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Comparison of CSR in the Construction Sector between Thailand and International Practices

Thongchai Phothong[1], Boonchai Chearnkiatpradab[2*], Koltouch Anantakarn[3*], Bhattraradej Boonsap Witchayangkoon[4], Yasser Arab[5]

[1]*Department of Civil Engineering, Faculty of Engineering, King Mongkut's University of Technology Thonburi, THAILAND.*

[2]*Department of Civil Engineering, Faculty of Engineering, South East Asia University, THAILAND.*

[3]*Faculty of Engineering and Architecture, Rajamangala University of Technology Tawan-ok, Uthenthawai Campus, Bangkok, THAILAND.*

[4]*Department of Civil Engineering, Thammasat School of Engineering, Thammasat University, Rangsit, Pathumtani, THAILAND.*

[5]*Department of Architectural Engineering, College of Engineering, Dhofar University, Salalah, SULTANATE of OMAN.*

**Corresponding Author (Emails: bnn_design @yahoo.com,).*

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Abstract

This study compares Corporate Social Responsibility (CSR) practices in the construction sector between Thailand and international contexts, highlighting key similarities and differences in regulatory frameworks, environmental sustainability, labor standards, community engagement, and strategic orientation. In Thailand, CSR is largely voluntary and often perceived as philanthropic or image-driven, with varying degrees of implementation depending on company size and investor pressure. Environmental and labor standards are improving but face challenges, especially regarding migrant worker welfare and enforcement. Community engagement tends to be informal and focused on donations or local infrastructure support. Conversely, international CSR practices, especially in developed nations, are more structured and are largely influenced by regulatory requirements, stakeholder demands, and global sustainability initiatives. In these contexts, CSR is approached strategically, incorporating environmental certifications (such as LEED), robust labor protections, and established mechanisms for community engagement. The analysis indicates that while Thailand is advancing in its CSR efforts, there remains a considerable gap in adopting CSR as a long-term strategic approach for sustainable development within the construction sector.

Discipline: Civil & Construction Engineering.

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1 Introduction

Corporate Social Responsibility (CSR) is a business approach aimed at creating lasting benefits for both the company and society by taking into account its economic, social, and environmental impacts. CSR means recognizing the company's duties concerning its actions and how they affect the environment, stakeholders, and the community.

1.1 What Does CSR Signify in the Construction Industry?

In the construction sector, CSR involves the efforts made by construction companies to lessen their environmental footprint, improve the health and safety of workers and the general public, and promote social responsibility in their operations.

In the construction field, CSR includes managing the environmental, social, and economic impacts of construction activities. This CSR involves

- **Health and safety**: Protecting the health and safety of workers, the public, and the environment during the construction processes.
- **Environmental management**: Minimizing waste, reducing energy consumption, and alleviating the effects of construction activities on the environment.
- **Social responsibility**: Promoting social responsibility in construction practices, like creating job opportunities for the locals, offering training, and engaging with the community.

This research looks into CSR in the construction industry, comparing practices in Thailand with those internationally. This work also finds out both the differences and similarities regarding scope, implementation, priorities, and regulations.

2 Literature Review

Issarawornrawanich and Wuttichindanon (2019) discussed CSR practices and disclosures in Thailand. There were a total of nine CSR components: good governance, environment, consumer protections, fair business practices (FBP), human rights, labor standards, community and society, innovation and anti-corruption (see Table 1). These aligned with standards from the Stock Exchange of Thailand (SET) (SET, 2012), OECD Guidelines (OECD, 2023), and UN Global Compact Principles (UN, 2025).

Fei et al (2024) disclosed the considerable impact that various leadership styles have on CSR practices within the construction sector of Bangkok, Thailand. Transformational leadership is regarded as the most effective style and is closely aligned with CSR practices.

Ethical leadership plays a vital role in CSR of construction sectors, where ethical factors are essential because of their environmental and social implications (Ayoko, 2022).

According to Liao et al. (2017), corporate reports serve as a useful tool of conveying the construction companies' CSR initiatives. Their research introduces a structured content analysis method to evaluate CSR communication among contractors across various regions. It chose a

sample of 310 international contractors from the Engineering News-Record list spanning from 2009 to 2014 and gathered information from their CSR-related reports.

Table 1: The nine CSR components based on SET, OECD Guidelines, and UN Global Compact principles.

CSR Component	Description
1. Good Governance	Carrying out operations with openness, responsibility, ethical choices, and following laws and regulations.
2. Environment	Minimizing negative environmental impacts by adopting sustainable methods, improving resource use, managing pollution, and taking action on climate change.
3. Consumer Protection	Ensuring the quality and safety of products and services, keeping prices fair, being transparent, and offering ways for consumers to give feedback and resolve disputes.
4. Fair Business Practices	Encouraging fair competition, avoiding dishonest trade practices, and maintaining integrity in supply chains.
5. Human Rights	Defending and promoting human rights, which include freedom, dignity, non-discrimination, and protecting individuals from harm or exploitation.
6. Labor Standards	Providing fair wages, safe working conditions, non-discrimination, social security, and respecting workers' rights along with their freedom to join together.
7. Community & Society	Helping local communities grow through education, healthcare, infrastructure, volunteering, and inclusive participation.
8. Innovation	Using innovation to improve sustainability, operational efficiency, and create benefits for both businesses and society.
9. Anti-Corruption	Creating plans to spot, prevent, and tackle bribery, fraud, and different forms of corruption at all levels of the organization.

According to Lu et al. (2016), international construction companies' (ICCs) corporate social responsibility (CSR) disclosures are becoming more complex. Their study analyzed the CSR and sustainability reports of the top 50 ICCs to identify trends and provide recommendations. They found that companies with more negative impacts disclose more corrective measures. ICCs from developed nations show a high level of disclosure, but those from developing countries are increasing their efforts. To improve consistency and reliability, more ICCs are using reporting guidelines and third-party verification. Their research provided a deeper understanding of current CSR disclosure trends and would help ICCs plan future reporting.

Wu et al. (2015) noticed that weak corporate social responsibility (CSR) performance limits the global expansion of Chinese contractors. In term of CSR, their research compared Chinese contractors with leading international contractors through a stakeholder theory lens. A survey showed notable differences in perceptions, revealing that Chinese contractors have a skewed and incomplete understanding of CSR. These discrepancies mainly stem from inadequate health and safety management, low ethical standards, and a lack of CSR integration in business decisions. The results indicate that Chinese contractors need to enhance labor protection, environmental responsibility, and anti-corruption efforts to meet international standards and generate shared value.

Shi et al. (2015) addressed social issues caused by the Chinese construction industry, such as employee rights violations and poor quality. By improving their CSR, construction companies can enhance their reputation, financial efficiency, and global market position. The paper reviews

current social responsibility theories and evaluation methods to create a reference for a new evaluation model in China.

3 CSR in the Construction Sector: Dust, Noise, and Environment

In the construction field, CSR involves tackling the environmental impacts of construction work, which can include dust, noise, and different types of pollutants. These environmental impacts can also affect the health of the community and society as a whole.

Figure 1: Sustainable construction practices (SCP).

Sustainable construction practices (SCP) Figure 1, CSR efforts in this area include:

To control dust, the construction company can implement strategies to reduce dust emissions from construction work, such as using dust-suppressing chemicals, applying water sprays, or utilizing dust collection systems.

To reduce noise, the construction company can use methods to lessen the noise generated by construction activities, like incorporating noise-reducing materials, building sound barriers, or employing specialized noise-reducing equipment.

For waste management, the construction company can establish practices to minimize waste production and disposal from construction activities, which may include recycling, reusing, or properly disposing of waste materials.

For environmental impact assessments, the construction company can carry out evaluations to pinpoint potential environmental hazards and create plans to tackle them.

For sustainable construction methods, the construction company can embrace eco-friendly building techniques, such as using sustainable materials, cutting down on energy consumption, and encouraging green building designs.

4 LEED Environmental Certification

LEED stands for Leadership in Energy and Environmental Design. LEED is a well-known certification program for green buildings. It was created by the U.S. Green Building Council (USGBC). LEED offers a framework for the design, construction, operation, and maintenance of buildings that are healthy, efficient, and cost-saving. LEED is the most recognized sustainability

certification for architects, project developers, homeowners, and interior designers (Anderson, 2024).

4.1 The LEED Program

The LEED certification uses a point system, allowing projects to earn points by applying sustainable strategies in various categories, such as:

- For location and transportation category, the LEED program focuses on reducing environmental impact and encouraging alternative transportation options.
- For sustainable sites, the LEED program aims to lessen the effects on ecosystems and water resources.
- In term of water efficiency, it involves making the best use of water resources.
- For energy and atmosphere category, it is about enhancing energy performance and utilizing renewable energy sources.
- Materials and resources category focuses on using sustainable building materials and minimizing waste.
- Regarding indoor environmental quality, it needs to ensure good indoor air quality, access to daylight, and views of the outdoors.

Depending on the total points accumulated, a project can receive one of four certification levels: Certified, Silver, Gold, or Platinum. The process for certification includes registering the project, providing documentation to show compliance, and going through a third-party review by the Green Business Certification Inc. (GBCI).

5 Results

Table 1 shows comparison results of the CSR construction sector in Thailand and international companies. This includes a total of five dimensions including regulatory framework & compliance, environmental sustainability, labor practices & worker welfare, community involvement & societal influence, and strategic versus philanthropic.

6 Benefits of CSR in the Construction Sector

The benefits of CSR in the construction sector include:

CSR boosts reputation since CSR initiatives can enhance the image of construction companies and improve how their brand is viewed.

Through CSR, construction firms achieve higher customer satisfaction, as CSR activities can increase customer happiness by promoting a sense of social responsibility and care for the environment.

Table 1: CSR construction sector comparison

CSR Item	Thailand	International
Regulatory Framework & Compliance	• CSR is not mandatory by law, but it's increasingly promoted by government agencies such as: o The Stock Exchange of Thailand (SET) requires listed companies to disclose CSR activities. o Ministry of Industry encourages sustainable development guidelines. • Often driven by reputation and pressure from local communities or NGOs. • Environmental Impact Assessments (EIAs) are required before big construction projects but enforcement may be inconsistent.	• Many countries have stricter regulations and enforcement, especially in Europe, the US, and Australia. • CSR is often embedded in legal requirements such as: o UK's Modern Slavery Act o EU Green Deal & Taxonomy o LEED/ISO standards for sustainability in construction. • Publicly traded companies often publish ESG (Environmental, Social, and Governance) reports as part of compliance.
Environmental Sustainability	• The emphasis on reducing waste, using eco-friendly materials, and adopting energy-saving building methods, but it still has a narrow range. • Green building certification, such as TREES – Thailand's equivalent of LEED, is optional and primarily adopted by large corporations or international investors. • In regions focused on tourism, such as Phuket or Chiang Mai, there is often a strong push for sustainable practices driven by both local and international oversight.	• • Environmental sustainability serves as a fundamental aspect of construction corporate social responsibility (CSR): o The utilization of renewable materials, adherence to circular economy principles, and the implementation of carbon-neutral designs. o Certifications such as LEED, BREEAM, and WELL are commonly embraced. o The incorporation of climate change mitigation and resilience planning is embedded within project lifecycles.
Labor Practices & Worker Welfare	• The construction industry significantly depends on migrant labor sourced from Myanmar, Cambodia, and Laos. • • Challenges include: o Irregular enforcement of occupational safety regulations. o Instances of wage underpayment or absence of insurance and benefits. • Larger companies with international investors typically implement superior practices, such as providing worker training and personal protective equipment (PPE).	• Greater focus on: o Fair wages, diversity, union rights. o Comprehensive health & safety programs (e.g., OSHA in the US). o Use of technology (e.g., wearable sensors for safety monitoring). • CSR often includes community hiring and training initiatives.
Community Involvement & Societal Influence	• Corporate Social Responsibility (CSR) frequently encompasses: o Contributions to local temples and educational institutions. o Construction of roads and facilities within local communities. o Generation of employment opportunities for residents. • While community consultation is present, it may lack transparency and effective two-way communication.	• Community engagement is typically structured: o Plans for stakeholder engagement. o Mechanisms for addressing grievances. o Focus on inclusive development, such as the rights of Indigenous peoples in Australia and Canada. • CSR includes conducting social impact assessments, planning for resettlement, and ensuring long-term sharing of benefits.
Strategic versus Philanthropic	• Corporate Social Responsibility (CSR) is frequently perceived as philanthropy or a means of managing public image. • Numerous companies continue to regard CSR as an expense rather than a worthwhile investment.	• CSR is incorporated into the overarching business strategy. • It is recognized as a competitive edge, particularly in relation to public tenders or global investors. • CSR is associated with supply chain ethics, brand equity, and the expectations of investors.

With CSR, construction companies can see cost savings, as CSR initiatives can reduce expenses by minimizing waste, cutting down on energy consumption, and promoting sustainable practices.

CSR also strengthens community engagement because CSR initiatives can improve community involvement and social responsibility, leading to better relationships with stakeholders and the local community.

7 Challenges of CSR in Thailand's Construction Industry

For Thailand, the challenges/obstacles to CSR in the construction industry involve various factors. Due to financial and resource limitations, the implementation of CSR initiatives can be expensive and resource-demanding, presenting challenges for construction firms with constrained budgets.

Regarding CSR, Thailand has no single, comprehensive law on CSR. Thailand has only the Enhancement and Conservation of National Environmental Quality Act (NEQA) that requires Environmental Impact Assessments (EIAs) for large projects. Regarding CSR, Thailand needs regulations and enforcement which is challenging tasks.

For CSR assessment and analysis, the evaluating and measuring the success of CSR initiatives can be complex, especially in contexts with multifaceted social and environmental repercussions.

Table 2 provides an Overview of CSR comparison between Thailand Construction sector and International Construction sector.

Table 2: Overview of CSR comparison between Thailand Construction sector and International Construction sector

Category	Thailand Construction CSR	International Construction CSR
Legal Compliance	Voluntary (except for large firms/SET-listed)	Often mandatory (e.g., ESG laws, certifications)
Environmental Focus	Growing awareness; TREES certification	Strong focus; LEED, BREEAM, net-zero goals
Labor Practices	Mixed standards; migrant labor concerns	Strong regulations; worker rights prioritized
Community Engagement	Charity-style, local focus	Structured stakeholder engagement
CSR Orientation	Philanthropic, ad hoc	Strategic, long-term, data-driven

CSR within the construction sector entails the management of the environmental, social, and economic consequences of construction activities, including issues such as dust, noise, and other forms of pollution. CSR initiatives have the potential to enhance the reputation of construction firms, boost customer satisfaction, lower expenses, and foster community involvement. Nevertheless, these initiatives may also introduce challenges, including cost and resource limitations, regulatory adherence, stakeholder demands, and the complexities of assessment and analysis.

8 Conclusion

This study looks into how Corporate Social Responsibility (CSR) is practiced in the construction industry, specifically comparing Thailand's approach to international standards. It highlights the key similarities and differences in areas like regulatory frameworks, environmental sustainability, labor standards, community involvement, and strategic focus.

In Thailand, CSR is mostly voluntary and is often seen as a charitable act or a way to boost a company's image. The way CSR is implemented can differ based on the company's size and the influence of investors. While there have been some improvements in environmental and labor standards, challenges remain, especially regarding the welfare of migrant workers and how regulations are enforced. Community involvement tends to be informal, mainly focusing on donations or support for local infrastructure.

On the other hand, CSR practices in other countries, especially developed ones, are more structured and are significantly shaped by regulatory requirements, stakeholder expectations, and global sustainability initiatives. In these areas, CSR is strategically integrated, featuring environmental certifications like LEED, strong labor protections, and well-defined community engagement processes.

The analysis shows that although Thailand is making strides in its CSR efforts, there is still a considerable gap in adopting CSR as a long-term strategy for sustainable development in the construction industry.

9 Availability of Data and Materials

Data can be made available by contacting the corresponding authors.

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Dr. Thongchai Phothong serves as a Lecturer in the Civil Engineering Department at the Faculty of Engineering, King Mongkut's University of Technology Thonburi (KMUTT) in Thailand. He obtained his Bachelor's degree in Civil Engineering from KMUTT, followed by a Master's degree in Geotechnical Engineering, also from KMUTT. He completed his PhD at Thammasat University in Thailand. His research interests include Spatial Technology and its Applications.

Dr.Boonchai Chearnkiatpradab is a Lecturer at Department of Civil Engineering, South East Asia University. He received his B.Eng and M.Eng. from King Mongkut's University of Technology Thonburi. He earned his Doctor of Engineering degree from Kasetsart University, Thailand. He is interested in Soil Stabilization and Soil Slope Failure and Soil Database.

Koltouch Anantakarn is a Lecturer at Faculty of Engineering and Architecture, Rajamangala University of Technology Tawan-ok, Uthenthawai Campus, Bangkok, Thailand. He received a Bachelor of Engineering degree in Civil Engineering from King Mongkut Institute of Technology Ladkrabang and a Master of Engineering degree from Rajamangala University of Technology Tawan-ok, Uthenthawai Campus, Thailand. His research focus on GPS/GNSS Surveying Engineering and Spatial Technology.

Dr.Bhattraradej (Boonsap) Witchayangkoon is an Associate Professor of the Department of Civil Engineering at Thammasat School of Engineering, Thammasat University. He received his B.Eng. from King Mongkut's University of Technology Thonburi with Honors. He continued his PhD study at the University of Maine, USA, where he obtained his PhD in Spatial Information Science & Engineering. His interests encompass the application of emerging technologies within the field of civil engineering.

Dr. Yasser Arab is an Assistant Professor at the Department of Architectural Engineering, College of Engineering, Dhofar University, Oman. He obtained his Bachelor of Architecture from Ittihad Private University, Aleppo, Syria. He obtained his Master's and PhD in Sustainable Architecture from Universiti Sains Malaysia (USM), Penang, Malaysia. His research focused on the Environment Performance of Residential High-Rise Buildings' Façade in Malaysia. He teaches Studio for first-year students and is involved in supervising student of Master of Architecture and Urban Design. He is a Registered Architect in the Syrian Engineers Union. He is very active in research and publication, he published over 50 journal papers, book chapters and conference proceedings.