



# Corporate social responsibility for solving the housing problem for the poor in South Africa

CSR for solving  
the housing  
problem

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## Abstract

**Purpose** – This paper aims to integrate the concept of corporate social responsibility (CSR) within the South African quantity surveying firms (SAQSF) as an approach for solving the housing problem for the poor.

**Design/methodology/approach** – A research methodology consisted of a literature review and field study designed to accomplish four objectives. Firstly, the literature review studied the housing problem in South Africa, the quantity surveying profession and the CSR concept. Secondly, the field study investigated the perception and application of the CSR concept by SAQSF. Thirdly, an innovative business improvement framework integrating the concept of CSR within SAQSF is developed. Finally, research conclusions and recommendations are summarised.

**Findings** – There is a severe housing problem for the poor in South Africa. Government initiatives for delivering housing for the poor have to be supported by quantity surveyors through utilising their practical knowledge and expertise in social context. SAQSF are aware of the CSR and welcome the developed framework. The CSRF is recommended to be used as an innovative tool to assist in alleviating the housing problem for the poor.

**Research limitations/implications** – This research focused only on the quantity surveying firms in South Africa.

**Practical implications** – This research presents a practical solution to the housing problem for the poor through activating the social role of SAQSF towards supporting government initiatives.

**Originality/value** – This paper presents an innovative business improvement framework integrating the CSR concept into SAQSF towards solving the housing problem for the poor. This ideology has received scant attention in construction literature. The developed framework represents a synthesis that is novel and creative in thought and adds value to the knowledge in a manner that has not previously occurred.

**Keywords** Housing, Poverty, Corporate social responsibility, Quantity surveying, South Africa

**Paper type** Research paper

## 1. Research background and methodology

South Africa is a land of contrasts. Great mineral wealth, agricultural exports, and reasonably sophisticated manufacturing and services sectors have made it one of Africa's major economies with a well-developed infrastructure. At the same time, the majority of the people are poor and large parts of the rural hinterland underdeveloped and lacking in basic amenities such as clean water, sanitation and electricity (Pienaar and Cloete, 2003). In October 1996, approximately 62 per cent of all employed South Africans earned less than Rand 1,500 (US \$175) per month (South Africa, 1998).

The authors are grateful to the anonymous reviewers for their constructive suggestions to improve the paper.



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Since its transition into a democratic society in 1994, South Africa has made leaps in social, political and economic development. In 2004, the Department of Housing initiated the “White Paper” legislation entitled “A New Housing Policy and Strategy for South Africa”. This document emphasised the inadequate provision and situation of affordable housing in South Africa and stated the need for government collaboration with the private sector to establish supportive mechanisms throughout the country to assist individuals and communities in developing housing projects (Department of Housing, 1994). This highlighted the role that the private sector can play in mitigating the housing problem for the poor. Because of the important role they play in ensuring that the resources of the construction industry are utilised to the best advantage of society through providing the financial management for projects and cost consultancy services to the client and designer during the whole construction process (Willis and Ashworth, 1987) quantity surveyors have a responsibility towards supporting the government initiative to solve the housing problem in South Africa.

Recent years have witnessed an increasing awareness and attention to the concept of CSR within the quantity surveying profession. In his speech at the International Cost Engineering Council (ICEC) conference held in Cape Town, South Africa in 2004, the chairman of the council, stated that:

One of the most pressing problems facing the world that would need the focused attention of the cost engineering, quantity surveying and project management professions is the settlement of people, specifically very poor people (Verster, 2004).

Within this concept, commercial corporations have a duty to care for the society at large, in all aspects of their business operations. It implies that a business should undertake its functions not only based on financial indicators but also taking cognisance of the social consequences of its business decisions. CSR is about integrating the social concerns into the corporate business values and objectives, in an effort to improve the welfare of society, while simultaneously preserving the interests of the company (Hopkins, 2004).

Because of the importance of supporting government initiatives, empowering its collaboration with the private sector and responding to the ICEC’s call for increasing research for finding solutions for housing problems (Verster, 2004) this paper aims to integrate the concept of CSR within SAQSF as an approach for solving the housing problem for the poor. To achieve this aim, a research methodology, consists of literature review and field study, is developed to accomplish four objectives. Firstly, literature review is used to study the housing problem in South Africa, investigate the quantity surveying profession and unpack the concept of CSR. Secondly, results from a field study carried out by (Mia and Othman, 2007) aimed at investigating the perception and application of the CSR concept by SAQSF are presented. Thirdly, an innovative business improvement framework integrating the concept of CSR within SAQSF is developed. Finally, based on literature review and field study results, the research conclusions and recommendations are summarised.

## **2. Literature review**

### *2.1 The housing problem in South Africa*

Since South Africa’s democratic transition in 1994, housing the nation is one of the greatest challenges facing the government. The extent of the challenge is derived from

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the massive size of the housing problem, the increased demand for housing, the desperation of the homeless, as well as the bureaucracy, inherited from the previous government (Department of Housing, 1994). In order to overcome these obstacles, different policies, strategies, programmes and projects have been initiated to attack the housing problem and provide affordable housing for the poor. Despite government initiatives to provide affordable housing projects, there is still a real housing problem for the poor.

The Department of Housing (1994) attributed the cost of housing as one of the main problems associated with housing delivery for the poor in South Africa and highlighted that affordability is the most single significant constraint to the housing delivery process. In addition, Sisulu (2004) stated that the housing backlog is intensified by a lack of development finance and a lack of end-user finance. The housing problem in South Africa is characterised by an extremely large housing backlog and high costs of housing delivery.

*2.1.1 The effects of apartheid on housing for the poor.* While South Africa as a country has come far since the fall of the apartheid regime, the nation still bears the brunt of the decisions made by the previous Apartheid government. Apartheid, the Afrikaans word for separateness, fundamentally caused racial inequality resulting in socially, economically and politically divided races, which were unequally housed. The South African Non-Governmental Organisation Coalition (SANGOCO, 2007) underlines the negative effects of Apartheid on housing as it restricted African urbanisation and allocated fewer resources for housing to blacks than whites, therefore many people today do not have adequate housing. Legislation such as The Group Areas Act (No. 41 of 1950) established specific areas for the exclusive occupation of each racial group (Lemon, 1976) and townships developed, which are areas designated for use by non-whites (Bozzoli, 2004). During the era of Apartheid, housing was used as an instrument of segregation and essentially, the black South Africans, were inadequately housed therefore adding to the housing backlog faced today (Kithakye, 2007).

*2.1.2 The contemporary status of housing for the poor in South Africa.* According to the Government Communication and Information System (GCIS, 2006) housing is a fundamental part of government's commitment to reduce poverty and improve the quality of people's lives. Recent reports on existing housing conditions for the poor in South Africa indicate that the housing department has to date produced 2.4 million houses in the last 12 years (Sisulu, 2007). The United Nations supports these statistics by confirming that South Africa's record of providing houses to the poor is unparalleled in the history of housing delivery in the world (South Africa info, 2003). In the future it is expected that expenditure in housing delivery will increase from Rand 4.2 billion in 2002/2003 to Rand 9.5 billion in 2008/2009 (GCIS, 2006). Many South Africans, however still remain homeless and the government now faces new problems in housing delivery such as increased building costs as a result of the increased demand for building materials as South Africa approaches the 2010 Soccer World Cup (Sisulu, 2007).

*2.1.3 Obstacles to housing delivery.* The Department of Housing (1994) and Cloete (1998) highlight some of the obstacles to housing delivery. These obstacles could be summarised as:

- *Scale of the housing problem.* The large-scale of the housing backlog coupled with the low-incomes of large proportions of South Africa's population implies that many people are unable to afford adequate housing.

- *Structure of South Africa's human settlements.* The dispersed nature of many rural settlements hampers servicing and makes access to amenities such as water, sanitation and electricity difficult.
- *Institutional framework.* The lack of institutional capacity-technical, managerial and administrative skills inherited from the past framework governing housing delivery contributes to the housing problem for the poor.
- *Land and planning issues.* The inability and unwillingness to release sufficient suitable land for housing continues to be a restraint to timely housing delivery. Access to and security of land tenure, which is well-located, suitable for housing development and affordable remains an obstacle to housing delivery.
- *The housing construction sector.* An inadequate development framework where lack of land, infrastructure and lengthy planning procedures, hinder developers' ability to carry out housing developments effectively and efficiently.
- *Sociological issues.* Issues such as high expectations of the poor, crime and violence as well as low levels of consumer education are among some challenges facing adequate housing delivery.
- *Economic issues.* Economic factors such as low growth rates, declining per capita income and inflation are some of the economic issues hampering housing delivery. In addition, unavailability of development and end-user finance and low private sector involvement in terms of finance, land development and housing construction, also contribute to the obstacles facing housing delivery.

#### 2.1.4 The government initiatives

- (1) *The reconstruction and development programme (RDP).* The RDP was developed after the election of the 1994 democratic presidency and sought to eradicate all the effects of Apartheid and provide adequate housing for all. Since 1994, under the RDP, over a million houses have been built (ANC, 2007).
- (2) *The national housing programmes (NHPs)* NHPs are national housing mechanisms implemented across South Africa to facilitate adequate housing delivery for the poor. They are divided into four categories.
  - *Financial housing programmes:* these programmes are developed to facilitate immediate access to housing goods and services creating enabling environment and providing implementation support.
  - *Incremental housing programmes:* they are programmes developed to facilitate access to housing opportunities through a phased process that occurs in stages.
  - *Social and rental housing programmes:* described as programmes facilitating access to rental housing opportunities, supporting urban restructuring and integration.
  - *The rural housing programme:* this programme is developed to facilitate access to housing opportunities in rural areas (Department of Housing, 2007).
- (3) *The Comprehensive Plan for the Development of Sustainable Human Settlements.* It is a 5-year plan launched in 2004 by the Department of

Housing to eradicate informal human settlements in South Africa. This could be achieved through:

- Accelerating housing delivery as a key strategy for poverty alleviation.
- Utilising the provision of housing as a major job-creation strategy.
- Ensuring that property can be accessed by all as an asset for wealth creation and empowerment.
- Leveraging growth in the economy, combating crime and promoting social cohesion.
- Using housing development to break barriers between the first economy residential property boom and the second economy slump.
- Utilising housing as an instrument for the development of sustainable human settlements in support of spatial restructuring (Sisulu, 2004).

## 2.2 The South African quantity surveying profession

*2.2.1 The development of the quantity surveying profession.* The quantity surveying profession is a long established profession and its practices and procedures have grown over the years as a result of experience (Hughes, 1978). The quantity surveying profession became known in England at the beginning of the nineteenth century. Before the term quantity surveyor was used in 1859, the terms measurer, custom surveyor or surveyor were used to describe the profession. The quantity surveyor measured work for all the contractors or master tradesmen as they were known at that time. At completion the quantity surveyor submitted accounts to the employer. As each tradesman had to develop his own bills of quantities (BOQ), this resulted in the employment of one quantity surveyor to draw up one BOQ for all of them and they would share the cost of his services. This also created a more democratic manner of tendering on the job as all the tradesmen were now competing for the tender on the same basis as opposed to each having a separate set of documents. Subsequently, the building owner began to employ the surveyor and pay him directly. In this way the surveyor reached a consultant status (ASAQS, 2007a). In South Africa the Association of South African Quantity Surveyors (ASAQS) governs and manages the profession.

*2.2.2 The traditional role of the quantity surveyor.* According to the Royal Institute of Chartered Surveyors (RICS, 1977) the traditional role of the quantity surveyor is to efficiently direct the resources of a building project during the whole construction period. Hutchinson (1992) stated that the traditional, core role of the quantity surveyor is the production of BOQ. Willis and Ashworth (1987) and RICS (1977) identified the roles of the quantity surveyor as:

- Preliminary cost advice and approximate estimating refers to cost studies at the feasibility stage of the project that allow the quantity surveyor to ascertain the probable cost of a project.
- Cost planning including investment appraisal, life-cycle costing and value analysis indicates controlling the cost of a project so that the tender cost is within the acceptable limits of the first estimate. This aspect of quantity surveying also refers to obtaining value for money on a construction project.
- Contractual procurement and tendering procedures refers to making decisions on contract procedures, the type of contract to be utilised, the method of obtaining

tenders as well as selecting contractors and subcontractors suitable for a particular project.

- Preparation of contract documentation refers to drawing up, in most cases a Bill of Quantities by translating the working drawings and specifications of the project into rates and quantities.
- Evaluation of tenders received refers to adjudicating tenders and checking whether the tenders meet the requirements of the client and project.
- Cash flow forecasting, financial reporting and interim payments underlines facilitating the finances of a construction project throughout the duration of the project.
- Final accounting and the settlement of contractual disputes refers to calculating and paying the relevant balances due at the end of a project. Often when measured work does not equal the value of the actual works, contractors submit claims which the quantity surveyor investigates. The quantity surveyor is also called upon to act as arbitrators in disputes and give expert advice and evidence on contractual matters.
- Cost advice during use by the client refers to the financial guidance given by a contractor to a client in terms of post-construction maintenance of the project.

*2.2.3 The contemporary role of the quantity surveyor.* The quantity surveying profession has been governed by historical practices and procedure. This inherently underlines the fact that the profession itself has not had much growth in its professional scope for a number of years. Predominantly, the aforementioned roles still stand. On the other hand, the social, political and economic spheres have changed and matured over the years, both locally and internationally. Innately, the roles and responsibilities of the quantity surveyor have to encompass a contemporary perspective, in an effort to meet and satisfy these changes. During current times, the role of the quantity surveyor has changed. While the definition proposed by Willis and Ashworth (1987) still holds true, the portfolio of the quantity surveyor has expanded. Contemporary times have resulted in a wider range of multidisciplinary tasks which the quantity surveyor may provide such as:

- estimates of capital or asset costs including development costs;
- estimates of operating and manufacturing costs through an asset's life cycle; and
- Dispute resolution (ICEC, 2002).

It is clear that developments in the environment influence the future of the quantity surveying profession and quantity surveyors have to understand and be prepared to participate in a pro-active manner. The quantity surveying profession must have the competencies and desire to contribute towards the development of other people, and assist society in developing the skills and desire to serve its own needs (Verster, 2004). This recognition of the quantity surveying profession's social role, by the ICEC indicates that the concept of corporate social responsibility (CSR) is understood by the quantity surveying profession. Recent times have shown wider social interests beyond the narrow role of the quantity surveyor. This is supported by Verster (2004) who indicates that the problem of housing for the poor and the settlement of poor people require consideration by the quantity surveying profession. Furthermore, by

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understanding these future scenarios the quantity surveying and cost engineering profession will develop the skills to play a role in the changing world and survive and grow as a profession.

### 2.3 *The corporate social responsibility concept*

2.3.1 *Definitions.* CSR is defined as the obligation of an organisation to act in ways that serve the interests of its stakeholders (Schermerhorn *et al.*, 2005). McAlister (2005) and Carroll (1993) highlighted the emerging consensus amongst business to extend the role and responsibility of business beyond profit seeking. There is widespread acceptance of the view that if business is to prosper, then the environment in which it operates must prosper as well. This means that business must adopt approaches in which companies see themselves as part of a wider social system. CSR during recent times has been awarded a significant number of terms and definitions, including corporate responsibility, corporate accountability, corporate ethics, corporate citizenship, sustainability, stewardship, triple bottom line and responsible business (Hopkins, 2004). Vogel and Bradshaw (1981) highlighted that CSR refers to the way in which a corporation behaves while it is pursuing its ultimate goal of making profits. Baker (2007) supported this definition and defined CSR as how companies manage its business processes to produce an overall positive impact on society.

2.3.2 *Development of the CSR concept.* Before the 1990s, CSR was loosely defined and companies were simply doing good to look good (Kotler and Lee, 2005). Companies donated money to as many organisations as possible, reflecting a perception that this would satisfy the most people and consequently create the most visibility for philanthropic efforts. Carroll (1999) traced the growth of CSR over the years, from the 1950s through to the 1990s and indicates that evidence of the business community's concern for society can be traced back for centuries.

In the 1950s, CSR was referred to as social responsibility (SR). Bowen (1953 cited in Carroll, 1999) defined SR as the obligations of businessmen to pursue business goals in terms of the values of society.

During the 1960s there were increased efforts to formalise the definition of CSR. Davis (1960 cited in Carroll, 1999) referred to CSR as businessmen's decisions and actions taken for reasons beyond the firm's financial interests. Later, McGuire (1963 cited in Carroll, 1999) set forth the definition that the corporation has not only economic and legal obligations but also social responsibilities beyond those obligations. This period also marked a milestone that considered companies as people, and highlighted the notion that business must act as justly as a proper citizen should.

In the early 1970s, Johnson (1971 cited in Carroll, 1999) defined CSR by highlighting that socially responsible firms have diverse interests. According to Carroll (1999) it was during this period that increased mention of corporate social performance (CSP) and CSR occurred.

The 1980s paved the way for a number of definitions that emerged in relation to CSR including corporate social responsiveness, public policy, business ethics, and stakeholder theory. During this period, there were increased attempts to measure and conduct research on CSR (Carroll, 1999).

In the 1990s with the onset of the millennium, Wood (1991) presented an important contribution to CSR and its definition in the form of a CSP model, based on the work of Carroll (1979). The model incorporated three dimensions of:

- (1) principles;
- (2) processes; and
- (3) outcomes.

It thus expanded the definition of CSR.

Today CSR means different things to different stakeholders. Baker (2007) highlighted that in different countries; there will be different priorities, and values that will shape how business undertakes its CSR. In this research, housing for the poor is considered the priority that guides SAQSF in undertaking its CSR. According to Kotler and Lee (2005) today more corporations pick a few strategic areas of focus that fit within their particular corporate values as well as selecting initiatives that support their business goals. Therefore, the contemporary approach to CSR entails supporting corporate objectives while simultaneously playing a CSR role so that the company's social activity is complementary to its primary business role.

*2.3.3 CSR and the construction industry.* Recently, the construction industry has become the target of environmentalists and governments to improve its performance towards the environment more effectively (Teo and Loosemore, 2003). This put the construction industry and its organisations under pressure to deal not only with an effective and efficient building and construction services, but also with effective management of their business (Price and Newson, 2003). The key CSR challenges to the construction industry are likely to be in the areas of: moral obligations to be a good citizen and do the right thing, sustainability, reputation that justifies CSR initiatives towards improving the industry image (Porter and Kramer, 2006), relationship with employees and unions, relationship with suppliers, community representatives and commitment to report transparently on CSR (Yadong, 2007), employment opportunities, stakeholders involvement by carrying out public consultations about their projects, health and safety standards, human rights, non-discrimination and anti-corruption policies (Freshfields Bruckhaus Deringer, 2006). Construction professionals (i.e. architects, quantity surveyors, etc.) can play important role in addressing these issues in their unique disciplines. For instance, architects can participate through escalating the awareness within the architectural practice of the importance of saving the environment and encouraging the adoption and application of sustainability concepts in the architecture design, reducing negative impacts of buildings on the environment through using durable, environmental friendly, non-toxic, easy to maintain, energy efficient and recyclable materials, ensuring that the design considered people with special needs, considering the Life Cycle Cost of the project and minimize the cost of operation and maintenance (Othman, 2007).

*2.3.4 Opposing views of CSR.* The concept of CSR and its practical application does not go without debate. Critics argue as to whether CSR is actually a benefit or a disadvantage to society. Norris (1981) indicates that there is growing controversy between the SR of business and the profit making responsibility of business. Friedman (1970) questions, what it means to say that business has responsibilities? Smith (1990) supports this perspective and proposes five additional arguments against CSR:

- (1) Business's function is economic, not social and as such the role of business is solely to make a profit.
- (2) CSR will have a price for the firm as it refers to capital outlay in one form or another and therefore results in a competitive disadvantage for the company.



- (3) This point questions whether companies have the skills and knowledge to deal with social issues. Friedman (1970) supports this ideology and questions, if businessmen do have a responsibility other than profit seeking, how are they to know what this responsibility is?
- (4) This concept highlights that combining social activities with the economic activities of business would give business an excessive concentration of power. This argument supposes that private organisations should not take on the role of public organisations.
- (5) The final argument presupposes that social issues are the concern of government thus companies pay taxes so that these issues may be resolved by government and therefore there is no need for additional CSR on the part of business (Smith, 1990).

On the other hand there are a significant number of positive arguments associated with CSR. Colmer (2003) and Kotler and Lee (2005) highlight the benefits of CSR as:

- Improved financial performance, increased sales and market share.
- Better risk and crisis management.
- Reduced operating costs, decreased operating costs.
- Increased worker commitment, increased ability to attract, motivate and retain employees.
- Enhanced brand value and reputation, strengthened brand positioning.
- Good relations with government and communities.
- Long-term sustainability for your company and society.
- A licence to operate.
- Long-term return on investments.
- Increased productivity.
- Enhanced corporate image and clout.
- Increased appeal to investors and financial analysts.

### 3. The field study

#### 3.1 Background and sampling

Establishing a link between academia and perceptions of construction professionals helps enrich academic research with real practical case studies and utilise academic expertise to improve construction performance. This section presents an interesting field study, consisted of survey questionnaire and unstructured interview, carried out by (Mia and Othman, 2007) aimed to investigate the perception and application of the CSR concept by SAQSF towards solving the housing problem for the poor. In order to escalate the reliability and validity of research findings, a representative and non-biased sample was selected. This was achieved by adequately covering all quantity surveying firms registered as members of the ASAQS under the KwaZulu Natal Chapter (ASAQS, 2007b). The result was a list of 61 firms. Out of these firms, 26 replied to the questionnaire (43 per cent). It was planned to meet all respondents to the questionnaire, but due to the time constraints and work commitment of interviewees only three firms agreed to be interviewed. Although the lower number of interviewed

firms, the attitudes, opinions and viewpoints reflected in the interviews provide rich and valuable insight to the research. In order to ensure that collected data is not biased, the following measures are applied:

- Ensuring that the designed questionnaires and interviews fully represent the underlying concept of the study (Baker, 1994).
- Consulting a number of specialists to assess the extent to which the questions relate to the subject being investigated (Nachmias and Nachmias, 1996).
- Using as much as possible of fixed choice answers.
- Pre-testing of the questionnaires and interviews.
- Making sure that each respondent understood the questions in the same way as other respondents and their answers were coded correctly (Silverman, 2001).
- Encouraging respondents to answer the questions honestly and competently (Adams and Schvaneveldt, 1991).

### *3.2 Findings of the field study*

#### *3.2.1 Findings of the survey questionnaire:*

- Sixty-five per cent of respondents to the questionnaire mentioned that CSR is a concept that is recognised by SAQSF. Ninety-six per cent of the firms that recognise the concept mentioned that they implement it in performing their daily business functioning.
- Sixty-five per cent of respondents stated that CSR can be used as a marketing tool, where 62 per cent of respondents mentioned that CSR is the right thing to do and there is a need for the concept in South Africa.
- Investigating the application of CSR concept showed that 85 per cent of respondents noted that awarding of student bursaries is the most common form of CSR carried out by SAQSF.
- Respondents, who indicated that their firm do not adopt CSR, mentioned that the reason for this is that their companies do not understand their CSR role and there are time, money and energy constraints, inherent in adopting CSR. The respondent also highlighted that “adopting CSR objectives” may not be profitable for a company, when there is sufficient other work to sustain the practice.
- Thirty-eight per cent of the respondents stated that they appoint ethics officer as a liaison between the firm and the public, student and authoritative bodies. Sixty-two per cent of the respondents mentioned that the position of an ethics officer within SAQSF is a new idea.
- All SAQSF indicated that there is severe housing problem for the poor in South Africa and they have to play a role to solve it. Sixty-two per cent stated that their role is ranked three on a scale of five.
- All respondents stated that the traditional roles of SAQSF could be employed in a social context, towards assisting government in housing delivery for the poor.

#### *3.2.2 Findings of the unstructured interview:*

- The interviewees indicated that SAQSF understand the need for CSR in South Africa in terms of housing provision for the poor. SAQSF comprehend

their social role in terms of applying their inherent knowledge and skill of construction and its related financial aspects, to assist in solving the problem of housing for the poor in South Africa. This role is however limited as there are myriad problems that contribute to the housing problem experienced in South Africa, all of which, cannot be solved solely by the quantity surveying profession.

- Implementation of CSR, in the context of housing provision requires long-term commitment as well as support from higher-level authorities and is perceived to be idealistic, but nevertheless a possible endeavour.
- Respondents expressed that given the normal business functioning constraints in terms of resources and time, the CSRF is an idealistic notion, but is still feasible and worthy of implementation in SAQSF. At the same time, it must not go without mention, that the primary objectives of SAQSF are corporate and thus profit-seeking in nature.

#### 4. Discussion

The relationship between housing the poor in South Africa, the SAQSF and the CSR concept, is reinforced by literature review, field study, SAQSF and the government. This relationship is strengthened through the severe problem of housing the poor in South Africa, coupled with the increased government calls for private sector initiatives and involvement in housing delivery as well as the quantity surveying profession's recognition of its CSR role through the application of its inherent knowledge as an approach to assisting government in housing delivery for the poor. Overcoming the obstacles of housing delivery highlights the need to support government initiatives and empower the quantity surveying profession's collaboration with the public sector. Although interviewees mentioned that, the CSR is a long-term commitment process and requires authorities support, utilising the practical experience of quantity surveyors is highly sought in this regard to assist government in alleviating the problem of housing for the poor in South Africa.

#### 5. The corporate social responsibility framework (CSRF)

A framework is defined as a structure for describing a set of concepts, methods and technologies required to complete a product process and design (EDMS, 2007). The corporate social responsibility framework (CSRF) (hereinafter referred to as "the framework" or the "CSRF") is a proposed framework developed by this research to integrate the CSR concept into the daily business functioning of SAQSF, as an approach to assist in solving the housing problem for the poor, in South Africa. It describes the functions that SAQSF have to adopt, in order to effectively support government housing initiatives.

##### 5.1 *The need for the corporate social responsibility framework*

The International Organisation for Standardisation articulates that as more companies and organisations decide that they must address the principles and concept of CSR, there is a simultaneous increasing need for tools to help them to define and address what CSR means and how to implement it in their business (IISD, 2007). Thus, the need for the developed CSRF is ascertained by the international recognition of integrating the CSR concept into companies. The necessity for the CSRF is also established

from the importance of supporting national government housing initiatives for the poor. The housing problem for the poor in South Africa is a huge challenge, which requires the unified effort of all sectors of society (South Africa info, 2007). This view is supported by Mia and Othman (2007) who underline that the pivotal role played by SAQSF in managing the financial aspects of construction projects could be utilised to alleviate the housing problem for the poor. This necessitates the need to identify how the CSR concept could be integrated into the SAQSF activities.

*5.2 The aim of the corporate social responsibility framework*

The CSR is an innovative business improvement tool integrating the concept of CSR within SAQSF as an approach for supporting the government initiatives towards solving the housing problem for the poor.

*5.3 The functional description of the corporate social responsibility framework*

The functional description of the CSR is designed to guide SAQSF in integrating CSR into their activities. Because its deals with functional/activity modelling, facilitates the development of a comprehensive model, easy to use and understand, has been proven to be suitable for use in construction (Sanvido, 1988) and provides a mechanism for decomposing a function into a number of smaller sub-functions and verifies that the inputs and outputs of the function match those of its sub-functions (Wu, 1994), the IDEF0 notation is used to represent the functional description of the framework.

*5.4 The contents of the CSR*

The contents of the CSR are shown in Table I. They are: integrating the concept of CSR into SAQSF (CSR/A0), identifying area of improvement (CSR/A1), establishing improvement objectives (CSR/A2), developing new roles of SAQSF (CSR/A3) and implementing the developed roles of SAQSF (CSR/A4) as shown in Figure 1. A top level (CSR/A-0) presentation of the framework is presented in Figure 2.

*5.4.1 Identifying area for improvement.* The “identifying area of improvement” function (Figure 3) is a decomposition of box 1 in the CSR/A0 diagram (Figure 1). This function aims to identify the area that needs to be improved in SAQSF. The input of this function is the traditional role of SAQSF. It is of prime importance to have an orientation meeting prior to the study to understand the study objectives and identify the improvement area. This will help identify the information required for the study. In addition, strategic matters such as selecting team members, study date, time, duration and location have to be decided. The right selection of team members is critical to the success of improvement study. Gaining the top management support and approval will facilitate the acceptance and implementation of the study decisions. The concept of CSR has to be explained to the study team and the data collection and analysis tools for

Diagram reference	Description
CSR/A0	Integrating the Concept of CSR into SAQSF
CSR/A1	Identifying area for improvement
CSR/A2	Establishing improvement objectives
CSR/A3	Developing new roles of the SAQSF
CSR/A4	Implementing the developed roles of SAQSF

**Table I.**  
Node index for the CSR

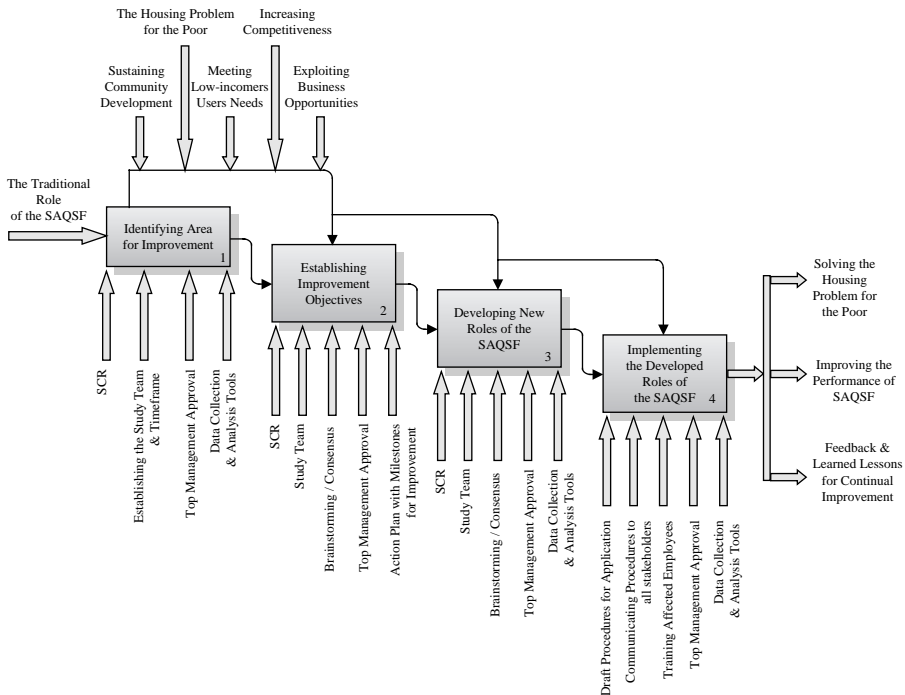


Figure 1. The four main steps of the CSRf

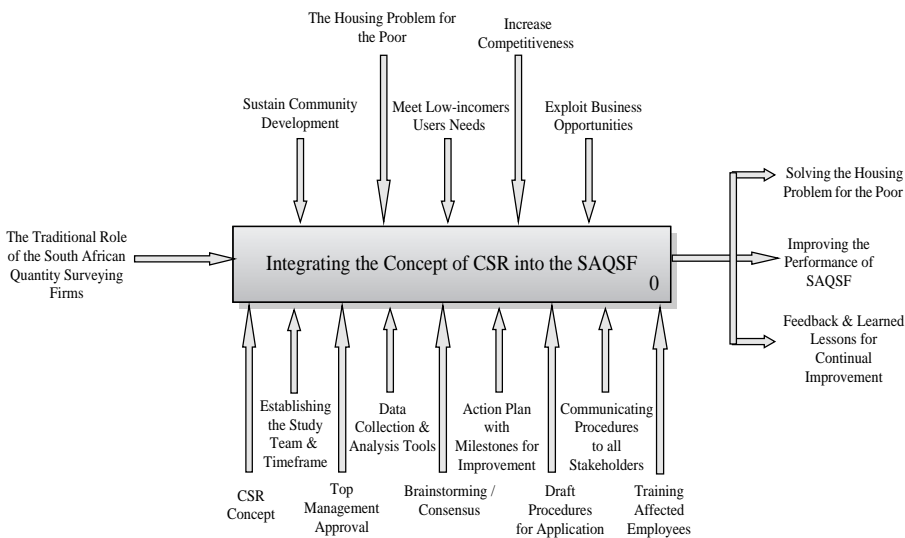
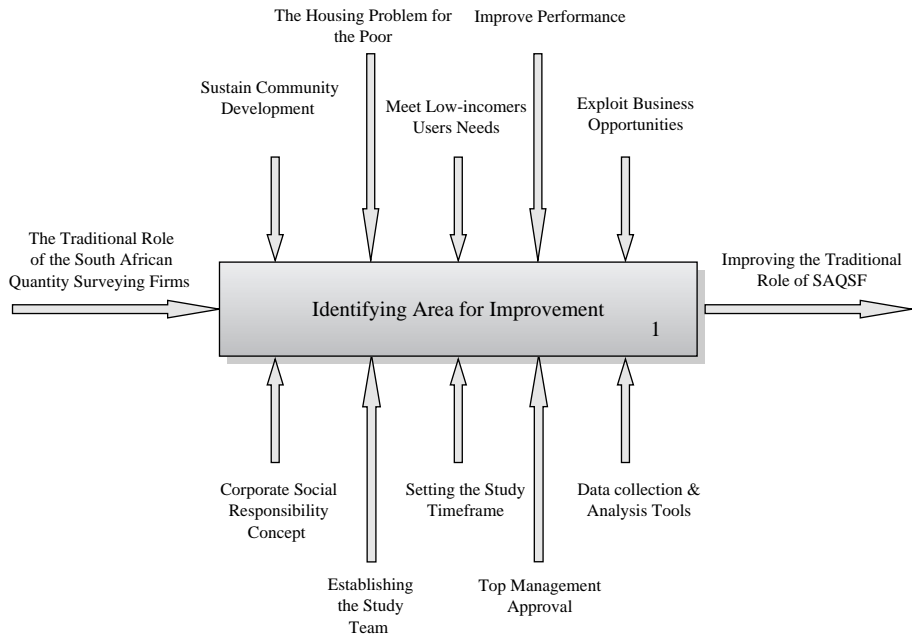


Figure 2. The top level diagram of the CSRf

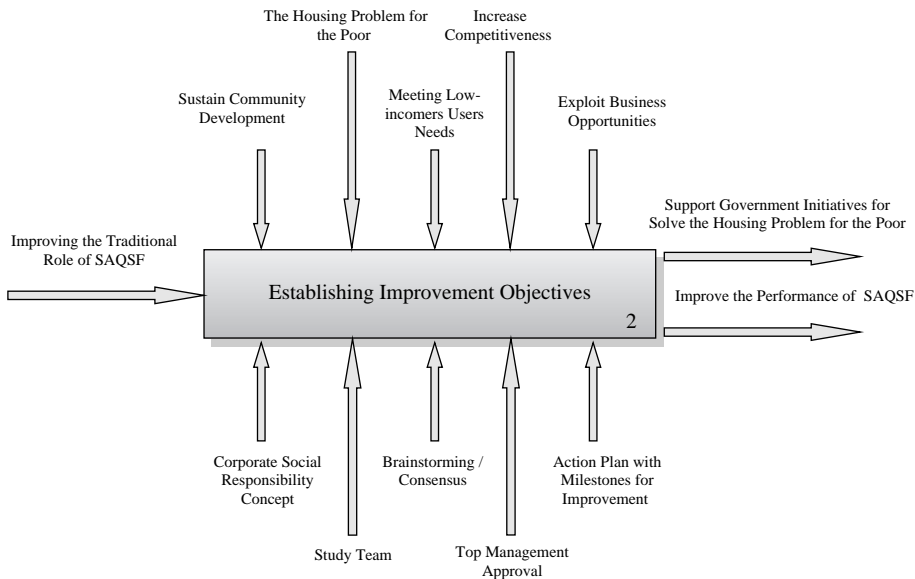


**Figure 3.**  
Identifying area for improvement

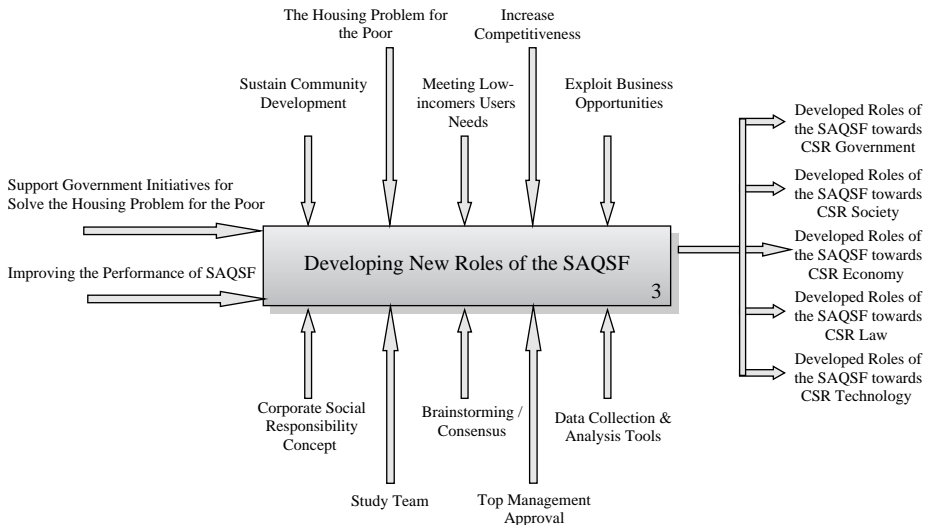
carrying out the study have to be selected. The identification of the improvement area has to be done in an endeavour to sustain community development, solve the housing problem for the poor, meet the needs of the poor, increase competitiveness between SAQSF and exploiting business opportunities. The outcome of this activity is improving the traditional roles of SAQSF.

*5.4.2 Establishing improvement objectives.* The “establishing improvement objectives” function (Figure 4) is a decomposition of box 2 in the CSRF/A0 diagram (Figure 1). This function aims to establish the improvement objectives. The output of the previous function is the input of this function. Establishing the improvement objectives has to be done through applying the concept of CSR. In addition, brainstorming sessions and consensus techniques will be used to generate and evaluate innovative and creative ideas. Gaining the top management approval on improvement objectives and the developed action plan with milestones will allow the team members to continue the study with confidence and ensure the adoption of study recommendations. The factors that control the establishment of improvement objectives remain the same as in the previous function. The output of this function is to support government initiatives for solving the housing problem for the poor and improve the performance of SAQSF.

*5.4.3 Developing new roles of SAQSF.* The “developing new roles of SAQSF” function (Figure 5) is a decomposition of box 3 in the CSRF/A0 diagram (Figure 1). The aim of this function is to develop new roles of SAQSF through improving the traditional roles. The input for this function is the output of the previous function. Developing the new roles will be achieved by the study team who have to understand and apply the concept of CSR. In addition, brainstorming sessions and consensus techniques are used to generate and evaluate creative ideas and new suggestions for improving the traditional roles. Top



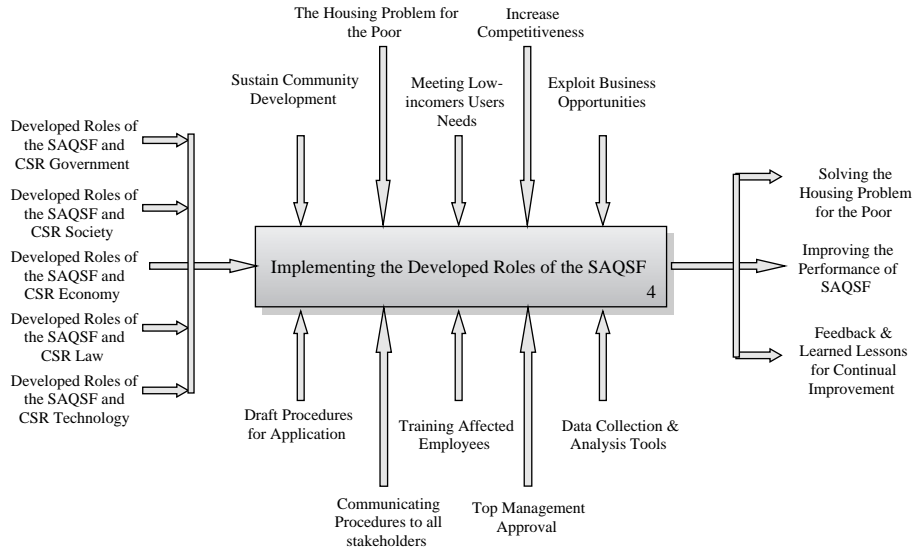
**Figure 4.**  
Establishing improvement objectives



**Figure 5.**  
Developing new roles of the SAQSF

management approval will support the study and allow the study team to go with confidence to the next step. Data collection and analysis tools have to be selected to support this function. The controls remain the same as in the previous function. The output of this function is new developed roles of SAQSF in five different, integrated aspects, namely: government, society, economy, law and technology.

*5.4.4 Implementing the developed roles of SAQSF.* The “implementing the developed roles of SAQSF” function (Figure 6) is a decomposition of box 4 in the CSR/A0 diagram



**Figure 6.**  
Implementing the  
developed roles  
of the SAQSF

(Figure 1). This function aims to implement the developed roles of SAQSF. Although this function is beyond the scope of this research because of the time required to implement the developed framework and measure its role in improving the performance of the SAQSF it is valuable to explain how the developed roles will be implemented in SAQSF. In addition, it provides practical guidance for further research to test the CSRF. The input for this function is the developed roles of SAQSF. The controls remain the same as in previous functions. The implementation process will be carried out by drafting procedures for application and communicating them to all concerned staff members. In addition, affected employees will be trained to implement the new roles. Management approvals will play an important role through assigning the needed recourses for improvement. Collecting and analysing the obstacles during the implementation process will help suggesting corrective action to continue the implementation process. The output of this function may be considered the most significant as they are, solving the housing problem for the poor in South Africa, improving the performance of SAQSF and monitoring and feedback for continuous improvement of SAQSF.

### 6. Benefits of the corporate social responsibility framework

Based on the authors' deduction, the benefits of the CSRF are three-fold in that they influence SAQSF, the South African government, the poor and society. In terms of SAQSF, the framework provides a platform for enhancing business performance and competitiveness. The framework also provides a new social dimension to SAQSF. The framework plays an important role in supporting the government initiatives through the involvement of SAQSF in housing delivery for the poor in South Africa. The poor society of South Africa is directly benefited from the framework, as the CSRF is a systematic attempt to house the poor. Society in general is assisted as the provision of housing for the poor in South Africa, ultimately results in social and economic development for the whole society.



### 7. Limitations of the corporate social responsibility framework

The effective application of the framework depends to a large extent on the encouragement of the top management in SAQSF to support the government initiatives to solve the housing problem for the poor. If the top management does not have the desire and tended not to use the framework, then its adoption will be limited. The application of the framework is a long-term strategy to improve the traditional role through integrating a SR perspective, and within the current culture in the construction industry where performance is almost calculated in monetary terms and limited attention has been paid for the social role towards the community improvement, this framework might not be welcomed by some sectors of the industry. The benefits of the framework should be clearly presented to top management of SAQSF in order to get them convinced with the role, which the framework could play in improving their performance and solving the housing for the poor. This will increase the opportunities for adopting the framework. The timeline for implementation as indicated is a long-term commitment. It is important to note, that depending on changing the attitudes and perceptions of managers who shape the missions and visions of their companies, the timeline for implementing the CSR may vary accordingly.

### 8. The CSR role of SAQSF towards solving the housing problem for the poor

SAQSF can contribute toward solving the problem of housing for the poor under the following categories:

#### (1) *SAQSF and CSR government*

- Assisting the government by advising the Department of Housing on the approximate cost of proposed housing developments.
- Estimating of forecast prices to advise the government, on the estimated expenditure on a particular housing scheme.
- Advising the government on the use of substitute materials that are durable as well as cost effective.
- Suggesting strategies for energy efficient housing and the use of alternative building methods and materials.
- Assisting the government in deciding the feasibility of proposed projects through appraising the investment of housing developments, taking into account the lifecycle costs and value of the project.
- Expediting the supply of basic services which hinders the delivery of housing for the poor (Mia and Othman, 2007).

#### (2) *SAQSF and CSR society*

- Promoting end-user involvement in the design process, reducing the cost of modifications, later in the building process.
- Producing simple documents for cash flow forecasting, financial reports and interim payments.
- Promoting positive partnerships between SAQSF and other engineering disciplines, therefore improving information and experience exchanges which results in improved housing developments.

- Offering training courses and jobs for recently graduated quantity surveyors as well as sponsoring undergraduate students (Mia and Othman, 2007).
- (3) *SAQSF and CSR economy*
  - Clarifying and thoroughly investigating the cash flow, zoning and building regulations of housing developments for the poor, allowing for transparency, accountability and better management of government expenditure.
  - Encouraging using local products and labour, helps improve the national economy and reduce the number of unemployed people in South Africa (Mia and Othman, 2007).
- (4) *SAQSF and CSR law*
  - Facilitating the legal requirements to speed up the release of land and loans.
  - Stating rules to encourage SAQSF to integrate CSR into the firm and play an important role in supporting government housing initiatives.
  - Improving the guiding rules and parameters for evaluating tenders and contractors selection to achieve best value for money (Mia and Othman, 2007).
- (5) *SAQSF and CSR technology*
  - Utilising the benefits of information management and information technology to facilitate the procurement and tendering processes as well as the communication between parties.
  - Reducing the professional time required for work completion through exploiting the identical, simple and repeated design of housing developments as well as utilising simple, repetitive contract documentation. (Mia and Othman, 2007).

### **9. The effects before and after the implementation of CSRF**

The effects before implementation of CSRF in SAQSF indicate that the concept of CSR is understood by SAQSF but on the contrary, its application is limited. In the broad-spectrum, it appears that CSR is an ideology, that has not been fully embraced by SAQSF as part of the firm's daily business functioning. While SAQSF have expressed willingness to integrate CSR into the firm, to assist in alleviating the problem of housing for the poor in South Africa, the effects after implementation of CSR can only be effectively measured once the framework presented herein is implemented in firms.

### **10. Conclusions and recommendations**

Having reviewed the housing problem in South Africa, unpacked the concept of CSR, investigated the quantity surveying profession, presented the developed framework and bearing in mind the previous results derived from the field study the research may reach the following conclusions and recommendations:

- Housing the nation is one of the greatest challenges that face the South African government. Despite the government initiatives to provide housing projects, there is still a real housing problem for the poor.
- Overcoming the obstacles of housing delivery highlights the need to support government initiatives and empower the private sector towards playing a social role towards community development.

- Because of their pivotal role in managing project costs, SAQSF are capable to support government initiatives to solve the housing problem for the poor through utilising their knowledge and practical experience.
- SAQSF are recommended to adopt the developed framework to escalate their awareness and integrate CSR into their business.
- Conducting the same study in the construction and allied industries in an effort to create increased awareness of CSR in the built environment and to guide implementation of CSR in other engineering disciplines.

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