2-Not Severe, 3-Moderately Severe, 4-Severe, 5-Very Severe

E. Challenges	levels of influence				
	1	2	3	4	5
1. Time consuming					
2. Communication					
3. Lack of resources					
4. Lack of Coherent Strategy					
5. Lack of market incentives within the industry					
6. Unsupportive reward structures					

- IV. In your experience, which of the following are benefits to CSR engagement in the construction industry in Ghana? Please indicate the level of influences of each factor by ticking the appropriate boxes.

1-Not Very important, 2-Not important, 3-Moderately important, 4-important, 5-Very important

F. Benefits	levels of influence				
	1	2	3	4	5
1. Improved Brand Image					
2. Attracting good and quality staff					
3. Competitive Advantage					
4. Higher staff retention					
5. Cost savings					
6. Reduced regulatory oversight					

THANK YOU

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