MAKING SENSE OF CORPORATE SOCIAL RESPONSIBILITY STRATEGIES IN CONSTRUCTION ORGANISATIONS IN THE UK

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Corporate Social Responsibility (CSR) has been conceptualized in a variety of ways and interest groups approach the subject differently. These variations have been observed in the way construction organisations in the UK report on their CSR activities. Research into CSR practices has used annual CSR reports to demonstrate the differences in reporting practices across geographies and sectors. However, what many of these studies have not explored is how reporting CSR practices can provide an insight into the evolution of CSR within these organisations. This paper adopts a sensemaking perspective to explore how construction organisations have labelled and categorised CSR in their annual CSR reports and if these have evolved over time. The annual CSR reports are treated as products of CSR related sensemaking processes within the organisations. A desktop study was conducted of annual reports from 2009-2013 of three large construction organisations in the UK. The data from these reports was analysed and the evolution of CSR within these organisations was plotted on the basis of labels and categories each individual organisation assigned to CSR. The study reveals that these labels and categories are individual to the organisation. Furthermore, the study shows that the labels and categories evolve and change over a time period, thus hinting at an active ongoing CSR sensemaking process within these organisations. An important observation is that the organisations have shifted from CSR to sustainability reporting. Elements of sensemaking theory are applied as a theoretical lens for explaining how the evolution of CSR has occurred within these organisations. This study forms the initial part of a larger piece of work on understanding the dynamics of CSR strategies in large construction organisations.

Keywords: corporate social responsibility, CSR reporting, labelling, sensemaking.

INTRODUCTION

The concept of Corporate Social Responsibility (CSR) has been highly debated and researched particularly in the last thirty years. The subject has been conceptualized in a variety of ways by interest groups that have approached the subject differently (Carroll and Shabana 2010). The lack of a consistent approach to CSR has been attributed to the lack of synergy in the manner in which the meaning of CSR has been articulated by CSR theorists and practitioners (Dahlsrud 2008) and this has led to several authors arguing that CSR is an ambiguous term that can mean anything to anybody and is therefore meaningless (Frankental 2001). So far, mainstream and construction research into CSR has adopted a mainly normative approach to simulating what socially responsible behaviour of organisations should be. Furthermore, a large section of the CSR mainstream literature is of a quantitative

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nature and has focused on establishing a business case for organisational engagement with CSR (Weber 2008; Carroll and Shabana 2010). These studies have primarily attempted to examine the link between corporate performance and CSR engagement. However, these studies have contributed little in the way of understanding the organisational processes that shape the interpretation of CSR for individual organisational purposes (Nijhof and Jeurissen 2006).

In recent times in response to the growing public awareness and sensitivity to the responsibility of business organisations to society, business organisations are increasingly keen to demonstrate their commitment to CSR. Annual CSR reports are seen by both businesses and their stakeholders as a key mechanism through which business organisations can demonstrate their commitment to CSR to their shareholders, customers, employees, public at large and the government (Jones et al. 2006). The ambiguous nature of CSR coupled with pressure on organisations to engage in CSR has meant that organisations have had to interpret the concept of CSR to suit their needs. Some of these differences in interpretations have been observed in the comparative studies of organisational annual reports. Studies such as Kotonen (2009) for instance have explored CSR reporting practices of organisations and found that organisations’ CSR reporting practices tend to be heavily influenced by the social and cultural context. This is despite the introduction of common reporting guidelines such as the Global Reporting Initiative (GRI). Kotonen (2009) found that organisations mobilize the concept of CSR differently to suit their own unique needs and requirements. Heijden et al. (2010) have argued that the process of translating the general concept of CSR for operational purposes is distinctive to each organisation. Based on this perception, this paper investigates the individual nature of CSR in construction organisations from the starting point that each organisation gives its own meaning to the concept of CSR.

Several authors in CSR empirical studies have used sensemaking theory. This has been applied to a range of subjects that include: CSR, new venture creation, IT driven knowledge and technology, innovation and decision making processes (Gioia and Chittipeddi 1991; Weber and Glynn 2006; Heijden et al. 2010; Green 2011; Sergeeva 2014). These analyses regard sensemaking as a generally applicable process Weick (1995) advocates that sensemaking is a universal process. However, Heijden et al. (2010) believes that searching for the meaning of CSR within organisations can be approached in many different ways and that the process of CSR sensemaking is specific to the organisation in question. Authors such as Cramer (2006); Basu and Palazzo (2008) have identified sensemaking as a useful research perspective that can be used to understand how the concept of CSR is interpreted and operationalized by organisations.

CSR from a sensemaking perspective can be defined as an interactive social process in which the meaning of CSR is systematically organised and reorganised by a network of organisational actors who create and recreate an individual and collective shared frame of reference in relation to CSR objectives, activities and results (Nijhof and Jeurissen 2006).

Construction specific literature on CSR has attempted to model socially responsible behaviour of organisations based on a rather normative approach and has been largely inconclusive (e.g. Petrovic-Lazarevic 2008; Kornfeldová and Myšková 2012). The understanding of how CSR is interpreted and implemented by construction organisations can gain significantly from a sensemaking perspective as it brings into
focus the context that leads to the selection of CSR strategies. Looking at CSR from a sensemaking perspective examines CSR as an evolutionary processes that assumes that different agents act and react upon one another (Weick 1995). Such an approach to CSR means focusing on the dynamic social processes that drive the development of CSR within organisations (Nijhof and Jeurissen 2006).

Viewing the identification and classification of CSR as part of a sensemaking process is a relatively new research approach (Nijhof and Jeurissen 2006; Heijden et al. 2010). The representation of annual CSR reports as products that can be used to demonstrate characteristics of a wider sensemaking process, is central to this article. These reports are seen as a useful starting point in exploring CSR sensemaking processes as they provide an overview of CSR priorities that each organisation has arrived at through their sensemaking. It is argued that the annual CSR reports represent the sense that organisations have made of CSR explicitly in the form of labels and categories of CSR that they address.

This paper therefore takes the first step to describe and explore CSR as a sensemaking process within construction organisations and in particular to examine how organisations have labelled and categorised CSR in their annual reports and if these labels have evolved over time. This review of annual reports forms the first stage in a wider study of the CSR sensemaking processes in construction organisations. As part of the qualitative research design, for that wider study a conceptual framework is developed that helps explain the data from annual CSR reports and how it links to a wider sensemaking process that leads to the production of these reports. The conceptual framework is based on some of the key assumptions of Weick’s sensemaking theory.

**TOWARDS A SENSEMAKING PERSPECTIVE OF CSR**

Sensemaking is a process by which individuals or groups interpret, produce and assign a meaning to phenomena. It is through the processes of sensemaking that people enact the social world, creating it through verbal descriptions that are communicated to and negotiated with others (Weick et al. 2005; Brown et al. 2008). In this way organisations may be seen as products of day-to-day interactions of its members. Prevailing organisational forms are an amalgamation of past decisions and solutions that have successfully worked, without ever having arrived at one best way. The concept of sensemaking when applied to CSR strategies highlights its organisation specific nature. It is contended that people within the organisation, influenced by organisational, individual and social contexts make sense of what they perceive and act out a meaningful picture. Thus in that process they construct their own enacted environment. Annual CSR reports are seen as products of a CSR sensemaking process that are arguably produced for internal and external consumption to demonstrate the organisational sense of CSR. Sensemaking therefore involves a constructivist ontology and assumes that reality does not exist independently of our cognitive structures, but it is socially constructed (Weick 1995).

**CONCEPTUAL FRAMEWORK FOR ANNUAL CSR REPORT SENSEMAKING**

This paper approaches the annual reports as a product of a wider organisational CSR sensemaking process, that is essentially frozen at a particular moment in time (Weick 1995). It is argued that the process of production of the annual CSR reports involves organisational actors placing boundaries around the flow of the CSR sensemaking
process, whilst isolating moments and cues in the form of labels and categories that help organisational actors make sense of a specific time period in order to enact the annual CSR report. It is further argued that CSR labels that are used within the annual reports to define and map the area of CSR addressed by the organisation, are generated by a specific organisational context and are communicated to a target audience (Morsing and Schultz 2006). These labels describe what CSR means to the organisation the meanings and interpretations associated with these labels may change with time. Elements of sensemaking such as the concepts of labels, categories and communication are introduced below and are used to identify and analyse the data from annual CSR reports.

**Sensemaking is Ongoing**

The process of sensemaking is in continuous flow within the organisation, it is only when sensemakers attempt to place a boundary around some portion of that flow, does it become an event (Weick 1995). Weick explains that we are constantly making sense of what is happening around us but in order to make sense of the current, we isolate moments and cues from this continuous sensemaking (Weick et al. 2005). The notion of ongoing sensemaking refers to the idea that sensemaking neither starts a fresh nor stops cleanly. However this paper argues that the production of an annual CSR report functions as a temporary event or an interruption to the CSR sensemaking flux within the organisation. It triggers a sensemaking phase wherein organisational actors focus on some elements within the wider sensemaking flux, guided by rules and regulations in order to extract cues and construct an account for their CSR commitment over the year (Mills et al. 2010; Weick 2011).

**Sensemaking Cues**

In order to focus on the meaning of sensemaking and give it substance, Weick (1995) recommends drawing upon vocabularies that form the content of sensemaking. This is based on the assumption that people draw upon frames of references to prompt their understandings, these frames of references are derived from past moments of socialization, while these prompts or cues are results of present moments of experiences (Weick 1995). Weick states that the content of sensemaking is determined by the connection between the prompts or cues and the frame of reference.

**Labelling and categorizing**

In order to stabilize the streaming of experience sensemakers label and categorize the organisational phenomena. According to Chia (2000) labelling works through a strategy of “differentiation and simple-location, identification and classification, regularizing and routinization [to translate] the intractable or obdurative into a form that is more amenable to functional deployment” (p.517). In the process of organising functional deployment requires that the sensemaker imposes labels on interdependent events in ways that would suggest plausible acts of managing, coordinating and distributing. Therefore the manner in which these events are envisioned kick-starts the work of organising as events are bracketed and labelled by the sensemaker to find common ground with others around them. Weick (2010) explains that in order to generate common ground among the actors, the labelling and bracketing is designed by the sensemaker to ignore cognitive differences between actors in order to generate repeatable behaviour. Tsoukas and Chia (2002, p.573) explain,
“For an activity to be said to be organized, it implies that types of behaviour in types of situation are systematically connected to types of actors... An organized activity provides actors with a given set of cognitive categories and a typology of actions. A crucial feature of labelling and its categories and types is their plasticity”.

The categories have plasticity as they are socially defined (by the sensemaker in social context of other actors) and because they are adapted to local circumstances and have a radial structure (Tsoukas and Chia 2002). As the sensemaking process unfolds activities may be re-labelled, Weick (1995,p.31) suggests that when sensemakers enact they:

“Undertake undefined space, time and action, and draw lines, establish categories, and coin new labels that create new features of the environment that did not exist”.

**Sensemaking is comprised of sensegiving**

Sensemaking is comprised of a notion of “sensegiving”, that is directed by the sensemaker at external parties whose perceptions are held to be important and hence worth influencing(Weick et al. 2005). Sensegiving is a related process to sensemaking by which sensemakers attempt to shape the sensemaking processes of others (Gioia and Chittipeddi, 1991). Particularly in an organisational context, it is this cyclical processes of sensemaking and sensegiving that lead to an iteratively developed set of shared meanings and actions (Weick et al. 2010). The idea that sense is collectively pooled is fundamental for organisational sensemaking, as organisations are viewed as networks of “inter-subjectively shared meanings” (Brown et al. 2008, p.1038). It is argued that during that the production of annual CSR reports, who the target audience is plays a key role in guiding the selection process during the production of the annual CSR report (Heijden et al. 2010). CSR annual reports are seen as an expression of sensegiving, wherein the shared sense that the organisation has made of CSR is communicated to its stakeholders and a wider audience. Studies such as Castelló and Lozano (2011) have identified that through annual CSR reports organisations highlight their identities and resources to their stakeholders thus leading to a distinctive differentiation of CSR strategies. Furthermore this forms a key part of sensegiving where through their annual CSR reports organisations choose to convey specific issues in order to influence their stakeholders that the organisations perception of CSR is legitimate.

**Sensemaking is Enacted**

Within the sensemaking process, action is used by sensemakers as a means to gain some sense of what they are up against. They do this by asking questions of others within and outside the organisation or by building a prototype to evoke reactions or by making a declaration to see what response it receives or probing something to see how it reacts (Weick 1995). It is through these actions that the sensemaker makes sense of their experience within an environment, thus their sensemaking can either be constrained or created by the very environment it has created (Mills et al. 2010). Annual CSR reports are arguably produced by the organisation to demonstrate their commitment to CSR and enhance their credibility as a socially responsible organisation (Jones et al. 2006).

**METHODOLOGY**

The following section explains how the sensemaking perspective informs the methodology. For this study, qualitative methodology is used to address the research question. While empirical research into CSR has primarily been done from a
quantitative standpoint, qualitative techniques are common place in the study of sensemaking in organisational research (Heijden et al. 2010). Central to this paper is that organisational CSR sensemaking processes are ongoing and constantly keep evolving as sense is made. Using key concepts of from sensemaking theory in particular, labelling and categorizing the CSR reports from the selected organisations were analysed.

The limitations of the desktop study are recognized particularly in the area of CSR rhetoric. The annual CSR reports are not viewed as being a democratic representation of the sense that organisations have made with regards to CSR. However it is argued that the labels and categories within the annual CSR reports provide an insight into the boundaries within which the organisation deals with its CSR commitments. The evolution of the labels and categories help in identifying how the organisations have continued to make sense of CSR over the given time period.

The construction organisations chosen for this purpose have been selected for the following firstly, they had an established track record of engaging with CSR for a minimum period of five years, secondly, they are large construction organisations of comparable sizes, in terms of employees, projects and turn over and have the resources to engage in CSR related activity (Heijden et al. 2010). The empirical data was analysed using the annual CSR reports that covered a period of five years from 2009 until 2014. The reports were analysed on the basis of the different labels the companies used to address CSR. The reports were analysed with the primary focus of identifying the labels and categories that the organisations used to define CSR (see table 1) and to explore if they evolved over time.

**OBSERVATIONS**

*Labelling of the reports*

From the analysis of the reports it is observed that a range of labels are used by the three organisations to identify and label CSR. For example, company A initially labels it as corporate responsibility report. After the label stabilises for a period of three years as it is addressed as such consistently. It is reviewed and made sense of again and is addressed as CSR as part of their annual report, this is eventually revised and relabelled as sustainability report the following year. Company B shows a similar evolution as it recognises CSR as part of its annual report, this meaning appears to stabilise as it is utilized over a period of three years and is then relabelled as a sustainability report. Company C, shows an evolution from CSR to corporate responsibility to then addressing CSR as either responsibility or as part of a wider social issue.

*Categories associated with the labels*

Each of the three organisations categorise their labels very differently. For example, Company A initially categorises the label of corporate responsibility on the basis of social and environmental areas such as boosting the skills of their employees, charitable giving, reducing carbon emissions and minimizing waste. While company B on the other hand initially categorizes CSR on the basis of health and safety, people and environmental areas and company C categorizes on the basis of people, health and safety, environment, community involvement, customer suppliers and corporate governance. These labels and categories appear to address similar broad areas of CSR however each organisation chooses to address them in their own individual manner, choosing different categories and priorities under these labels.
It is also observed that as the labels evolve the categories under the labels change to reflect that evolution, for example when the CSR label of company A from CSR is re-labelled as sustainability review, the categorisations change from addressing just social and environmental categories to addressing sustainability categories such as economic, social and environmental. Company B shows a similar pattern when their labels evolve from CSR to sustainability their categories change from addressing health and safety, people and environmental issues to a wider range of sustainability issues. Subsequently in the following year this is re categorized under people, planet and profit. The report labels and categories of Company A and B change to reflect a change in their organisational sense of CSR, here organisations move away from the label of CSR to sustainability.

Table 1: Time line of CSR labels in the three construction companies.

<table>
<thead>
<tr>
<th>Year</th>
<th>Report Label</th>
<th>Type of Report</th>
<th>Broad Categories Addressed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>Corporate Responsibility report</td>
<td>Standalone</td>
<td>Social and environment</td>
</tr>
<tr>
<td>2010</td>
<td>No report</td>
<td>No report</td>
<td>No report</td>
</tr>
<tr>
<td>2011</td>
<td>Corporate Responsibility report</td>
<td>Standalone</td>
<td>Social and environment</td>
</tr>
<tr>
<td>2012</td>
<td>Annual report</td>
<td>Sustainability section as part of combined annual report</td>
<td>Sustainability - Social and environmental categories</td>
</tr>
<tr>
<td>2013</td>
<td>Sustainability Review</td>
<td>Standalone</td>
<td>Sustainability - Social and environmental categories</td>
</tr>
<tr>
<td>2009</td>
<td>Annual Review - Corporate Social Responsibility section</td>
<td>CSR section as part of combined annual report</td>
<td>Health and safety, people, environmental</td>
</tr>
<tr>
<td>2010</td>
<td>Annual Review - Corporate Social Responsibility section</td>
<td>CSR section as part of combined annual report</td>
<td>Health and safety, people, environmental</td>
</tr>
<tr>
<td>2011</td>
<td>Group sustainability report</td>
<td>Stand alone</td>
<td>Approach to sustainability, Safe workplace, developing talented employees, Reducing waste, reducing energy consumptions and carbon emissions, improving sustainable procurement, supporting local employment,</td>
</tr>
<tr>
<td>2012</td>
<td>Sustainability Report</td>
<td>Stand alone</td>
<td>People, Planet and Profit</td>
</tr>
<tr>
<td>2013</td>
<td>Sustainability Report</td>
<td>Stand alone</td>
<td>People, Planet and Profit</td>
</tr>
<tr>
<td>2009</td>
<td>Annual report</td>
<td>CSR section as part of combined annual report</td>
<td>People, Health and safety, environment, community involvement, customer and suppliers, corporate governance,</td>
</tr>
<tr>
<td>2010</td>
<td>Annual report</td>
<td>Corporate responsibility section</td>
<td>Health and safety, community involvement, people, environment, customers and</td>
</tr>
</tbody>
</table>
CONCLUSIONS

The research question of this paper focused on exploring how organisations label and categorise CSR in their annual reports and if those labels change or evolve over a time period. This paper demonstrates that the three organisations with the different ownership structures label CSR differently. The change in labels from CSR to sustainability indicates a change in the organisational sense and perception of the concept of CSR, which seems to gravitate towards that of sustainability. The evolution and stabilising of labels and categories in the annual CSR reports of the three construction organisations has indicated the presence of a wider ongoing CSR sensemaking process within the selected organisations.

These labels and categories provide a useful initial insight into the manner in which these organisations have interpreted the concept of CSR. The fact that these organisations in their reports include certain labels and categories while excluding others demonstrates in part the sense the organisation has made of CSR. This organisational sense does not necessarily accord with all views of individuals or internal stakeholders and in turn this does the raise the issue of who the key CSR decision makers are and what influence they have on the sensemaking process. However it must be recognized that these reports are issued on the behalf of the organisation and reflects the organisational sense of CSR and not individual sense.

There is also the issue that part of the sense made in order to produce the annual CSR reports includes an element of rhetoric. It has been argued that annual CSR reports are a representation of what the organisations believe the market wants to hear (Castelló and Lozano 2011) and are a means to promote themselves. However, when viewed from a sensemaking perspective it is part of the sense that organisations make of CSR in that they choose to promote themselves in a certain way. As argued by Alvesson (1993) rhetoric is a critical cultural and symbolic resource for an organisation to develop and convey the sense that they have made.

Furthermore, it is argued that once these reports are published by the organisation they become the defacto sense of CSR, which is then pursued by the organisation i.e. organisations pursue the objectives defined under the labels and categories that are outlined in these reports rather than what is not documented.

It is recognized that varying organisational contexts cannot be adequately reflected without exploring the organisational sensemaking processes that influence the formation of these labels and categories. However while these reports have a marketing function, through the labels and categories these CSR reports help define a
rough boundary around the issue of CSR for the organisation to work within. Furthermore, it is recognized that further research is needed to explore why the labels and categories have evolved in the manner they have.

REFERENCES


