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The Relationship Between Corporate Social Responsibility and Company Competitiveness From the Perspective of Construction Industry

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Abstract

Corporate social responsibility (CSR) has evolved to an important agenda for many industries and its scope has been widened from the responsible business to strategic decisions. The increasing importance of CSR affects business relations because organizations tend to choose business partners in consideration of their CSR awareness and activities. Scholars have identified the reasons why companies develop CSR strategies, such as reputation improvement, government regulations, competitive advantage, stakeholder pressures, and top management pressures. Since the construction sector serves infrastructure for other industries and has great supply chain relations in its business process, construction organizations should need to adopt CSR in their business. However, it is hardly a new idea for the construction industry and there is limited research from the perspective of construction industry. This study is a part of the thesis, which aims to understand CSR awareness, implementation, and its relationship with company competitiveness.

Keywords: Corporate social responsibility, construction industry, competitiveness.

1. Introduction

Increased concern about sustainable development and socially responsible business proliferate the concept of corporate social responsibility. Although its origin comes from the idea of contributing to society among economic activities of business organizations (Carroll and Buchholtz, 2006), the emphasis on employing the CSR for increasing competitive advantage (EU, 2010a) turned it a key business driver in today's business. Since the construction industry has great impact on environment, economy and society, it has found itself interested in the concept of CSR (Murray&Dainty, 2009). Most research on CSR has focused on the consequences of CSR implementation—or lack of implementation. (e.g. McWilliams and Siegel, 2000; Margolis and Walsh, 2003; Barnett and Salomon, 2006). Furthermore, the majority of empirical research on CSR applications of business is about developed countries' applications. Also, there seems to be few empirical studies related to the subject in project-based industries such as construction. It has become clear that there is a need to become more aware of the importance of this phenomenon and its impact on company competitiveness in today's highly competitive construction market. Additionally, CSR practices vary not only across industries but also countries as well. In this respect, this paper aims to compare differences on CSR between companies from the UK and Turkey, and provide an overview of the focus on CSR from the UK and Turkish perspective.

This paper is a part of a cross-cultural study, which examines how the construction companies understand and implement CSR in their practices, and present how CSR practices impact their business process and firm competitiveness. It starts with the theoretical background of CSR, and continue with analyses of four different case companies from UK and Turkey by questioning the success criteria and competitiveness strategy processes and the integration of the CSR concept in those processes. So far, the majority of empirical evidence on CSR has been based on western cases, especially from the perspective of UK construction industry (e.g.: Jones et al., 2006; Glass & Simmonds, 2007; Barthorpe, 2009; and Larsen et. al., 2012) and it is rather a new subject for Turkey especially for construction companies. Therefore, small and mid-sized construction companies were selected from both countries to explore the subject from different perspectives and demonstrate the similarities and differences. Research findings intend to increase our understanding of the relationship between the CSR and company competitiveness as well as provide rich content for the companies that intend to adopt CSR in their business.

2. Theoretical Background of CSR

Despite the growing importance on the concept of CSR and its long historical background, there is not any single accepted definition of corporate social responsibility. Although different definitions of CSR has been put forward in academic area since 1950's (Bowen, 1953; Davis, 1973; Carroll, 1979; Wood, 1991, Porter and Kramer, 2006), Carroll's part definition of the CSR accepted as a base point in other researchers (e.g: Wartrick and Cochran, 1985; Lewin et al, 1995; Visser, 2007). According to four part definition of CSR: "The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time (Carroll, 1979). Economic responsibilities are accepted as primary for doing business because producing a value and selling it with a profit is the underlying reason to make business.

This is followed by legal responsibilities, because all organizations are expected to operate complying with laws and regulations. Then, the next step is ethical responsibilities, which means ethical manner should be embedded in business activities. Lastly, organizations have discretionary responsibilities, which refers to voluntary activities and any kind of contribution to society. In short, as stated by Carroll (1991) organizations should be profitable, obey the law, be ethical, and be a good citizenship. However, the meaning of the CSR has developed far beyond of presenting it within hierarchical view later. Therefore, “Three-domain model of CSR” proposed by Schwartz & Carroll (2003) to explain CSR activities, which seems more suitable to explain CSR theory in today’s business. This model divides the activities into three domains, which are economic, legal and ethical with embedding philanthropic responsibilities in all domains.

Petrovic-Lazarevic (2008), in her paper on the development of CSR in the Austrian construction industry, uses CSR as ‘a set of principles established by an organization to meet societal expectations of appropriate behaviour and achieve best practice through social benefits and sustainable competitive advantage’. In reference to construction firms, she states, citing Yadong, that some of the common activities undertaken as part of CSR include: ‘a moral obligation to be a good citizen; sustainability; reputation; relationship with employees and unions; relationship with suppliers and community representatives; and commitment to reporting on CSR’. Glass and Simmonds (2007) refer to “Considerate Contractors Scheme” which aims to enhance the social and ethical performance of construction companies at the site level.

Besides theoretical improvements on CSR, it has been an important agenda for governmental and international commissions such as European Union, World Business Council for Sustainable, and World Bank. One of the widely accepted definition of CSR was put forward by European Commission as: “a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on voluntary basis” (EU, 2010a). Also, many business and non-governmental organizations have produced frameworks, assessment systems to manage and measure corporate social responsibility (BITC CR Index, 1998; AccountAbility1000, 1999; GRI Report, 1997; BRC Project, 2010b; ISO26000, 2010). For instance, BITC CR Index has been published by Business in the Community (non profit organization) as a voluntary benchmark system, which guide organizations while managing their corporate responsibilities in a systematic way. The index defines four management areas such as marketplace, workplace, environment and community (BITC, 1998). *Marketplace activities* refers to the business relations such as stakeholder management, supply chain activities, transparent business transactions. *Workplace activities* are mostly related with employee related issues like continuous improvement, equal opportunities, work-life balance, health&safety. *Environmental activities* means responsible for climate change, carbon footprint, pollution, waste management, energy efficiency, etc. *Social activities* refers to the philanthropic contributions, voluntary activities, supporting local people and economy and community investments.

The dominant position in the utilization of CSR addresses these domains independent from the business process. As a result, CSR becomes something that companies do an extra behind their main business operations. However, as stated by Porter and Kramer, “...if corporations were to analyze their prospects for social responsibility using the same frameworks that guide their core business choices, they would discover that CSR can be much more than a cost, a constraint, or a charitable deed it can be a source of opportunity, innovation and competitive advantage (2006)”. In

order to understand current approach in the construction sector, whether the case companies integrate their CSR activities in their business processes its integration in success criteria and competitiveness strategies is questioned.

3. Research Methodology

Due to the intention to understand how the concept of CSR is understood in construction industry and question the relationships between CSR activities and company competitiveness, the research focused on qualitative data, and the case study strategy was used to gather in depth understanding with real life examples. The unit of analysis was selected as organization because the research aims to investigate the CSR from organization’s perspective. To present more powerful results than a single case study (Yin, 2003) multiple case study methodology was conducted with selection of four cases from UK and Turkey. Case selection was made upon the following criteria; (i) the companies should mention about the CSR subject in their company vision, mission statements, values or strategic plans; (ii) the companies should have a special CSR related sections on the company web pages, which explain their CSR activities; (iii) the companies should use the indexes, assessment tools and standards related to the CSR. (iv) The number of employees and the industry in which they operate. Semi-structured interview was used for data collection and interview questionnaire was developed with the guidance of the literature review. This paper is structured on the last part of the questionnaire which contained questions discussing the relationship between CSR and company competitiveness. The majority of the questions were 'open ended' in order to keep flexibility and depth of information. Data analysis involves organizing qualitative data from interview notes, records, and documents. First, empirical findings were ordered in the structure of the questionnaires as interpretation of interview answers as well as direct quotations from the interviewees’ comments. For the next step, the findings found from interview analyses were compared with the theoretical findings and intra-case and cross-case analyses were conducted. Lastly, summary of the findings and recommendation for future work were given in conclusion part.

Table 1: Description of the case companies.

	Case A (MS-UK) Medium size/ UK	Case B (MS-T) Medium size/Turkey	Case C (LS-UK) Large size/ UK	Case D (LS-T) Large size/ Turkey
Foundation year	2000	1961	1952	1963
Work type	Refurbishment, Fit-out specialist	Residential building	Education, justice, retail, social housing construction; fit-out projects; regeneration; support services	Building construction; ports and industrial plants construction; transportation projects
Number of employees	Between 101- 250	Between 101-250	More than 500	More than 500
Job title of the interviewee	Owner-Partner	Corporate Communications Coordinator	Pre-construction Manager	Corporate Relations Manager

Four case companies from two different countries – UK and Turkey- and two different scales – big and SME- were analyzed in detail and compared to each other. Therefore, research findings show

the differences between CSR approach of construction companies from high and middle income companies enabling the identification of the factors their decision process. Besides, comparison of the approaches from different sizes enables to understand how the company scale shapes CSR approach of the companies. The companies were asked about what are their success criteria, competitiveness strategies, how they are defined and what are the relationship between CSR activities and those processes. Findings are presented as tables and discussed in the light of theoretical background.

4. Cross-Case Analysis and Conclusions

In order to facilitate a comparative analysis of the case study qualitative data, the case studies were sifted and Tables 2,3,4,5,6,7 and 8 constructed.

Table 2. Company value statements.

Case A (MS-UK)
<i>“Setting up a people-focused business, Creating excellence in construction, Investing in environment, training, and staff development, Creating work-life balance, Contributing to the society.”</i>
Case B (MS-T)
<i>“Satisfying the shareholders’ expectation, Complying with rules on environment, health & safety, Developing protective systems through determining any kind of risks, Becoming a leading brand, which creates of good quality and modern living projects.”</i>
Case C (LS-UK)
Adding continuous value to the clients and shareholders, Contributing the society as a whole, Undertaking the activities in a sustainable and responsible manner, Taking a leadership role in the built environment, Creating human touch, relationship focused approach, Being entrepreneurial and direct, Being visible-well known in the community and industry, Determined the preserve their environment
Case D (LS-T)
Being a corporation where its employees and stakeholders are proud of working with, Respect for human (against discrimination, language, gender, race; healthy and safe workplace; zero occupational accident), Working in responsible, consistent, honest and fairness manner, Sustainable contribution to society, Support economic, cultural, and social development, Minimizing negative impacts on environment, encouraging for conservation and recycling)

Since the concept of CSR and how it is understood in construction is still new subject (Larsen et al., 2012), value statements of the case companies were questioned to examine whether the concept of CSR is referred (Table 2). Although the case companies do not mention about “CSR” directly, when the statements of the case companies are evaluated with CSR domains, ethical domain becomes prominent by all firms. Besides, among CSR types, considerable emphasis was placed upon social activities. Mid-sized companies place much emphasis on ethical domain, whereas large size companies refer to the legal and economic domains as well. The underlying reason could be explained with the business scale and necessities that should be considered and brought along (policies, legislations, stakeholder or financial requirements). It was only the Case A, which explains their aim as differentiating in the sector with the people-focused approach and pays special attention to social activities. This explanation supports the idea that the companies that act in socially responsible manner gain a differentiation in the sector that affect their business affirmatively (Girod & Bryane, 2003). Although all companies acknowledge the use of marketplace

related activities throughout the interview, they do not give place the “marketplace activities” directly in their CSR definitions. What needs to be well understood is that the case companies define their company values with the social activities and ethical responsibilities more than other factors; however, when they were asked about CSR in detail they all connect the concept of CSR with economic domain and marketplace activities.

Table 3. Criteria of Business Success

Case A (MS-UK)
<ul style="list-style-type: none"> - Investment in people <i>*workplace</i> - Work with well-trained people <i>*workplace</i> - Production of well-developed and excellent work <i>*marketplace</i> - Continuous training and development <i>*workplace</i> - Giving good service to the clients with the things listed above <i>*marketplace</i>
Case B (MS-T)
<ul style="list-style-type: none"> - Financial performance <i>*marketplace</i> - Turn over ratio <i>*marketplace</i> - Percentage of product realization <i>*marketplace</i> - Percentage of customer satisfaction <i>*marketplace</i> - Becoming a leading company in construction industry <i>*marketplace</i>
Case C (LS-UK)
<ul style="list-style-type: none"> - High level of repeat work (long lasting business relations) <i>*marketplace</i> - Low staff churn <i>*workplace</i> - High customer satisfaction in pre and post construction <i>*marketplace</i> - Compliance with 10 Point Sustainable Project Plan <i>*environment</i> - Turnover and profits in line with budgets <i>*marketplace</i>
Case D (LS-T)
<ul style="list-style-type: none"> - Improved economic activities <i>*marketplace</i> - Increased business activities <i>*marketplace</i> - New investments and developments in other sectors such as energy and information technology <i>*marketplace</i> - Increased business volume in construction <i>*marketplace</i> - Spread business geography <i>*marketplace</i> - Increased brand recognition <i>*marketplace</i> - Improved employee satisfaction <i>*workplace</i>

Next, the case companies were asked to define their criteria for business success (Table 3). When their answers were compared with CSR management areas, marketplace activities come first and it is followed by workplace activities. Answers of the Case A demonstrate the importance of workplace activities and show consistency with their value statements and business philosophies. Case B focused solely on the marketplace activities although they give place environmental and social focus in their value statement. Large size companies give place workplace and environment related criteria along with strength of marketplace activities. It is revealed that case companies do not give place to social activities or CSR in their success criteria, even though they all define themselves with socially responsible business. This finding contradicts the view that firms use CSR as part of their portfolio of business strategies (McElhaney, 2009). It also indicates that CSR activities and company success are treated as unconnected issues.

When the companies were asked about the process of success criteria definition, it seems obvious that there is no single way of organizing a firm's CSR decision-making. While the case firm C prefers a centralized decision-making structure (“*Our chairman would define this at board level*”),

others have a de-centralized or a hybrid decision-making structure, depending on their operating features and management style. Long-term targets, economic climate, industry requirements, governmental effects, business cycle, social needs and sustainability requirements are defined as the most important parameters that affect decision criteria definition. These are also the parameters that should be considered in planning CSR activities to get long-term benefits. If companies evaluate their CSR activities in connection with their success criteria, the concept of CSR could easily be embedded into their business strategy and bring long-term benefits.

Table 4. Link between CSR and business success.

Case A (MS-UK)
<ul style="list-style-type: none"> - Success criteria and CSR activities are linked - CSR should be identified with business principle to get real success. - Differentiation strategy-PR tool
Case B (MS-T)
<ul style="list-style-type: none"> - CSR and success criteria have to be linked to achieve in long term
Case C (LS-UK)
<ul style="list-style-type: none"> - CSR targets are part of their success criteria
Case D (LS-T)
<ul style="list-style-type: none"> - CSR is integrated in their business - CSR is integrated in all success criteria

Following question asks the relationship between company success criteria and CSR (Table 4). The interesting point is that although they did not mention about the concept of CSR while they are defining their company success criteria or its decision process, they all agree on the strength of the CSR–competitiveness relationship . This reveals that some CSR related activities are embedded in their business activities, however, they do not define them as CSR. Case A states that CSR is the main business principle of the company, therefore it is also the success criteria of the company. On the other hand, Case B asserts they produce CSR activities depending on the social needs and company’s success criteria. The question emerges here is that whether the CSR concept shapes the success criteria, or it is shaped by the success criteria. Consequently, all companies agree on the idea that success criteria and CSR activities are linked to each other even though they do not make room for the concept of CSR in success criteria statements. Thus this finding provides confirming evidence for European Competitiveness Report (2008), which examines the effects of CSR on firm-level competitiveness. One can go further and say that if companies recognise how CSR can contribute to their competitiveness, CSR will not be an extra cost behind the business activity and turn to strategic activity integrated in all business process (Porter &Kramer, 2006).

When companies were asked whether they have a strategy deal with the competitiveness in the construction sector (Table 5). Case A asserts that becoming sustainable in triple bottom line is their strategy to compete in the industry. Their emphasis on the regional development differentiates them from other companies and seems as the critical point in their business success. This legitimizes the growing interest in localized focus in getting sustained competitiveness (Kao et al, 2009; Larsen et al., 2012). Case B states that although they define competitiveness strategies, they do not prefer sharing the strategic decisions with public. However, the interviewee explains their competitiveness perspective as believing in innovation and blue ocean strategies, competing in niche areas and

increasing customer satisfaction. Integration with the concept of CSR and sustainability is seen as an innovation and niche advantage for the company. On the other hand, current economic situation and the low-cost strategy impacts Case C's competitiveness strategies. Their main focus turns to compete on price without decreasing their quality, however, low cost strategy can damage responsible business philosophy and the image of construction industry. Case D defines their strategies as long-lasting business relations, relationship with successful partners, work quality, transparency and responsibility in triple bottom line. Also, the interviewee stresses the differentiation impact of their work volume and project characteristics in strategic planning. This supports the view that competitiveness strategies are not generic and they are changing according to localized context (type, size, location and activity areas of the company and current projects) (Kao et al., 2009). Consequently, all competitiveness strategy statements refer to the issues under the scope of CSR theory; however, they are not denominated as CSR. This shows that current approaches to CSR are detached from the organization's business plans and strategies. However, if the companies shape their stance to social responsibility with the same frameworks that guide their core business choices, it can turn to a source of 'opportunity, innovation, and competitive advantage' (Porter and Kramer, 2006). Also, if organizations utilize CSR in consideration of companies' conceptual and operational levels, it could be more embedded and manageable in the business process (Ward &Smith, 2006).

Table 5. Competitiveness strategies of the companies.

Case A (MS-UK)
<ul style="list-style-type: none"> - Becoming more sustainable in triple bottom line. - Increasing their contribution to the regional economy, social welfare and environment. - Accomplishing periodic goals, aims and objectives of the company. - Doing back casting and defining 3 years business plan for long-term.
Case B (MS-T)
<ul style="list-style-type: none"> - Being competitive in niche areas. (<i>"...We believe in innovation and blue ocean strategies..."</i>) - Increasing customer satisfaction. - Bringing innovations. (<i>"...Our company was the first construction company, which closed sales offices, and started to sell building projects online..."</i>)
Case C (LS-UK)
<ul style="list-style-type: none"> - Market is a balance of quality and price, and emphasis changes among clients and projects. (<i>"...The current trend is price led work..."</i>) - New strategy is to be competitive on price whilst still maintaining the work quality.
Case D (LS-T)
<ul style="list-style-type: none"> - Establishing long-lasting business relations. - Working with successful business partners. - Quality of the work. - Transparency in business process. - Ensuring responsible behavior in economic, environmental and social areas.

Following question asks the impact of their CSR activities on company competitiveness (Table 6). Although the interviewee of the Case A thinks that CSR does not impact their competitiveness, he states that CSR gives them differentiation, which is one of the Porter's genetic strategies (Porter, 1980). The underlying reason of interviewee's negative evaluation can be explained by domination of low cost strategy in the construction market. Case B mention about the increasing awareness of sustainability and introduction of some governmental regulations in Turkey (i.e. energy efficiency

law). Since they are ahead of the game with early CSR integration, they pinpoint the importance of the CSR awareness on the company competitiveness. Case C stresses the negative impact of the current price led work in UK construction sector and stated that if current economic climate proceeds in this direction, the concept of CSR could be damaged. An interesting point emerges in the answer of the Case D, which supports the importance of the CSR awareness in getting financial support to the projects.

Table 6. CSR impacts on competitiveness.

Case A (MS-UK)
<i>“ It does not have an effect on being competitive. People believe in money competitiveness. CSR is a differentiator for us. When some clients see that we are engaged with our community, they prefer to work with us.”</i>
Case B (MS-T)
<i>“CSR started to create a positive impact for our company. Due to the increasing sustainability awareness and some governmental obligations, people have started to recognize the concept of CSR. The increase in CSR awareness id getting us competitive advantage in the sector.”</i>
Case C (LS-UK)
<i>“CSR obviously has a cost to the business, which must at some point be recovered. If the trend for price led work continued and became more widespread it would place pressure upon the CSR policy sector.”</i>
Case D (LS-T)
<i>“ CSR defines our business standards. We explain our sensitivity in economic, social and environmental impacts of our business with CSR. Our competitiveness strategies include CSR theory in it. For this reason, I could say that it has great impact on our competitiveness. Also, credit unions’ positive reactions to our CSR awareness have impact on our competitiveness.”</i>

Table 7. CSR engagement with competitiveness strategy.

Case A (MS-UK)
<i>“ Yes, they are. How we do our business is also how we compete with others. We have sometimes problems to get the job, because we cost them more than others. The reason is that people are first in our company. We don’t cut back expenses of our people to get a project with less budget.”</i>
Case B (MS-T)
<i>“ These issues are highly connected to each other. As I stated before, our CSR activities creates competitive advantage for our company. For this reason, we consider our business strategies, and then make CSR decisions.”</i>
Case C (LS-UK)
<i>“ We define our business target as being unique in the sector, and CSR could give us this differentiation. In this situation CSR has direct impact on company competitiveness. However, the current trend in construction is low-cost. CSR obviously has an extra cost to the business, which must at some point be recovered. If the trend for price led work continued and became more widespread it would place pressure upon the CSR policy.”</i>
Case D (LS-T)
<i>“Being responsible in all business process is our main strategy for this reason they are related subjects. However we could not state that all our CSR activities are engaged with our competitiveness strategies. For example our social activities such as supporting education, arts & culture and sports are not directly engaged with our competitiveness strategy.”</i>

Then, to what extent their CSR activities are engaged with their competitiveness strategies are discussed with the companies (Table 7). Since the Case A bases their business process on the concept of CSR, they found a strong link among their CSR activities and competitiveness strategies. In similar vein, Case B states that they decide their CSR activities considering their business strategies. The difference between the Case A and B is that while the concept of CSR shapes business strategies of Case A, CSR activities are shaped according to the business strategies of Case B. On the other hand, Case C believes that CSR gives them differentiation strategy, however, they are worried about the negative effect of current low cost strategy in construction market. Case D evaluates their CSR activities divergently from their strategies. While they stress the relationship between their CSR activities and company competitiveness in previous question, they stated that social activities are not directly related with their competitiveness strategies. The answers indicate that British case companies precede in relating their CSR activities to their business strategies, CSR and business strategies are still different subjects which have impact on each other from the perspective of Turkish case companies. The reason could be high level of CSR awareness in UK, while it is rather a new subject for Turkey.

Table 8. Ranking the importance of CSR types in getting competitive advantage

	Case A (MS-UK)	Case B (MS-T)	Case C (LS-UK)	Case D (LS-T)
1	Marketplace Activities	Environmental Activities	Marketplace Activities	Social Activities
2	Environmental Activities	Social Activities	Environmental Activities	Environmental Activities
3	Workplace Activities Social Activities	Marketplace Activities	Workplace Activities	Marketplace Activities
4		Workplace Activities	Social Activities	Workplace Activities

As seen in Table 8 the importance of CSR types in getting competitive advantage changes depending on the country. The reason could be attributed to CSR awareness level in the country, prevailing economic policies (Falck and Heblich, 2007), governmental regulations, and current industry trends. Case A prefers to rank the importance of their CSR activities from the perspective of their customers and because they judge the company with their satisfaction level, marketplaces activities are ranked at the top. Then, because of the increasing environmental sensitivity and the focus on health and safety, the company places them after market place activities and closes with the social activities. Case B prefers to put their environmental activities to top because they use it as a differentiation strategy, which gives them a first mover advantage (Falck and Heblich, 2007) in Turkey. Also, since they see social activities as the way for increasing brand value and reputation, it is placed in second place. The respondent of Case C stresses the importance of marketplace activities in the first place. Then, they pointed that environmental issues have been accepted as key point for long-term success in competitiveness. While they accept workplace activities are prerequisite for business, social activities was placed at the end, and interviewee stressed that clients do not interested in social activities as they are on other types. Case D approaches the competitive advantage from the perspective of getting recognition and reputation. Therefore, the respondent begins with social activities and states that social activities are the kind of activity that companies could reach more people. Then due to the increased interest in environment, he puts the environmental activities in second place. As they see the workplace activities as a priority in

conducting their business, he does not support to rank it for competitiveness and puts marketplace activities in the third place. The interviewee assumes the reputation and increased engagement with people as competitiveness. Turkish case companies mention about increasing sustainability awareness inside the country and importance of the social activities in getting brand recognition, therefore places environmental and social activities at the beginning. Also, in British construction industry there are increased awareness of stakeholder engagement and long-lasting business relations, as a result marketplace activities are defined as the most important type of CSR in getting competitive advantage.

Lastly, when interviewees are asked about their personal comments on the concept of CSR, Case D pinpoint the greatness of the construction industry products' involvement in our lives and regards the concept of CSR as a tool to help raising the quality of life. Also, they draw attention to the complexity of CSR integration in construction sector due to the fragmented nature and other industry specific characteristic. However, he asserts that CSR will be an obligation in near future. Case C asserts that CSR is important for the long-term future of construction industry and sees the CSR as a tool to promote the image of construction industry. Case B points to the impact of construction industry on environment and economy and sees CSR as an indispensable element of business process. They support governmental incentives and obligations for increasing the awareness of CSR. Case A is concerned about the future of CSR and states that: *“CSR is seen as an extra thing by our industry. It is not integrated in the business plan. They believe that CSR will fade away and go in the future. My frustration is that not enough companies understand the benefits of engaging CSR.”* The underlying reason of this concern is current low cost strategy in the construction sector. It is challenging to receive this comments from the company in which all business system is based on CSR.

5. Conclusion

This study focused on the qualitative comparison and evaluations of CSR applications of the UK and Turkish firms. The results show that although both Turkish and British case companies are found to have consensus about the connection between corporate social responsibility and business success, they do not incorporate CSR into the way they do business. This provides evidence for the view that the companies are still differentiating corporate social responsibility from their business decisions even though CSR as a rapidly developing business strategy is a response to globalization. It is challenging to see that even the companies that base their business philosophy on CSR are concerned about the future of CSR and have confusion about its integration and consequences while there is a growing agenda about the CSR in both academic and professional business environment. For instance, corporate responsibility has been suggested as an alternative discourse for increasing the competitive advantage (Green et al, 2008) and it is proposed as a way for gaining long-term success (Jones et al, 2006; Porter &Kramer, 2006; Larsen et al., 2012). Although the results could not be generalized, it is important to signify that the companies, which see themselves as leaders in CSR awareness in construction industry, failed to accept it as a business philosophy shaping their business. Also, it is revealed that both the concept of CSR and the competitiveness strategies should be evaluated according to the context in which the organization is embedded, rather than application of generic rules, management standards etc. The suggestions for future researches, more companies could be analyzed and more general results could be presented for the construction industry. Also due to the complex structure of the construction industry, CSR could be analyzed in detail

according to different parameters such as company scale, business type, and business area – domestic or international-.

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