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ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
SCHOOL OF COMMARCE

An Assessment of Social Responsibility (SR) Practices  
The Case of Public Construction Project  
Organization in Arada Sub-City

By

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Addis Ababa

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Addis Ababa University

College of Business and Economics

Project Management Program Unit

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## **Acronyms and Abbreviations'**

CCI.....	Community-Change Initiative
CSR.....	Corporate Social Responsibility
CR.....	Corporate Responsibility
EPA.....	Environmental Protection Agency
ER .....	Employee Relations
EU.....	European Union
GEMI.....	Global Environmental Management Initiative
ISO .....	International Standards Organization
MNC.....	Multinational Corporations
NGO.....	Non Governmental Organizations
ILO.....	International Labor Organization
ISO.....	International Organization for Standardization
NGO.....	Non-Governmental Organization
OECD.....	Organization for Economic Cooperation and Development
RC.....	Responsibility to Competitors
RCC .....	Responsibility to Customers/Clients
RPP.....	Responsibility to Public Construction Project Operations
RS.....	Responsibility to Society at large
RSS .....	Responsibility to Suppliers/Sub-Contractor
SME.....	Small to Medium Enterprises
SPSS.....	Statistical Packages for Social Sciences
SR.....	Social Responsibility
SRI.....	Socially Responsible Investment

## ***Abstract***

*The purpose of this study is to assess the SR practices of the project organization/Construction office in Arada Sub-city in undertaking public construction project works. Purposive and stratified sampling method was used to select 88 respondents from the project organization, client organizations, and woreda level public mobilization development offices and from the recently active public construction project site works. The study applied descriptive study design and used survey questions, semi-structured interviews and direct observation of project site works as an instrument for data collection. The data gathered were categorized in to their respective six sub-topics and coded in the SPSS program, tabulated, and the frequency counts were changed in to percentages for analyzing the data. Using a mixed-method review under this study; the findings present that even if the uptake of SR has increased across different project personnel's from time to time, employees in the Project organization which are committed to social responsibility operations uses the language of SR in a limited way in their working activities and these personnel's that uses the language of SR are insignificantly committed to the principle of it. Evidences of the study show that the project organization implements principles, plans, and courses of actions in the varieties of public construction project operations without considering/realizing the importance of SR or provide a response which does not address social problems and the need of the society. The study also identified a number of SR practices which contributes to the development of negative perceptions towards the operations of the project organization in the society/community. As a result, keeping good relationship with the necessary stakeholders, developing and cultivating socially responsible practices, being flexible to accommodate construction innovations and adopt new way of doing project operations, strategically creating good learning environment and continuously monitoring and providing feedback are the main points from others given as a recommendation for the project organization to reduce its negative impacts and provide even greater benefit to further future development.*

**Key words: Project Organization, Social Responsibility and Public Projects.**

# CHAPTER ONE

## INTRODUCTION

This chapter presents the general introduction to the problem which includes background of the study, statement to the problem, objectives of the study, research questions, delimitation of the study, limitation of the study, significance of the study, organization of the study and ethical considerations.

### **1.1. Background of the Study**

For the purpose of this study, organizational social responsibility (SR) has the same meaning with corporate social responsibility (CSR). Therefore, social responsibility (SR) was used in place of corporate social responsibility (CSR). According to James Daniel Brown (2012), by comparison, the inclusion of “social” in the term CSR could be seen to limit the corporation’s activities to those which have direct social impacts, thus allowing them to ignore other equally important aspects such as environmental responsibilities. Removing the word “social”, from the term CSR creates back a more all-encompassing term CR.

Corporate Social Responsibility (CSR) primarily refers to a framework idea according to which a project organization is encouraged, if not obliged, to go beyond the speculative and economic goals that benefit its members only, in order to integrate, into its decision-making process, other more holistic considerations of an ethical, social and environmental nature for the benefit of the society. It seems more like the motivation to “altruism” or unselfish concern for public construction project operations. But, most of the time the behavior and activities of individuals in a given project organization knowingly or unknowingly affects the responsibilities of the project organization towards its stakeholders, public construction project works and the society at large.

From CSR perspective, organizations are seen as key drivers in the process of constructing a better world (Friedman & Miles, 2002) and are therefore under increasing pressure to demonstrate good and accountable corporate responsibility (Pinkston & Carroll, 1994). Therefore, CSR is a key concept that attempts to reconcile economic objectives with social, ethical and environmental considerations, with the particularity of questioning interaction between project organizations and its societal, ethical and ecological environment.

The European Commission (2011) described CSR as the concept that an enterprise is accountable for its impact for all relevant stakeholders. It is the continuing commitment by business to behave fairly and responsibly, and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large.

In other words, CSR refers to ensuring the success of the business by inclusion of social and environmental considerations into organizations operations. It means efforts to satisfy our shareholders' and customers' demands while also managing the expectation of other stakeholders such as employees, suppliers, stakeholders and the community at large. It also means contributing positively to society and managing your organization's environmental impact. Hence, CSR contributes to sustainable development, implying the way an organization balances its economic, environmental and social objectives while addressing stakeholder's expectations.

CSR not only include the activities that an organization undertakes development, but also include the methods that an organizations responsible investments, and transparency to various stakeholders. Among others, employees either in the project organization or varieties of public construction project operations realizing the importance of CSR and have incorporated socially responsible practices were issues under this study. CSR activities provide the project organization with the opportunity to address stakeholder concerns and to demonstrate that they are operating in a sustainable and ethically responsible manner.

Public construction projects offer a wide range of significant benefits to the community development, it is also often viewed as an operation which is dangerous, environmentally damaging and one that can impact negatively on communities. These were all impacts which are notable aspects of CSR and understanding them more clearly can help the project organization to reduce its negative impacts and provide even greater benefit to further future development.

However, trends show that as many aspects of CSR were currently voluntary, with a range of guidance available on the subject, the uptake, quality, responsibility and effectiveness with which CSR activities are implemented can vary significantly both between, and within public construction project operations supported by the project organization.

## **1.2.Statement of the problem**

The researcher's preliminary observation of the works of the project organization in supporting public construction project operations by designing a check-list on the basic issues of CSR practices of the project organization and held an informal interview with some key public construction project site professional workers indicated that employees in the Project organization which are committed to CSR uses the language of CSR in their working activities in a limited way and these project organization personnel's that uses the language of CSR are insignificantly committed to the principle of it. It was concluded that the reason for the above trouble happened on the CSR considerations by the sides of employees in the project organization and some of the public construction project site works was due to the limited responsibility of the project organization towards its stakeholders and the society at large. This is shown simply by the experience of the project organization in budgeting for employee's development program and monitoring trends of project works/products and services, facilitations for employee's health and safety conditions when supporting public construction project works such as form works and ramps. Actively recruiting women's, ethnic minorities and physical disabilities as employees in the project organization also seems the most problematic area.

In addition to the above evidences, the researcher's direct observation of some of the government construction project site work operations, completed public construction project products and review of the project organizations documents (annual plan and reports of 2016/17) also indicated that public construction project works in Arada Sub-city should be expected to integrate the following aspects of CSR operations in their day-to-day working activities in the future to reduce its negative impacts and provide even greater benefits:

1. **Responsibility to project works:** It is believed that construction projects have the opportunity to maximize benefits and minimize the negative impacts of their operations, and it is important that these benefits and impacts are frequently measured and monitored in order that improvements can be made. Building infrastructures such as solid waste disposal systems and completing finishing and sanitary works. This may damage project products or may make some project products out of service and for some others the condition may force to budget twice to complete the work which is a very much lose and sometimes it may cause health problem.

2. **Participation of stakeholders in the project operations:** Working experience of the researcher in government school and observations of the currently completed project products indicated that some public construction Projects are performed without considering population distribution and consultation with the necessary stakeholders such as the local community. It was constructed simply by the pressure of political authorities. As a result, this type of public building and construction projects simply stood up without giving adequate service for the local community or insignificantly serves for its prior purpose. Take for example, the halls of most of the youth recreation centers in different woredas of the sub-city frequently used for daily public meetings and the small open spaces in the ground used for parking purpose. The recreational purpose for the community youth which should be the prior objective in this case is left behind with a little recreation services and without playground at all around there. In the same way, some buildings constructed for educational purpose in the government schools depreciate without giving adequate service for a long time due to installation or other facilitation problems, whereas, school buildings in another waredas are overloaded by students with its maximum holding capacity.
3. **Integrating the activities of the project organization with the activities of other sub-sectors:** It is frequently thought that the project organization has a problem to plan and integrate their working activities with the activities of other organizations such as electric power corporation, water supply service organization, Ethio Telecom and others starting from design works. As a result, project resources can be wasted out if demolished for its interference when constructing new infrastructures around there. For example in some project areas so many water pipes, electric power cables, plantation and solid waste pumice products may over load the walk way surface which creates much destructions for peoples comfortable life specially for children's and physically disabled individuals. Therefore, Environmental and Social Impact Assessment (ESIA) of the project operation should be planned and approved by Environmental Protection Authority (EPA) before starting the new project operation is very much important.
4. **Staff training and development/Designing dedicated capacity building programs:** Since the construction industry is younger and currently blooming in our country, it is repeatedly said that professional employees are needed with the necessary knowledge,

skill and practical experiences to implement CSR agendas in construction project operations. This has its own effect on employee awareness of environmental impacts, reducing risk factors by protecting their environment, to scale up best project practices and making direct or indirect dialogue with NGOs who are active in CSR issues. Therefore, the project management should make the necessary arrangement to produce socially acceptable qualified project products and minimize the negative health and safety impacts using possible safety measures such as creating awareness that safety is the first issue, training the staff how to use safety devices, how to prevent treats and training safe way of working with machinery and equipments.

5. **Internal code of ethics:** The Project organization has serious problem in that “who is responsible for CSR?” The assessment of the project organization by the researcher also indicated that the project organization was insignificantly committed to undergo project audit for effective use of project budget; quality of product/service from suppliers and product/service compliance with legal and environmental regulations. So that the project operations are exposed for delay, corruption activities and quality issues which are the main problems of the project organization regarding CSR.

6. **Monitoring and reporting:** As many researchers reveal that corporate disclosure practice in Ethiopia is not standardized. This makes many project organizations not to fallow a stated standard while reporting project activities in their reports. Inconsistency in status reporting of project performances from actual project works especially in relation to quality and CSR agendas in public construction project works is frequently heard.

### 1.3. Research Questions

Based on the problem statement, three research questions were emerged which can help to further direct the study and ensure the overall objective expected to be achieved. The research questions are listed below.

1. What practice of the project organization negatively affects public construction project works?
2. How the SR practices are considered and implemented in public construction project works?
3. Why do the practices of employees in the project organization vary in implementing the SR operations in supporting public construction project works in Arada sub-city?

## **1.4. Objectives of the Study**

### **1.4.1. General objectives**

The objective of this research is to assess the project organizations responsible practices in supporting public construction project works in Arada Sub-city.

### **1.4.2. Specific objectives**

The specific objectives of this study are to:

1. Find out the SR practices of the project organization in supporting public construction project operations in Arada Sub-city.
2. Determine how the SR practices are integrated in the daily operations of the project organization in supporting public construction project works.
3. Highlight where and how potential improvements regarding SR might be made in the project organization in supporting public construction project operations.

## **1.5. Significance of the Study**

Corporate Social Responsibility (CSR) is a comprehensive community-change initiative. By design, community-change initiatives create community-level change through the active and comprehensive involvement of key community players; Shared resources and expertise; help communities to identify key community issues; set ambitious goals; and foster policies, programs and services that can strengthen individuals, families and communities. CSR seeks to build community capacity and improve the quality of life in communities. Through comprehensive efforts and targeted action plans, communities can improve project outcomes, employment, health and well-being of community residents. CSR is a driving force in strengthening the process skills of individuals in the community, enabling people to work together toward common goals and objectives.

Therefore, CSR is committed to support positive community change at the individual, family, neighborhood, and community or society level at large. When designing public construction project operations, CSR consideration should be employed in a proactive manner for identifying and planning future risk factors. A strong CSR team is a group of individuals committed to work together and share resources and expertise to get the job done.

Therefore, the result of the study can be used in various respects. Firstly, the findings of the study can be used to identify CSR issues in the project organization and indicate signals to take responsible actions to reduce or eradicate CSR problems that affect the recently active public construction project works negatively. Second, it is used to contribute for the current awareness in the area of CSR for personnel's in the project organization that supports public construction project operations. Thus, the researcher believes that it can help as a source document for the project organization to integrate CSR operations in their daily activities.

### **1.6. Delimitation of the Study**

The scope of the study was mainly related to assess the CSR considerations in the operations of the project organization (Construction office in Arada Sub-city administration) as an owner organization in supporting public construction project works.

There exist more than thirty public construction project operations located in different woredas which are owned and supported by the project organization in Arada Sub-city. The project contract agreement was made between the years 2005 E.C to 2008 E.C for most of the above project works. But, still now about eighteen different types of public construction project works are under construction in the budget year 2009 E.C and recently active until the data collection period.

From the eighteen different public construction project operations currently undertaking in different woredas in the sub-city, the researcher has particular focus in investigating CSR activities and practices in the selected six recently active public construction project works in addition to the supporting organization for those project works to manage the broadening of the scope of the research project that was completed by the economic capability of the researcher to complete within the given short time period. The main reasons for this focus are the nature of the projects and similarity in type. Take for example, there are about three G+2 school library construction projects in woreda 05, 04 and 02 and about six health center and pharmacy building and maintenance works in woreda 03, 06, 07 and 10. The other similar in nature and type public construction project operations include youth recreation center construction projects in woreda 09 and 05. Therefore, the researcher selected one project from each type of similar in nature and type public construction project works in the sub-city. To reduce the difficulty, the researcher was limited by the relatively nearby public construction project works representing similar types

of project operations in different woredas considering the existence of variety of issues related to CSR. The other public construction project works were either selected by their difference in types or not selected because the project operations were in the way to be completed in the near future or assumed not to be delayed to be completed.

As an employee in the governmental organization and many times invited to attend public meeting events living in the sub-city, the researcher was developed an awareness of CSR implementation problems in public construction project works and made a working relationship with project organization and the community at large. This helped the researcher to easily distinguish the issues of different public construction project site works regarding CSR. This way the researcher got information's and answers questions more easily due to researcher's frequent observations and greater exposure to the trends of negative perceptions that sometimes may not be real and important for the working conditions of the project organization.

So that, the study never included private construction project works making sure by the researcher that, ample information about the public construction project works were obtained from the project organizations professional employees, project site professional workers and voluntary stakeholders from the project product beneficiaries, woreda level public mobilization development office workers and from the client organizations.

The assessment of the project organization represents an external picture of the project organization in supporting the recently active public construction project operations; how they hope to be perceived by the project professional employees and which areas of the project organizations CSR activities and practices are expected to be improved in the recently active public construction project operations. The assessment take into account factors such as responsible groups or committees for CSR activities in the project organization, CSR involvement of employees, project organizations responsible activities to promote the satisfaction of professional employees and the society at large and employees perception towards the project organizations responsibilities in performing public construction project operations.

## **1.7.Limitations of the Study**

As the researcher is not employed in the project organization, the assessment was undertaken using externally facing information. In this method, most of the times, it was assumed that the access to information is likely to be restricted to some extent fearing the biasness that employees in the project organization were not comfortable to provide such kinds of internal information's to outsiders. But, it may not be affected by the findings of the study due to at least the following two reasons. The first is that the study was used field observation and the survey questionnaire which is the main instrument to be performed well. Second, interviews were considered to fulfill the gap of the questionnaire.

One important limitation of this study is that the sampled public construction projects which are owned by the project organization may not represent the whole public construction project works in Arada sub-city. Furthermore, small number of respondents failed to fill questionnaires.

## **1.8. Operational Definitions**

**Project professional employees:** used in this study refers to the core project professional workers in the project sites or case team members in the project organization, responsible persons for public construction project works in the client organizations and public mobilization development officers in the selected woredas which include several parties, but not limited to Project or Organizations Manager, Contractor, Supervisor, Architect, Engineer, Forman's, Subcontractor, Owner's representatives, and Officers.

**Public Construction Projects:** Any type of government construction project works and products/services locally said to be government capital projects in the sub-city undertaking to provide community services or for non-profit purposes.

**Project Organization/the construction office:** The owner or responsible organization for government construction project works which have its own systems, communication networks with stakeholders, working activities and professional operation teams working closely together to meet the objectives of the project organization.

**Role/Responsibility:** is a set of project professional employees behaviors related to their professional practices in supporting public construction project operations with respect to CSR.

## 1.9. Ethical Considerations and CSR

The thrust of organizational ethics is to increase human authority, energy, knowledge, and to drive out fear. Organizational ethics applies to all organizational life, regardless of specific social purpose. It shapes the conditions of organizational life, the content of dialogue or conflict resolution, and the context for the ethical framing, communicating, choosing, learning, and acting ones of the other circles. It is where ethical leadership may perhaps best be exercised, again at all levels (Johnson 2005).

Critics already argue that the CSR reporting criteria vary so much by company, project organization, specific project works, and country at large. It would help to avoid the excessive exploitation of labor, bribery, corruption and human rights. Organizations should know what is responsibly expected of them, thereby promoting a level playing field to implement CSR operations. It was said that many aspects of CSR behavior are good for business (such as reputation, human resources, branding and making it easier to locate in new communities) and legislation could help to improve profitability, growth and sustainability. The wider community would benefit as organizations reach out to the key issue of under development around the world. Also these are the pluses of CSR regulation (Hopkins 2004).

Regarding to this thesis, the study was tried to implement ethical principles through respecting participants of the study, enhance their beneficence and ethically treated the stakeholders of the study. Autonomy and dignity of research participants was ensured to protect them from expatriation of their vulnerability. That was their rights to privacy and confidentiality was protected. In relation to beneficiary people, the study tried to maximize benefits and minimize harms for future public construction project operations via providing recommendations on treatment of labor, CSR awareness issues and responsibility of the project organization to the public construction project operations and other stakeholders.

*It can be concluded that “what can’t be measured can’t be improved; responsibly considering that CSR and the maintenance of high ethical standards is not an option but an obligation for all public construction project operations”. That was the spirit behind my effort to gather relevant information’s on how much the project organization and professional employees are concentrating on CSR operations currently.*

## **1.10. Organization of the study**

The study was organized in five chapters as follows. The first chapter of this study was introduced the background to the problem, statement to the problem focusing on the finding experiences obtained from preliminary study of CSR operations in the public construction project works in Arada sub-city, objectives of the study, research questions, delimitation of the study, limitation of the study, significance of the study and looked at ethical considerations. Chapter two provides a review of related literature on CSR activities and practices in general. It describes definitions of CSR, purposes of CSR, importance of CSR, empirical reviews, characteristics of CSR, developing individual and social responsibility, theoretical frameworks of CSR and the variables of the study. Chapter three provides the research design and methodology. It describes the research design, population studied, sampling techniques adapted, instrumentation, data sources, data collection procedures and the data analysis plan. Chapter four deals with the analysis, interpretation, and discussion of the main findings of the research study. Chapter five provides the summary, conclusions and recommendations given to the project organization in relation with the CSR activities and practices of the project organization in supporting public construction project operations.

# **CHAPTER TWO**

## **REVIEW OF RELATED LITERATURE**

### **2.1. Introduction**

This chapter provides background information on the main topic that is “Corporate Social Responsibility (CSR) activities and practices” in the construction sector. Defining CSR, different views in CSR, theoretical frameworks, characteristics of CSR, Purposes of CSR, individual and social responsibility, the power of partnership in CSR as well as best practices to be implemented in CSR operations are the other aspects to be discussed in this section. The chapter also review the ways in which a number of other projects practice CSR with an interest in how this might relate to the construction industry and improve future life responsibility.

### **2.2. Defining Corporate Social Responsibility**

Unfortunately, there is no definitive definition of CSR. The term CSR encompasses a range of terms including sustainable business and ethical business. All of these terms have a similar meaning and are often used interchangeably. As for a definition, there seem to be almost as many definitions of CSR as there are papers written on the topic. This ambiguity coupled with the absence of a single definition of the term often gives rise to confusion over the purpose and effectiveness of CSR.

European Commission (2011) describes CSR in relation with tackling social and environmental concerns among companies and societies. They define CSR as a concept whereby companies integrate social and environmental concerns in the business operations and in their interaction with their stakeholders on a voluntary basis. This is a good definition of CSR, highlighting the social and environmental aspects and interactions with stakeholders, as well as clearly identifying that it is a voluntary concept. CSR should offer some way of implementing the idea, measuring its effectiveness and then improving upon it. To this end any definition should highlight the fact that CSR involves some form of implementation, and therefore requires a process or framework to do this effectively. According to Moon (2007), a more concise definition for CSR as CSR is in essence a form of self-regulation to contribute to social

(including environmental) welfare. This definition provides the aim of CSR (contributing to social and environmental welfare) as well as indicating it is a process which is carried out through self regulation, rather than simply being an idea or concept. The term self-regulation also demonstrates that the process is voluntary, not government regulated and that the company is undertaking activities which (in many cases) are beyond the requirements of law.

Social welfare/responsibilities are implicitly related to CSR, and social responsibility is often closely associated with environmental considerations. Therefore, many of these definitions mention social and/or environmental considerations. However they do not explicitly list economic considerations as an aspect of CSR. Economic performance and development are often seen as competing with ethical or societal responsibility (Windsor 2006), but in order for an organization to be socially responsible, it must continue to operate. Therefore, these two competing principles must be brought into alignment so that ethical philosophies embedded in the business operations can continue to provide benefits to the company's stakeholders.

By choosing to operate, a business assumes a number of moral (and legal) responsibilities, which generally fall into environmental, social and economic areas. It is often difficult to quantify and measure the exact nature and extent of many of these responsibilities, but legislation and business ethics seek to do just that (Crane and Matten 2007). In theory, legislation clearly distinguishes right from wrong, thereby setting out a number of obligations which companies have when operating. Human rights abuses and environmental protection are examples of these areas. It is in the more grey area of business ethics where the extent of a company's responsibilities is more difficult to satisfactorily identify and it is this realm in which much of CSR falls.

Based upon this review, it is felt that a combination of Moon and Carroll's definitions provides a well rounded description of CSR which states that "Corporate Social Responsibility defines the process of self-regulation, whereby an organization seeks to measure and improve its performance related to the social, environmental and economic expectations placed upon it by society".

This definition uses the most relevant aspects from Moon and Carroll's definitions, as well as introducing the notion of improving and measuring performance. Regardless of which definition is used, it appears that CSR has become a permanent fixture on the business agenda.

## **2.3. Empirical Reviews**

According to ISO 26000, there are seven fundamental subjects of CSR which are supported by lots of research findings. These CSR standards are environment, labor practice, human rights, organizational governance, fair operating practice, consumer issues and social development. Thus, on the basis of these standards, empirical studies of the thesis are summarized and presented below.

### **2.3.1. Labor Treatment**

Anupam S. and Ravi K. (2012), in their study called “Corporate Social Responsibility Initiatives of Major Companies of India” described CSR with focus on health, education and environment. The study based on 12 large scale organizations basically from the IT and Auto sectors. Using a combination of case studies and industry matrices for all three sectors, the results indicate that the selected companies (IBM, Tata consultancy service and Nestel) are practicing CSR via the selected CSR standards including labor treatment. These firms are trying to provide different services such as education and training for their skills and long-term career, health care, work life balance and safety facilities.

Dirk M. and Jeremy M. (2004), in their study of CSR standards, described labor treatment seeing that fair wages, working time and conditions, healthcare, redundancy, protection against unfair dismissal, just to name a few examples, have been key issues to which CSR policies have been addressed. Currently, many outlets of Starbucks Coffee in the USA announce that the company is offering to pay the healthcare benefits of all employees (respectively franchisees) who are employed by the company for more than 20 days per month. In general, the theme is firms should respect fundamental human rights and facilitate a fair, safe, healthy and pleasant work environment.

### **2.3.2. Consumer Protection**

Consumers are showing increasing interest in supporting responsible business practices and are demanding more information on how companies are addressing risks and opportunities related to social and environmental issues. For instance, Carroll A. and Shabana M. (2011) in their business cases suggested that CSR initiatives can contribute to strengthening a firm’s competitive advantage, its brand loyalty, and its consumer patronage. Anupam and Ravi (et al,

2012) also stated that consumer protection can be achieved through improved products. Firms should deal with all customer issues in a fair and honest manner, by listening to them and giving sincere consideration to their comments and suggestions as follows:

- They should strive to deliver high value, quality products and services that meet and/or exceed the expectations of their customers.
- They should ensure that all products meet the required safety and environmental standards.
- They will carefully monitor cost issues in order to provide our customers with affordable products.
- They will provide goods and services that can be used for socially beneficial purposes.
- They will actively invest in research, development and manufacturing improvements that enable them to add value to the customer by consistently creating innovative products and services.

### **2.3.3. Community Welfare**

Nirmala L. (2008) studied about CSR as “the Social and Environmental Impacts of Leather Production”. The study indicates health problems which are related to tanneries. People who work in or live near tanneries are dying from cancer caused by exposure to toxic chemicals used to process and dye the leather. As a result leather companies in different countries should spot the incidence of disease among residents near to tannery. Companies have made public stands against the in human slaughter of animals and improper processing of hides. The remedies of the social and environmental injustices are as varied and in some cases as obscure as the victims. In each country, governing agencies should supposedly regulate and watch over the processes involved. Hadi C. and Raveed K. (2011) also described CSR in terms of “social values and behavioral issues” in order to reduce unemployment level of the community. These and other research findings on community standard of CSR are summarized as follows:

- Firms should create strategic partnership between civil society, organizations and business gain momentum
- Companies should provide various social services in infrastructure, entertainment, health, culture and so on. Business organizations should produce socially beneficial products.
- Dialogue with the local community is also other thing which be considered in community standard of CSR.

#### **2.3.4. Environmental Protection**

Hadi and Raveed (et al, 2011), on their article “Iranian Corporations and Corporate Social Responsibility: An Overview to Adoption of CSR Themes” explained certain CSR descriptions. They used a combination of qualitative and quantitative methods to identify the CSR themes and measure the priority of each theme, and also the extent to which the Industrial Management Institute (Iran) have contributed toward each of them. The research population primarily includes 100 top Iranian companies in terms of annual sales and semi-structured questionnaire are developed and used as instrument. The findings of the article indicate that promotional programs for environment, environmental group should be designed in CSR strategies and practices of firms. Shafiqur (et al, 2011), in his study “Evaluation of Definitions: Ten Dimensions of Corporate Social Responsibility” stated that environmental protection is one of the dimensions by which CSR described. As a methodology, dimensions of CSR were identified through a content analysis of its definitions. According to Anupam and Ravi (et al, 2012), the environment can be protected via various measures such as using less water, emitting fewer greenhouse gases and reduction of energy consumptions. Regarding CSR standards, studies of William and Jose (et al, 2009) proposed environmental protection methods as follows:

- Environmental laws, rules and regulations are needed to promote environmental protection and minimize, if not eliminate, environmental risks.
- Companies will continue to work towards developing innovative products that integrate environmental standards, minimize environmental impacts in integrated manner and enhance the social value.
- They will participate in environmental protection and restoration projects.
- They will promote environmental awareness and provide information to their employees to enhance their understanding of environmental issues.

#### **2.3.5. Human Rights**

With reference to, William and Jose (et al, 2009) study of CSR standards, the CSR standards hinge on many aspects of life such as human rights, treatment of labor, the environment, consumer protection, health, fighting corruption and transparency in reporting. The findings of the study claim that companies are under obligation to respect and promote human rights in their operations. The Universal Declaration of Human Rights of 1948 recognizes the dignity and

equality of all persons as members of the global community. This also forms the basis for freedom, justice and peace across the world. Corporations, as organs of society are under obligation to comply wherever they may be operating in the world. It stated that corporations are required to:

- Promote human rights in those countries where they operate.
- Investigate how human rights might be affected by the various types of business operations.
- Ensure that all security personnel respect human rights and comply with the principles of the UN Code of Conduct for Law Enforcement Officials
- Include in their code of conduct, the aspect of respect for human rights.

### **2.3.6. Transparency and Anti-corruption**

According to Australian Government (2010) study, social responsibility is premised on fair operating practices, meaning ethical conduct in an organization's dealings with others, including government agencies, partners, suppliers, contractors, competitors and the associations in which they are members. A key issue in fair operating practices is anti-corruption. Corruption can result in the violation of human rights, the erosion of political processes, impoverishment of political processes, impoverishment of societies and damage to the environment. It can also distort competition, distribution of wealth and economic growth. Socially responsible companies will consequently have in place robust anti-corruption policies and practices, backed up by senior management buy-in, staff training, and reporting, and accountability arrangements. Similar explanation about transparency and anti-corruption are also raised by Shafiqur (et al, 2011).

### **2.3.7. Determinants of CSR**

Carroll and Shabana (et al, 2011), through their business cases, contributed certain concepts for Corporate Social Responsibility. They proposed, companies may also justify their CSR initiatives on the basis of creating, defending, and sustaining their legitimacy and strong reputations. The win-win perspective on CSR practices aims to satisfy stakeholders' demands while allowing the firm to pursue financial success. By engaging its stakeholders and satisfying their demands, the firm finds opportunities for profit with the consent and support of its stakeholder environment. CSR activities also directed at managing community relations may also result in cost and risk reductions

Craig N., Read D. and Sofia L. (2010), studied consumer perceptions of CSR using CSR halo effects. In the study, 165 participants were selected randomly for experimental conditions and were debriefed and compensated on departure. Each participant read a brief scenario describing a firm in terms of CSR initiatives, local community, customers, employees work life balance and environment. The study findings shows that consumers were exposed to a CSR initiative, their evaluation of the company's CSR performance within four domains (excluding the initiative described in the scenario) was significantly higher than the control condition ( of not initiative).

Martin M. and Yunita A. (2012), on "Impact of Corporate Social Responsibility toward Firm Value and Profitability" tried to describe profitability as a determinant of CSR. This research used data from 30 Indonesian listed corporations in 2007-2009. Data used in this research are financial data, stock price, and information of CSR activities extracted from annual report. For profitability testing, they used three indicators: Return on Asset, Return on Equity, and Net Profit Margin. As a result, descriptive statistics and linear regression model were designed for the analysis. Accordingly, the findings shows, CSR defined as business contribution to sustainable development and that corporate behavior must not only ensure return to shareholders, wage to employees and products and services to consumers, but they must respond to societal and environmental concerns and value Antonia A. and vonWeltzein H. (2009), in their study stated determinants of CSR. The study was done through hypothesis testing. The findings show that a variety of drivers emerged upon CSR namely utopian philosophers and social critics, philanthropists, religious and ethical thinkers, political and business interests. Accordingly, CSR is not only business ethics, but also social ethics and even political ethics, and besides the corporate responsibilities, there are also responsibilities of government, public administration, trade unions, the media, consumers, workers and etc.

Other related studies mainly based on Nick C. (et al, 2010) "45 Forces Driving Corporate Social Responsibility" the findings of CSR determinants are summarized as follows:

- More than ever before, the public-at-large (community) is placing social, ethical and environmental expectations on organizations large and small. Many companies are now engaging in corporate social responsibility simply to catch up with these expectations.
- Shareholder resolutions related to social and environmental issues have steadily increased year-on-year. Through these resolutions, activist investors attempt to sway management

policies either by passing a binding resolution or simply by forcing the board and senior management to respond publicly to social concerns.

- Indeed, employees at all levels are suffering a lack of meaning at work. Even at the lowest levels of many companies, entrepreneurial employees are launching their own initiatives targeting social and environmental issues within the context of their company. So grassroots employee activism is the other critical determinant of the practice of CSR.
- CSR and ethics education is the other determinant of CSR practices. In response to the growing interest in corporate social responsibility, companies are sending staff to workshops focused on sustainability, ethical decision making, and other dimensions of CSR. MBA programs worldwide are incorporating these aspects into their curriculum.
- The other determinant which rose was level of social license. In order for buyers to verify the social and environmental record of their suppliers, many are turning to certification programs that provide independent verification. ISO 14001 was one of the first and most popular of these programs.
- The internet and social media is also affects the activity. Once, the internet enhanced the public's access to information - including information about social issues and the social & environmental performance of companies. On Face book, Twitter, MySpace, thousands of review sites and tens of thousands of discussion forums, people's compliments, complaints, and criticisms are readily shared with the world.
- Regulation on social and environmental reporting influences the company to be socially responsible. In a fairly recent development, some jurisdictions and laws are now pursuing legislation or securities regulation that would force companies to report on social and environmental performance, similar to mandatory financial reporting to shareholders.
- The other very important factor is sustainability and profitability. One common myth of corporate social responsibility is that it is costly to implement. But on the contrary, many companies are being driven to engage in responsible business practices out of a desire to save money. Firms that conserve energy & resources and create a more efficient value chain help the environment and their bottom line. Some companies are even earning revenue through their activities. For example, some are installing solar panels on roofs and selling energy back to the grid

- International organizations including NGOs also put pressure on CSR practices. A major role of these organizations is to raise public awareness of social issues and to pressure those with the power to fix those issues. This activism is responsible for much of the increase in public awareness of social issues and the questionable activities of some companies, as well as shifting attitudes toward the social role of the corporation.

In summary, the preceding description about the empirical studies of CSR presents a landscape of CSR standards and determinants although some of them provided a propagation of approaches, which are controversial and complex. The above empirical findings faced hole or holes, they are not all contented. These gaps can be summarized below as per the knowledge and understanding of the researcher.

- The studies did not investigate CSR practices in accordance with their determinants. In addition to this, greater number of studies focused only on certain dimensions of CSR. The methodologies were based on questionnaires and interviews as instrument for data collection, although, observation is the other instrument especially related to environmental matters.

#### 2.4. Purposes of CSR

There are very varied views on the value and purpose of CSR to a project stakeholders and it is often difficult to distinguish the exact reason why Project organizations are undertaking CSR activities. Lantos (2001) proposes the existence of three distinct forms of CSR. These are similar to Carroll's CSR pyramid in that they offer a layered perspective of CSR activities. This in turn gives an indication of how important each tier is to the operation of a business.

**Ethical CSR:** describes the essential social responsibility of a company, in the sense that it is morally responsible to any of the stakeholders which its operations affect and must try to prevent or mitigate for any harmful impacts. In theory ethical CSR issues are obligatory and should be adhered to regardless of the financial implications to the company, as they are based upon moral standards that overrule self-interest.

**Strategic CSR:** is carried out to achieve business goals. By providing benefits to stakeholders outside of the shareholder group it is expected that financial rewards will be realized. Strategic

CSR is based on the premise that while being ethically and socially responsible may involve short term sacrifices the process usually results in long term gains.

**Altruistic CSR:** was coined by Lantos (2001) to suggest “genuine optional caring, even at possible personal or organizational sacrifice” which ties in with philanthropic responsibilities; the top tier of Carroll’s (1991) pyramid of CSR.

Ethical CSR is the base level of responsibility and therefore relates to activities which should be undertaken by the company as a condition of its operation. This relates to the “must have” aspects of CSR which encompass topics such as environmental concerns and human rights.

In general, the three forms described above will help to frame CSR more accurately by providing further reasoning and depth to the process. The influence of each of these forms of CSR will vary between project organizations depending on the CSR drivers. Unfortunately, it is very difficult to identify the real reasons why project organizations are undertaking and reporting upon CSR activities. After all, it is unlikely that any project organizations will freely admit that the process is being used for the sole reason of increasing profits.

## **2.5. Characteristics of CSR practices**

Corporate social responsibility (CSR) is a citizenship function with moral, ethical and social obligations between a corporation and its consumers (Maignan I. and O’Ferrell O. 2001). The purpose of the company is to provide return on investment for shareholders and thus corporations are seen as instruments of creating economic value for those who risk capital in the enterprise (Greenwood M. 2001). Former Chief Economist of the OECD, David Henderson argued against violates the proposition that any organization must have a single-valued objective as a precursor to purposeful or rational behavior. He argues that the adoption of CSR leaves a firm handicapped in the competition for survival because, as a basis for action, stakeholder theory politicizes the corporation and leaves managers empowered to exercise their own preference in spending the firm’s resources. Essentially, this core argument against CSR criticizes that CSR involves expending limited resources on social issues necessarily decreases the competitive position of a firm by unnecessarily increasing its costs.

In line with literature (Agle B. and Mitchell R. 2008; Vaaland T. 2008) and interview findings (Sweeney L. 2008), CSR activities were categorized under the headings; Environment,

Customers, Employees and Community. Firstly, in relation to the environment, the most common activities include waste reduction and recycling. Energy conservation is also quite common. To a lesser extent; reduction in water consumption, air pollution and packaging is carried out by firms. The most common activity toward customers is commitment to providing value to customers. Responding to customer complaints in a timely manner is also quite popular and to a lesser extent, supplying clear and accurate information to customers and considering customer accessibility. The most common activities in relation to employees are a commitment to the health and safety of employees and ensuring adequate steps are taken against discrimination. Slightly less popular activities include encouraging employees to develop skills and long term career paths and work/life balance. Lastly, in relation to the community, the most common activity involved donating to charity. Having employees volunteer on behalf of the firm and having recruitment and purchasing policies in favor of the local community are also popular activities. There was a positive correlation noted between extent of many CSR activities and firm size.

Furthermore, William F. and Jose C. (2009) conversed that the CSR standards hinge on many aspects of life such as human rights, treatment of labor, the environment, consumer protection, health, fighting corruption and transparency in reporting.

Regarding the determinants of CSR, one of the most pragmatic reasons for business to be socially responsible is to ward off future government intervention and regulation, which is costly to business and restricts its flexibility of decision making. Arguably, if business voluntarily exceed their regulatory obligations then the need or will for government interference in business affairs is reduced (Tyrrell et al, 2006).

The other argument states that business (nature of the firm) has valuable resources such as a substantial pool of management talent, functional expertise and capital resources; therefore business should use these resources to solve social problems (Hillman and Kein, 2001, Schaper and Savery, 2004; Jenkins, 2006 as cited by Lorraine S. 2009).

Nick C. (2010) stated 45 forces driving CSR including community, shareholders, and employees, social -license, nature of the firm, and sustainability and profitability. He has organized these drivers into overarching themes. Despite this separation, it is worth noting that many of these drivers are related and complementary.

Although these are the arguments on CSR practices and determinants, business of this complex and dynamic environment should consider the concepts or core components of CSR such as integration of social and environmental concern; voluntariness; ethical behavior; economic development; improving the quality of life of the citizens; human rights; labor rights; protection of environment; fight against corruption; transparency and accountability. The arguments, however, faced short sights in terms of findings, approaches, content and so on. Consequently, certain individuals argued on the favor of stockholders' benefit other focused on only stakeholders' interest. Similarly, many studies described CSR practices only in few dimensions, for instance, in terms of ethics. The arguments also faced excluding of important determinants for instance they focused on financial matters. These arguments also focused on Europe and Far East countries.

CSR assumes that the organizations voluntarily adopt measures which contribute to solving social and ecological problems; there is a strong bond between CSR and the concept of durable development, determined by the fact that business should also include economic, social and environmental impact in all its activities; CSR actions do not represent an optional “accessory” of the main activities in business environmental excellence becomes the main strategically instruments of business. The signals come from different players, including:

**Investors** - seeking to invest in line with their own values, or in line with an expectation that companies with a CSR approach will be better investments;

**Consumers and others in the supply chain** – choosing one product, service or company over another on the basis of their understanding of its environmental or social credentials;

**Public authorities** - through a range of mechanisms including promotion and information provision, their own role as purchasers, regulatory and fiscal signals;

**NGOs** - monitoring and assessing the environmental and social impact of business and campaigning for improvements;

**Trade unions** - seeking to influence company behavior through mechanisms such as collective agreements; more and more companies are developing CSR departments and are redefining their mission, in order to include ethical objectives, and, at the same time, they are developing behavioral procedures which extend from employees to business partners.

CSR may also be used as a strategic marketing instrument, capable of allowing the buy up of a market segment or of assuring a very good reputation that will be rewarded later. Within the same context, social responsibility may also accomplish a differentiation between trademarks; potential clients will look for those organizations that have the image of exemplary community members.

In addition to the direct support in the direct sale to the customer, CSR may increase the demand for “company to company transactions” and it may contribute at achieving a connection with community. Organizations cannot develop inside an isolated world, and a relatively big part of the business involves connections with several partners and commitments in different sectors. CSR actions may assure good competitive advantages inside this sector.

Strategic investments in CSR that are made in time may improve the products and services’ quality, avoid law-suits costs and prevent, or at least decrease, the negative press apparitions effects. Adopting rules and ethical codes towards suppliers may help organizations to avoid future implications of a poor quality production, business relations that lack trust, financial management errors, or even some activity interruptions in order to optimize the quality of products and services.

The globalization of business markets has exposed many large companies to a much larger number and wider range of stakeholders than was previously possible. Not only is a wider range of stakeholders being encountered, but many of them are becoming more aware of the impacts that companies can have. As a result many stakeholders are keen to influence the operations of these companies in any way that they can. This can encompass a range of responses from “voting with their feet” by boycotting certain brands (Baby Milk in Action2010), through to demonstrations and protests (BBC News 2002) and even more aggressive actions such as those demonstrated by Stop Huntingdon Animal Cruelty (BBC News 2009).

## **2.6. The Power of Partnership in CSR**

More and more funding agencies and organizations are asking communities to work together to address community needs through comprehensive efforts. Community partnerships support shared resources and expertise, while reducing the likelihood of unnecessary duplication of services. CSR is in a uniquely positive position to garner support from funding agencies interested in comprehensive community collaborations. After all, the entire philosophy driving

the CSR initiative is the power of grassroots, community-based collaborations working together to assess community needs and address community issues, enhance resources, and support a better quality of life for community residents. When soliciting support from funding agencies through grants, gifts, or donations, highlight the partnerships established through the CSR initiative. Document how long organizations have acted in partnership, previous collaborations and successes, and the history of positive projects and outcomes for the community.

As a CSR coalition, break into small groups and complete each person to identify individuals or organizations they have partnered with in the past, identifying dates, activities, and outcomes of such efforts. And once all groups have completed their handouts, share the responses and compile all responses into one final report. These documented efforts will come in handy as the CSR group moves forward to secure funds to support community efforts. The final handout in the lesson provides the CSR team and coalition with a checklist for funding development. As a group, walk through the handout Checklist for Funding Development. Answers to the questions will help the CSR team identify gaps in knowledge or information it needs to fill before pursuing funds from an agency. Remember, knowing our project inside and out and knowing the issues we are addressing and the outcomes we anticipate will help for speak passionately and convincingly to others whose support we need to grow and sustain the CSR effort. This will be an important document for CSR trials application at University (Rausch and Patton 2004).

## **2.7. Developing Personal and Social Responsibility**

For having improved public image, personal and social responsibility must be at developing processes. This will be the results of Community Action as given in a special book (<http://www.nssc1.org/books/dpsr.jpg>). Human nature, all too often, seeks the lowest level of responsibility while seeking the highest expression of freedom and rights. When left unchecked, this often translates into disobedience, disruption, violence, truancy and, in general, a lack of appropriate self-control and motivation in young people. CSR is an instrument of positive change taking place in organizations and businesses. It sets the framework and defines the method in which organizations and businesses must operate to be able to meet the ethical, legal, commercial and public expectations that a society has of any organization. This means that they will need to undergo a major mind-shift and culture change to become socially, environmentally

and economically responsible towards their employees, shareholders and the stakeholders involved (Hopkins, 2004).

Corporate Social Responsibility (CSR) is also an approach to take into account the social impact an organization like, has on the community both local and global. The main aim of the concept is to bring together all sectors (public, voluntary and business) and work together to eliminate the old idea that economic and environmental issues are in conflict. By transforming the way any business is conducted internally and externally companies can now maintain their success and growth and achieve sustainability. The business case for CSR is dependent on the type and size of organization involved. However, the outcome of committing to the concept is both beneficial and worthwhile for all sizes. Organizations and businesses that are strict in adopting and implementing corporate governance practices, standards and measures will see improvement in their financial performance, an increased level of public and market trust in their products and a reduced risk of bad decision making and lack of personal accountability. CSR is a fertile ground for innovation, creativity and challenges old ideas and working practices by allowing a voice for all stakeholders. The result is that CSR is emerging as a powerful channel to ensure positive development for organizations of all sizes.

## **2.8. Implications for the Future Project Organizations and Ethics**

Applied Ethics & Policy Integration Model provides a framework bringing together the remarkable work that has been done in ethics and policy toward that end. It is founded, in turn, on the four fundamental concepts of shared purpose, informed choice, responsibility, and learning and growth (Hopkins 2004).

The Applied Ethics & Policy Integration Model provides a foundation for the ethics and policy leader, academic, health care provider, and others. It allows them to take a formal structural approach toward integrating organizational ethics with its essential social responsibilities, and those of other key stakeholders. Ideal organizations has established and integrated an organizational corporate ethics, social purpose, environmental ethics, and social responsibility functions.

Committees of responsible people would be formed for each projects and meet as often as appropriate. Representatives from each organizational committee might meet monthly, integrate their perspectives, and present their views.

## **2.9. Conceptual Framework of the Study**

A comparative study of CSR practice at Addis Ababa Tannery and Awash Tannery by Abduhamid Yousef (2013) indicated that there are a variety of theories in the concept of CSR which are designed in different perspectives contradicting each other. In practice, most CSR theory presents four dimensions related to profits (economic), political performance, social demands and ethical values. Much of the debate has revolved around stakeholder theory and shareholder theory. Shareholder theory represents the classical approach to business. According to this theory a firm's responsibility rests solely with its shareholders. On the other hand stakeholder theory argues that organizations are not only accountable to its shareholders but should balance a multiplicity of stakeholder's interests. These two competing views of the firm contrast each other so sharply that stakeholder and shareholder theories are often described as polar opposites.

As cited by Abduhamid Yousef (2013), defines stakeholders as "individuals and constituencies that contribute, either voluntarily or involuntarily, to its wealth-creating capacity and activities and that are therefore its potential beneficiaries and/or risk bearers". The resources provided by stakeholders can include social acceptance as well as more obvious contributions such as capital, labor and revenue. Donaldson and Preston (1995), in their widely quoted paper, organized a diverse range of articles on stakeholder theory and formulated a three part typology of the theories of stakeholder theory: descriptive, instrumental and normative. Jones (1995) argues that Stakeholder Theory answers the following questions: what happens? (Descriptive) What happens if? (Instrumental) and what should happen? (Normative).

To describe stakeholder theory, as descriptive, argues that it explains specific corporate Social characteristics and behaviors, thus it describes the corporation as a constellation of cooperative and competitive interests possessing intrinsic values. In support of the theory's descriptive basis, Donaldson and Preston (1995) point to empirical studies which show that many managers believe themselves, or are believed by others to be practicing stakeholder management often without making explicit reference to stakeholder theory.

The instrumentals imply that it makes a connection between stakeholder approaches and commonly desired objectives such as profitability, stability or growth. Instrumental theory is basically a hypothesis of what will happen if certain courses of action are followed. Donaldson

and Preston (1995) identify instrumental uses as making “a connection between stakeholder approaches and commonly desired objectives such as profitability”. One of the earlier arguments in favor of the instrumental power of stakeholder theory is seen in General Robert Wood's (1950 cited in Clarkson, 1995) assertion that the four parties to any business in order of importance are customers, employees, community and shareholders. He maintained that if the appropriate needs and interests of the first three groups were cared for effectively, the company's shareholders would benefit as a result.

Finally as a normative theory, it is used to interpret the function of the corporation and to identify moral or philosophical guidelines for corporate operations. Normative theory attempts to prescribe what should happen based on moral propriety. Donaldson and Preston (1995) argue that ultimate justification for stakeholder theory is to be found in its normative base. In support for the moral justification of stakeholder theory, Gibson (2000) referred to the theory of deontology. Kant believed that individuals have the right to be treated as ends in themselves and not merely as a means to an end (Shankman, 1999; Metcalfe, 1998).

Jones (1995) suggests that stakeholder management is a source of competitive advantage, as contracts between organizations and stakeholders will be on the basis of trust and cooperation and therefore less expense will be required in monitoring and enforcing such contracts. Effective stakeholder management is a critical requirement for sustaining and enhancing the wealth creating capacity of the organization. Clarkson (1995) also argues that failure to retain the participation of a primary stakeholder group will result in the failure of that corporate system and its ability to continue as a going concern.

One stakeholder may belong to several groups. They provide important information for future projects. They also provide a relevant picture of the situation in order to find relevant, feasible and sustainable solutions.

Stakeholders are those who will be influenced, positively or negatively, by the project. The five main groups of stakeholders involve: Beneficiaries/Target group, Implementers, Financing agents, Decision makers and Experts. Analyzing stakeholders or mapping stakeholders and their respective roles and improving their participation in planning and / or implementing the project are important to include a broad group of peoples with different knowledge in the sector.

Therefore, the intention of this study was to provide that the stakeholder's principle for supporting the public construction project operations benefit the project organization more than the shareholders principle. In today's global world, the stakeholder approach might have a principle fitting for implementation, but lacks good arguments for convincing the stakeholders. It can be emphasized that the project organizations are principally social ventures for mutual advantages to all people and thus it might be more prudent to speak instead of the project organizations value of a principle for sustainable increase of stakeholder's value.

## CHAPTER THREE

### RESEARCH DESIGN AND METHODOLOGY

#### 3.1. Introduction

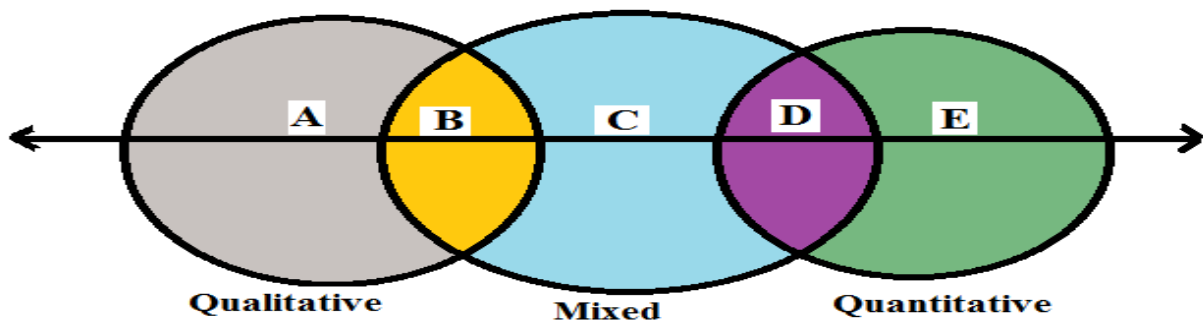
First of all, understanding Human Subjects is the main strategy of CSR operations. The decisions made for selecting the most suitable and appropriate research methods should be based on the nature of the issue addressed or identified research problems, personal experience of the researcher, and also the audience of the study. Therefore, Plans and procedures for research are considered vital elements for any study. This chapter includes an account of the research design, the study sample and sampling design, research instruments, data collection procedure and statistical treatment of data.

#### 3.2. Research Approach and Selection of the Research Method

This part indicates the overall logic and strategy underlying the study plan. With such a wide ranging topic as corporate social responsibility(CSR) and the research questions that have been discussed, the study assumed to use a mixed methodology which involves a combination of both quantitative and qualitative data's that can address the study objectives effectively.

There are two main approaches of research: the qualitative and quantitative approaches. In addition to both types of research, the mixed-method approach has started to gain popularity in the research world (Creswell 2009). Mixed method research integrates both qualitative and quantitative research methods, stands in the middle of the continuum shown in the figure below.

**Figure -1.Mixed methods research continuum (Adapted from Tashakkori and Teddlie, 2005)**



The arrow in the above figure represents the Qualitative-Mixed-Quantitative continuum. As the movement approaches the middle of the continuum, it indicates a greater integration of research methods and sampling. As the opposite, movement away from the center towards either end indicates research methods are more separated or distinct. Therefore the study proposed to apply both quantitative and qualitative components. It is believed the use of quantitative and qualitative research provides better understanding and enhances the overall strength, validity, and reliability of the study.

### **3.3. Research Design**

Research designs can be classified as positivist and interpretive depending on their goal in scientific research. Positivist studies are those that are used for theory (hypotheses) testing, while interpretive studies are those that are used for theory building. Popular examples of positivist designs include laboratory experiments, field experiments, field surveys, secondary data analysis, and case research (Bhattacharjee A. 2012). Field survey method of research design was selected for the case of this study. Field surveys are non-experimental designs that do not involve controlling for or manipulating independent variables or treatments. Field surveys capture snapshots of practices, beliefs, or situations from a random sample of subjects in field settings through a survey questionnaire or less frequently, through a structured interview.

Explanatory research seeks explanations of observed phenomena, problems, or behaviors while descriptive research examines the what, where, and when of a phenomenon. Explanatory research seeks answers to why and how types of questions. It attempts to “connect the dots” in research, by identifying causal factors and outcomes of the target phenomenon (Bhattacharjee et al. 2012). In the case of this type of research, descriptive research strategy with little exploratory nature was preferable. Regarding the characteristics of study, it analyzes the conditions in terms of numbers, tables, figures and percentages with little exploratory characteristics. The strategy used in this study was characterized by the collection and analysis of quantitative data followed by the collection and analysis of qualitative data. The priority typically was given to the quantitative data, and the two methods were mixed during the interpretation phase of the study.

### **3.4. Source of Data**

Data can be defined as the quantitative or qualitative values of a variable. Data is thought to be the lowest unit of information from which other measurements and analysis can be done. Data can be numbers, images, words, figures, facts or ideas. It can be classified as primary (that has been collected from first-hand) and secondary data (that has already been published).

The study included both primary and secondary data sources. The study had begun with secondary data analysis through the detailed review of related literature. In this regard, the researcher had tried to refer different books, published and unpublished documents, journals, web sites, articles and research papers to get information on theoretical and empirical framework of the study.

The primary data was collected from professional employees in the project organization, client organization, and public mobilization development offices and from different sampled public construction project site works through questionnaires, interview and direct observation. Since the study uses statistical surveys it is necessary to get information mainly from primary sources and work on primary data. Because the statistical records of CSR activities and practices in the project organization is based on little printed sources. One such source will be outdated which may not be necessary for recently undertaking public construction project operations and secondly they will contain limited information as well as they can be misleading and biased.

### **3.5. Unit of Analysis/Target Population**

One of the first decisions in any social science research is the unit of analysis of a scientific study. The unit of analysis refers to the person, collective, or object which is the target of the investigation. Understanding the unit of analysis is important because it shapes what type of data we should collect for our study and how we collect it from the population (Bhattacharjee et al. 2012). With respect to the study, the unit of analysis was the project organization/ Government construction office in Arada sub-city. Therefore, the study focused on the project organization as owner organization to support the whole processes of public construction project operations in collaboration with the client organizations (educational office, health office, Small and Medium Enterprise office and Women's and Youth affairs office) in Arada sub-city.

The main responsibility and activities of the project organization in performing public construction project operations are consultation work; design and specification of standards; bid preparation and preparing contract agreement; quality control; supervision and professional support; preparation of reports; approval of payment certificates; creating good relationship with employees, contractors, suppliers, Customers and other stakeholders.

### **3.6. Sample Population and Sampling Frame**

The respondents of this study were employees from the project organization, selected project site works, client organizations and from the selected public mobilization development offices at woreda level in the sub-city. Accordingly, the respondents for this study were professional workers who are actually performing project works; do have some information on CSR activities and should have a responsibility to support public construction project operations in the sub-city.

Names, sex, total number of respondents and other information's related to project professional employees were obtained from the project organization, the client organizations, project site works and from selected woreda level public mobilization development offices in the sub-city.

### **3.7. Sampling Method**

In this study, evidences for CSR activities and practices were collected mainly from the project organization which is a unit of analysis. In addition to this, from eighteen different public construction project operations currently undertaking in woreda 02, 03, 04, 05, 06, 07, 09 and 10; the researcher selected six different public construction project operations and the respective public mobilization development offices to gather additional evidences about the project organization. This was used to manage the broadening of the scope of the research project that was completed by the economic capacity of the researcher with in the given short time period. It was assumed by the researcher that from delayed project operations more information's related to CSR issues can be obtained than the projects that can be completed according to its plan.

Regarding the project professional employees recorded evidences also indicated that more than 290 professional personnel's were working in the project organization, in the woreda level public mobilization development offices, in the client organizations and in the different public project site works temporarily and permanently employed to accomplish the project operations. This number includes professional employees, administrative workers and labor workers temporarily

and permanently recruited. This was the sampling frame for the study which was obtained from personal profile document of the professional employees in the project organization, public mobilization development offices, the client organizations and specific public construction project operations under study.

In addition to the above, responsible person for the selected client organizations mainly the organizations manager was selected to conduct semi-structured interviews. The organizations managers were selected by their relative commitment for the whole operations of the organization. Most delayed construction project operations in Arada sub-city are similar in type and nature. Thus, the researcher selected one public construction project work from similar types of public construction project operations from different locations in the sub-city. To reduce the difficulty, the researcher was limited to select the nearby public construction project site works from the delayed projects by comparing their relative distance from the project organization. The other public construction project site works were either selected by their difference in type or not selected because the project works were in the way to be completed in the near future or simply they operate finishing and maintenance works that are assumed not to be delayed.

In general the researcher selected six different types of recently active public construction project operations owned by the project organization to represent the whole public construction project works in the sub-city with respect to CSR. The project names include Product display or Product Show room construction project (SRC) in woreda 04, G+3 Youth Recreation Center building project (YRC) in Woreda 09, Health Center construction project (HCC) in Woreda 09, New Era School G+2 Library building project (SLBC) in woreda 05, Work shop construction project (WSBC) in woreda 05 and Food Processing Construction project (FPBC) in woreda 07.

### **3.8. Sample Size**

Deciding how big your sample should be the crucial aspect of the study design. As to the sample size determination, from among different methods, the one which has developed by Carvalho (1984) was used. The method was preferred to come up with results because in most studies, particularly those involving humans, there is likely to be a certain amount of data “lost” (or never gathered) from the original sample. Therefore, allowance should be made for this when determining the sample size or the sample size should be increased accordingly. This could be for a variety of different reasons such as non-response and subjects deliberately withdrawing

from a study or getting lost in some other way or missing data. The extent to which this is needed was guided by the pilot process of this study using survey questionnaires distributed in the project organization. If you increase your sample size you increase the precision of your estimates, which means that, for any given estimate/size of effect, the greater the sample size the more “statistically significant” the result will be. In other words, if an investigation is too small then it will not detect results that are in fact important.

**Table 1: Carvalho’s Sample Size Determination**

Population Size	Sample Size		
	Low	Medium	High
51 – 90	5	13	20
91 – 150	8	20	32
151 – 280	13	32	50
281 – 500	20	50	80
501 – 1200	32	80	125
1201 – 3200	50	125	200
3201 – 10000	80	200	315
10001 – 35000	125	315	500
35001 – 50000	200	500	800

(Source: Zelalem, Issues and Challenges of Rural Water Scheme, 2005)

According to Carvalhos sample size determination indicated in the above table, the forth population lies in between 281 and 500. Thus, taking in to account that most of the workers in project site work operations are labor workers and considering the existence of administrative workers in the project organization, client organizations and woreda level public mobilization

development offices, higher sample size have been applied in accordance with the given population size.

As the project organization is the unit of analysis, all professional employees willing to participate in this study were taken as respondents of the study. In addition to this, the existence of small number of professional employees undertaking the recently active public construction project site work operations during the data collection time and in the client organizations forced the researcher to take the existing professional employees as a respondent for this study.

Furthermore, the proposed sampling design for respondents population from the woreda level public mobilization development offices in the sub-city was stratified sampling. Regarding to this, once the sampling frame is classified by sub-groups, groups of respondents were selected by their specific criteria's (at least have a first degree easily to understand the survey questionnaires designed by "English" language and some working relationship with respect to CSR and awareness of public construction project operations performed in their mandate).

Therefore, the highest samples size in the above table range has been selected for the study which is 80. To keep the response rate relatively constant, the sample size has increased by 10% as allowance. Thus, the final sample sizes were 88. Professional employees may include organizations or project managers, project consultants, project contractors, project supervisors, engineers and voluntary officers.

**Table 2: Sampled projects, Sample Size and the Respondents**

Woreda	Sample population in the sector	Employees Population	Sampled Population
04	Product Show Room Construction	15	3
05	New Era School Library Building	10	4
05	Workshop construction	10	3
07	Food Processing Building Construction	15	3
09	Youth Recreation Center Contractors	10	3
09	Health Center Construction/HCC	15	3
-	The Project Organization	40	32
04	Public Mobilization Development Office	11	6
05	Public Mobilization Development Office	11	6
07	Public Mobilization Development Office	11	6
09	Public Mobilization Development Office	11	6
-	Arada Sub-city SMEs Office	25	4
-	Arada Sub-city Education Office	32	3
-	Arada Sub-city Health Office	32	3
-	Arada Sub-city Womens and Youth Affairs	34	3
Total		282	88

### **3.9. Method of Data Collection**

First of all, the researcher verbally asked the project organization to conduct a research on the issue of the topic at hand. Then, the researcher got permission from the project organization and submitted official letter received from Addis Ababa University, College of Business and Economics, School of Commerce to undertake preliminary investigation and the main study on the topic of the issue “Assessment of CSR activities and practices”. By gathering baseline information’s, reports and documents related to public construction project operations from the project organization, the researcher developed research proposal and made frequent discussions on the problem with his advisor and with some project personals in the project organization and client organizations to make some adjustments before going through the process of the actual project study. The project organization also helped the researcher by writing another official letter to the sampled public construction project site work contractors to obtain their opinion and provide information’s through the survey questions from their site work professionals. Getting permission from the above bodies, the researcher visited each of the sampled public construction project site work operations to plan for administering the survey questions to four different target respondents and capture the photographs of the existing conditions of project performances.

The researcher also performed interviews with the client organizations responsible persons and designed observation check-list to triangulate the data obtained from the survey.

### **3.10. Data Collection Instruments**

#### **3.10.1. Survey Development**

According to Abiy and others (2009), survey method is used to gather data at a particular point in time with the intention of describing the nature of the existing conditions, or identifying standards against which existing conditions can be compared, or determining the relationships that exist between specific events. It is a type of cross-sectional studies because it is useful in that it usually gathers data on a one-shot basis and is economical and efficient. It is also useful in obtaining an overall picture as it stands at the time of the study.

The survey method is chosen as the quantitative component of this study to generalize the inferences made to the population. A survey is preferred, as it provides advantages, such as rapid turnaround in data collection and identifies attributes of a large population from a small group of people. The survey is cross-sectional, where the data are collected one point at the time. In the

study, the survey questionnaires will relate the activities that the project professional employees in the project organization undertake with regards to CSR.

Forty survey items were categorized into six groups. These items were developed to measure CSR practices to gain a better understanding of the perceptions of professional employees regarding CSR operations in the project organization. Additionally, a set of instructions were prepared to explain the purpose of the survey and how to complete the items.

For pretesting twenty survey questionnaires were administered for employees in the project organization and for direct observation purposes, a comment and suggestions sheet was provided. This sheet was used by the respondents to provide any commentary notes as ways of improving the quality of the instrument.

The survey questionnaire for this study was adopted from Johan Graafland, a Dutch academic at Tilberg University in order to carry out similar CSR practices at different Dutch business sectors with some modifications made by the researcher to suit and use for CSR activities and practices in the operations of the project organization in undertaking public construction projects in Arada sub-city. The report can be obtained at: <http://www.uvt.nl/cmo/onderzoek/mo/publicatie.pdf>.

### **3.10.2. Semi-structured interview**

Semi-structured or focused interviews, as described by Merton, (1990) are a method of qualitative study in which the respondent is interviewed for a relatively short period of time. The questions used are generally open-ended in nature and carried out in a conversational manner, but unlike unstructured interviews, they cover a set of pre-defined topics or questions derived from the case study protocol.

When identifying potential CSR issues in the project organization, employee's awareness and perception of the topic are likely to offer a useful source of information. Therefore the researcher conducted semi-structured interviews to gather qualitative data's. The Interview part may be used to overcome the disadvantages of surveys that arise from their rigidity. Therefore, the researcher was conducted semi-structured interviews with the responsible persons for the sampled client organizations. Interview questions made were more flexible and effective for collecting detailed qualitative information's on staff awareness and their opinions in the operations of public construction projects by their mandate with respect to the issue CSR.

### **3.10.3. Direct Observation of Public Construction Project Site work operations**

The use of observational methods is categorized into two groups: structured and unstructured observations (Yin 2003). Structured observations rely on frameworks of predefined actions, discussion content, or even body language to fit the activity within the variables and scope of the research question. An unstructured observation utilizes no preset framework. The concept driving unstructured observation is for the researcher to enter into the observations with no preconceptions regarding the expected outcomes.

For the case of this study, the researcher captured the photographs of the sampled public construction project operation site work operations simply to gather information's of the current context of the project operations. This type of observation is called unstructured observation due to the researcher's observations with no preconceptions regarding the expected outcomes and not part of the context under observation.

### **3.11. Data Type**

In general, the variables fall under four broad categories: ratio scale, interval scale, ordinal scale, and nominal scale. Interval, nominal and ordinal scales are the measurement scales which are preferable for data type of the study. Nominal scale variables in this category have none of the features of the ratio scale variables. Variables such as gender (male, female) simply denote nominal categories. The rating scale used by the respondents to measure the CSR activities (strongly Agree=5, Agree=4, Undecided=3, Disagree=2 and strongly Disagree=1) categorized under ordinal scale data type were also preferable for the study.

### **3.12. Method of Data Analysis**

Wood (2009), psychological constructs are defined as measures of ideas not directly measurable. Beside this, Raenkel and wallen (1993) added about the ways of analysis. They said that some sort of information that enable a researcher draws some meaningful conclusion about the sample she/he is studying can be collected in several ways, but it can be reported in only two ways, through numbers or through words.

Data analysis in mixed methods research relates to the type of research strategy chosen for the procedures. However, analysis applied quantitative (descriptive analysis) approach and the qualitative (descriptive) approach, and often between the two approaches (Creswell et al. 2003),

to examine the underlying item structure in this study, exploratory factor analysis was partially used because it reduces the number of variables by allocating items across factors and detects the structure of the questionnaire responses from the relationships among the survey items. Regarding to the qualitative method the researcher used interview and direct observations of the recently active public construction project site works. The intention of this method used in this project was to use a variety of data sources; in order to triangulate the information's obtained from questionnaires and achieves the project objectives. This has been achieved with the research, providing some interesting and valuable information about the general understanding of the interviewer's opinion on CSR and how CSR is being approached and highlight where and how potential improvements might be made in the project organization.

The researcher captured the photographs of some of the recently active public construction project operation site works indicated in appendix-4 simply to show the current status of the project works. For the sampled public construction project operations, the organized evidences were obtained from the researcher's direct observation of the project sites work operations guided by the quarterly Status report document prepared by the project organization for active public construction Project accomplishments in Arada Sub-city-March 2009 E.C.

Additionally, this method verifies the conceptualization for each construct, as well as examines whether there is more than one factor and whether the factor actually does represent the respective underlying construct.

The project organizations CSR operation activities with respect to Employee Relationship, Responsibility to clients, Responsibility to suppliers, and Responsibility to Customers, Responsibility to the Society at large and Responsibility to the variety of public construction project operations were used as constructs where each of the constructs consists of several survey items in relationship to it.

After the required data were collected, descriptive statistics and the version 20 of SPSS have been used for the purpose of processing and analyzing of the results. The part of the questionnaire which is about the CSR activities and practices were analyzed through descriptive statistics. Thus, certain statistical tools such as average ratings, frequencies and standard deviations were used. Thus, the responses of the questionnaire have been coded, inserted into computer and analyzed, and presented in the form of tables using SPSS version 20 Software.

Finally, the results of the observation and interview guides had integrated to the responses of employees through questionnaires. Similarly, facts of the observations also integrated to the responses of employees on questionnaires, and the comments of the client organizations responsible persons which have been investigated in the interview and then it have been analyzed accordingly.

### **3.13. Validity and Reliability**

Validity, often called construct validity, refers to the extent to which a measure adequately represents the underlying construct that it is supposed to measure. Reliability is the degree to which the measure of a construct is consistent or dependable (Bhattacharjee et al, 2012). It can be also defined as the extent to which a questionnaire, test, observation or any measurement procedure produces the same results on repeated trials.

The validity of this study have been ascertained via different methods or techniques corresponding to whether the validity is internal, external, construct or statistical. Internal validity of the study tied to achieve by demonstrating that the factors are directly responsible for the effect. The quality of the study also depends on its external validity in some extent. Through the accurate representation of the population by the sample, external validity of the study achieved. As the sampling design of the study pointed out the sample is selected using the well-known sampling techniques. Additionally, qualities of the study have been realized using data collection instruments such as questionnaires, semi-structured interviews and observations concurrently. Recognizing that all methods have limitations, it is obvious that biases inherent in any single method could reduce the biases of other methods.

Extensive extraction of primary data was also another method to attain the validity of the study. Using primary data's for the study could improve the external validity of the research paper. Besides internal and external validity, construct validity plays an important role in the quality of the study by creating similarity between the concept of the study and its findings. This attained through a clear operational definition of the independent variables of the study.

## CHAPTER FOUR

### INTERPRITAIIONS, RESULTS AND DISCUSSIONS

#### 4.1. Introduction

Data analysis is the final part of the research paper. It involves making sense out of text and image data. Qualitative and quantitative data analyses as well as descriptive statistical tools are considered in this section.

The descriptive statistics part primarily provides CSR practices of the project organization (Arada sub-city construction office) with respect to six dimensions namely its contribution to employees relations, responsibility to suppliers/sub-contractors, responsibility to customers/clients, responsibility to competitors, responsibility to society at large and responsibility to public construction project operations. Therefore, descriptive statistics tools such as frequencies, percentage, mean, and standard deviation were employed in this regard.

Qualitative analysis is developed using data which have been collected using semi-structured interviews conducted with the client organizations responsible persons and from direct observations of public construction project site work operations. This is used to assist or/and to seal the gap of the questionnaire as well as the quantitative analysis. With respect to this, the administrative heads of the client organization were interviewed and much more information's about the construction project site works were collected. Quantitative analysis, however, focused on the results of the questionnaire, which is the main instrument of the study.

A total of 88 survey questionnaires were distributed to the respondents of the study.19 questionnaires to project site work professional workers, 24 questionnaires to woreda level public mobilization development office professional workers, 13 questionnaires to client organizations professional workers and 32 questionnaires to the project internal organizations professional employees were distributed respectively. From these, all questionnaires from the client organizations and from the project organization were returned and qualified. 3 questionnaires returned from woreda level public mobilization development office and 1 respondent questionnaire from the project site work operation was excluded, because the questionnaires are not returned by the given time. Thus, as mentioned above a total of 84 questionnaires were collected from the respondents of the public construction project site

workers, from woreda level public mobilization development office workers, from responsible persons for the project works in the client organization and from the project organization, were used for the analysis purpose.

## **4.2. Descriptive Statistics Results**

Regarding the descriptive interpretations for variables or dimensions used on Likert scale; the measurement was used on the basis of the survey; 5 = strongly agree; 4 = Agree; 3 = Undecided; 2 = Disagree; 1 = strongly disagree. The mean level of agreement between the group or of the group is categorized on the scale; SA = Strongly Agree (4.51 or greater); A = Agree (3.51 – 4.50); U = undecided (2.51 – 3.50); D = Disagree (1.51 – 2.50); and, SD = Strongly Disagree (1.49 or less). And, to make more comfortable for analysis three base scale is used, Agree (3.51 and above), Undecided (2.51 to 3.50), and Disagree (less than 2.50) (Dane B. 2007).

The means and standard deviation of the responses are used for analysis. The mean indicates that to what level of agreement the response of all respondents is approached. It also measures CSR activities and practices of the project organization with regard to the samples. Standard deviation, however, measures the mean difference between responses. In other words, it measures variation of responses with respect to the mean. It show us whether respondents are highly deviated one another in their responses. Furthermore, the respondents responses for the main topics were grouped for easier analysis in the SPSS program by transforming the data in to different variables and coded in to three categories (3 is given for agreement levels which are greater than or equal to 3.51, 2 is given for undecided response levels which are in between 2.51 and 3.50 and 1 is given for disagreement responses which are less than or equal to 2.50).

## **4.3. The project organization interims of Employee Relations**

The project organizations contribution to employee relation as stated in the literature, was described with respect to employees right; dialogues with human right organizations; recruiting polices to participate women's and ethnic minorities; providing equal opportunities to women's and ethnic minorities; budgeting for employees dedicated learning and development of skills in their long-term careers; freedom of association of workers; health and safety of employees; employees participation in decision making process; employee encouragement practices;

spending good work life and timely taking remedy/corrective actions for faults and practices of frequently undertaking employee satisfaction survey. The numerical description is listed below:

**Table 3: CSR activities in terms of Employee Relations**

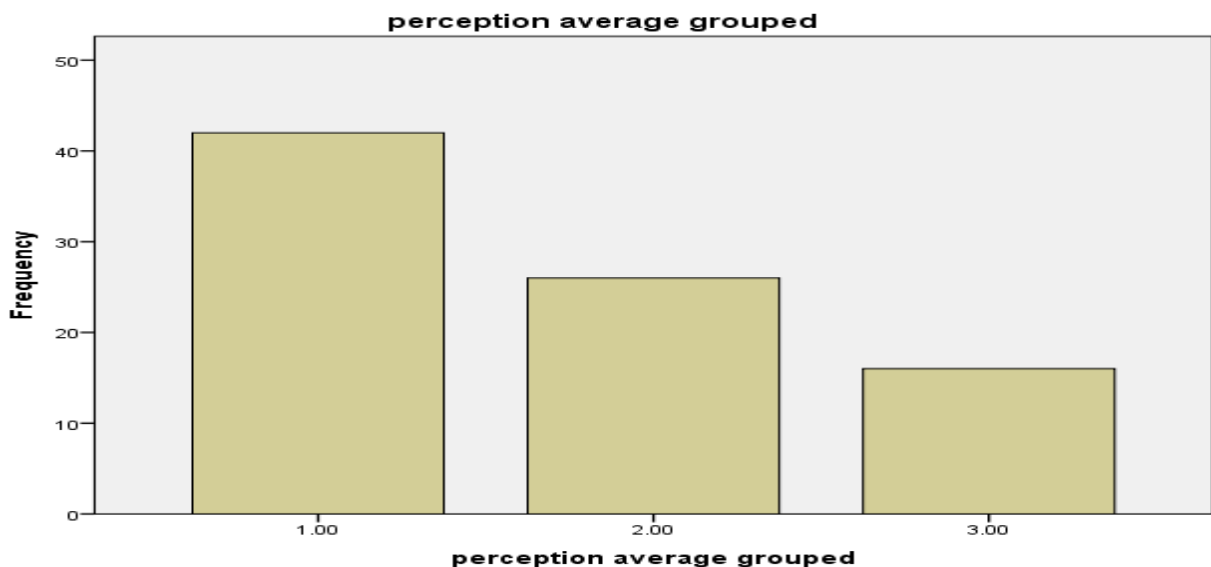
CSR activities	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree	
	Cou	%	Cou	%	Cou	%	Cou	%	Cou	%
Respect employees' right and undertake dialogues with human right organizations	11	13.1	40	47.6	7	8.3	8	9.5	8	9.5
Organizational polices exist to actively recruit women's and ethnic minorities	-	-	28	33.3	18	21.4	29	34.5	9	10.7
Equal opportunities given to women's and ethnic minorities	-	-	37	44	22	26.2	14	16.7	11	13.1
Learning and development programs	12	14.3	43	51.2	10	11.9	13	15.5	6	7.1
Health and safety in the work place	2	2.4	17	20.2	30	35.7	21	25	14	16.7
Participation in decision making	8	9.5	31	36.9	14	16.7	21	25	10	11.9
Employee Encouragement	10	11.9	44	52.4	8	9.5	13	15.5	9	10.7
Taking timely remedy actions	10	11.9	27	32.1	17	20.2	24	28.6	6	7.1
Created a sociable working environment	19	22.6	33	39.3	10	11.9	14	16.7	8	9.5
Undertaking employee satisfaction survey	23	27.4	14	16.7	30	35.7	14	16.7	3	3.6

From the table above, it is possible to infer that 60.7% respondents disagree with the activities of the project organization in respecting employees' right and undertaking active dialogues with human right organizations; 65.5% of respondents disagree in budgeting for a dedicated learning and development programs; 64.3% of respondents disagree with the encouragement practices and 61.9% of respondents disagreements exhibited for the project organizations ability in

Promoting a sociable working environment. In addition to this, it was also impossible to hide the truth that more number of respondents was kept indifferent for unknown reason regarding health and safety issues in the work place and in undertaking employee satisfaction survey. Furthermore, according to the value given for categories when coding in the SPSS program; the mean or average response is 2.81 which lie in the undecided range.

The Bar Chart for grouped average responses below also indicates that 50% of respondents answers recommends that the project organizations contribution for Employees Relations should be improved, 31% counted for undecided responses and 19% of respondent answer counted for agreements.

**Figure 2: Average grouped responses to Contributions for Employees Relations described using a Bar Chart**



#### **4.4. The project organization interms of Responsibility to Suppliers/Subcontractors**

The CSR activities in this case includes the perceptions of respondents towards the project organization/the construction office in Arada sub-city with respect to responsibility to audit the product/service obtained from suppliers for their compliance with environmental, legal and quality requirements. Practices of the project organization in undertaking supplier’s satisfaction

survey and taking actions when suppliers breach agreements and environmental regulations were reviewed. The CSR activities and their numerical description are listed in table below.

**Table 4: CSR in terms of Responsibility to Suppliers/Subcontractors**

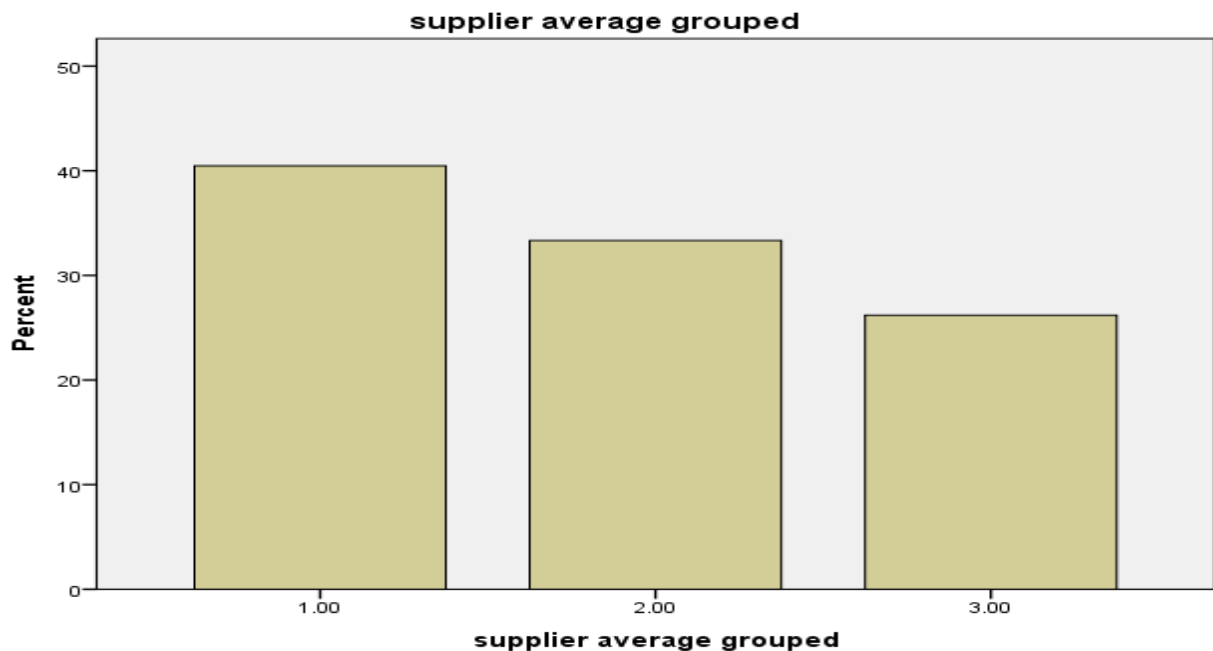
CSR activities	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree	
	Count	%	Count	%	Count	%	Count	%	Count	%
Audit quality of product/service of suppliers	14	16.7	15	17.9	27	32.1	23	27.4	5	6
Audit suppliers product for their compliance with env.l regulations	9	10.7	22	26.2	26	29.8	23	27.4	5	6
Audit the activities of suppliers for their compliance with legal requirements	12	14.3	24	28.6	17	20.2	28	33.3	3	3.6
Undertake suppliers satisfaction survey	12	14.3	21	25	30	35.7	18	21.4	3	3.6
Take actions when suppliers breaches regulations	16	19	30	35.7	14	16.7	15	17.7	9	10.7

From the above table, approximately equal number of respondent’s answers counted for agreements and disagreements specifically for the CSR activity in auditing the quality of products/services from suppliers. But, about 32.1% of respondents kept in different for the same activity. In the same way, nearly the same number of respondents answer exhibited for the project organizations experience in auditing the supplier’s product/service in compliance with the environmental regulations and 29.8% respondents again kept in different for the same question. The number of disagreement responses for the third and forth CSR activities outweighs the number of agreements still keeping much more number of responses in different. It seems like that much number of respondents answer(about 54.7%) complain the project organization in the specific CSR dimensions that is ”in taking actions when suppliers breaches contract

agreements and environmental regulations” because this CSR activity shown a great variation from the mean when compared to other CSR activities in this section.

In addition to the above, the average valid grouped response in the Bar chart below also indicates that 40% disagreement responses was counted for the project organizations responsibility to suppliers, 33.3% respondents kept indifferent and 26.2% of respondents agreed to this. The mean or average response value is 2.81 which lie in the range of not able to decide.

**Figure 3: Describes average grouped responses for the Responsibility to Suppliers**



#### **4.5. The project organization interms of Responsibility to Customers/Clients**

This part includes the CSR activities of the project organization in specific dimensions specifically the project organization exerted efforts to ensure the quality of product/service, responding quickly to customer’s request, having procedures for handling complaints and misleading activities. The CSR activities and their numerical value are listed in the table below.

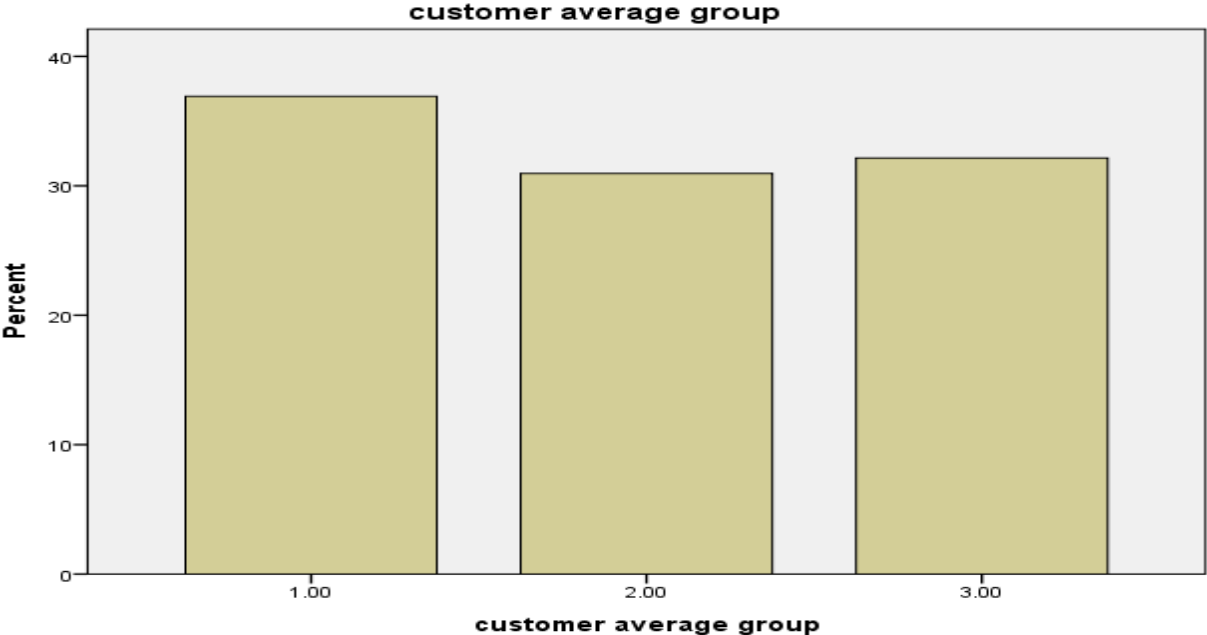
**Table 5: CSR activities in terms Responsibility to Customers/Clients**

CSR activities	Strongly D		Disagree		Undecided		Agree		Strongly A.	
	Count	%	Count	%	Count	%	Count	%	Count	%
Exert effort to ensure the quality of product/services	-	-	34	42.5	22	26.2	18	21.4	10	11.9
Provide information's when requested by a customer/client	-	-	29	34.5	21	25	24	28.6	10	11.9
Have procedures for handling customer/client complaints	4	4.8	20	23.8	33	39.3	17	20.2	10	11.9
Rarely accused by misleading activities	2	2.4	17	20.2	42	50	16	19	7	8.3

From table above, we can infer that 42.5% of respondent's answers criticize the project organizations activities to ensure the quality of customer's product/service. 34.5% disagreement response counted for the CSR activity in providing information's when requested by customers, 28.6% disagreement responses counted for the project organizations experience in handling customers/clients complaints and 22.6% respondent's disagreement responses counted for misleading activities. Overall, the number of agreement responses outweighs the number of disagreement responses for the second, third and forth CSR activities of the project organization.

According to the average grouped responses shown in the Bar Chart below, about 37% respondents answer disagree with the project organizations responsibility to customers/clients and nearly equal number of respondents answer counted for agreements and undecided. The mean or average response is 3.1 which lies in the undecided range of the categories.

**Figure 4: Average grouped responses of Responsibility to Customers/Clients**



**4.6. The project organization interims of Responsibility to the Society**

The moral rule or a strong belief that influence the actions of people in public project operations and socially defined conceptions of worth that are proved useful for the project organization either in sustaining the life of people, in preventing pain or in promoting happiness of the society with respect to CSR practices includes the project organizations responsible activities in achieving minimum standard of work in every day public construction project operations, in planning proactively for CSR risk factors, motivation to integrate the need of other organizations, experiences of the project organization in helping personnel’s with disabilities and in supporting community projects or events and accessibility of transportation facilitation for employees. The CSR activities and their numerical description are listed in the table below.

**Table 6: CSR activities in terms of Responsibility to the Society**

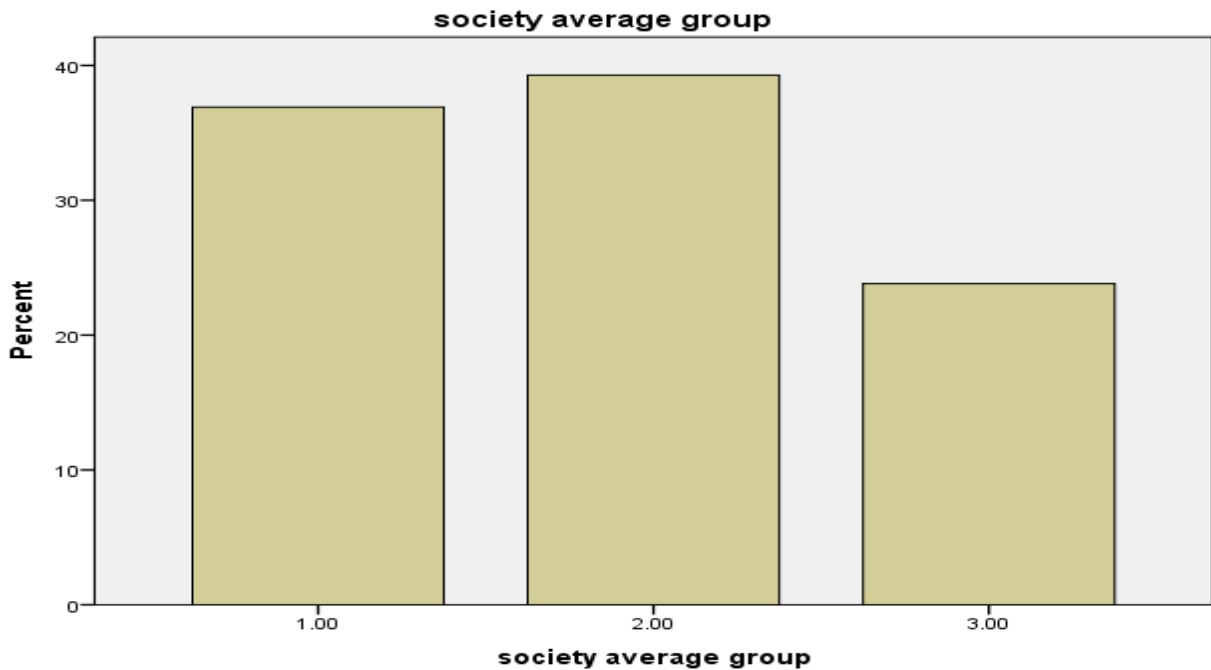
CSR activities	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree	
	Co	%	Co	%	Co	%	Co	%	Co	%
Serve to meet minimum standards of work in every day operations	1	1.2	4	4.8	24	28.6	40	47.6	15	17.9
Proactively plan for CSR problems which the office faced in its previous public construction project experiences	15	17.9	35	41.7	11	13.1	19	22.6	4	4.8
Strong motive to integrate the needs of other public organizations when planning and implementing construction project works	20	23.8	31	36.9	3	3.6	24	28.6	6	7.1
Help people with disabilities back to work	13	15.5	30	35.7	17	20.2	13	15.5	11	13.1
Accessibility of public transport for employees	6	7.1	11	13.1	26	31	19	22.6	22	26.2
Contributes much time and materials to support community projects or events.	2	2.4	30	35.7	24	28.6	24	28.6	4	4.8

It is possible to observe from the table that 65.5% of respondents approved that the project organizations trial to provide various services for the community with its minimum standard of work and 6% respondents answer opposes this and about 28.6% of the respondents answer kept indifferent. In relation to planning practices for CSR risk factors, relatively most (68.6%) of the respondents disagreement response was counted and 27.4% of the respondents answer agree to it while about 13.1% respondents kept indifferent. Most of the respondents disagreed with the CSR activity that the project organization performs specifically in integrating the needs of other public

organizations when planning and implementing public construction project operations, 35.7% of respondents agree to this question and the rest 3.6% of respondents kept in different. The experience of the project organization in helping peoples with disabilities back to work; 51.2% of respondents disagree, 28.6% respondents agree and the others 20.2% of respondents are in different. Regarding to the access of transportation service to employees, 51.2% of respondents disagree, 28.6% of respondents agree and the rest 31% of respondents kept in different.

The average grouped responses shown in the Bar Chart below indicates that , about 31% respondents disagree with the project organizations responsibility to the society at large, 33% of respondents undecided and 20% of respondents answer approves that the project organization is responsible for the society at large. The mean or average response is 3.1 which lies in the range of undecided.

**Figure 5: Average grouped responses for the Responsibility to Society at large**



#### **4.7. The project organization in terms of Responsibility to Competitors**

CSR activities and practices regarding responsibility to competitors also can be expressed in terms of whether the project organization carries responsibility to competitors or not. For this section of the paper, responsibility to competitors was articulated with respect of the project organizations activities in measuring to prevent the occurrence of anti-competitive behaviors,

respecting the intellectual property rights, having anti-competitive agreements with competitors and existence of explicitly stated code of conduct that employees should not partake in any corrupt activities.

The responses for the activities are numerically described in the table below. The explanations are stated corresponding to the descriptions.

**Table 7: CSR activities in terms of Responsibility to Competitors**

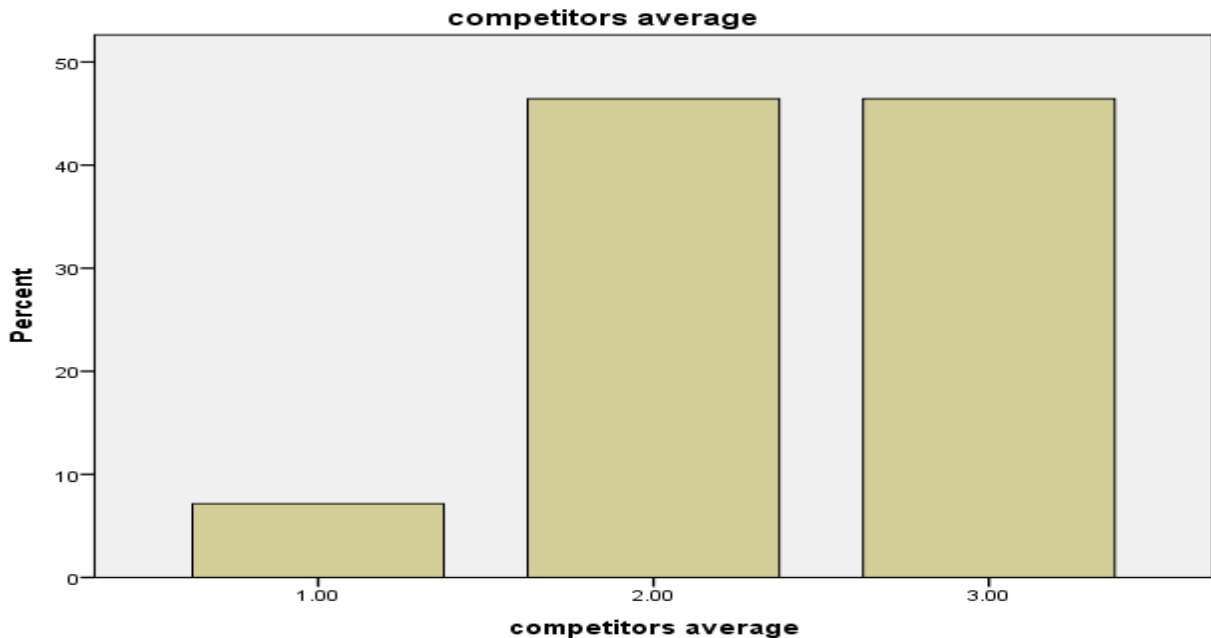
CSR activities	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree	
	Count	%	Count	%	Count	%	Count	%	Count	%
Employ measures to prevent the occurrence of anti-competitive behaviors	-	-	14	16.7	18	21.4	48	57.1	4	4.8
Respect the intellectual property rights	-	-	10	11.9	12	14.3	46	54.8	16	19
Have anti-competitive agreements with competitors	2	2.4	13	15.5	28	33.3	34	40.4	7	8.3
Have explicitly stated code of conduct that employees should not partake in any corrupt activity	2	2.4	18	21.4	21	25	33	39.3	10	11.9

In response to the growing interest in corporate social responsibility, the project organizations are trying to create ethical work force, ethical decision making, and accountability to CSR activities and practices. Transparency and anti-corruption activities also included in this regard. With regard to the above table, 51.2% of respondents agree with the existence of explicitly stated code of conduct that employees should not partake in any corrupt activity, 23.8% of respondents disagree to the same question and the rest 25% respondents kept in different. Majority of the respondents agreed (61.9%) with the project organizations experience in measuring to prevent

the occurrence of anti-competitive behaviors, 16.7% of respondents answer counted disagreements to this and the rest 24.4% of respondents kept undecided. Regarding the project organizations CSR activity specifically in respecting the intellectual property rights, most of the respondent's response counted to agreement (73.8%), 11.9% to disagreement and the rest 14.3% of respondents kept indifferent for the same question. In relation with the existence of anti-competitive agreements with competitors most of the respondents (49.1%) answer counted to agreement, 17.9% to disagreement and the rest 33% of respondents kept in different.

The mean or average response is 3.1 which lie in the range of undecided. The average valid grouped responses shown in the Bar Chart below also indicates that equal number of the respondents answer exhibited to agreements and undecided. But only 7.1% respondents never approved the project organizations responsibility to competitors.

**Figure 6: Average grouped responses to the Responsibility for Competitors**



#### **4.8. The project organization interms of Responsibility to Public Construction Project Operations**

In this section, the CSR activities implemented in the public construction project operations owned and supported by the project organization in Arada sub-city. It was believed that any construction projects should integrate CSR activities in their day to day activities specifically the

project organization is expected to create awareness to internal employees about the vision/mission statements in everyday project operations, establish specific safety goals for project operations, establish rules and code of ethics for CSR implementation problems/risks, establish ethical committee to check project works which should be in compliance with sector wide codes and the need of the society, plan to provide ethical training for employee development and capacitate project personals to take initiative for unassigned tasks that seriously affects the project works . In addition to this, the project organizations trial in quickly responding to project change requests, experience of decisions made to rework and hiring experiences in the project internal organization to support public project operations also explained in this part. Furthermore, the project organization in monitoring project progresses, providing timely feedback for public construction project operations and controlling conditions that hinder completing the public construction project works on time and within budget was also assessed.

Furthermore, the project professional employees are expected to collaborate with other professional employees outside the sector to solve the newly evolving problems, generate new ideas, share experiences and seek and provide feedbacks; seek and use assistance from colleagues to address identified professional needs; obtain feedbacks from a variety of sources to prompt reflection and action; engage in dialogue in relation to professional issues; uses effective communication process to obtain and share information; respect the various perspectives of others when addressing issues associated with project operations and works with project team members to prioritize tasks.

**Table 8: CSR activities in terms of Responsibility to public construction Project Operations**

CSR activities	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree	
	Count	%	Count	%	Count	%	Count	%	Count	%
Aware the vision /mission statement/ policy and values of the organization to employees	2	2.4	21	25	9	10.7	35	41.7	17	20.2
Established specific safety goals	-	-	4	4.8	31	36.9	36	42.9	13	15.5
Established rules and code of ethics for CSR implementation problems/risks	2	2.4	11	13.1	19	22.6	43	51.2	9	10.7
Established ethical committee to check compliances with sector codes and the need of the society	-	-	19	22.6	21	25	33	39.3	10	11.9
Planned to provide ethical training	14	16.7	24	28.6	12	14.3	26	31	8	9.5
Capacitated project personals to take initiative for unassigned tasks that affects project works	10	11.9	39	46.4	12	14.3	17	20.2	6	7.1
Quickly respond to project change requests	13	15.5	42	50	12	14.3	14	16.7	3	3.6
Decisions made to rework were based on value of work rather than its cost	27	32.1	26	31	10	11.9	17	20.2	4	4.8
Professional, skilled and experienced employees were hired.	7	8.3	36	42.9	14	16.7	19	22.6	8	9.5
Monitor and provide timely feedback	12	14.3	33	39.3	14	16.7	19	22.6	6	7.1
Control conditions that hinder completing the project works on time and within budget.	16	19	31	36.9	12	14.3	14	16.7	11	13.1

Based on the literature, public construction project employees bring together various skills and knowledge to fill common roles, but the people who fill these roles vary from project to project. It was expected from the project organization to identify and plan professional learning needs; engage employees in professional learning and self improvement practices; motivate employees to engage with colleagues and improve practice and apply professional learning experiences in the project works and improve the performance of the project products/services. This becomes true when the project organizations workers also establish goals for their own professional development needs and; plans action based on reflection to promote own professional development and participate in networking, workshops, conferences, seminars or courses and engage in professional reading.

The public construction project operation workers are not necessarily successful unless they improve the effective and efficient delivery of the project, such as by removing the traditional barriers among them. Regarding to this, the project organization in creating awareness's for employees about the vision /mission statement/ policy and values of the project organization, most of the respondents answer counted to agreements (61.9%), 27.4% of respondents answer counted to disagreement and the rest 10.7% of respondents kept in different. In setting specific goals for public project operations in the project organization, 58.4% respondents answer counted to agreement, 4.8% respondents answer counted to disagreement and the rest 36.9% respondent's kept in different. The project organization in establishing rules and code of ethics for CSR implementation problems/risks, 61.9% of respondents answer rest on agreements, 15.5% to disagreements and 22.6% kept without decision. In addition to this, the project organization in establishing ethical committee to check public project works which is in compliance with sector wide codes and the need of the society; 51.2% respondents answer counted to agreement, 22.6% respondents answer counted to disagreement and the rest 25% respondents kept in different. Furthermore, the project organization in planning to provide ethical training for employee development; 40.5% respondents answer sides to agreement, 45.3% respondents answer sides to disagreement and the rest 14.3% kept in different.

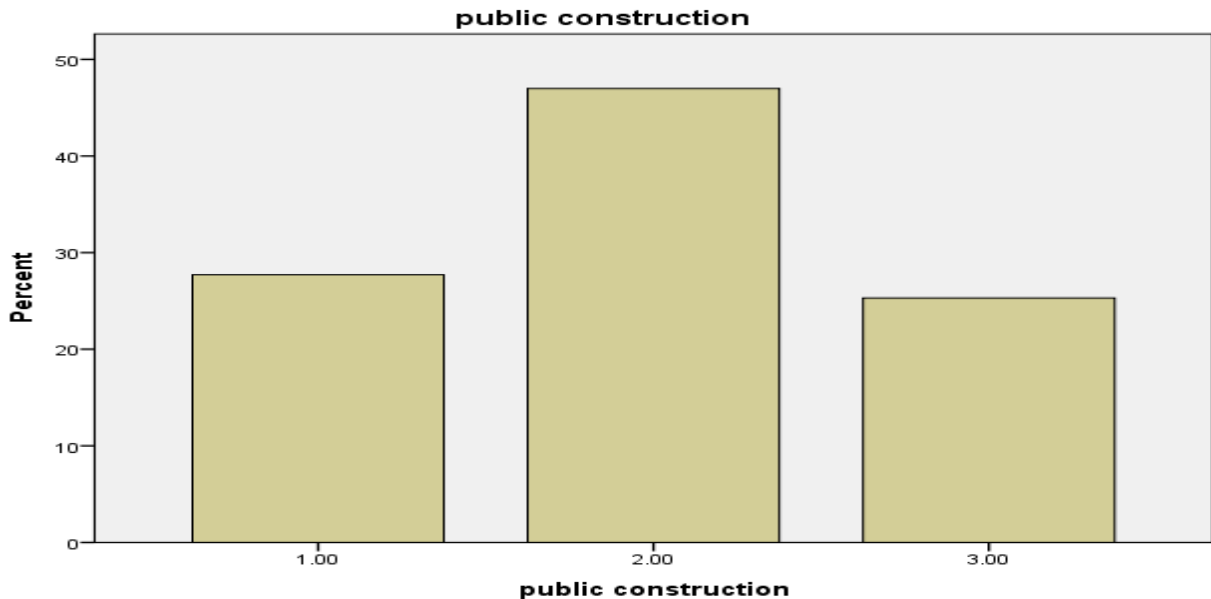
The other CSR activity is the project organizations experience in capacitating project personals to take initiative for unassigned tasks that seriously affects the project works; most of the respondents answer (58.3%) counted to disagreement, 27.3% respondents answer counted to agreements and the rest 14.3% of respondents kept in different. The project organization in

responding to project change requests; most of the respondents (65.5%) answer counted to disagreement, 20.3% of respondents answer counted to agreements and 14.3% kept indifferent. Surprisingly, the respondents answer for the CSR activity which describes that decisions made in the project organization to rework were based on value of work rather than its cost; most of the respondents answer (63.1%) counted to disagreement, 25.2% of respondents agreed and the others 11.9% kept indifferent.

In addition to the above, with respect to the existence of professional, skilled and experienced employees to support public project operations in the project organization; about 51.2% of respondents answer counted to disagreement, 32.1% respondents answer counted to agreement and the others 16.7% kept indifferent. In the same way, 53.6% of respondents answer counted to disagreement for the monitoring and providing feedback practices for the public construction project operations performed by the project organization, 29.7% respondents agreed to the same question and the rest 16.7% respondents indifferent. Furthermore, the project organization in controlling conditions that hinder completing the public construction project works on time and within budget; 55.9% of respondents answer counted to disagreement, 29.8% of respondents answer counted to agreement and the rest 14.3% of respondents kept indifferent.

The average grouped responses shown in the Bar Chart below also indicates that about 27% respondents are not agreed by the project organizations responsibility to the public construction project operations, 46.4 % respondents were in confusion to decide and the rest 25.8% of respondents answer approved the project organizations responsibility to public construction project operations. Describing this in another way, the average valid grouped responses shown in the Bar Chart below indicates that 27.4% of respondents group not approved the responsibility of the project organization towards the public construction project operations and about 46.4% of respondents kept silent to this issue where as 25.8% respondents group approved the responsible practices of the project organization in undertaking public construction project operations. The mean or average responses of respondents for the listed CSR activities are 2.94. According to the categories it lies in the range of undecided.

**Figure 7: Average grouped responses for the Responsibility to Public Construction Project Operations described using a Bar Chart**



#### **4.9. Discussions of the Main Findings**

From the background information two interesting findings were seen in the results of the questionnaires. Firstly, regarding “sex” we can conclude that most of the respondents 58(69%) were males. The public construction project operations in Arada sub-city seems like dominated by males and it was observed that a serious limitation of recruiting and providing opportunity to females, only 26 in number (32%) females are participated as a professional employee in this study. In another way, small number of female’s participation was exhibited in decision making process of crucial operations in the project organization. Secondly, when asked “has your organization taken part in any CSR activities and practice you remember?” two thirds or 74% of the respondent’s agreement responses are counted and only 22 (26%) of respondents felt that they do not remember which is better to be continued relatively. But, among professional employees that remembered involvement in CSR activities and practices, more than 60% of respondents were youngsters and 55% of respondents involved in CSR activities for less than or equal to three years. Therefore, it was not that much easy to get experienced professional employees in the project organization to implement CSR operations.

Performance of a project can be considered as a result of the process as well as the presence of the process (Bai and Yang 2011). For a project organization to be effective, it is important that the project personnel's should understand and accept the performance measurement criteria's or indicators identified for construction project operations. In addition to this, effective project organizations are encouraged, if not obliged, to go beyond the speculative and economic goals that benefit its members only, in order to integrate, into its decision-making process, other more holistic considerations of an ethical, social and environmental nature for the benefit of the society in the public construction project operations.

Regarding to the above, the overall impression of the responses towards the public construction project operations indicates that there is a limited scope for capturing and monitoring CSR activities in the project organization. But a typical construction project undergoes three stages: preconstruction, construction and post construction stages. Along these stages, there are numerous activities performed to achieve the output and objectives specified by the owner. Therefore, it is crucial for the project organization, at some extent, to measure its performance on the activities or sub processes performed throughout its operations specially CSR activities and practices in undertaking public construction project operations. This is because of that the project organization is the primary responsible organization for supporting and delivering acceptable product/service from any type of government construction project operations/locally said to be government capital projects undertaken to provide community services.

The study also indicated that small number of respondents felt that the project organizations CSR performance was strong and could be continued, which supports the researchers assumption in the preliminary study that "what limited CSR information is available in the operations of the public construction projects in Arada sub-city is mainly the infection of idle talk with no equivalent action behind it in the day to day operations of the project organization". Regarding the interview questions designed to assess the prior knowledge of the client organizations managers, it suggested that the client organization did not seem to be as active in practice as has the client organizations managers taken an active interest in the topic, the same like as was evidenced by the assumption in the preliminary study undertaken by the researcher. The interview questions designed to elicit views of the manager and responsibilities in this area; the researchers work concluded that, the client organizations managers or responsible persons in the

client organization for public construction project operations by themselves have serious limitations in clearly understanding CSR activities.

As the client organizations manager's sayings after some briefings given by the interviewer also indicated that, now a days the issue related to CSR with respect to quality of the project product/service were more commonly heard in the community than others, suggesting that these topics might be seen as very relevant and should be given high priority for implementation because they remember the existence of varying levels of impacts directly or indirectly affected their organization and personnel's.

Interestingly, some negative comments were received; these have been given by the more senior members of the client organizations staff who were interviewed. For example, the issue corresponds only to the project organization neglecting them. One staff member did not agree with the principle of CSR, as project organization should not be expected to go beyond standard legislative requirements. This respondent felt that many private project works use CSR as a "marketing instrument" in order to elevate their profile, and that the process was "in most cases entirely self-motivated". Another senior staff member felt that the potential for the project organization to influence public construction projects with regards to aspects of CSR was less than that of suppliers and contractors, indicating that it is an area of concern for the sub-city administration and any voluntary personnel's to concentrate on improving the awareness of the CSR issue especially in public construction project operations. Alternatively, it could be seen that the interviewers have fewer reservations about giving opinions.

Supporting the above idea, the interview head with the client organizations also witnessed the project organization has a series problem in proactively planning to integrate the needs of other public organizations and voluntarily exert a great effort to support community projects/events. Generally, interviewers agree on developing community service attitudes in any public construction project operations. But, they evaluated that the project organizations every day activities in the public construction project operations regarding CSR was only struggling to meet minimum standards of works.

This was one of the major negative views of the project organizations performance with respect to CSR, and while others did believe that the project organization may not be performing at a high level due to that they believe in variation in awareness of CSR operations among

professional employees in the project organization. Evidences show that most of the times, the project organization is performing only to meet minimum standards of work in the operations of public construction projects regarding CSR.

Surprisingly, for the selected CSR activities in this study, some respondents decided not to offer any comment about the project organizations CSR activities and practices specifically regarding employees health and safety issues, frequently in undertaking employees satisfaction survey, accessibility of transportation for employees, ethical issues and the capability of the project organization whether it performs well or badly, which may be either an indicative of the topic given a low priority for the project organization due to a number of factors, such as limited awareness of employees in the project organization about CSR issues as a whole or may be opportunities to capture some basic information's was restricted.

Assessment and evaluation can be performed several times during the entire project's progress to analyze that team members identify which aspects need improvement to ensure success of the project operation. The evaluation of process performance also can help find questions in the enforcement of construction projects, determining the reasons for the questions and correcting the errors in the practice in time to improve management's performance of construction projects (Bai and Yang 2011).

Limited number of respondents agreement response was exhibited for a number of CSR activities and practices specifically in safeguarding employee's right, capacitating employees by designing dedicated learning programs or trainings for project work personal's, encouraging employees that take part for unassigned tasks that affects the project works and responsibly expending resources in the project works to accomplish the tasks within the given time and budget, promoting sociable working environment to increase employees working attitude, taking actions when agreements and regulations are not well practiced in the project operations, ensuring quality of project products/services, planning proactively for CSR risk factors, helping individuals with disabilities back to work, considering value of work rather than cost for requested changes when decisions were made to rework, monitoring, controlling and providing timely feedback practices for project irregularities in the project organization. This all also supports the statement that "the project organization is performing only to meet minimum standards of work in the operations of public construction projects with respect to CSR".

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1. Summary of the Major Findings

Results obtained from discussion provided some interesting information's on how the project organization is perceived and the project organization in implementing CSR activities in their operations, recommending some areas of operations need improvement. The three main areas of interest which were highlighted to be improved are:

##### 1. Budgeting for dedicated capacity building or training programs

Before talking too much about responsible practices in the public construction project operations employees in the sector should develop the necessary professional capability, skills and understandings about the main issue "What are and how to implement the CSR activities responsibly in public construction project operations". Without the necessary knowledge, skill and capability; voluntary peoples naturally with good personalities only attempt to implement them incompletely. The general consensus was that due to the potential impacts in the public construction project operations, CSR is an area which is relevant to all levels of professional employees in the sector. All employees should be aware of the topic and understand issues related to it, the senior staff is the ones who should be leading the way with regards to CSR. The more junior staff needs to keep up to date and be aware of how they affect their day-to-day operations.

##### 2. Encouraging team working experiences

Nearly all respondents agreed that a small number of individuals were responsible for CSR activities which are understandable as these are the peoples who are also responsible for running the project operations. For the question "who is responsible for CSR activities in your organization?" only 27 respondents answer counted to dedicated team members, 55 to a number of individuals and the rest 2 respondents said others. From this we can mention that the public construction project operation activities were mainly supported by individuals insignificantly considering the importance of project teams/case teams in the project organization. Therefore, the quality and effective implementation of CSR activities and practices in the public

construction project works might be determined by the behavior and individual differences. This also may create more room for corruption and irresponsible activities. It is advised that sharing responsibilities among professional employees in the specific project works and working together to accomplish any type of project works is used to fill the incompetency gaps of the individual worker regarding CSR.

### **3. Monitoring, providing Feedback and Auditing public construction project operations, products and services**

The increase in the number of negative responses of respondents regarding monitoring public construction project works may reflect the fact that many CSR activities already fits with the assumptions of the researcher in the preliminary study, as it is likely to be an area in which the project organization and other stakeholders should be interested on it.

Monitoring and understanding the energy used for CSR implementation and resources consumed makes sound financial sense, as it allows the project organization to measure its operating efficiency, as well as identifying steps to improve it; which can result in direct financial benefits. In addition to the above, signals from the respondents answer indicates that community and social impacts should be given an important consideration in the day to day public construction project operations. This perception, coupled with poor performances of the public construction project works and an increasing awareness of social issues in the community, might indicate that this is the other area which will become more important for the project organization in the coming years.

Furthermore, evidences of the study also indicate that auditing the project product/services before the final acceptance and certification of payments was very unusual practice in the project organization. Generally, employees in the sector appear to be aware of the basic principles behind CSR and some of the impacts that it can have. Having stated the relevance of the topic, professional employees believe that the project organization could do more to promote and raise awareness of CSR amongst its employees. Overall, great changes to the project organizations operations were needed to ensure the implementation of CSR activities and practices through performing continuous monitoring and feedbacks in collaboration with the necessary stakeholders is very much important in supporting public construction project work progresses.

## 5.2. Conclusions

On the basis of the analysis of the responses for priority topics which are based on different aspects of CSR and relevant for the project organization, the result was summarized and the following conclusions were forwarded.

The project organizations good activities and practices were restricted only in serving to meet minimum standards of work in every day public construction project operations. But, the project organization was strongly commented with respondents in critical CSR activities and practices specially in safeguarding employee's right, budgeting for a dedicated learning and development programs, encouraging employees that take part for unassigned tasks that affects the project works and in encouraging employees responsibly to expend more working time in the project operations to accomplish the tasks within the given time and budget, promoting sociable working environment to increase employees working attitude, taking actions when agreements and regulations are not well practiced in the project operations, ensuring quality of project products/services, in planning proactively for CSR risk factors, helping individuals with disabilities back to work, considering value of work rather than cost when decisions were made to rework, monitoring, controlling and providing timely feedback practices for project irregularities.

Contradicting experiences identified in this study was that the project organization have polices to actively recruit women's and ethnic minorities on one hand and do not provide equal opportunities to women's and disabilities on the other hand shows that it holds only a written document which should be considered to be applied in practice. For other CSR activities and practices, the project organization is expected to consider which activities should come first and which are next.

The most familiar activities in relation to employee's relation is that the project organization should give value to commitment to respect employee's right, budget for employees learning and development program and develop a sociable working environment in the internal project organization. In addition to this, the project organization should be encouraged to take adequate steps against discrimination. Furthermore it is not surprising that topics such as health and safety and ethics should be a major focus areas in the project organization.

Regarding the responsibility to suppliers, the result of analysis shows that the project organizations corporate social responsibility (CSR) practices attempts still accounts less than half a way in the specific activities. This is reflected by the project organizations limited trial to assure the quality of the product/service of suppliers in compliance with legal, environmental regulations by auditing. In other words, the project organization was seriously criticized by the CSR activity “in taking actions when supplier’s breaches contract agreements and environmental regulations”. The poor quality of product/service will sustain for a long time if not continuously monitored and given feedback. Therefore, accountability towards public construction project operations is in question due to individual’s corruption attitude. Continuously measuring the product/service of suppliers and advocating transparency should be the main practice of the project organization.

The most critical CSR activity toward customers is commitment to provide value to customers. This is also the case for ethical considerations, but neither of the CSR activities under the main topic “the project organizations responsibility to customers” was particularly well answered by the respondents of the study. Most of the respondents are in dilemma to agree or to disagree and also the project organization was explicitly criticized by the respondents that they produce quality product/service from the public construction project operations.

Regarding the responsibility to the society at large, strong limitations of the project organizations activities exhibited regarding participating in various community services, planning proactively for CSR issues, integrating the needs of other public organizations when planning and implementing public construction project operations and in helping peoples with disabilities back to work. In relation to this, the interview notes also show that the project organization does not facilitate conditions for social services such as social committees, sports and exert positive pressure on contractors to build new infrastructures or maintenance works around the public construction project site work areas in the sub-city in favor of the local community. Therefore, social/community interactions and impacts of the project organization appeared to be an important area to the project organization, but also one which was very difficult to address.

Recognition was given for the project organization in implementing some CSR activities in the public construction project operations despite the level of agreement is weedy. In other words, the levels of agreement do not guarantee that the project organization practicing CSR in this

dimension entirely or satisfactorily. This is because of that, a number of bad reputations may increase the likelihood of opposition to the project organizations activities and practices. A bad perception may also reduce the number of community members who are willing to work with the project organization. This is shown by the project organizations limited attempt in implementing measures or explicitly stated code of conduct that employees should not partake in any corrupt activity. With regard to public construction projects in Arada sub-city, poor performance in community engagement may result in clients wishing to distance themselves from the project organization fearing of obtaining a poor image in the future even though it works well regarding CSR in the future. Therefore, construction projects often involve extensive public consultation, so in raising people's awareness of a project organizations community activities.

### **5.3. Recommendations**

The purpose of the recommendation was to benefit the project organization that they also provide further CSR evidence and knowledge when performing public construction project operations. These recommendations related to the following main areas:

#### **1. Improving Employee Handling Practices**

For the growing interest of the significance of CSR activities and practices for different stakeholders and the government; the project organizations are forced to implement CSR principles in the public construction project operations. Therefore, Professional, skilled and experienced human resource is the basic component in addition to labor workers in the public construction project works. Effective handling of this resource contributes much for the project organization with respect to CSR. Therefore, it is important for the project organization that their staff remains interested and impressed with their work, as this will encourage them to integrate CSR activities and continue delivering good work.

Providing flexible working hours and flexible benefits for employees make the work-life balance more effective and accommodate different employee's situation. The project organization should also give special attention for continuous development projects to fill professional incompetency gaps in the identified CSR activities and practices. Therefore, employees should keep themselves flexible to adapt and adjust with the continuously changing environment regarding CSR.

## **2. Following New way of doing project operations**

Efficiency, effectiveness and waste reduction are good ideas but not sufficient for public construction project operations. Efforts to integrate the needs of other public organizations and the need of the society in designing project works is the other aspect or responsibility expected from the project organization. Therefore, applying new performance management system such as continuous improvement programs (Kaisen) in combination with CSR operations is very much important for the project organization.

## **3. Continuously Monitoring public construction Project products/services/operations**

Effective monitoring can develop accountability and commitment, ensures quality of the project products/services, enhances working towards reductions in the project site work environmental impacts, provide ample information and identify cost saving mechanisms.

## **4. Applying Best practices in the project operations and establishing Effective Communication System in the Project Organization**

Modeling best practices of other public organizations and private construction project operations is needed especially different kinds of charity works which can raise awareness and profile of the project organization in the community.

There are two main ways that CSR and ethics information can be provided to project work professional employees. It could either be actively distributed to professional employees via designing a dedicated capacity building programs, or it can be passively available for project work professional employees to access as they require it.

Searching for examples of projects where the client organizations and the local community have been interested by their operations to sustainable alternatives such as use of more environmentally friendly materials to reduce community impact is needed. Therefore, Environmental and Social Impact Assessment (ESIA) is an important step in understanding how operational activities may affect the environment and ensuring appropriate management measures are put in place to minimize negative impacts.

The other important practice that can be adapted by the project organization is to approach and work with local communities which are a critical component of developing its Social License to Operate. A trusted relationship and strong communication between stakeholders takes time to

cultivate. It is beneficial to start early and be proactive in understanding the various perspectives of the communities in order to manage expectations, identify potential risks early on and develop appropriate responses. It is important that community's feel consulted involved and engaged.

The CSR field team/the community liaison officer is crucial to the success of the project works because they are assumed as the eyes and ears for the project organization. Regarding to this, the project organization will hire respected members of the local community. Their responsibilities include understanding and managing community issues, consulting with key stakeholders, promoting and maintaining information flow between the project organization and communities, helping the project organization in mitigating emerging risks.

The project organization also needs CSR internal team responsible for CSR implementation.

The public construction project CSR operations and sector wide expectation results must coincide so that issues are understood across functional areas and employees understand their role in impact monitoring and management as required. The results must be shared with the community and the relevant authority to encourage transparency and further discussion and the management plan is developed and monitored on on-going basis. Once a project has been agreed by the community and approved by the project organization, draft a contribution agreement to outline clear roles and responsibilities between the project organization and community. This document should be made available to ensure transparency on investment, and also encourage accountability.

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# Appendix-1

## Guiding principles to complete the questionnaire

Tick the box when completing in hard copy or highlight the relevant response when completing electronically and fill the blank space with the correct information. Please feel free and relate to your perceptions of the various aspects of corporate social responsibility (CSR) when answering to questions listed as activities that the project organization undertakes in supporting public construction project operations. The purpose of this questionnaire is to gather information on how CSR activities and practices are addressed in the project internal organization/Construction Office and in the recently active public construction project operations in Arada Sub-city.

### Section One: Instruction for completing the background information and questionnaires

Do not write your name; read all the questions carefully before answering them; kindly complete the background information and the questionnaires. Possible answers are in some instance provided. Therefore, select the answer that best suits your perception from the given alternatives.

1.1 Name of your organization or specific project: .....

1.2 Sex: Male  Female

1.3 Age: .....

1.4 Approximately how long have you been involved in CSR activities in your organization: .....

1.5 In your organization who is responsible for CSR activities?

A dedicated team  a number of individuals  others

1.6 Your present position in the public construction organization or project operations:

Project or organizations Manager  Contractor  Consultant

Supervisor  Professional Employee  Supplier/Subcontractor

1.7 Has your organization taken part in any CSR practice you remember?

Yes  No

**Section Two: Perceptions of Respondents towards the construction office/the project organization regarding CSR considerations in their day-to-day operations.**

**Rating scale: (Strongly Agree=5, Agree=4, Undecided=3, Disagree=2 and strongly Disagree=1)**

**Table 2.1: The Project Organizations contributions for employee’s relation**

CSR activities and practices	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Respect employees’ right and undertake active dialogues with human right organizations such as NGOs, and government offices					
Have policies to actively recruit women’s and ethnic minorities					
Provide equal opportunities to women’s and ethnic minorities					
Budgeted for a dedicated learning and development programs					
Receive information’s regarding health and safety in the work place					
Participate employees in decision making process of project works					
Encourages employees for their extra working time contribution					
Take timely remedy actions for workplace issues to promote a good working attitude					
Promote a sociable working environment					
Frequently undertake employee satisfaction surveys					

**Table 2.2: The Project Organization/construction Offices responsibility to Suppliers/Subcontractors**

CSR activities and practices	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Frequently audit quality of product/service of suppliers					
Frequently audit the product/service of suppliers for their compliance with environmental regulations					
Frequently audit the activities of suppliers for their compliance with legal requirements					
Frequently undertake suppliers satisfaction survey					
Take actions when suppliers breaches contract and environmental regulations					

**Table2.3: Project Organization/Construction Offices responsibility to Customers/Clients**

CSR activities and practices	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Exert a great effort to ensure the quality of product/services					
Provide information's when requested by a customer/client					
Have procedures for handling customer/client complaints					
Rarely accused by undertaking misleading activities					

**Table2.4: Project Organization/The Construction Offices responsibility to the Society.**

CSR activities and practices	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Serve to meet minimum standards of work in every day operations					
Proactively plan for CSR problems/risk factors which the office faced in its previous public construction project experiences					
Strong motive to integrate the needs of other public organizations when planning and implementing construction project operations					
Help people with disabilities back to work					
Accessibility of public transport for employees					
Contributes much time and materials to support community projects or events.					

**Table2. 5: The Project Organization/the Construction Offices responsibility to competitors**

CSR activities and practices	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Employ measures to prevent the occurrence of anti-competitive behaviors					
Respect the intellectual property rights					
Have anti-competitive agreements with competitors					
Have explicitly stated code of conduct that employees should not partake in any corrupt activity					

**Table2.6: The Project Organizations responsibility to public construction project operations**

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
CSR activities and practices					
Award the vision /mission statement/ policy and values of the organization for professional employees when implementing CSR activities					
Established specific safety goals for public construction project operations.					
Established rules and code of ethics for CSR implementation problems/risks					
Established ethical committee to check project practices in compliance with sector wide codes and the need of the society					
Planned to provide ethical training for project employee development					
Capacitated project personals to take initiative for unassigned tasks					
Quickly respond to project change requests					
Decisions made to rework were based on value of work rather than its cost					
Professional, skilled and experienced employees were hired in the internal organization					
Monitor and provide timely feedback for public construction project operations					
Control conditions that hinder completing project works on time and within budget.					

## Appendix-2

### Guiding questions for Interviews

My name is Deginet Mulugeta Tesfaye a postgraduate student in the Department of Project Management. I am conducting my MA Research on the topic “**An assessment of Corporate Social Responsibility (CSR) activities and practices**” specifically on the operations of the project organization in Arada Sub-city. I am collecting data and relevant information that will help me to have a better understanding on the issue under study. Therefore, genuine information is highly appreciated and valuable for the success of the study. So that, I would like to assure you that confidentiality for your comments will be respected and can be used only for this research purpose.

Thank you for your cooperation!

#### Semi-Structured Interview Questions/Topics

**Opinions of the client organizations responsible persons towards the project organization for their understanding and integrating CSR operations in supporting public construction project operations.**

This topic can be used as a base for interviews that will be conducted with responsible persons who have better information about construction project works before accepting the end product.

1. What is CSR and what are the complaints raised from most of the society regarding public construction project works in Arada sub-city?
2. Why can the responsibilities of different levels of professional personnel's vary in undertaking public construction project operations?
3. Any more issue that you need to rise about CSR activities and practices of the project organization in supporting the public construction project operations?

## **Appendix-3**

### **Observation Checklist**

The purpose of this observation is to assess basic information's about the recently active public construction project site work operations and highlight where and how potential improvements regarding CSR might be made in the project organization in supporting public construction projects in Arada sub-city.

- What does the conditions of CSR activities and Practices looks like in the recently active public construction project site work operations in Arada Sub-city?
- How much of the public construction project site work operations try to implement CSR activities and practices in Arada Sub-city?
- How much of the operations contribute to completing the public construction project works on time and within budget?

## Appendix-4

### Information's and Photographs of the Recently Active Construction Projects

No.	Type of the Project	Address	Specific Location/Site
1	Food Processing (G+4 Building)	Woreda 07	Around Sanford School
2	G+3 Pharmacy	Woreda 06	Near to Jan Meda Public Health Center
3	G+3 Youth Recreation Center	Woreda 09	Around Arat Killo
4	Health Center Maintenance Works	Woreda 06	Around Woreda 06 Administration Off.
5	G+2 School Library Building	Woreda 05	New Era primary School
6	Pharmacy Building	Woreda 06	Yekatit-12 Hospital
7	Health Center	Woreda 09	Around Arat Killo
8	TVET Center	Woreda 07	Awarae
9	G+2 Library Building	Woreda 04	Tibeb Edget primary School
10	Work Shop Building	Woreda 05	Around Yohannis Church
11	G+3 Youth Recreation Center Building	Woreda 05	Around Soramba Hotel
12	Health Center Maintenance Works	Woreda 10	Around Piyassa(Erri Bekentu)
13	G+2 School Library Building	Woreda 02	Africa Andinet No. 2 Primary School
14	Health Center Maintenance Works	Woreda 03	Around Alkan Health Training College
15	Fencing and Partition Works	Woreda 06	Arada EPRDF Office
16	Toilet Building and Construction	Woreda 09	Arada Sub-city Administration
17	Food Processing Incubator and Shade	Woreda 09	Birhan Ethiopia TVET College
18	Product Show Room G+4 Building	Woreda 04	Around Inqulal Fabrica

## **1. Woreda 07 G+2 Food Processing Building and Construction more information's**

- Contract Agreement Time: 12/08/2008 E.C
- Project Start Time: 19/08/2008 E.C
- Project end Time: 04/10/2008 E.C
- Project Contract Amount: 924,272.64 Birr
- Current Financial Status of the Project(%): 34%
- Physical Status of the Project (%): 67%
- Payment Award Amount: 383,371.25
- Name of the Contractor: A.LG
- Name of the Supervisor in the Project Organization: Habtom Belay
- Critical Issues Encountered: Delay and Beam works



## **2. Woreda 09 Youth Recreation Center Construction Project more information's**

- Contract Agreement Time: 09/02/08E.C
- Project Start Time: -07/07/08E.C
- Project end Time: 07/03/09E.C
- Project Contract Amount: 4,625,553.68Birr
- Current Financial Status of the Project: 50.1%
- Physical Status of the Project (%):51%
- Payment Award Amount: 2,326,554.08Birr
- Name of the Contractor: Path Way Private Construction Enterprise
- Name of the Supervisor in the Project Organization: Samuel Temtim
- Critical Issues Encountered: Delay



### 3. Woreda 05 School Library Building Project other information's

- Contract Agreement Time: 01/02/08E.C
- Project Start Time: -25/02/08E.C
- Project end Time: 25/06/08E.C
- Project Contract Amount: 4,227,170.54Birr
- Current Financial Status of the Project: 85 %
- Physical Status of the Project (%):58%
- Payment Award Amount: 2,698,802.84Birr
- Name of the Contractor: Ababayehu Musa Private Construction Enterprise
- Name of the Supervisor in the Project Organization: Demelash Birahanu
- Critical Issues Encountered: Delay



### 4. Woreda 09 Health Center Building Project more information's

- Contract Agreement Time: 02/01/07E.C
- Project Start Time: -10/07/07E.C
- Project end Time: 25/06/08E.C
- Project Contract Amount: 9,738,914.57Birr
- Current Financial Status of the Project: 51.11 %

- Physical Status of the Project (%):99%
- Payment Award Amount: 5,172,368.72Birr
- Name of the Contractor: Abraham Demeke Private Construction Enterprise
- Name of the Supervisor in the Project Organization: .....
- Critical Issues Encountered: Delay



#### 5. Woreda 04 Product Show Room Construction project more information's

- Contract Agreement Time: 28/12/08E.C
- Project Start and end Time: -14/02/08E.C and 28/03/09E.C
- Project Contract Amount: 6,197,677.64Birr
- Current Financial Status of the Project: 19 %
- Physical Status of the Project (%):60%%
- Payment Award Amount: 1,280,125.71Birr
- Name of the Contractor: Andualem Buzuayehu Private Construction Enterprise
- Name of the Supervisor in the Project Organization: Endale Gizachew
- Critical Issues Encountered: Delay

