CORPORATE SOCIAL RESPONSIBILITY IN HOUSING DEVELOPMENT – THE DEVELOPERS’ PERSPECTIVE

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Abstract

Businesses not only need to fulfill their economic obligations, but also have to be socially responsible to stay competitive. This study examines corporate social responsibility (CSR) from housing developers’ perspective, specifically on how CSR would benefit project marketability. Qualitative approach is opted as this area has not been well established. Intensive interviews with housing developers were conducted to explore their perceptions on CSR, level of commitment and limitations in implementing CSR. Observation study on housing development trend from 1985 to 2004 was also performed to identify major metamorphoses that have taken place particularly from the aspect of CSR incorporation as well as to validate the interviews. Research findings show that the developers have been placing more emphasis on CSR elements for the past five years to enhance the living quality of residents. Most of them are committed to include CSR not only to improve marketability, but also to achieve the objective of sustainable housing development.

Keywords: corporate social responsibility, housing development, housing developer.

Introduction

The concept of corporate social responsibility (CSR) has gained growing recognition and significance with the evolution of the global economy into a borderless and increasingly integrated world. The new patterns of partnership among business corporations, the regulatory authorities and society have placed intensifying pressures on business in meeting society’s rising expectations and requirements. As a consequence, businesses have gradually begun to perceive CSR as a value-added strategy enhancing corporate reputation and, more importantly, financial performance.

CSR started to attract public attention in recent years in Malaysia. Many large corporations incorporate CSR elements in their business strategies to stay competitive. As suggested by Carroll (2000), corporation has to practise social responsibility to become a corporate citizen besides meeting its economic objectives. By being socially responsible, not only corporation reputation will be improved but it will help to contribute to the improved financial performance (Carroll, 1979).

The qualitative design of this study by way of case studies aims to explore the phenomenon of CSR which has not been well researched. Specifically, it examines the relevance of CSR in housing development from the developers’ perspective and how CSR would benefit project marketability. Intensive interviews with housing developers were conducted to study their perceptions on CSR, level of commitment and limitations in implementing CSR. Observation study on housing development trend from 1985 to 2004 was also performed to identify major
metamorphoses that have taken place particularly from the aspect of CSR incorporation as well as to validate the interviews.

Scope of Study

This paper only studies the relevance of CSR from the housing developers’ perspective, particularly how they believe it would benefit project marketability. Observation study was carried out to identify CSR elements in these developers’ housing projects to justify their readiness and commitment in CSR implementation as well as to explore such trend in housing development in the study area. Considering that house buyers’ perceptions on CSR is of utmost importance in influencing purchase decisions, another paper has been written to address this concern.

Literature Review

The modern concept of CSR originated in the 1950s when American corporations rapidly increased in size and power (Boatright, 2003). As indicated by Heald in year 1970, the history of corporate philanthropy stretched back into the 19th century, and was accompanied by a growing belief that business and society were linked together organically; and so there is an obligation to provide “service” beyond profits (cited in Frederick, 1994). At that time, business representatives and executives started to speak of the needs of corporate directors to act as trustees for the interest of all stakeholders. From the outset, social issues scholars have recognised that corporations are not merely economic instrumentalities for the production of goods and services; in fact they are dominant forces that affect the entire society in diverse and complex ways (Epstein, 1999).

As cited by Carroll (1999), Bowen, the “Father of CSR” had in year 1953 defined social responsibilities of businessman as “the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society”.

In line with the above definition, CSR means businessmen’s decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest, and it should enhance the total socio-economic value (Davis, 1960; Frederick, 1960). Keith Davis and Robert Blomstroan (cited in Carroll, 1999) suggested that businesses have not only economic and legal obligation but also certain responsibilities to society. Besides, the needs and interest of others who may be affected by their business actions should be well considered in their decision making. Davis (1960) further asserted that some socially responsible business decisions can be justified using reasoning process and this could bring long-run economic gain to the firm.

According to Carroll (1999), the landmark contribution to the concept of CSR came from the Committee for Economic Development (CED) in its 1971 publications. The CED asserted that “business functions by public consent and its basic purpose is to serve constructively the needs of society to the satisfaction of society.” Business is being asked to assume broader responsibilities to society than ever before and to serve a wider range of human values. They are asked to contribute more to the quality of human life, it will depend on the quality of management as well as how they response to the changing expectations of the public.

Lantos (2001) distinguished three types of CSR, i.e. ethical, altruistic and strategic. He argued that for any organization, ethical CSR (avoiding societal harms) is obligatory; for a publicly-held business, altruistic CSR (doing good works at possible expense to stockholders) is not legitimate, and therefore companies should limit their philanthropy to strategic CSR (good works that are also good for business). Strategic CSR is admirable by firms owing to its ability to create a win-win situation in which both the corporation and stakeholder groups will benefit from it. As suggested by Carroll (1999), strategic CSR is done to accomplish strategic business goal – good deeds are believed to be good for business as well as for society.

On the contrary, there are scholars perceived CSR as a destructive idea that may jeopardise the business return of a corporation. Milton Friedman argued that the only responsibility of
businesses is to make as much money for their stockholders as possible (cited in Boatright, 2003). He reiterated that the corporation is an economic institution and thus should specialise in economic sphere. A manager who uses a firm’s resources for non-profit social purpose is diverting economic efficiency and levying an “illegal tax” on the organization.

Several other scholars have, however, countered these critics by arguing that there is a positive link between CSR and business economic performance (Maigian and Ferrell, 2001; Trevino and Nelson, 1999; Balabanis, Phillips and Lyall, 1998; Waddock and Grave, 1997; Drucker, 1984; Carroll, 1979). Extending this rationale, Novak (cited in Lantos, 2001) insisted that CSR will improve profitability because of favourable publicity, enhanced employee morale and reduced government intervention. A firm perceived as high in social responsibility may face relatively fewer labour problems or perhaps customers may be more favourably disposed to its products (Balabanis, Phillips and Lyall, 1998).

In Malaysia, CSR has been given more emphasis by businesses in recent years (Md Zabid and Saadiatul, 2002). The Deputy Prime Minister of Malaysia has exhorted businesses to embrace CSR to maintain and raise ethical standards in business decision making. The corporations should not just consider their own economic well-being but also the interest of society and the environment (Najib, 2004).

As the awareness of CSR is gaining its ground in market economy, the societal marketing concept is being widely used by socially responsible corporations. According to Kotler and Armstrong (2004), the societal marketing concept advocates that the corporation should determine the needs, wants and interest of target markets; it should then deliver superior value products/services to customers in a way to maintain or improve the consumer’s and the society’s well-being. This concept has called on the market to balance the three considerations in setting their marketing policies: company profits, customer wants and society’s interests. In housing industry, developers need to identify what the target market wants; to deliver superior product to the customers; to anticipate the likelihood of market response, and these have to be done profitability. In line with the National Development Policy stated in the Malaysia Second Outline Perspective Plan, housing developer has to pay adequate attention to the protection of the environment and ecology in order to maintain the sustainability of the country’s development (Gurjit Singh, 1994).

It is observed that there are some housing developers in Malaysia, with the objective to be competitive in “price”; they had chosen to compromise on their quality of products by using inferior building materials, poor designs and shoddy workmanship. However, as the house buyers become more informed and discerning, there are also developers who start adopting strategies to be more socially responsible to attract house buyers.

Holmes (2002) had defined aspects of property related CSR as primarily connected to environmental sustainability as well as elements of ethical and social responsibility. While Adair and Lay (2003) pointed out that related CSR property in the United Kingdom has the tendency to focus on environmental issues, particularly in creating environmentally sustainable new building and controlling energy usage; nevertheless they emphasized less on the social and community aspects. In general, property related organizations view CSR as ancillary support to their business financial objectives. These activities are carried out with the purpose of giving the public a better corporate image and reputation, with the expectations that such implementations would ultimately enhance organizational profit.

In residential development which house buyers are increasingly sensitive and knowledgeable, projecting a positive brand perception can give a developer more leverage than any other asset (New Straits Times, 16 October 2004). Market surveys revealed that other than price and location, many buyers rate a developer’s reputation as the most important purchase factor (New Straits Times, 23 October 2004). It was reported that good image and reputation for performance can distinguish it from the competitors, engendering customers’ loyalty and growth, allowing the company to occupy a unique position in the mind of a customer.
“Green” is the new attraction that has generated much concern amongst housing developers. It is observed that parks, garden and lakes have been incorporated in new housing developments to deliver not only houses but with living styles. This is evident that many housing developers in the study area have been incorporating more greens and landscaping into their projects to improve the quality of life for the past five years. As defined by Chiu (2004), sustainable housing development is a housing development that meets the housing needs and demands of the present generation without compromising the ability of future generation to meet their needs and demands. The Deputy Minister in the Prime Minister Department suggested that housing developers should implement CSR by giving maximum consideration to protect the environment in carrying out development, providing social amenities for the children and senior citizens, providing sports and recreational facilities, as well as providing facilities to encourage social interaction among the residents (New Straits Times, 11 December 2004). Summary of CSR elements in property development is depicted in Table 1.

<table>
<thead>
<tr>
<th>CSR Elements</th>
<th>Examples</th>
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<tbody>
<tr>
<td>1. Environmental sustainability</td>
<td>Landscaping, sustainable timber supplies, environmentally friendly materials, sustainable building designs particularly to save energy consumption</td>
</tr>
<tr>
<td>2. Social amenities</td>
<td>Recreational facilities, parks, play grounds, sport facilities, meeting places for the residents to get together, availability of schools</td>
</tr>
<tr>
<td>3. Safety of the houses and the surroundings</td>
<td>Safety of ingress and egress, safety of building materials</td>
</tr>
<tr>
<td>4. Quality of the environment</td>
<td>Development density, proximity of public transportation, intermixture with industrial usage and commercial usage</td>
</tr>
<tr>
<td>5. Sound infrastructure</td>
<td>Quality roads</td>
</tr>
<tr>
<td>6. Quality product</td>
<td>Quality finishes</td>
</tr>
</tbody>
</table>

Sources: summary from literature review

**Conceptual Framework and Research Questions**

This paper is designed to provide answers to the following questions:

i. What is the perception of housing developers on CSR and their commitment and limitations to implement CSR in developing housing projects?

ii. How relevant are the elements of CSR in different types of housing development?

The research conceptual framework is depicted in Figure 1.
Research Methodology

CSR in property is a relatively new research topic, thus qualitative approach by way of exploratory case study is adopted here. As opposed to quantitative study which is widely used in well-established research area, case studies are used to understand social phenomena (Yin, 2003).

As an aid to verification in qualitative study, triangulation is commonly used by researcher to examine the consistency of findings (Cavana, Delahaye and Sekaran, 2001). Yin (2003) asserted that a major strength of case study data collection is the opportunity to use many different sources of evidence. In this study, observation study was designed to validate the developer interviews and to explore the relevance of CSR in housing development.

Data collection in this study comprises two stages. First, is to conduct interviews with selected housing developers to investigate their perceptions, commitments, and limitations in implementing CSR, and second to study the development trend for the past 20 years as well as to observe the latest development features within the study area.

Judgmental sampling method is adopted. This exercise only limits to those housing projects undertaken by the same group of developers within District of Johor Bahru. The purpose is to minimise any possible bias due to different business policies adopted by different housing developers over that specific time period.

Nevertheless, in order to explore the changes that have taken place in recent years, this research also includes those new on-going housing projects even though those developments may not be developed by the same group of developers as identified earlier. Such inclusion is relevant and is deemed important to recognise the newly introduced development features which might be helpful to foresee the likely future housing development trend in the study area.

Intensive interviews were conducted with identified housing developers, this includes those developers involved substantially in the housing industry for the past 20 years, as well as those new players which have significantly impacted the Johor Bahru property market regardless of whether they have introduced elements of CSR or just left the social concern to the government.

Structured open-ended interview is adopted in this study. The purpose is to uncover the housing developers’ perceptions, commitment on CSR as well as limitations in incorporating CSR in their future projects. The research focus is on the relevance of CSR on project marketability, therefore the aspect of CSR is more targeted at the external stakeholder, i.e. the customers or the house buyers in this regard.

The structured open-ended interview questions are developed by the researcher through literature review, discussion with developers and property consultants, and later revised after the pilot testing to improve the validity of the instruments. Qualitative approach by way of content analysis is used to analyse the data. NVIVO software is used to help to code and categorize large amount of narrative text collected.
The second set of data involves physical observation of housing projects to establish the development trend for the past 20 years particularly with regard to CSR incorporation, and to validate the consistency of research findings from the interviews. An observation checklist was developed and used in the field study. The objective is to have a clearer understanding on the market preferences then besides observing the physical elements displayed by the various housing projects.

This study comprises eight case studies with 32 housing projects involved in studying the housing development trend within the District of Johor Bahru, Malaysia. All respondents are of senior manager level in the development company and remain anonymous in this study.

There are four major groups of housing developers identified based on the following criteria:

- Have been developing housing schemes since 1980s. This is to look at the pattern of housing development for the past 20 years;

- Have successfully developed a few established housing schemes. This is relevant as these projects must have to a certain extent influenced the house buyers behaviour; and

- Still remain active in the housing sector within the study area. This criterion is important to look at how the developers adapt themselves to face the new development challenges over the years.

And, the other four developers were identified based on the success of their ongoing housing projects in the study area. This is important to ensure that these housing schemes are significant in influencing house buyers’ buying patterns in the study area.

Data Analysis and Interpretation

Analysis on housing development trend

Housing projects commenced before 1985 - All housing projects developed within this period featured only the minimum to fulfil the basic requirements of house buyers and to provide a basic shelter for them. Social concern was only addressed by the government but not the businesses. The house buyers then were less well to do and as a result they did not demand for quality living environment as what the market is experiencing now.

Housing projects from mid 1980s to mid 1990s - The developers had incorporated better facilities to upgrade the quality of the environment. Many projects which offered better quality houses and living environment had achieved overwhelming response despite the relatively higher selling price.

In other words, consumers were willing to pay more for better quality houses and living environment. One of the developers commented that the economy was on the up trend and property market was booming, therefore the consumers had extra cash and willing to pay for the premium. So, the “extras” or these elements of CSR are very much correlated to the level of affluence of the society. This phenomenon corresponds with McWilliams and Siegel’s argument that one of the determinants of consumer demand for CSR is the disposable income. In their study, a positive correlation between consumer income and provision of corporate social responsibilities was found (McWilliams and Siegel, 2001).

Housing projects from mid 1990s to 2004 - The presence of the new property players in the market with their new development concept not only had created strong demand towards their product but these had changed the landscape of local housing market considerably. Most of the new projects launched during the last five years have incorporated new development concept with extra house features and facilities to offer house buyers comfortable living instead of a concrete shelter. They offer new features such as recreational parks complete with sport
facilities, impressive landscaping, club house with fully-fledged facilities, wider roads and security facilities.

Table 2: Summary of development trend from the aspect of CSR elements

<table>
<thead>
<tr>
<th>Projects before 1985</th>
<th>Projects from 1985 to mid 1990s</th>
<th>Projects from mid 1990s to 2004</th>
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<tbody>
<tr>
<td>- only minimum features and facilities as required by the government</td>
<td>- better quality houses and facilities provided to improve the living environment</td>
<td>- two streams of housing development well received by the market. One with basic features, another one is home with living style</td>
</tr>
<tr>
<td>- workmanship and finishes were of low quality</td>
<td>- house buyers started to appreciate better quality houses and improved living environment</td>
<td>- the new concept comes with more trees and greens, well equipped recreational parks, club house with sport facilities, impressive landscaping, better quality children playgrounds, gated and guarded features, wider roads with trees, quality workmanship, better house design and finishes.</td>
</tr>
<tr>
<td>- house buyers were contented with the products offered</td>
<td></td>
<td>- house buyers are more demanding and selective</td>
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</table>

In summary, due to market competition and changes in consumers’ preferences, developers started to incorporate extra features to their housing projects since five years ago. These extra features are above the laws and can be considered as CSR elements offered by developers in the interest of their external stakeholders, i.e. the house buyers in this context. The summary of the development trend is illustrated in Table 2.

The purpose of providing these CSR elements is to meet the increasing demand of house buyers in order to improve the companies’ financial performance. This is in line with the argument that what type of product a business organization provides is determined by both the organization itself and by society’s expectations. Corporate reputation can be one of the most important intangible resources of business organization, because it can be a major source of competitive advantage (Hall, 1992). The developers generally believe that the incorporation of these CSR features into their projects will improve their corporate image and in return will improve product marketability.

Analysis on developer interviews
The result of qualitative analysis using NVIVO software will be discussed in detail with specific reference to issues on CSR.

Perception on CSR
There are broadly two schools of thought on this issue; one group is of the opinion that CSR should be providing more than what is required by the laws. The other group opposes this notion and argue that CSR means providing features or facilities as prescribed by the laws and regulations, because the laws has already taken care of the aspect of social concern.

Five out of eight developers find that CSR means providing house buyers better features than what is prescribed by laws. They practise this by providing more features and facilities to improve
the living environment and to satisfy house buyers’ expectations. They assert that meeting minimum government rules and guidelines are not socially responsible, because those developers have no choice but to abide by the laws, otherwise they would not have provided those facilities at all. The CSR elements in this context include good recreational facilities, security facilities, better infrastructure such as wider roads, more greens, club house facilities, better house design and organizing community activities. These views are in line with Davis’s definition on CSR; he asserted that social responsibility begins where legal compliance ends (Davis, 1973).

However, three of them perceive that meeting government planning requirements is minimum CSR as the laws and regulations have already taken care of social concern such as mandatory provision of low cost houses. They find that providing more features than required by the laws are the extra social responsibilities assumed by the developers.

CSR is still considered as the job of government (Boehm, 2002). This view corresponds to Milton Friedman’s contention that the only responsibility of business is to use its resources and engage in activities to increase its profits so long as it stays within the rules of the game (cited in Boatright, 2003). Two of them argue that government is the tax collector which the developers need to pay various development contributions and tax, therefore, government should be the one providing all these facilities to enhance living quality. One of these developers disputed that selling houses at lower price compared to other developers is also being socially responsible, as the low price helps the less affordable to own properties. Their sales result shows that they have been doing very well with their basic house features selling at attractive low price.

**Implementation of CSR**

Interviews and field observation revealed that all the five developers which are responsive to CSR have been providing extra features or facilities in their projects than required by the laws. These include, inter alia, provision of conducive ambience, recreational parks, club house, community halls, place of worship, sport facilities such as basketball court and playground, school, wider roads then required, underground cable and concealed drain, gated community with security features (only for higher cost house), attractive house design and layout, quality finishes, smart home facilities, deliver houses ahead of time, building and organising community activities for the residents.

For the other three developers who are not in support of CSR in their business agenda, they merely provide the minimum facilities and features as prescribed by the law. Nevertheless, due to market competition and less satisfactory sales performance, one of them does incorporate some CSR features in their new housing project, for instance they currently provide security features, good design and quality finishes to the new houses.

From these developments, we may conclude that those developers who believe in CSR tend to provide more to satisfy house buyers, while those who believe in the shareholder theory only develop basic units and believe in competitive pricing in marketing.

Analysis shows that there are generally two groups of housing projects developed in the study area. One group of developer develops homes with life style, while the other group only provides basic houses with basic features and infrastructure. Field observation and interviews confirm that CSR elements are associated with middle to upper middle types of houses only. These groups of house buyers are much well to do and they tend to be better informed and demanding. As a result, they expect developers to be socially responsible, to provide more than what prescribed by the laws.

Even though the developers are willing to sacrifice a portion of their profit to offer the house buyers a better living environment, part of the additional costs of CSR elements is still borne by the buyers. Therefore, houses meant for the lower income groups are not applicable in this regard.
Management perceptions of CSR

Analysis shows that the group which is responsive to CSR have strong support from the top management to practise CSR. Their top management believes that CSR is an effective strategy to improve company reputation which will turn into better product marketability. In addition, they are committed to be socially responsible to achieving the objective of sustainable housing development. Another developer stated that CSR is very important to their management, and they have always been emphasizing on customer satisfaction, and providing a green and clean living environment.

As for the other group which is more inclined to shareholder’s theory, they find that by complying minimum requirements that is already being socially responsible, therefore it is fine and reasonable just to provide the basic. One of them claims that they are good corporate citizen as they are selling houses at the lowest price in the study area, and to them this is much better and meaningful than incorporating extra features which eventually the developers would pass on the extra cost to the house buyers.

However, as a result of the stiff market competition and over supply problem, one of the top management has no choice but to incorporate attractive house features, using environmentally friendly material to improve ventilation and to provide security facilities to house buyers.

As this is a market trend which house buyers have become more discerning, the top managements of these companies are very supportive to be socially responsible to cater for the changes in consumer preferences. Most of the respondents in this study share the notion that being socially responsible especially in the aspects which are visible to the house buyers will improve developers market reputation and sales performance. Such changes could possibly be due to the fact that today’s consumers are more educated and affluent to demand for a more conducive living environment.

Limitation in CSR implementation

Implementation of CSR costs money, and all of the five developers which are in favour of such implementation share the same view. Four of them find that involvement in such exercises would take away about three to five percents of their project profit. One developer pointed out that the limitation they are facing is the higher cost and that will have impact on the selling price. One of them commented that the state of national economy is the constraint to practise CSR, if the economy is not doing well, the consumers will not pay for the premium for higher value product.

However, due to the extra features as well as the better quality of living environment offered, the prices of the houses have already taken these extra costs into consideration. In other words, the developers have already factored in the extra cost incurred by selling houses at a higher price and anticipating a greater sales turnover in return. This is in line with Carroll’s argument that strategic CSR is done to accomplish strategic business goals, and it would improve the company’s financial performance in the longer term (Carroll, 1979).

It is also important to note the comments made by Developer B that implementation of CSR is subject to the types of property developed, the income level of the target group as well as where the location of the housing project is. For instance, if the target group is affluent, then incorporation of CSR elements will be appreciated; whereas for lower income group, what they can afford is only to pay for the basic units, therefore all other extra features are considered as luxury and not relevant, it would only burden them with higher cost.

CSR implementation in future

The group which supports CSR indicates that their future implementation will be structured towards providing more greens and conducive living environment. They will provide more places for people to meet to encourage community living and organizing community activities to bring the residents closer.
Developer C believes that innovative house design and impressive project layout are additional elements of CSR which could improve product marketability. They attempt to design layout of housing project in such a way to encourage communication and interaction among the residents in future.

As these are the marketing strategies to outdo their competitors, some of them are hesitant to elaborate further on their detailed plans. However, the discussion revealed that these measures are geared to further improve the living environment besides providing the necessary security features.

*Marketing strategies to improve project marketability*

Being socially responsible gives a company better edge in the marketplace, all of the developers interviewed share the same view but with different appreciation of CSR in this context. All of them agree that by giving more features and deliver better quality to the house buyers, the developers will enjoy better market reputation. Except for Developer A and Developer G, CSR is deemed to be an effective approach for product differentiation and to create better edge against their competitors.

Except for the two developers (Developers A and G) which are not in support of CSR, other developers share the same view on strategies to improve project sales performance. Their strategies are summarized as below:

- To create nice ambience, conducive living environment with greens, parks and recreational facilities to improve life quality;
- To provide security features such as by providing gated and guarded facilities, and security patrol services;
- To create community living. It is a trend that developers have been organizing community activities to bring the residents together to create a friendly living neighbourhood. One of them strongly advocates for such commitments as they find that this is the value-added strategy which will give the house buyers comfort in residing in their projects; and
- Attractive house design and layout.

One interesting feedback from the developers is all of them agree that CSR is an effective marketing tool to improve their sales performance; however they have diverse opinion on the definition of CSR in this context. All interviewees agree on the notion to provide better houses and conducive living environment to be socially responsible, however Developer A and G view affordable price as the crux of CSR in this regard.

For Developers A and G, their marketing strategy is pricing. They are selling houses at lower prices and sales performance proves that Developer G has been very successful by selling at lower price. This is in line with Angelidis and Ibrahim’s argument which both the types and extend of the needs to be fulfilled and the agent who is expected to satisfy these needs will depend upon the social segment’s needs and the degree to which the members of the society perceive that such needs are not fulfilled (Angelidis and Ibrahim, 2004).

A summary of developers’ perceptions on CSR, their CSR commitment as well as limitations in implementing CSR are presented in Table 3.
Table 3: Developers’ CSR perceptions, commitment and limitations in CSR implementation

<table>
<thead>
<tr>
<th>Perceptions on CSR</th>
<th>Two schools of thought on CSR:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. CSR is to provide extra features above the laws and regulations. This will improve corporate reputation and improve project marketability eventually.</td>
</tr>
<tr>
<td></td>
<td>2. CSR is by complying with the laws and regulations. Developer G is of the opinion that selling at lower price is also a form of CSR.</td>
</tr>
<tr>
<td>Commitment to implement CSR</td>
<td>- All developers (except A &amp; G) agree to provide extras to be socially responsible to attract house buyers.</td>
</tr>
<tr>
<td></td>
<td>- The CSR features includes conducive living environment such as more greens, good landscaping, recreational parks, play grounds, security with gated and guarded features, patrol services, sport club facilities, good infrastructure such as wider roads, to community activities to bring the residents together, attractive house design and layout.</td>
</tr>
<tr>
<td></td>
<td>- Site observation confirmed such CSR features have been incorporated into their housing projects.</td>
</tr>
<tr>
<td>Limitations</td>
<td>- Those developers who are responsive to CSR are willing to sacrifice part of their profit to implement CSR. However, they do share the concern that the cost of CSR will have an impact on the selling price.</td>
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</tbody>
</table>

Conclusion

Observation study confirmed that there are significant changes in the housing development trend in the study area. The house buyers are getting more affluent and with the increase of the awareness of CSR, more and more housing developers incorporate CSR elements into their projects to improve project competitiveness. This is in line with the argument that to be competitive in today’s market economy, businesses need to be socially responsible and sensitive to the interest of the various stakeholders which include caring about the environment, sustainable development and society in general (Idowu, 2005). There is an increase in demand for businesses to address social concern, and businesses which are not socially responsible are losing advantage to their competitors (Cleghorn, 2004; Dirks, 2004; Lewis, 2003; Waddock and Graves, 1997; Drucker, 1993; Davis, 1973, 1960).

Implications and Benefits of Research Findings

Implications of the research findings are manifold. Firstly it helps to understand the trend of housing development for the past 20 years in the study area, particularly from the perspective of CSR incorporation.

Interviews with developers uncovered the CSR perceptions of developers, the level of commitment as well as their limitations in incorporating CSR in their projects. This helps to envisage the future trend of CSR implementation in the housing market in the study area. Most of the developers agree with the notion that strategic CSR would improve financial performance, the managements are supportive in CSR policies and committed to be socially responsible to attain the objective of sustainable housing development. Elements of favourable CSR were also identified from site observations and interviews with developers. These elements of CSR are planned towards the interests of houses buyers in order to attract them to achieve better sales rate. In addition, these research findings contribute to the CSR literature by giving insights on the relevance of CSR in housing development, particularly from the developer’s perspective.
**Limitations of Study**

A study of perception does not reflect how socially responsible the respondents are actually in the workplace (Peterson, Rhoads and Vaught, 2001). Hence, the limitation of this study is that it may be bias because the developers tend to express their support to CSR.

From the interviews, the developers gave their verbal commitment to be socially responsible, but the issue of how much socially responsible they would be in their actual future project is not known. Therefore, field observation was designed not only to confirm their CSR implementation in their past and current projects, but it also helps to reflect their readiness to incorporate such CSR elements in their future developments.

Due to the characteristics of property market which is localised in nature, the findings of this research are only confined and applicable to the study area. Generalization is limited and confined only to the District of Johor Bahru as the recommendations appropriate to the study area may not be appealing to house buyers in other locations.

However, conclusion which can be drawn from the research finding is that as the property market become very competitive, and when the consumers are getting more discerning and affluent, the house buyers would expect the developers to go beyond their economic agenda and to be socially responsible. In this regard, the house buyers would expect the developers to provide more than what prescribed by the laws as advocated by Davis (1973), and this type of phenomenon can be generalised to housing development in other locality. Nevertheless, the elements of CSR to be included in the housing project will differ from one locality to another, subject to consumers’ changing preferences.

**Recommendations for Future Research**

To complement the research findings of this study, it is recommended that future researchers should conduct a massive and intensive survey to look into buyers’ perceptions on CSR. What are the elements of CSR to the house buyers’ interest? How much are they willing to pay for the premium and how do they view CSR for different types of properties? These studies would be important to guide the developers in formulating their socially responsible activities to satisfy house buyers, and at the same time to improve their companies’ financial performance to achieve business sustainability.

As research findings reveal most developers agree that CSR elements improve project marketability, hence, further research may study the relationship between CSR and sales performance quantitatively.

**References**


New Straits Times (2004). Go for CSR, developers told. 11 December.


