



# Contractors' strategic responses to voluntary OHS programmes: An institutional perspective

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## ABSTRACT

Industry-level voluntary programmes are widely practiced as a complementary approach to government law and enforcement in addressing occupational health and safety (OHS) issues. Drawing on insights from institutional theory, this study seeks to explore how companies perceive and respond to voluntary OHS programmes. The setting of the study is voluntary OHS management implemented in the construction industry of Hong Kong. A qualitative research strategy was adopted, combining archive and documentary data analysis and semi-structured interviews. It was identified that 10 groups of industry stakeholders are involved in four categories of voluntary OHS activities. To increase the impact of voluntary OHS activities, a majority of them are co-organised by multiple stakeholders. Contractors experience different levels of institutional or competitive pressures to participate in these activities. The acceptance of a voluntary OHS programme by contractors depends on the power of event organisers, the requirements of project clients and the head offices, the extent to which the programme has been diffused, and perceived effectiveness of the programme. This study contributes to a better understanding of the social processes in which voluntary OHS programmes become accepted by construction companies. The findings provide policy makers feedback on devising and promoting voluntary OHS programmes. Policy makers are suggested to pay attention to the heterogeneous participants in the market. A unified framework might not be effective to all companies.

## 1. Introduction

Voluntary management standards, programmes, initiatives, campaigns and knowledge-creating activities have gained their popularity in addressing occupational health and safety (OHS) issues in recent years (Nielsen and Hohnen, 2014; Simpson et al., 2012). It has been demonstrated in prior studies that voluntary OHS programmes can effectively improve OHS performance (Finger and Gamper-Rabindran, 2013; Frick, 2011; Hinze et al., 2013; Laitinen and Päiväranta, 2010; Sauni et al., 2015). For instance, Finger and Gamper-Rabindran (2013) identified that participation in Responsible Care programme reduced the likelihood of industrial accidents significantly. Laitinen and Päiväranta (2010) found that safety contest was an effective means to motivate company managers to continuously improve safety. Sauni et al. (2015) demonstrated that a one-year information campaign effectively increased the awareness of the risks of hand-arm vibration and the measures to control the risks.

The prevalence of voluntary OHS programmes internationally can be partially attributed to the transformation of OHS legislation from

prescribing detailed preventive measures to facilitating company self-regulation (Lingard and Rowlinson, 2005; Walters and James, 2011). Within such a legal environment, multiple stakeholders, such as the states, labour market parties, professional bodies and insurers, are involved in initiating, disseminating, and sponsoring voluntary OHS programmes, with the aim of influencing companies' safety practice (Bunting et al., 2017; Hinze and Gambatese, 2003; Hasle et al., 2014). Companies embedded in such an environment must decide whether and to what extent they will implement these programmes.

However, we have only a scattered understanding of how a voluntary OHS programme is accepted by companies. Some studies investigated factors that influence a firm's decision to adopt and employ voluntary management standards and programmes (Goldenhar and Stafford, 2015; Gunningham, 2011; Hasle and Zwetsloot, 2011; Nielsen and Hohnen, 2014). Limborg and Grøn (2014) identified that in comparison with the influence of general campaigns and even the inspections from the Labour Inspectorate, small and medium sized enterprises (SMEs) would more likely take OHS initiatives voluntarily when their competitors have done so. King and Lenox (2000) found that without

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explicit sanctions, the isomorphic pressures of the Responsible Care programme cannot overcome the opportunism behaviour of some companies. Hasle et al. (2014) reported a successful case of promoting voluntary OHS guidelines to the construction industry with concerted efforts of the inspectors, the Working Environment Council, unions, and employers' associations. These studies suggest that both market competition and institutional pressures influence the adoption of voluntary programmes. However, whether companies in the same environment experience the pressure of participating in voluntary OHS activities equally, and what strategies they might deploy to handle such pressure, are not well addressed in existing research.

A better understanding of the mechanisms of voluntary OHS approach will provide policy makers and programme organisers knowledge about how to develop effective voluntary programmes and instruments. To achieve this broad research objective, this study investigates how companies in the construction sector of Hong Kong perceive and react to various forms of voluntary OHS programmes promoted by industry stakeholders. Specifically, the empirical enquiry was guided by four research questions: (1) what forms of industry-level voluntary OHS activities are devised; (2) who are involved in; (3) how these actors work together to facilitate OHS self-regulation in construction projects; and (4) how contractors make sense of and respond to these activities in their projects. Information collected to answer research questions 1–3 will unfold the external environment regarding voluntary OHS programmes that contractors confront. Analysis of the interaction between the external environment and contractors' reaction to specific voluntary OHS programmes will uncover the mechanisms of voluntary OHS approach.

Institutional theory can provide important insights into the motives of organisations to participate in OHS activities (Hasle et al., 2014). Voluntary OHS programmes can be viewed as a specific form of institutional pressure imposed by industry stakeholders on contractors (Simpson et al., 2012).

In the section that follows, the theoretical background is outlined. In the research methods section, research rationale is first elaborated. Data collection and analysis techniques are then reported. The empirical findings are subsequently presented, which is followed by a discussion of the interaction between voluntary OHS programmes and contractors' responses. Limitations, suggestions for future study, and practical implications of the research are presented in the conclusions.

## 2. Theoretical background

Increasingly, researchers have identified that an institutional perspective provides insightful views on OHS (Hasle et al., 2014; Rocha, 2010; Rowlinson and Jia, 2015). Site safety management and practices are largely regulated or guided by various forms of institutions, such as regulations, norms, ethics, values, and beliefs (Hart, 2013; Manu et al., 2013; Parboteeah and Kapp, 2008). Voluntary OHS programmes have been widely accepted as a complementary approach to the enforcement of prescriptive OHS regulations (Ashford and Caldart, 2001; Frick, 2011; King and Lenox, 2000; Montero et al., 2009). They are periodically organised by industry stakeholders, thus becoming one form of institutional pressure that contractors confront. Institutional scholars call this particular form of institutions as private decentralised institutions (Egels-Zandén and Merk, 2014; Lenox, 2006).

Although private decentralised institutions lack the authority of the state, and the participation is voluntary, contractors may face coercive, mimetic or normative pressures to show their commitment to voluntary OHS activities (Scott, 2008). Through conformity to the institutional pressures and social expectations, i.e. institutional isomorphism, organisations gain legitimacy, resources and survival capabilities (Ashforth and Gibbs, 1990; DiMaggio and Powell, 1983; Meyer and Rowan, 1977; Powell and DiMaggio, 1991; Suchman, 1995). DiMaggio and Powell (1983) identified three mechanisms of institutional isomorphic change, which help us to explain the pervasion of voluntary OHS programmes.

Specifically, coercive isomorphism stems from both formal and informal pressure exerted on organisations by other organisations upon which they are dependent and by cultural expectations in the society within which organisations function (DiMaggio and Powell, 1983). With respect to voluntary OHS programmes, project developers may be an important source of coercive pressure on the premise of supporting these programmes. Regulatory bodies, if they would refer to voluntary OHS standards in their enforcement actions, also make these voluntary standards coercive requirements. Uncertainty is a powerful force that encourages mimetic isomorphism. When organisations face technological uncertainty, goal ambiguity, or institutional uncertainty, they may model themselves on other organisations (DiMaggio and Powell, 1983). In the process of pursuing a continual improvement in OHS performance, OHS practices implemented by large construction companies with superior safety performance are likely to be imitated by companies with less satisfactory safety performance. Normative isomorphism stems largely from professionalisation. Formal education and professional networks are important sources of normative isomorphism (DiMaggio and Powell, 1983; Hoffman, 1999). In the context of OHS management, construction professionals may achieve a consensus on their role in OHS through formal education and continuous professional development. They acquire updated OHS standards and practices from platforms provided by professional and trade associations. As a consequence, despite working in different companies, construction professionals may show similar attitude toward OHS and adopt similar approaches to address OHS problems. In summary, construction project developers, regulators and large construction companies are able to institutionalise voluntary OHS management. Interorganisational networks, such as trade and professional associations, may facilitate this process. In the subsequent data collection, the role played by these actors and interorganisational structures will be examined.

However, conforming to institutional requirements often conflicts sharply with the pursuit of efficiency (Meyer and Rowan, 1977). Regarding OHS, the conflicts between organisational legitimacy and efficiency are apparent. Construction companies compete for business in both public and private sectors. In the public sector, construction companies tend to conform to what public developers advocate, e.g. a voluntary OHS programme, in order to secure a continual business relationship. However, the tension between productivity and OHS goals at the workplace is quite common (Han et al., 2014; McLain and Jarrell, 2007), especially when the voluntary OHS programme is time and resource consuming. Thus, in public projects, construction companies may face the conflicts between achieving project-level business goals (e.g. productivity) and organisational legitimacy (e.g. participating in a voluntary OHS programme). For those companies that run business with private developers, they are likely to confront even stronger conflicts between productivity and OHS goals, as private developers usually allocate less resources for safety. For these reasons, how contractors may respond to voluntary OHS activities depend not only on the institutional isomorphic force, but also the consideration of organisational efficiency.

Oliver (1991) provides a framework that predicts how organisations may respond to institutional pressures strategically when facing incompatible demands. Specifically, when conformity to institutional pressures will bring about a higher degree of social legitimacy or economic gain, organisations tend to adopt acquiescence strategies. Acquiescence indicates a full conformity to institutional pressures and expectations. It may take three forms: habit, imitation, and compliance (Oliver, 1991). When external institutional requirements (e.g. voluntary OHS programmes) collide with internal organisational objectives (e.g. productivity), organisations are likely to resist institutional requirements by adopting compromise, avoidance, defiance, or manipulation strategies (Oliver, 1991; Pache and Santos, 2010). To implement compromise strategies, organisations may attempt to balance the competing demands, to pacify or bargain with external stakeholders (Oliver, 1991). Organisations may choose avoidance strategies that take

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