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# RESPONSIBLE CONSTRUCTION?

## Abstract

The ability of the construction industry to innovate in order to improve its practice has been widely debated over the years. As more and more organisations in other sectors, globally, are addressing 21<sup>st</sup> century consumer challenges: encompassing fair-trade, ethically sourced and more recycled products; and are reporting on their corporate responsibility performance (such as Marks and Spencer's Plan A, The Co-operative, The Body Shop etc), isn't it about time the construction industry followed suit? This paper investigates what really needs to change for the construction to progressively and sustainably improve its position in terms of being 'responsible.'

**Keywords:** Construction, Corporate Responsibility, Small and Medium Enterprise, Sustainability.

## INTRODUCTION

The UK construction industry is under increasing pressure to improve its practices (Howell, 1999; Smith *et al.*, 2001). Since the 1940s, it has been continuously criticised for its less than optimal performance by several government and institutional reports such as Simon (1944), Emmerson (1962), Banwell (1964), Latham (1994), Egan (1998) and Fairclough (2002). Most of these reports conclude, time and time again, that the fragmented nature of the industry, lack of co-ordination and communication between parties, the informal and unstructured learning process, adversarial contractual relationships and lack of customer focus is what inhibits the industry's performance. In the words of one report: '...there is a deep concern that the industry as a whole is under-achieving' (Egan, 1998). Construction projects are also often seen as unpredictable in terms of delivery time, cost, profitability and quality, and in addition, investment into research and development is usually seen as expensive when compared to other industries (Egan, 1998; Fairclough, 2002).

Pearce's (2003) report for nCRISP, the UK's Construction Research and Innovation Strategy Panel that provides recommendations to the Government, summarises these factors and contends on the industry's self image problem: '...those within the industry, and some outside it, criticise what they see as poor economic performance relative to other countries. They point to problems of adapting to rapid technological change, and to the highly skewed size structure of the industry with many thousands of small firms inhibiting the capture of economies of scale. They worry about the social image of the industry's workforce, about the health and safety record of the industry, and about the skills structures and international competitiveness.'

These factors are typical of the construction industry worldwide. In Australia, demands made in similar reports by NPWC/ NBCC (1990), Gyles (1992), NSW (1992), CIDA (1995) and DIST (1999) for a more efficient and effective industry have paralleled analogous concerns to those in the UK. In Ireland the Barry Report (Barry, 1997) made recommendations on the 'internal' operation of the industry, including contracts, tendering procedures, dispute resolution etc.

The repeated critique of all of these reports thus questions the ability of the construction industry to innovate and manage change to improve its practices (Betts

and Ofori, 1993; Gale and Fellows, 1990; Lansley, 1987; Barrett, 2002). Furthermore, the image of construction is rather 'bleak' as it struggles to address these ongoing challenges. According to Howell (1999), the 'inefficiency' of the construction industry has tended to be the way of life. This may be due to the fact that none of the reports have been significantly acted upon. As Latham (1994) points out '...some of the recommendations of the reports were implemented ...but other problems persisted, and to this day, even the structure of the industry and nature of many of its clients has not changed dramatically.' So, is change in the industry's structure plausible or even appropriate to bring about widespread improvement/ innovation?

This paper argues that the industry must change. Organisations in differing sectors are moving ahead in terms of being 'responsible' and are innovatively encapsulating the market trend towards fair-trade, ethically sourced and recycled products; many leading companies are reporting on their 'responsibility' such as Marks and Spencer's Plan A, Shell Oil Plc, The Body Shop, The Co-operative etc. Surely the construction industry should follow suit? This paper reports on the initiation, development and practice of CR, and presents a case for possible adoption for construction SMEs.

## **CR IN CONSTRUCTION**

The UK construction industry's output is estimated to be worth over £100bn a year; accounting for 8% of national gross domestic product (GDP) and employing around 3 million workers, with construction expenditure in the private sector amounts to two-thirds of all procured contracts (BIS, 2011a). Within this context, the public sector of the industry will carry the burden of leadership and behaviour change as to a positive impact on development, business and society. Moreover, the UK Government, through the Department for Business Innovation and Skills (BIS), is driving sustainability within construction. The Strategy for Sustainable Construction (BERR, 2008) is a joint industry and Government initiative intended to promote leadership and behavioural change, as well as delivering benefits to both the industry and wider economy. It aims to realise the shared vision of sustainable construction by providing clarity to business on the Government's position by bringing together diverse regulations and initiatives relating to sustainability; setting and committing to higher standards to help achieve sustainability in specific areas; and making specific commitments by industry and Government to take the sustainable construction agenda forward (BIS, 2011a). The strategy acknowledges the need for change to achieve sustainability for the industry. The business case for the sustainable construction agenda encapsulates construction organisations and their wider supply chain by increasing profitability through a more efficient use of resources, procuring sustainable products or ways of working and the opportunity to improve organisational image and profile in the industry by addressing issues relating to Corporate Responsibility (CR).

The term 'social responsibility' came into widespread use in the early 1970s, although various aspects of social responsibility were the subject of action by organisations and governments as far back as the late 19th century, and in some instances even earlier. Attention to social responsibility has in the past focused primarily on business. The term 'corporate social responsibility' (CSR) is more familiar to most people than 'social responsibility.' The view that social responsibility is applicable to all organisations emerged as different types of organisations, not just those in the business world, recognized that they too had responsibilities for contributing to

sustainable development. The perception and reality of an organisation's performance on social responsibility can influence, among other things (Porter and Kramer, 2006):

- its competitive advantage;
- its reputation;
- its ability to attract and retain workers or members, customers, clients or users;
- the maintenance of employees' morale, commitment and productivity;
- the view of investors, owners, donors, sponsors and the financial community;
- the relationship with companies, governments, the media, suppliers, peers, customers and the community in which it operates.

The CSR acronym was described as the 'the hot business issue of the noughties' (Blyth, 2005) and 'the talk of the town in corporate circles these days' (Mees and Bonham, 2004). However, there was no single accurate definition for CSR as various 'buzzwords' or stances were adopted: such as, corporate sustainability, corporate citizenship, corporate social investment, the triple bottom line, socially responsible investment, business sustainability and corporate governance. The earliest emergence of CSR dates back to the 1950s from the USA (Carroll, 1999) – early definitions concentrated relates to business responsibility to power. Friedman (1970) describes CSR as 'to conduct the business in accordance with [owners' or shareholders] desires, which generally will be to make as much money as possible while conforming to the basic rules of society, both those embodied in law and those embodied in local custom'. The UK government online resource for businesses Business Link describes CSR as about 'understanding your business' impact on the wider world and considering how you can use this impact in a positive way' (Business Link, 2011), while the European Commission (2006) defines CSR as 'a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis'. The Dow Jones Sustainability Index illustrates 'Corporate Sustainability as a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments (Dow Jones, 2011). CSR in Europe emphasises on the doing business in a more socially responsible manner, complemented by investment in communities for solid business case reasons (Casanova, 2009). The idea that companies can contribute to societal well-being beyond their legal obligations has a long tradition in many parts of the region. In general, the development of CSR in Europe has been driven both by proactive strategies adopted by pioneering businesses, European institutions and national governments, as well as by external pressures from other stakeholders such as civil society and the investor community. Whereas, CSR in the United States has been defined much more in terms of a philanthropic model – organisations make profits, unhindered except by to pay taxes (McGlone, 2011). Organisations donate a portion of the profits to charitable causes, and this is seen as the defiling act for the company to receive any benefit from the giving. It was only in 2010, the International Standards Organisation (ISO) published the ISO26000 guidance on social responsibility, defining CSR as the willingness of an organisation to incorporate social and environmental considerations in its decision-making and be accountable for the impacts of its decisions and activities on society and the environment (ISO, 2010). However, ISO 26000 is only a voluntary guidance and is not for use as a certification standard. Table 1 presents a detailed literature review of the worldwide standards and definitions of CSR.

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Thus, as the notion of CSR means different things to different people, in different contexts, and for different purposes, a large gap exists between ideas and concepts, on the one hand, and practical applications and implications, on the other (Porter *et al.*, 2007). Gaps also exist between new expectations and capabilities in place. Investors, as well as policy makers, would be well served by the availability of tools to reduce ambiguity about decision and choices in this general domain. A number of leading groups have more recently started to adopt the term ‘corporate responsibility’ (CR), following the lead of GRI (Global Reporting Index) to address the aforementioned multitude of gaps. The term CR will be adopted throughout this paper.

## **CR STANDARDS**

In driving CR forward, it is critical for organisations to be able to evaluate where they were yesterday, their position today, and what they want to achieve in the future – something to be measured for and against. A common standard of CR is essential to ensure collective agreement in terms of quality, safety, costs, reliability, efficiency and inter-changeability. As mention above, the segregation and disjunction on the concepts of CR produced a myriad of reporting guidelines or standards available to organisations to follow. AccountAbility AA1000 is an accountability standard focused on securing the quality of social and ethical accounting, auditing and reporting. It is a foundation standard, and as such can be used as a common currency to underpin the quality of specialised accountability standards, existing and emergent, and as a stand-alone system and process for managing and communicating social and ethical accountability and performance (AccountAbility, 2008). The ISO 26000 provides a globally relevant guidance for private and public sector organisations of all types based on international consensus among expert representatives of the main stakeholder groups, and so encourages the implementation of best practice in social responsibility worldwide (ISO, 2010). The ISO 26000 looks into organisational governance, human rights, labour practice, the environment, fair operating practice, consumer issues and community involvement and development. Another well recognised standard is the Social Accountability (SA8000) by Social Accountability International (SAI). The aim of SA8000 is to provide a standard based on international human rights norms and national labour laws that will protect and empower all personnel within a company’s scope of control and influence, who produce products or provide services for that company, including personnel employed by the company itself, as well as by its suppliers/ subcontractors, sub-suppliers, and home workers. More standards and their purpose are as listed in Table 2.

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On the whole, CR standards could be consolidated into five main leads (Central Government; Local Government; Professional Body; Organisation-led; and the Research Community) and 2 main areas (accreditable or reference). CSR could be led by the Central Government, such as in Denmark, where the Danish parliament made it compulsory for the 1100 largest Danish organisations, investors and state-owned

companies to include information on CSR in their annual financial reports, effective January 2009 (DCCA, 2009a and 2009b); while organisations such as The Body Shop and The Co-operative Group evolve around their CR and ethical values, where services are built from organisational integrity and best practice (CBI, 2005; Dennis, 1998). Professional Bodies such as the ISO, AccountAbility and GRI are leading in the development of a universal standard for international CSR.

The construction sector in the UK are developing ways to address the CSR agenda; the Considerate Constructors Scheme is one such initiative, established in 1997, it operates a voluntary site and company codes of considerate practice register. As such, a plethora of construction small and medium sized enterprises (SME) are starting to embark on embedding CSR principles within their business operations. The various differences in CSR definitions and standards has raised the question of ‘what is the most accurate definition for CSR?’ and ‘which standard should be followed?’

## **UK CONSTRUCTION INDUSTRY AND SMES**

The construction industry is Europe’s largest industrial employer, representing 7.2% of the continent’s total employment and 9.9% GDP (FIEC, 2003). It is one of the UK’s largest industrial sectors, providing employment for 8% of the UK working population (DTI, 2003a). With its predominance in the economy, the construction industry, however, represents one of the most complex and dynamic industrial environments. It relies heavily on skilled manual labour that is supported by an interconnected management and design input, which is often highly ‘fragmented’ right up to the point of delivery (Mohsini and Davidson, 1992). A large and complex project will involve many design, construction and supplier organisations, whose sporadic involvement will change throughout the course of the project (for examples, see Carty, 1995). The organisations will be both large and small, and although they have usually never met before, they are expected to work together effectively and efficiently throughout the duration of the project (Kagioglou *et al.*, 1998; Lee *et al.*, 2000). Complicating this situation yet further, the vast majority of design and construction activities are subcontracted, which renders collaborative and integrated working extremely problematic. In addition, design and construction practitioners typically find themselves working on several projects at the same time. According to Mullins’ (1999) generic and rather simplistic prescription, the success of a project relies heavily on having clearly defined objectives and well-defined tasks. But these are not always feasible in construction where the client’s objectives themselves often only crystallise over time.

Moreover, the entire construction labour market is founded on widespread self-employment (Briscoe *et al.*, 2000). The scale of small organisation activity in the UK construction industry is considerable, with in 2011, accounting to 40% of GDP and is a major contributor to local economies (BIS, 2011b). The predominance of small and medium sized enterprises in the UK construction industry<sup>1</sup> over large-sized organisations may be attributed to the fact that large contracts require specialist work and the specialist contractors are pre-dominantly self-employed and, where necessary, employ a few additional hands (Abdel-Razek and McCaffer, 1987; Gale and Fellows, 1990). According to Langford and Male (1992), larger organisations generally resort

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<sup>1</sup> This paper will adopt the European Commission’s definition of ‘small and medium enterprise’ (SME); whereby micro enterprises represent 0-9 employees, small enterprises represent 10-49 employees, and medium enterprises represent 50-249 employees (with the exception of agriculture, hunting, forestry and fishing organisations; European Commission, 2003)

to a greater use of subcontractors (micro and small enterprises) in a bid to reduce the overhead burden of tax, National Insurance contributions and working capital needs. This opposes Pearce's (2003) earlier proposition that small firms '...inhibit the capture of economies of scale', or at least factors in the likely incidence of diseconomies of scale. Thus, any overall performance improvement of the industry through innovation will be significantly influenced by small construction organisations, of various trades, given that they make-up the majority of the industry. According to Robbins *et al.* (2000) SMEs are important to the economic vitality of cities, states and the countries due to their significant number and employees. However, they tend to display vulnerability in facing up to various conditions prevailing in a country's economy resulting in business failure. The ability of SMEs to turnaround their companies is constrained due to their limited access to financial resources and capital (Kirchhoff, 1994). It is therefore pertinent to investigate unique SME behaviour in adopting and embracing organisational CSR.

Historically, however, it has been recognised that the SME sector poses various challenges for implementing policies, transfer of good practice and various Government agendas – strategic horizons and organisational capabilities of SMEs did not allow sufficient 'organisational slack' to conduct activities outside their main business activities (Sexton and Barrett, 2003). This may lead to the lack of uptake and the possible dis-interest in CR.

Further, the fragmented and diverse nature of the industry illustrates the inconsistent level of CR among organisations in the construction industry. Current practice indicates that the implementation of CR undertaken on an ad-hoc basis and there is no formalisation of CR into mainstream business activities. Further, organisations are not legally bound to any CR framework for monitoring and reporting activities.

## **CASE STUDY**

A single case study approach is adopted to understand, immerse and learn the possible uptake of CSR by a UK SME. The selected organisation (CC) is a Knowledge Transfer Partnership (KTP, 2011) partner, whom has declared an interest in developing a CR strategy for the organisation. CC was established in 2006, providing specialist construction service to a UK wide client base; and takes great pride in the flexibility of its service options covering design and build, construction and interiors; primarily in the education, leisure and retail sectors, with a typical contract of up to £6 million. CC has knowledge and expertise in the delivery of specialist construction projects. Although there is a single policy written for the organisation, albeit in its infancy, they lack action and directions. The organisation's Directors are very keen to establish CR protocols and processes inline with the organisation's business practices. However, in order to gain the full business benefits from adopting proactive CR practices, CC need to seamlessly embed policies and measures into operational processes. To do this, stakeholder identification analysis is undertaken to identify the relevant stakeholders through AccountAbility AA1000 principles (AccountAbility, 2008). Frequent engagement and meetings were held with the new stakeholder group members for an introduction of CR; gain feedback and for buy-in for this concept. Through desk research, global, EU and UK regulatory framework directives, best practice guidance and success stories are collated, articulated and synergised. Potential CR key indicators, regulatory policies (current and future) and implementation frameworks were presented for consideration for CC. The strategy could only be

realised when all three elements (culture, support and strategy), and accelerated by external best practice and internal policies; and all operationalised through IT, as illustrated in Figure 1.

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CC's CR strategy was developed in consultation with the CC Senior Management Team from engagement from stakeholders and desk research. The strategy is aligned to the ISO26000 and AA1000 policies, and GRI G3 reporting standard; encapsulates five major factors - Corporate Governance, Community, Employee, Business-to-Business and the Environment - and empowered using IT, as shown in Figure 2. As a construction organisation, the emphasis is on the environmental responsibility. The strategy will apply to the organisation as a whole and in individual construction projects. The strategy incorporates organisational performance metrics and details of a continuous improvement cycle of review and action to ensure that the strategy is up-to-date and relevant to the business. The strategy is mapped with CC's core business process to establish core links between organisational strategy and CSR strategy - both supporting and integrating each other. A gap analysis is also taken to identify any disparities between the two. Accreditation from AccountAbility will be possible as this is designed around AA1000 policies.

The case study findings show that CC have their own distinctive characteristics and needs which are significantly different from those of large construction firms – small construction firms are not merely large construction firms scaled down. The CSR strategy for construction organisation needs to understand and actively manage these differences; policies which are appropriate for large construction firms are not necessarily appropriate for small construction firms; and vice versa. Limitations of CC include limited staff, money and time, all of which are under greater pressure compared to large construction firms. The strategy will need to be 'lean' and promote initiatives which CC needs to leverage their existing resources, rather than initiatives which need additional resources. In addition, CC will ideally need an 'enabling' interaction environment to innovate within a longer term and more secure context. The strategy will need to show the shared benefits to clients and large construction firms of creating and supporting this type of environment for small construction firms.

## **DISCUSSION**

Although it is acknowledged that construction organisations have always demonstrated an ability to innovate (for example, see Slaughter, 1998), the aspiration to enhance construction performance through innovation has often been stunted by the general assumption that the intrinsic characteristics of the construction industry – such as fragmentation, 'boom-and-bust' market cycles, use of relatively low technology and antagonistic procurement policies – inhibit innovation (Fairclough, 2002; Gann, 2000; CERF, 2000; Brouseau and Rallet, 1995; Powell, 1995; Ball, 1988).

Construction organisations are subsystems of a broader spectrum comprising both the project/ task and the general environments in which they operate in (see Figure 3; adapted from Kast, 1985). This is important to consider if an organisation is to adopt a



new policy such as CR. The project or task environment has a direct impact on the goals and values, structure, technology, human relationships, managerial processes etc within the organisation. There is evidence that project imperatives get higher attention within construction companies (Sexton and Barrett, 2003a; Sexton and Barrett, 2003b). These influences may very well impact differentially creating conflict in the organisation's own operating subsystems. In addition, organisations are becoming increasingly subject to external forces – the general environment (political, legal, cultural, sociological etc) – and this is clearly evident in today's marketplace. For example, automobile companies are hearing more directly not only from customers concerning safety and performance, but also from environmentalists concerning air pollution; the hospital is being called upon to expand its boundaries and to deal with total health care needs of people in the community. On all fronts, including the construction industry, organisations are facing a more heterogeneous and uncertain environment. Thus, CR helps to focus the nature of the construction industry, and where large construction organisations are concerned, it highlights the source of diseconomies of scale.

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Integration is defined in a general sense as ‘...the quality state of collaboration that exists among departments that are required to achieve unity of effort by the demands of the environment’ (Robbins, 1979). Different environments require different amounts of integration and integration between different work units. Thus, the environment determines the requirements for differentiation within and among the work units, and integration within and among the work units (French and Bell, 1984).

The imperative to effectively integrate highlights the importance of broadening the concept of construction to include suppliers and specialist contractors. This can be taken much further to question the very purpose of construction. Construction is a means to improve the built environment so that it can better support the quality of life and competitiveness of society. Construction is not an end in itself (Barrett, 2003). Thus, customer, cultural, educational, legal, political etc issues must also be considered. Moreover, there is another equally important side to this equation. Instead of asking how well the small business serves the labour market, they ask the opposite question of how well the small business itself is served by the labour market. This has been seriously overlooked at policy level until recently, at least in the UK. In addition, there is an understandable desire at policy level for clear prescriptions of best practice for the industry to take-up and these are looked for amongst large organisations, with small organisations seen as the problematic laggards. Given the preponderance of small organisations in construction, with distinctive innovation characteristics and capacities (Sexton and Barrett, 2003a; Sexton and Barrett, 2003b), this quest with major players for simple answers to complex, dynamic problems has arguably at times obstructed rather than supported progress.

The scale of SME construction activity in the UK should be duly recognised. It is no longer possible to discuss strategic policy (economic, innovation etc) without recognising the positive role SMEs play in the sector. Policy must be appropriate to SMEs and appropriate for those (large organisations) whose environment is influenced

by the activities of SMEs. This means that policy towards the sector has to examine the implications of SMEs within a wider framework than has been the case in the past. There has been a lack of integration between the practical realities of the industry and the scope and orientation of CR public policy for research and innovation, and this should be addressed.

## **CONCLUSIONS**

In this present gloomy economic climate, construction organisations are seeking for new competitive advantage to stay ahead of the game. Organisations are now taking a responsible attitude, going beyond the minimum legal requirements, following CR principles that apply whatever the size of the business. This paper reported on the growing adoption of CR as a core business strategy; it began by reviewing the various definitions of CR and differing standards, before describing as a case study the necessary steps of how a SME is trying to embed CR within their business. Definitions of CR vary considerably and encompass differing aspects, the majority of which cover social and environmental aspects. Further, there are a growing number of international regulatory bodies that have set up CR policies, however, all are voluntary unless imposed by specific governments. Thus, no clear guidance is explicated to help organisations implement CR, particularly for SMEs.

A case study was presented in this paper to evidence how a CI SME embarked on incorporating CSR principles. Firstly, a strategic CSR policy was developed which complimented the existing business process. Second, industry best practice and policies was thoroughly researched. Finally, supporting IT is being developed so that CSR will not become another added 'chore' for the business, but instead, is fully integrated and self-reporting. It is clear from the case study that for successful implementation of CSR in construction organisations, there must be a synergy between research and best practices, and a practical application of CSR into the business.

In summary, it is suggested that organisations, especially small construction organisations, are well integrated and highly responsive to project needs, but that this is often at the expense of enduring company-based improvements. This, in turn, undermines the integration needed to support company-to-company improvements especially given the lack of stability in the construction economy. Value network innovations are difficult in practice, but are also placed in a policy vacuum by an over-emphasis on a tight conception of the construction industry itself, in which major organisations are perhaps too glibly taken as the template for all organisations to follow. So, the industry is highly differentiated, but at a project level the integration effort is generally kept in clear focus. It could be said that 'single loop learning' (Argyris and Schon, 1978), that is pragmatic problem-solving to 'do things right' on the ground is alive and well. The same cannot be said for longer-term company-based innovation or the policy framework within which it is placed. Here 'double loop learning' is severely limited by the turbulence of the industry's workload and the limited resources of SMEs so that progressively moving towards 'doing the right things' is hard to sustain.

A pragmatic critical-realism approach is suggested in which the real world is accepted as an inconveniently complex and dynamic object to study and work with. The focus is not directly on events, but rather on the identification of generative and contingent

mechanisms, but that these should be tested for practical adequacy in the real world, hence the pragmatic emphasis (Johnson and Duberley, 2000). The first step to achieve this would be to embark on creating an integrated, co-ordinated and research-based policy framework for construction. Once research efforts are harmonised, the balance between differentiation and integration for a more innovative construction industry can be addressed. More importantly, however, research initiatives should embed the reality that the construction industry is largely composed of SMEs, and is differentiated rather than fragmented. From this a strong focus should be promoted to discover the key generative mechanisms that can underpin effective integration.

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*Table 1: Various definitions of CSR*

Report	CSR Definition
International Standards Organisation (ISO, 2010)	The essential characteristic of social responsibility is the willingness of an organization to incorporate social and environmental considerations in its decision making and to be accountable for the impacts of its decisions and activities on society and the environment. This implies both transparent and ethical behaviour that contributes to sustainable development, is in compliance with applicable law and is consistent with international norms of behaviour.
AccountAbility (2008)	It combines the terms social and ethical to refer to the systems and individual behaviour within an organisation and to the direct and indirect impact of an organisation's activities on stakeholders. Social and ethical issues (relating to systems, behaviour and impacts) are defined by an organisation's values and aims, through the influence of the interests and expectations of its stakeholders, and by societal norms and expectations.
Business Link UK (2011)	CSR is about understanding your business' impact on the wider world and considering how you can use this impact in a positive way. It means taking a responsible attitude, going beyond the minimum legal requirements and following straightforward principles that apply whatever the size of your business.
European Commission (2005)	CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. It is about enterprises deciding to go beyond minimum legal requirements and obligations stemming from collective agreements in order to address societal needs.
World Business Council for Sustainable Development (WBCSD, 2002)	The integration of social and environmental values within a company's core business operations and to the engagement with stakeholders to improve the well-being of society.
International Institute for Sustainable Development (IISD, 2011)	CSR promotes a vision of business accountability to a wide range of stakeholders, besides shareholders and investors. The concept is underpinned by the idea that corporations can no longer act as isolated economic entities operating in detachment from broader society.
Business Social Responsibility (BSR, 2010)	Business decision making linked to ethical values, compliance with legal requirements, and respect for people, communities, and the environment around the world.
CIRIA (2004)	A commitment by organisations to integrate socially responsible principles and concerns of stakeholders in their operations, in a manner that fulfils and exceeds current legal and commercial expectations



*Table 2: Various CR standards and purpose of corporate social*

Standard	Purpose
Social Accountability (SA8000), Social Accountability International (SAI, 2008)	An auditable standard for a third-party verification system, setting out the voluntary requirements to be met by employers in the workplace, including workers' rights, workplace conditions, and management systems. The normative elements of this standard are based on national law, international human rights norms and the conventions of the ILO.
ISO 26000, International Standards Organisation (ISO, 2010)	This standard is intended for use by organisations of all types, in both public and private sectors, in developed and developing countries, as well as in economies in transition. It will assist them in their efforts to operate in the socially responsible manner that society increasingly demands. This is a voluntary guidance, not requirements, and therefore is not for use as a certification standard.
AA1000, AccountAbility (2008)	The purpose of the AA1000 is to provide organisations with an internationally accepted, freely available set of principles to frame and structure the way in which they understand, govern, administer, implement, evaluate and communicate their accountability – based on 3 principles – The Foundation Principle of Inclusivity; The Principle of Materiality; and The Principle of Responsiveness.
GRI G3.1, Global Reporting Initiative (GRI, 2010)	The GRI aims to drive sustainability and Environmental, Social and Governance (ESG) reporting. The framework sets out the principles and indicators that organisations can use to measure and report their economic, environmental, and social performance.
GoodCorporation Standard (2010)	The GoodCorporation Standard is based on a core set of principles that define a framework for responsible management in any type of organisation. Under each principle, the Standard sets out management practices that can be assessed to determine how well the organisation works in reality. GoodCorporation uses an independent assessment process that looks at four levels of evidence for each individual practice and assesses them against a five-point scale.
United Nations Global Compact (UNGC, 2011)	UNGC is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.
Connected Framework Accounting Sustainability (2009)	The CRF is a reporting model which presents key sustainability information alongside more conventional financial information to give a more rounded and balanced picture of the organisation's overall performance. It explains how all areas of organisational performance can

be presented in a connected way, reflecting the organisation's strategy and the way it is managed.

International Institute for Sustainable Development (IISD, 2011)

Key areas of concern are environmental protection and the wellbeing of employees, the community and civil society in general, both now and in the future.

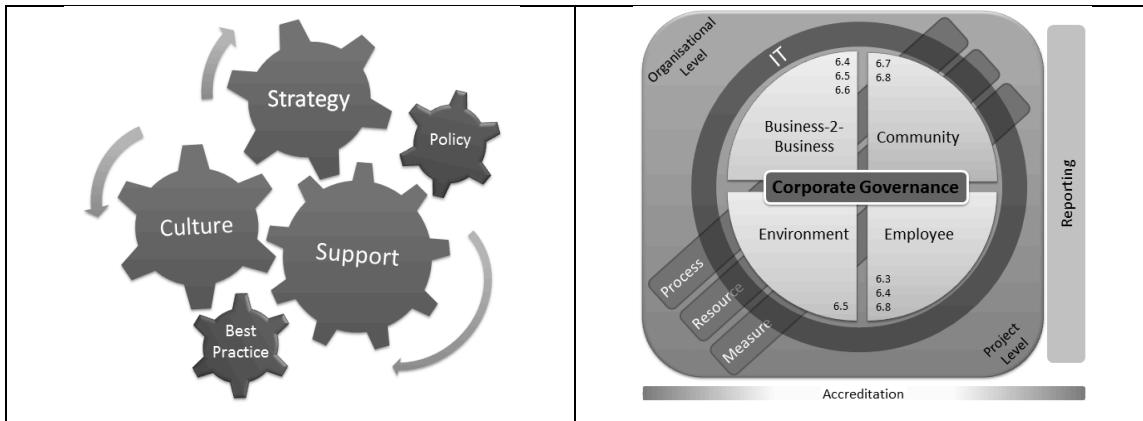


Figure 1: CR Strategy in operation

Figure 2: CC's CR Strategy



Figure 3: Relationship of general and task environments to the organisation.