



Collaborative Strategic View in Corporate Social Responsibility – Construction Industry Case

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Abstract

Background: The incorporation of corporate social responsibility (CSR) into the business strategy of construction firms boosts their corporate reputation, while at the same time reduces the risk and the external pressure for minimizing a negative societal footprint. **Objectives:** This study aims to determine the current state of CSR in the Croatian construction industry, in terms of knowing and practicing, and to offer a collaborative strategic view as a viable CSR approach. **Methods/Approach:** A survey research among large Croatian construction companies regarding CSR in the context of collaboration with stakeholders was carried out and the results were analyzed using the multidimensional unfolding procedure. **Results:** Results show that for the Croatian construction companies CSR activities are important, but they are not widely seen as a benefit to overall business strategies yet. **Conclusions:** Results of the research could be helpful to construction firms in the efficient and effective stakeholder engagement, as well as in the development of the calibrated CSR strategy.

Keywords: construction industry; corporate social responsibility; stakeholder engagement; collaboration; non-financial reporting

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Introduction

A company's interactions and interdependencies with society are numerous and complex. The contemporary complexity of the economic, social, environmental, and governmental reality in which the firms operate brings the concept of corporate social responsibility (hereafter CSR) to the center of the strategic concerns (Vishwanathan et al., 2020; Atli et al., 2018). Furthermore, in disruptive times and the fast-changing world, many of the existing business models have proven to be effective in the past, but are no longer fully relevant. As explained in Keys et al. (2009), when it comes to CSR, there are no easy answers on what to do or how to do it. In their view, CSR is about doing good business and creatively addressing important issues facing business and society. While supporting the authors' arguments, we would also like to emphasize that the process of CSR implementation is dynamic. The most salient topics are activism and movements in a wide range of activities that provoke public stand against, in terms of all variety of non-responsible firm behavior that the construction industry is exposed to.

The standpoint behind the dynamism of CSR strategy is the process of socially constructed change anchored in the complexities of business reality, where firms should be able to deal with myriads of difficulties in performing, complying, delivering value, while simultaneously assuring sustainability. Stainer and Stainer (1998) explained the fundamental principles of sustainable business as operating ethically, responsibly, and profitably. Each of these three postulates tackles different aspects, so implementing sustainable development at the organizational level requires a governance model focused on long-term performance. As corporate goals in the business domain are multidimensional and frequently contradictory, such a model is likely to suffer from goal paradoxes (e.g., Bondy, 2008). Hence, to be aligned with stakeholders' expectations and the operating ecosystem, a firm's behavior is subjected to change. The magnitude and outcomes of the change are more certain to be effective as well as efficient if the firm collaborates and engages its stakeholders' web, and so to achieve the consensus of change content.

The integration of CSR activities into business strategy enables contribution to the overall community and the environment, particularly in the sectors "where the business activities generate substantial stakeholder interests" (Xia et al., 2018, p. 341). Undoubtedly, the construction industry generates a large impact on the ecosystem and community. Hence, it is important to observe the possibilities of implementing CSR principles and activities into the operating mode to assure and sustain industry responsibility and the requirements needed for its legitimate and sustainable performance. Moreover, we find that the integration of CSR strategy and business strategy of firms in the construction sector, among other things, suits favorably to corporate disclosure and reputation, while at the same time reduces risk and external pressure for minimizing negative society and environmental footprint.

Usually, firms disclose their CSR activities through non-financial reporting, by showing the relevant information mainly covering its impact on society and the environment. Non-financial reporting has become widely adopted by business enterprises globally as stakeholders seek greater transparency on environmental, social, and governance issues (Buallay, 2019). From 2018, non-financial statements have to be included in companies' annual reports. All major corporations are required to publish particular information regarding social and environmental issues under the non-financial reporting directive – NFRD (EU, 2014). In practice, there are a few international standards such as reports, the most commonly used are ISO26000: Guidance on Social Responsibility or The Global Reporting Initiative. In the construction sector, other

commonly used guidelines are the ECS 2000 standard, Social Accountability 8000, or Global Compact Initiative.

Aside from those global standards, we deem that the industry-specific CSR activities, as well as collaboration with stakeholders in their development and implementation, are of high importance. The goal of this study is to investigate to what extent Croatian construction companies are informed about CSR and non-financial reporting; along with how socially responsible principles of business in the Croatian construction sector are being applied. In total, 37 key areas of CSR activities have been investigated, which are adapted from Jiang et al. (2016), and have been tested within the Croatian context. Research findings specify 11 CSR activities of particular interest for the construction industry, which we use as the basis to develop a collaborative CSR strategy model.

The paper is composed as follows. After the introduction, in the second part, we describe the theoretical background in the underlying topic of CSR and its interconnectedness with corporate sustainability, collaborative strategy's view, and stakeholder engagement. Thirdly, we discuss the conceptual model and methodology used in the study. In the fourth part, the research results and findings are being used to sculpt a new conceptual model for shaping the industry-specific collaborative CSR strategy. The model is dynamic and is aimed at sustaining CSR and business performance, thus offering a new collaborative strategic CSR approach that is not linked only to firm financial performance. The conclusion brings some potentially useful managerial implications and highlights the trajectory for future research.

Theoretical background

Though being rooted in the literature on business and society (Andriof et al., 2002), nowadays, CSR has become a widely embraced phenomenon, being not just an optional activity, but also a strategic driver of business (Atli et al., 2018; Aguinis et al., 2012). There is no universally agreed-upon definition of CSR, leading to much confusion about what constitutes a CSR activity (Keys et al., 2009). The concept is considered multidimensional and normative (Carroll, 1991), which constitutes a CSR activity where companies incorporate social and environmental concerns voluntarily into their business operations and interactions with stakeholders. The UN Global Compact defines CSR as a "firm's delivery of long-term value in financial, environmental, societal and ethical terms" (UNGC, 2016, p.9). The UN Global Compact identifies five characteristics of CSR: principled business, community empowerment, executive engagement, progress reporting, and local action. In addition, CSR is susceptible to different interpretations in different contexts (Liyanage et al., 2016).

In sum, CSR today represents the entire range of activities and relationships that arise between firms and the community. Therefore, CSR could be viewed as an umbrella term encompassing "environmental sustainability, business ethics, governance, public relations, stakeholder analysis, and corporate relations issues" (Barthorpe, 2010, p.4). CSR can also be analyzed from a soft law perspective, where a firm adopts self-regulation activities to assure its legitimacy, reputation, and stakeholder alignment.

CSR activities are often equated with the broader terms of corporate responsibility, stakeholder relations, sustainability, and sustainable development (Steurer et al., 2005). According to Hillenbrand et al. (2007), corporate responsibility is used as a broader term to describe the topics related to corporate responsibility, "that are fundamental to all actions, decisions, behaviors, and impact of business" (Waddock, 2003, p.115). In contrast, CSR is often associated with the study of stakeholder relationships. While CSR focuses on the relationship between companies and the

larger society, stakeholder relations management is about actually strategically addressing the relationships between companies and the ecosystem (Tomsic, 2013a). Furthermore, CSR is considered relevant for achieving sustainable development goals. While sustainable development and corporate sustainability principles are heavily influenced by “a society’s interpretation, CSR is a voluntary management approach in which the stakeholders of a company and their respective demands play an important role” (Staurer et al., 2005, p.263).

Because construction has significant environmental and social impacts, the association of the construction industry with sustainable development has blossomed. (Sev, 2009). Besides, when the construction firm sets up sustainability as the firm goal, it often sets up CSR policies for implementing necessary procedures (Shen et al., 2010).

The construction industry impacts and features

The interdependence of the construction industry and society is immense. Since the construction industry generates a large impact on every national economy and plays a significant role in the development of every country, its relationship with society and the environment is indisputable. Construction activities generate many “negative impacts on the physical environment and society, such as dust and carbon emissions, noise, waste, or air pollution” (Tam et al., 2007, p.1471). For example, according to European Construction Industry Federation (2019), the total construction output in the EU in 2018 was 1,427 billion €, which represents about 10.4% of EU GDP. Moreover, there are 3.3 million entities active in the EU 28 construction sector, with 95% of firms with less than 20 employees. The EU construction sector employs around 14.8 million workers, accounting for 6.4% of total employment in the EU. According to that, health and safety are also topics of great concern due to its labor-intensive feature, high exposure to accident risks, and injury inclination.

According to Sev (2009, p.161), “sustainable construction principles can be distinguished based on the three dimensions of sustainable development, which are environmental, social, and economic”. The most comprehensive review of CSR research in the construction industry is one of Xia et al. (2018). Their findings revealed four research areas in the construction industry: “CSR perception, CSR dimensions CSR implementation and CSR performance” (Xia et al., 2018, p.340). As pointed out by Jiang et al. (2016), the construction industry devotes itself to societal progress in its ways. Construction companies’ efforts should be directed toward improving the quality of life and relationships among communities, the built environment, the natural environment, and living beings. Subject to social concerns, the challenge for the construction sector in sustainability is to respond appropriately to increasing demands from governments and the public. By doing so, we argue that the construction industry can reach an aligned and collaborative relationship with the ecosystem it operates in.

Linking CSR to a broader strategic and governance domain

Previous research has suggested several approaches to exploring CSR issues. Some approaches that can be found in the literature are the stakeholder approach, “a social issues management approach, a social value chain approach” (Jiang et al., 2016), or a social contract theory (Liyanage et al., 2016). Barraket et al. (2016) propose a straightforward model that summarizes the four major CSR areas: “instrumental, political, integrative, and ethical”. Vishwanathan et al. (2020) advanced the field by discussing a causal strategic approach. Through a meta-analysis of the available empirical evidence on the relationship between CSR and corporate financial performance, they propose the idea of strategic CSR. They document four empirical

mechanisms that explain how CSR positively affects financial performance, namely by improving corporate reputation, empowering stakeholder reciprocity, mitigating corporate risk, and enhancing innovation capacity. Therefore, they have proposed those mechanisms as distinguishing attributes between strategic CSR and traditional CSR.

In terms of effectiveness, Jiang et al. (2016) pointed out that an effective CSR strategy should be further defined to boost the corporate social performance of the construction industry. Consequently, an effective paradigm is still missing. We find this existing gap a challenging starting point. This is in line with Whittington's (2012) "big strategy and small strategy view", as well as with the view seeking to link strategy research to broader societal issues (e.g., King et al., 2014; Vaara et al., 2012). Having in mind firm strategy in general, Whittington (2012, p. 264) stated almost a decade ago that: "This focus on financial outcomes is not a close fit with what a good deal of contemporary business is about... Big strategy starts with impact: the firm strategies that matter the most are those with the greatest repercussion, of all kinds. Big strategy values big effects over large sample sizes." In brief, the designing paradigm for the dynamic conceptual framework will be explained below. The framework is considered to be well structured for construction industry-specific CSR activities, but not the kind of one size fits all. On the contrary, the collaborative CSR model is aimed to be idiosyncratic, dynamic, and firm-specific.

Conceptualization

To design and sustain a dynamic and collaborative model, we build on the Pettigrew triangle, in particular, his "what, why, and how of translating executive intentions into realized change" (Pettigrew, 1987, p.649), as well on the contextualism, which raises the issue of management practice (Sminia et al., 2012). We also use Hamel et al. (2014) idea of building a *change platform*. For a firm to shape its CSR strategy, the former is important for the implementation of strategy content research, as well as for humanization of strategic management (Sminia et al., 2012), while the latter allows us to shape dynamic, socially constructed, and change sensitive approach for an effective CSR strategy, which is idiosyncratic, and collaborative.

The Pettigrew triangle

As stated by Sminia et al. (2012), the problem that Pettigrew (1987) addressed aimed at elucidating how exactly leaders' intentions can be translated into real organizational changes. He has posited that integral to the organizational change process is "the management of meaning" (Pettigrew, 1987, p. 659). In his triangle of "context, content, and process, the context was subdivided into inner context, the structure, corporate culture, and political context within the firm and the outer context, the social, economic, political, and competitive environment". Content "refers to the particular areas of transformation under examination", while process "refers to the actions, reactions, and interactions from the various interested parties as they seek to move the firm from its present to its future state" (Sminia et al., 2012, p. 1331 from Pettigrew, 1987, p. 657–658).

Thus, we propose implementing the strategic construction CSR framework into the Pettigrew triangle of content, context, and process issue, especially his "why, what and how questions of management practice", because the firm is considered as a nexus of ties and contracts in today's business world. This perspective stresses the construction firm's connectivity with and embeddedness in the surrounding and global ecology. Moreover, CSR vivid activities and practices indicate that their scope is streaming beyond the classical social dimension towards a newly emerging CSR

practice dimension (Xia et al., 2018), sustained by a strong activism movement (King et al., 2014). Consequently, contractual relations transform towards relational contracting. This brings the relational assets of the firm to the fore, particularly corporate reputation (Tomsic, 2013b).

Even though CSR literature generally draws on stakeholder management and states that firms should have good knowledge about their stakeholders (e.g., Atli et al., 2018; Surroca et al., 2010; Choi et al., 2009), it's critical to distinguish between two major strategies to stakeholder management. The traditional strategy focuses on screening stakeholders, but the proactive method focuses on interactions between stakeholders (Harrison et al., 1996). Recent studies (e.g., McKinsey Quarterly, 2020b) more strongly than previous research (e.g., Wu et al., 2008; Andriof et al., 2002) emphasize the proactive approach and advocate the term "stakeholder engagement" instead of "stakeholder management" to underline the value of collaboration and partnership between the company and its stakeholders.

Within this article, the stakeholder engagement view is followed, and the market and non-market arena of firm CSR performance are considered. We go beyond a generic CSR paradigm and understand collaborative CSR strategies as a broader term that encompasses a firm's activities in an enlarged uncertain context, embedded in the notion of the business ecosystem (Teece, 2007). By outlining and integrating internal and external stakeholder engagement, and the firm's purpose to serve as a force for good for business and society, we aim not to cover the whole scale and scope of CSR activities and performance. Instead, collaborative CSR strategy is understood as being a core of firms' integrative business strategy, composed of both, competitive and collaborative dimensions (Tipuric et al., 2016). Consequently, a collaborative CSR strategy protects a firm's sustainability for creating business and social value in a long term. Moreover, we find this process of value-creating as being dynamic. The standpoint behind this newly spotted dynamism of CSR strategy is the fact that we are dealing with a socially constructed change process. Socially constructed need for change resides within a market arena, while unspotted and unsatisfied needs, as well as future trends, have their contours in the non-market arena. Hence, a good strategy should include both perspectives, even though they sometimes compete and sometimes interact to generate firm performance. Important is that they are balanced (Tipuric et al., 2016), so to operate in a manner that "the combined whole is the greater than the sum of the parts" (Makadok, 2003, p.1044). So, we find it suitable to follow Hamel et al. (2014) call for firms to be designed as a change platform, not a change program.

Collaborative strategic view

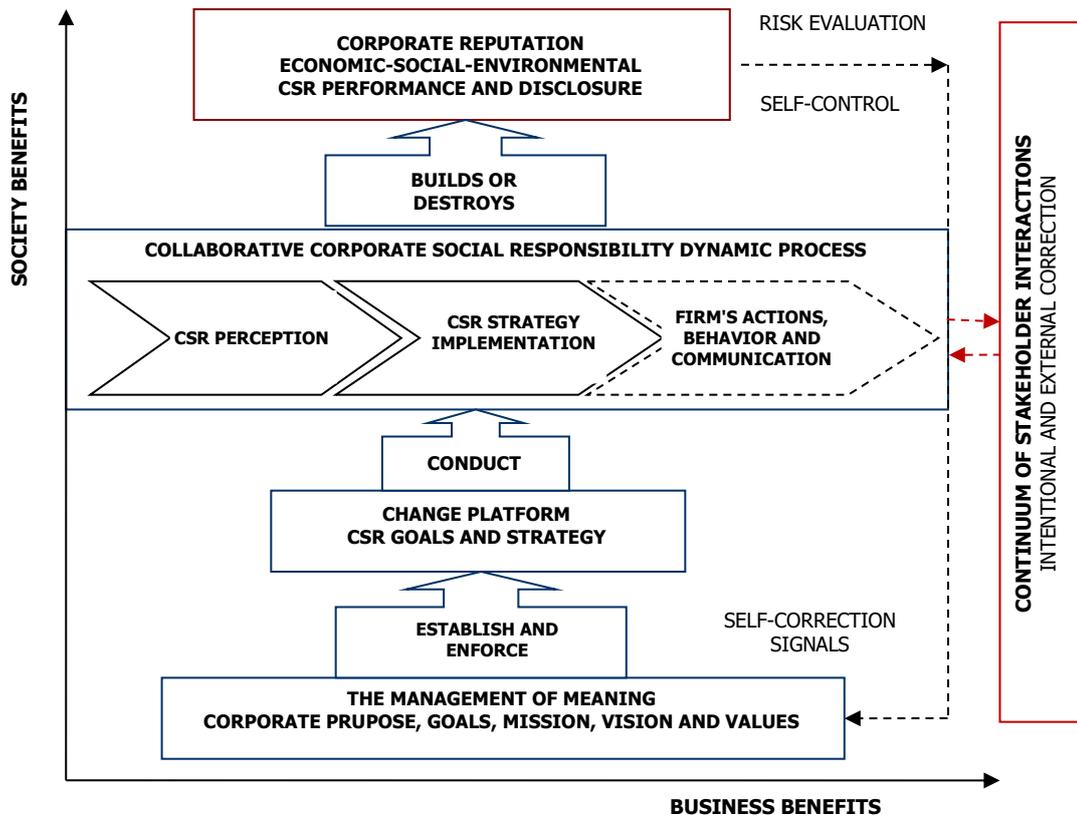
According to King et al. (2014), achieving strategic advantage relies heavily on the ability of stakeholders to influence other people's perceptions. Consequently, much of the strategic action that takes place as a result of these competitions are aimed at shaping the perceptions of key target groups. Nonetheless, issues such as how firms deal with stakeholder claims and conflicts are usually side-lined as secondary types of strategy, i.e., political or non-market strategy (Mahon, 2002).

As explained in Tipuric et al. (2016), the traditional view of competitive, market-based strategies has neglected the broader, so-called secondary strategies view, aimed at the non-market arena for a long time. The narrow focus on competitive advantage has clouded other possibilities to be evaluated as the sources of firm sustainability, in particular those stemming from a collaborative advantage. Collaborative advantage encapsulates the argument for synergy (Huxham et al., 1992; Huxham, 2003). While this concept has provided useful insights for collaboration,

collaborative advantage, as defined more recently, is the advantage gained by a firm as a result of its contribution to the ecosystem. By taking leadership in prominence or addressing the issues that can reduce the gap between stakeholders' expectations and the corporate goals, it is unlikely to gain a direct effect on a company's financial objectives or business model.

Tipuric et al. (2016) advance the idea that companies need a balanced combination of perspectives and views of their strategy, so to become able to compete in both market and non-market arenas. Activities taken in the market arena are not isolated from non-market influences. So, companies need a balanced strategy for achieving their goals in both markets and non-market arenas, viewing them as equally important environments of operation. This strategic approach has been labeled as a collaborative strategy. Consequently, we believe it is critical to highlight that "the notion of advantage can also work in non-marketplace arenas, notable areas such as public opinion, political and regulatory action, and social areas in what has been termed the 'marketplace of ideas'" (Mahon, 2002, p.420). To summarize, to be efficient and effective, the paradigm that is being followed for the construction firm to design its good CSR strategic frame relies on the integration of its competitive and collaborative strategy perspectives. As a result, Figure 1 depicts the design of an integrative strategy-CSR-performance framework.

Figure 1
The Collaborative CSR strategy - performance framework



Source: Author's illustration, adapted from Tomsic, D. (2013b), p.80

Research methodology

Research instrument

This study aims to determine whether Croatian construction firms are familiar with the concept of CSR and whether this concept is being applied in the construction sector. Therefore, a survey about key CSR activities specific to the construction industry has been carried out. CSR activities are measured using the research instrument adapted from Jiang et al. (2016) (Table 1), that elicits the most important CSR activities, grouped into six key areas: F1: Environment preservation, F2: Construction quality and safety, F3: Well-being of local community, F4: Employees' interests, F5: Clients' interests, and F6: CSR institutional arrangements. For this study, we group those activities into three main aspects: economic, environmental, and social (Figure 3), according to the GRI standards. This approach also fits into Sev's (2009) work where he defined sustainable construction among the same three dimensions.

A questionnaire consists of three parts. In the first part, respondents were asked to provide general information about themselves and the company (see Table 2). In the second section, respondents were questioned about the strategic position of their company and whether they were familiar with sustainability reporting (Table 3).

The third part contains the respondents' judgment on CSR activities specific to the construction firm. The CSR activities were adopted by Jiang et al. (2016) are shown in Table 1. Responses were given using a five-point Likert scale (ranking from 1-negligible to 5-extremely important) to indicate the significance of every CSR activity.

Table 1
CSR activities for construction firms

Code	Activities
Act-1	Applying/optimizing a confidentiality system for customers' information
Act-2	Applying/optimizing a customer satisfaction management system in responding to customers' claims
Act-3	Applying/optimizing an environmental impact assessment and precaution system before construction
Act-4	Applying/optimizing precaution mechanism for safety management
Act-5	Applying/optimizing a training and education system for occupational skills
Act-6	Applying environmental technology and green energy to promote energy saving and emission reduction
Act-7	Applying evaluation mechanism for collaborators to implement CSR
Act-8	Applying pollution emission control systems (e.g., gas, dust, noise, sewage, and waste)
Act-9	Applying a post-construction service system and providing customers with proper post-construction services
Act-10	Applying quality management certification
Act-11	Applying a saving and recycling system for resources and energy utilization
Act-12	Applying a selection, management, and supervision system for sub-contractors
Act-13	Applying a strict quality inspection system for material and equipment procurement
Act-14	Conducting green office
Act-15	Conducting research development and technological innovation to improve quality and safety management level
Act-16	Establishing/improving employer-employee communication and negotiation mechanism (e.g., Labour union)
Act-17	Establishing effective communication channels with the local community
Act-18	Establishing regular and effective communication mechanism with customers

Table 1
CSR activities for construction firms (continued)

Code	Activities
Act-19	Formulating/implementing CSR crisis precautionary and response mechanisms
Act-20	Formulating/implementing a CSR training scheme
Act-21	Giving priority to the procurement of local products and services
Act-22	Guiding employees in career development and establishing an employee promotion mechanism
Act-23	Implementing/optimizing environmental training scheme to improve employees' environmental awareness and skills
Act-24	Implementing/optimizing a quality management system to strictly prevent quality accidents
Act-25	Implementing/optimizing quality training to improve employees' quality awareness and skills
Act-26	Implementing/optimizing a safety management system to prevent safety accidents
Act-27	Implementing disaster prevention/relief activities for the society and local community
Act-28	Implementing emergency mechanism and scheme for environmental pollution accidents
Act-29	Organizing/supporting occupational skills training programs for the local community
Act-30	Protecting biological diversity and ecological systems
Act-31	Respecting and protecting cultural tradition and heritage of the community
Act-32	Setting up special division(s) for CSR management
Act-33	Setting up special units or/and positions to conduct daily environmental management
Act-34	Strengthening communication with collaborators and improving collaboration space and efficiency
Act-35	Supporting the development of infrastructure and public services of the local community
Act-36	Taking care of employees and their families and help employees to achieve work-life balance
Act-37	Taking care of low-income groups (e.g., Build-transferring low-income housing without charge)

Source: Jiang and Wong (2016)

Sample and data

This research identifies and analyzes the importance of CSR activities in the construction sector. According to Croatian law and EU regulations, companies with more than 500 employees are required to submit non-financial (sustainability) reports on an annual basis, in which they list the CSR activities they perform. Given that, in 2018 there were only 7 Croatian construction companies that met this criterion. In this research, we include all large construction companies that in 2018 had more than 250 employees (22 companies). Although large companies, which have less than 500 employees, are not required to publish non-financial reports, by looking at their websites and business strategies, we noticed that they've been carried out certain activities in the field of CSR. Furthermore, all of the large construction firms in Croatia make major contributions to the development of the construction sector and also have a significant share in total income.

As mentioned earlier, a total of 22 questionnaires were emailed to top managers and 12 valid questionnaires were received, resulting in a 54.5 percent response rate. This response rate exceeded the norm for construction survey research (Edum-Fotwe et al., 2000). Despite a satisfactory rate of return, the sample is small, so this is a significant limitation of this study.

Table 2 summarizes the final sample structure included in the research and Table 3 shows characteristics of the firms that participated in the research.

Table 2
Profile of respondents

Items	Construction	
Number of employees		
251–500	6	50.0%
>500	6	50.0%
Basic activity		
Building construction	3	25.0%
Civil engineering	5	41.7%
Both	2	16.7%
Both plus traffic handling, billing, maintenance	1	8.3%
Energy sector	1	8.3%
Position		
General manager	5	41.7%
Technical manager	1	8.3%
Contracting director	1	8.3%
Manager of corporate communications	1	8.3%
EU funds coordinator	1	8.3%
Project manager	1	8.3%
Quality manager	1	8.3%
Estimator	1	8.3%
Experience		
Less than 5 years	0	0.0%
5 to below 10 years	1	8.3%
10 to below 20 years	6	50.0%
More than 20 years	5	41.7%

Statistical analysis

First, the One-sample Wilcoxon-signed rank test was conducted, to determine if the median sample values were significantly different from the test median of 3 - the midpoint of the five-point Likert scale.

The Multidimensional Unfolding (MDU) procedure was conducted, attempting to find a common quantitative scale that allows visual examining the relationships between two sets of objects (IBM, 2020). MDU represents "data as distances among points in a geometric space of low dimensionality" (Borg et al., 2005). MDU takes into account two groups of objects - in this case, CSR activities & respondents and maps both objects to the map.

Table 3
Firms' characteristics

Items	Construction	
Defined business strategy		
Yes	12	100.0%
No	0	0.0%
In preparation	0	0.0%
Mission & vision statement		
Yes	12	100.0%
No	0	0.0%
Defined CSR strategy		
Yes – in general strategy	4	33.3%
Yes – in mission statement	0	0.0%
Yes – in the vision statement	3	25.0%
Yes – in a separate statement	3	25.0%
No	2	
Sustainable reporting		
Yes	6	50.0%
No	6	50.0%
Sustainable reporting lead to a firm's success		
Yes	8	66.7%
No	4	33.3%
Familiar with CSR standards		
GRI	2	16.7%
ISO 26000	3	25.0%
Both GRI & ISO 26000	3	25.0%
ISO 9001 & ISO 14001	2	16.7%
None	2	16.7%

Results

Table 4 shows some differences compared to previous research on CSR activities important for the construction sector. Our findings show that for large Croatian construction companies CSR activities are important, but they have not widely seen as beneficial to overall business strategies yet (at most activities have a mean of around 4).

From these results, we could not conclude which of the three dimensions of sustainable construction is the most important. The eleven most important activities cover all three dimensions. For example, *Act-11*, *Act-12*, or *Act-20* gained the same score and the *Act-11* belongs to the environmental dimension of sustainable construction, *Act-12* belongs to the social dimension and *Act-20* belongs to the economic dimension.

As we mentioned earlier, we have a small number of firms in the sample and did not get any coherent results from factor analysis, so we tried with the Multidimensional Unfolding methodology. The MDU method was performed in 768 iterations, included 98.5% variance in the data, and explains 38.9% of the variations in the respondents' responses. A measure of the overall correlation, the Spearman Rho coefficient, is almost 0.6 (Table 5).

Table 4
 Respondents' perspective on the importance of CSR activities

Activity code	Intensity in %				One-sample Wilcoxon-signed rank test median value = 4,0			
	5- extremely important	4- important	3- neutral	2- not important	Mean	Median	Test statistic	Sig
Act-01	41.7	50.0	8.3	0.0	4.3	4.0	57.00	0.026
Act-02	41.7	50.0	8.3	0.0	4.3	4.0	36.00	0.009
Act-03	33.3	50.0	16.7	0.0	4.2	4.0	55.00	0.004
Act-04	33.3	50.0	16.7	0.0	4.2	4.0	55.00	0.004
Act-05	58.3	33.3	8.3	0.0	4.5	5.0	66.00	0.002
Act-06	25.0	58.3	16.7	0.0	4.1	4.0	55.00	0.004
Act-07	0.0	58.3	41.7	0.0	3.6	4.0	28.00	0.008
Act-08	50.0	41.7	8.3	0.0	4.4	4.5	66.00	0.003
Act-09	41.7	50.0	8.3	0.0	4.3	4.0	66.00	0.003
Act-10	33.3	58.3	8.3	0.0	4.3	4.0	66.00	0.002
Act-11	58.3	41.7	0.0	0.0	4.6	5.0	78.00	0.002
Act-12	58.3	41.7	0.0	0.0	4.6	5.0	78.00	0.002
Act-13	25.0	66.7	0.0	8.3	4.1	4.0	73.00	0.005
Act-14	16.7	66.7	16.7	0.0	4.0	4.0	55.00	0.003
Act-15	25.0	41.7	33.3	0.0	3.9	4.0	36.00	0.009
Act-16	41.7	33.3	25.0	0.0	4.2	4.0	36.00	0.009
Act-17	33.3	58.3	8.3	0.0	4.3	4.0	66.00	0.002
Act-18	58.3	33.3	8.3	0.0	4.5	5.0	66.00	0.002
Act-19	16.7	66.7	16.7	0.0	4.0	4.0	55.00	0.003
Act-20	58.3	41.7	0.0	0.0	4.6	4.0	28.00	0.008
Act-21	16.7	66.7	16.7	0.0	4.0	4.0	55.00	0.003
Act-22	50.0	50.0	0.0	0.0	4.5	4.5	78.00	0.002
Act-23	66.7	25.0	8.3	0.0	4.6	5.0	66.00	0.002
Act-24	50.0	50.0	0.0	0.0	4.5	4.5	78.00	0.002
Act-25	50.0	41.7	8.3	0.0	4.4	4.5	55.00	0.004
Act-26	58.3	41.7	0.0	0.0	4.6	5.0	78.00	0.002
Act-27	33.3	25.0	33.3	8.3	3.8	4.0	33.50	0.026
Act-28	50.0	33.3	16.7	0.0	4.3	4.5	55.00	0.004
Act-29	8.3	41.7	41.7	8.3	3.5	3.5	24.50	0.058
Act-30	25.0	66.7	8.3	0.0	4.2	4.0	55.00	0.004
Act-31	16.7	50.0	16.7	0.0	3.3	4.0	45.00	0.006
Act-32	8.3	16.7	50.0	25.0	3.1	3.0	12.00	0.739
Act-33	16.7	33.3	41.7	8.3	3.6	3.5	25.00	0.053
Act-34	41.7	50.0	8.3	0.0	4.3	4.0	66.00	0.003
Act-35	16.7	58.3	25.0	0.0	3.9	4.0	45.00	0.005
Act-36	58.3	33.3	8.3	0.0	4.5	4.0	66.00	0.002
Act-37	0.0	83.3	16.7	0.0	3.8	4.0	55.00	0.002

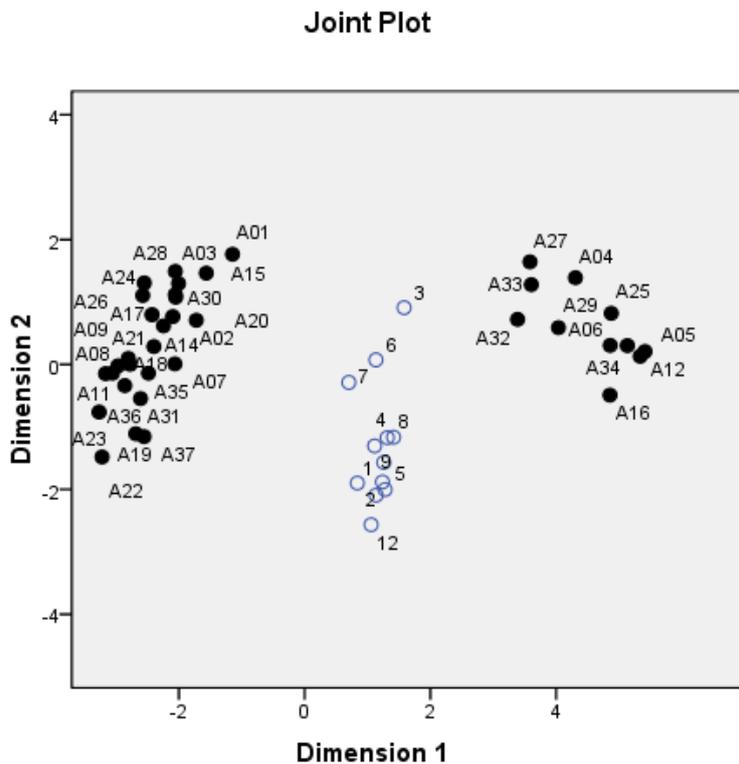
Note: None of the respondents rated any CSR activity as 1-negligible so this column is not shown in the table

Table 5
Summary of MDU method

Iterations		768
Goodness of Fit	Dispersion Accounted For	0.985
	Variance Accounted For	0.389
	Spearman's Rho	0.599

For this research, we conducted a 2-dimensional MDU where the distance between variables and respondents can be seen on a joint plot in a two-dimensional distance space concerning the importance of the CSR activities (Figure 2).

Figure 2
Dissimilarity map



Source: Author's illustration

From the answer distance map shown in Figure 3, it is noticeable that there are two groups of statements. Eleven statements were grouped on one side of the dimension and the other statements on the other side of the dimension. The statements that stand out on the right side of dimension 1 are: Act-04, Act-05, Act-06, Act-12, Act-16, Act-25, Act-27, Act-29, Act-32, Act-33, Act-34 and they gained the best scores.

According to the distribution of objects representing activities on the map, it can be also seen that they do not follow the above grouping of activities into three groups, at least not given the similarities of responding to the activities. Moreover, it is important to consider the small number of participants due to which it was not possible to replicate the analysis, i.e., factor analysis, but a completely different method of analysis was performed, suitable for the data obtained in the study. On the other hand, it is also visible how the respondents can be visually divided into two groups. In one smaller group, there are three respondents and in the other, there are 9 respondents. If we look at the average score on all activities in total, it can be seen

that the three respondents who stand out, have an overall average score on all activities slightly lower than they have the other respondents (Table 6) on all activities.

Table 6

Results for respondents using the MDU method

Respondents	The average score of all activities
1	4.00
2	4.38
4	4.05
5	4.43
8	3.89
9	4.03
10	4.43
11	4.14
12	4.68
Group average	4.23
3	3.76
6	3.73
7	3.54
Group average	3.68
Average of all activities	4.09

The results presented in Table 6 show that out of 3 companies that have lower ratings of the importance of CSR activities, there're 2 companies with 500 or more employees. Those firms are required by Croatian law to compose non-financial reports. In this sense, knowledge of CSR activities should be an important segment of their overall business strategy. Finally, the local action is focused on the different needs and sensibilities that different countries and areas are expressing, a firm that is acting in an international scenario must consider that the different stakeholders will make different claims, for example, if they are both workers associations but representing employees working for the firm in two different countries (UNGC, 2016).

Discussion

The aforementioned activities, which are concerned with business's environmental, social, and economic issues, are viewed as a solid foundation for the development of construction firms' CSR strategy. As presented in the model, by shaping multilateral relations among the firm and its stakeholders, as well as by connecting self-correction mechanisms of firm's behavior, we have constructed the *change platform* as a mechanism enabling us to deal with both of the CSR perspectives, prescriptive aimed to sustain firm's legitimacy, and descriptive aimed to sustain firm's sustainable performance. Moreover, the model is designed to permanently attract management attention to a new source of change initiatives, still not visible at present, but significant for the future overall strategic posture of the firm. Furthermore, the model shifted stakeholder issues from relationship management to collaborative relationship building appropriate for the confidential exchange of ideas, requirements, skills, and information, bringing a fresh dynamic perspective to the strategic CSR approach.

New ideas, knowledge, and information for sustaining a construction firm's strategies and performance are available both inside and outside the firm's boundaries. Furthermore, values serve as the guiding principles for the lives of individuals (Anderson et al., 2014). The change in pace, as well as behaviors that are strongly opposed to the values of stakeholders, would be unwelcome, and the desired outcome would not be realized. Therefore, managerial and organizational activities

in the construction firm are to be aligned, which is a demanding task. Thus, we have proposed Pettigrew's (1987) management of meanings as a comprehensive approach for management to delve into the firm's stakeholders' web expectations, and to define the firm's purpose (McKinsey Quarterly, 2020a), to calibrate with more accuracy, the firm's CSR activities. Having in mind Augier et al. (2009, p.411) saying that "a firm excellent at making the wrong things will fail", it seems noteworthy for the construction firm to sculpt CSR strategy within Pettigrew's triangle. The context and action-based framework could objectify the decision-making situation, so that construction firm's managers can bring timely decisions and undertake purposeful CSR actions.

The firm is viewed as an integrative system of stakeholder relationships in the model. The initial research perspective underlying the dynamism of CSR strategy was that we are dealing with a socially constructed change process. Hence, the construction firm should become capable of making the "deep dives" in its stakeholders' web, to gain an understanding of their salient claims and often conflicting goals. The problem solution possibly comes from Mitchell et al. (1997, p.853) "theory of stakeholder identification and salience", which is commonly used to resolve goal paradoxes. Consequently, the construction firm's management should create a typology of stakeholders and identify their CSR-related salient claims at a given point in time. Within the dynamic view, context and content analysis, as well as self-regulating mechanisms interpolated in the model, might be supportive to align construction firm stakeholders' expectations, without significant gaps.

The model is also intended to serve as a driver for the content of stakeholder engagement activities. The interconnection of CSR strategy with the firm's goals, mission, vision, and values, as well as the underlying processes, enables measuring the firm's economic, financial, environmental, and social accomplishments, as well as the firm's overall business, financial, environmental, or social reputation. Though the chosen approach may be evaluated as over-compliance, the construction firm's behaviors, as well as its reputation, are undoubtedly its strategic relational assets (e.g., Dyer et al., 1998 for review). The important perspective for the construction firms is the mode of interacting. "Corporate interactions take place both in the marketplace of goods and services (where strategy is central) and in the marketplace of ideas (where corporate social performance and political strategy research are central) (Mahon, 2002, p.417)". Therefore, it seems wise to shape the collaborative CSR strategy and make the most of it.

A collaborative CSR strategy could protect the construction firm from unpleasant occurrences in contemporary business reality, notably from the public's increasing concern for the environment and the free flow of information made possible by the Internet and social networks. The issues that the public considers important should be considered by the construction company management, to avoid being labeled as socially irresponsible and risking the relationship with all of its stakeholders. By taking a collaborative strategic approach to CSR, due to its dynamic nature, a construction firm's management can determine purposeful CSR activities and calibrate the required resources to deploy, and so devotes its behavior towards. Thus, the firm assures to be regarded as socially responsible, while at the same time sustains its competitive and collaborative advantage. Balancing the creation of the economic value with that of the societal value is a challenging activity, but a firm successful in engaging stakeholders can gain a lot from those multilateral relationships, especially in terms of reducing risks and seizing promising opportunities.

A construction firm should pay special attention to disclosure. When delivering non-financial statements, by highlighting the firm's collaborative CSR activities, the

management can gain and sustain favorable social, environmental, or overall business reputations and wins stakeholders' and public' hearts and minds. To be able to, we find Morsing et al. (2006) work valuable for a revisit, and recommend the stakeholder involvement strategy, which assumes a continuous stakeholder dialog upon CSR activities, and ongoing and systematic interaction, instead of imposing a specific CSR initiative. In particular, these authors proposed three approaches to CSR communication strategy, namely: "stakeholder information strategy, stakeholder response strategy, and stakeholder involvement strategy". Though all three CSR communication strategy approaches can be applied interchangeably, in today's digital reality, online communication surpasses yearly publishing report obligation, therefore endorsement of CSR activities should fit the business situation and be delivered timely. To be able to develop sustainable business practices, we find it important for a construction firm to empower its ability to enact strategically its productive relationships. Collaborative CSR strategy is aimed to enable and sustain such a commitment process.

Conclusion

In this paper, we looked into the situation of CSR in Croatian construction large-size firms at the moment. We have adopted and combined Jiang et al.'s (2016) 37 CSR activities of particular interest for the construction industry and broader strategic issues to develop our collaborative CSR strategy model. The model is industry-specific, aimed at sustaining CSR and business performance, and is dynamic, thus offering a fresh view of strategic CSR that is not linked only to firm financial performance.

The research results unveil many industries and country-specific CSR principles and practice for the construction sector. Our findings indicate that CSR activities are important, but managers do not see them as beneficial to overall business strategies yet. The conceptualized model might be of help for the management of the construction firms to reconsider the perspective, envision the advantages of collaborative CSR strategy, and implement it in the business strategy. Although the distribution of objects representing activities on the distance map shows that results do not follow three dimensions of sustainable construction, defined in previous works, at least not given the similarities of responding to the activities, such output could occur due to the small sample or due to the lack of CSR knowledge.

Since a construction firm should pay special attention to disclosure, by highlighting the firm's collaborative CSR activities, the management can gain and sustain favorable social, environmental, or overall business reputations. The model with a self-regulating mechanism points too. Another benefit offered by collaborative CSR strategy is the better calibration of CSR activities design, due to the dynamism of the feedback loop included in the process. As stakeholders' expectations are subject to change, so is the operating ecosystem. By following the stakeholder engagement approach, managers could delve into socially constructed perceptions of stakeholders regarding the firm CSR performance and behavior. Hence, the magnitude and outcomes of the change are more certain to be aligned, effective and efficient, due to a consensus of change content. By using the dynamic collaborative approach to CSR strategy, CSR activities can be adjusted and calibrated over time, so to fit the requirements for a firm's responsible behavior.

The study contributes to CSR field development empirically and conceptually. The scientific contribution of our work is reflected in the fact that this type of research is being carried out for the first time within the Croatian construction industry, and that a new collaborative approach to the CSR strategy was created. There are several potentially useful managerial implications of our work. They are reflected in the

research findings, which identify the most important activities that construction companies could engage in to help develop their CSR strategy. The question of why Croatian construction firms are still unaware of the significance of CSR and its application in defining overall business strategy remains unanswered.

The limitations of this work refer to a small sample of research units, as well as to only one country involved. However, in Croatia, the total number of large construction companies is small (22 in total), and even fewer are required to publish non-financial reports (only seven). Second, using managers of large construction companies as the only stakeholder group gives a one-dimensional view of the situation. Expanding the study and including other key stakeholders (such as material manufacturers, suppliers, or the government) would provide a more comprehensive view of the research context. The direction for further research might be to include middle and small firms and find out which activities, if any, are being carried out, and amongst find out the most common activities pointing to a Croatian construction industry practice. Another research trajectory could be to investigate the effectiveness of CSR communication activities and channels in the construction industry in the digital era, as well as to revisit the mechanisms and drivers of CSR strategy implementations.

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