The Impact of Managers’ Values on CSR in Hong Kong Property Industry

by

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Statement of Originality

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CHUNG Sau Lin, Fiona
November 2014
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Abstract

Corporate Social Responsibility (CSR) has become a popular and critical topic. As with other developed countries, CSR is gaining attention in Hong Kong also (Salahuddin, Tsoi, & Lam, 2003). Much research has been conducted in the Western world on customers' perceptions of CSR but correlation of CSR performance of firm with managers’ values and orientation has apparently not been examined adequately; factors that drive CSR performance also need further study (Pava & Krausz, 1996; Tsoi, 2009; Welford, 2004). This represents a gap that motivated this study, aiming to dwell upon the role played by the managers (Carroll, 1999; Hemingway & Maclagan, 2004; Wood, 1991), especially those at the senior level (Heal, 2008; Paine, 2003) working in the property field; since real estate companies in Hong Kong have recorded average CSR ratings lower than other industries (Hong Kong Quality Assurance Agency, 2011).

The aim of the research was to investigate how CSR works in the property industry so as to study managers’ values - altruistic vs egoistic value (Schwartz, 1992; Schwartz & Sagiv, 1995), managers’ profile - steward vs agent (Davis, Schoorman, & Donaldson, 1997; Godos-Diez, Fernandez, & Martinez-Campillo, 2010), managers’ CSR orientations (Carroll, 2000; Marz, Powers, & Queisser, 2003); and how all these can influence the managers’ CSR practices, thus affecting the firm’s Corporate Social Performance (CSP) (Aslan & Sendogdu, 2012; Godos-Diez et al., 2010). A quantitative survey was administered by sending questionnaires to 1,250 senior managers of publicly listed property development / management companies (Hong Kong Stock Exchange, 2013); questionnaires were sent through the web-site of SurveyMonkey (a survey tool) so as to ensure confidentiality and anonymity (Turker, 2009). With a response rate of 19.36%, 242 completed and valid questionnaires were received. I used various statistical tests to examine the relationship between ‘Managers’ Value’, ‘Managers Profile’ and ‘Managers’ Orientations towards CSR’ (i.e. the independent variables); and combined impact of the first two independent variables on ‘Firm’s CSP’ (i.e. the dependent variable) via ‘Managers’ Orientation towards CSR’ (i.e. mediating effect).
The findings from this survey prove that the managers’ value and managers’ profile are steered by their CSR orientations which in turn have direct and positive effect on a firm’s CSP. As for one’s profile, the ‘Steward’ type of managers show a stronger positive effect on CSR orientations than the ‘Agent’ model. Whilst a manager’s CSR orientation has direct and positive effect on the outcome, i.e. firm’s CSP, it also acts as the mediator (with partial effect) for influencing the relationship (1) between the managers’ value and the firm’s CSP; and (2) between the managers’ profile and the firm’s CSP. These findings supplement the extant research which lacks empirical studies focused on how managers’ value and profile influence a firm’s CSR practice in Hong Kong real estate industry. As a chartered surveyor in the field, I hope to offer some suggestions to professional institutes as to why the overall industry’s CSR performance is relatively low. Also, recommendations can be made to my employer, a major developer in Hong Kong, on how to promote the firm’s CSP by enhancing the moral values of managers.


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