

## Corporate Social Responsibility Initiatives and Community Development Approaches

Sarmila M.S, Zaimah R, Azima A.M, Suraiya Ishak & Suhana  
Saad

\* Program of Development Science, Centre for Development, Social and  
Environment, Faculty of Social Sciences and Humanities, Universiti Kebangsaan Malaysia,  
43600 Bangi, Selangor, Malaysia.  
Email: sarmila.mdsun@ukm.edu.my

To Link this Article: <http://dx.doi.org/10.6007/IJARBS/v8-i13/4803>

DOI:10.6007/IJARBS/v8-i13/4803

**Published Date:** 11 November 2018

### Abstract

Corporate Social Responsibility has been discussed not only as volunteerly initiatives of the corporation to contribute to the community but also seen as an intervention effort in the process of community development. This paper will discuss the approach of a CSR initiatives by a multinational corporation in Malaysia as one of the community intervention effort for developing a community. How the CSR project was perceived by the community in the context of community development is going to be analyzed. A total of 45 farmers involved with the company's CSR program were interviewed to explore their perspective on the CSR project. The research adopts a qualitative case study approach using thematic analysis to gain an understanding of the phenomena under study. The study shows that the project is combining the Need-Based Approach of Community development with the approach of Assets Based Community Development in executing the CSR project for the community. The CSR project has assisted in improving the community skills and knowledge and serves as platform for community's social capital being developed. These efforts help to mobilized community's assets to gain desired economic outcome. These approaches have assisted in sustaining the CSR project in the community and successfully contribute to the process of the community development.

**Keywords:** Corporate Social Responsibility CSR, Community Development Approach, Qualitatif Research

### Introduction

Since the World Summit on Sustainable Development in Johannesburg in 2002, corporate entities have been recognized to be able to play an essential role in contributing to development issues in achieving the Millennium Development Goals (Kolk et al. 2008). Consequently, corporate responsibility and its role in society have been discussed more widely. The corporations are expected to take further responsibility as a driving force to

assist in contributing to the development of local communities (Ideamudia 2008, Sarmila et al. 2012, Radzi et al. 2018, Fox 2004, Barney 2003). A more positive approach should be taken to ensure that these efforts affects local communities positively and assist in community development. The initiatives needed a broader conception by providing space for new themes and approaches that support the needs of local communities (Blowfield et al. 2005, sarmila et al. 2012, Frynas 2005, Fox 2005, Margolis & Walsh 2003). Hence, a CSR initiative's assessment are needed to understand the potential and limitations of this initiative as an instrument to contribute to community development. The assessment will examine whether the CSR effort able to meet the needs of the community and benefit the community or individuals involved with it [Muthuri 2007, Newell & Frynas 2007, Blowfield 2007 & Utting 2003]. This paper will discuss the implementation of a CSR program from the perspective of community development approach.

### Community development approaches

Development chain model links three main components of community development: 1) capacity building 2) social capital and 3) development outcomes. The community development process begins with the building of community capacity that will develop community social capital and consequently generate the outcome or result of community development [14] (refer Figure1).

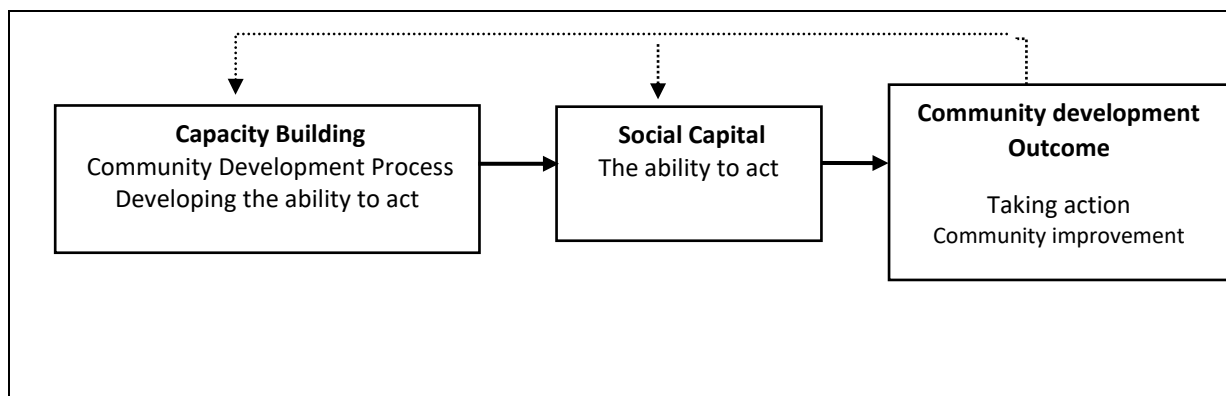


Figure 1: Community development chain

Source: Phillip & Pitmann (2009)

Community social capital is a critical factor that makes the community ready to act and is a significant component in ensuring the success of a project or development program implemented (Haines 2009). Social capital in this context refers to social networks, mutual trust, and relationships between communities that will improve social, physical and economic conditions including opportunities for change (Westwood 2011). The mutual trust could be enhanced by social interactions among communities that can be implemented through face-to-face interactions. Through the interactions, the community can form a working chain that can develop the economy and create overall community well-being (Green & Haines 2012, Zaimah et al. 2015). The implementation of community development efforts has also been identified as having several approaches. Two existing community development approaches are known as the

Needs Assessment Approach (NAA) and the Asset-based Community Development (ABCD) Approach.

The NAA is an early approach used in community development efforts. Through this traditional approach, the community development process will begin by identifying issues, problems and community needs (Haines 2009). This approach will formally identify the needs of the local community, formulate these needs based on priorities, and then seek resources to fill those needs (Beaulieu 2002). The goal is to enable community development efforts to be based on the needs of local communities (Green & Haines 2012). Nevertheless, through this approach, the community will also embark on development efforts by analyzing the problems and issues they face, and this situation sometimes has a negative impact on development efforts as efforts would be focused on the constraints of the community (Haines 2009, Green & Haines 2012). In this regard, the approach is criticized by claiming that it will make the community see too many weaknesses in the community thus the development effort to be implemented is considered too complicated to achieve (Beaulieu 2002, Haines 2009, Green & Haines 2012).

Asset Based Community Development (ABCD) is an alternative to the traditional approach discussed earlier. The difference is that this approach will initiate community development efforts by seeing and recognizing the strengths and assets available within the community. The purpose of this approach is to identify existing resources within the community and to use them to meet the needs of the community. This asset-based approach will focus on the strengths of the community which have potentials to give positive impact and encourage the community to participate in development efforts. The philosophy of this approach is that all locals in the community regardless of age, gender, race and other characteristics within the community have the potentials to play a role in addressing essential issues in the community (Haines 2009). In this regard, local communities or community groups will feel empowered as they can be involved in the community development process (Beaulieu 2002). The ABCD approach is an approach that helps build the capacity of the communities for them to achieve a better and sustainable quality of life. Not only from the economic aspect but also from the aspect of the capital required by the community to keep them engaged for development purposes (Haines). Through this approach community development is seen as a process for mobilizing existing resources within the community and building community capacity to enable the community to work together to improve the socio-economic situation in the community (Haines 2009, Sarmila et al. 2012).

### **Research Method**

This study will look into a CSR project by a food and beverages multinational corporation in Malaysia. The CSR project undertaken by the corporation is a contract chili farming in collaboration with the Malaysian Farmers Association. The project is developed for small farmers in the area of Kelantan and managed by the Farmers Association in Pasir Puteh Kelantan. The project gives opportunity to the farmers to grow chili in a big scale that is at least in an acre of land for a farmer. The process of cultivation is assisted by the Local Farmer's Association and also with the advice of the farming manager of the corporation. The Farmers Association provide credit facilities to the farmers to start their chili cultivation, assist in managing and planning of the cultivation activities and also provide storage and transportation facilities for the crops after harvesting. While

the corporation provide the market for the crop. The project has started since the year 1995 with only 4 farmers and has grown to more than 200 farmers in 2012.

### Qualitative Research

The study adopts qualitative approach in understanding the implementation strategy of the CSR project. The knowledge of the phenomena understudy was derived from the social actors that involved in the project (Blaikie 2007) that are the farmers.

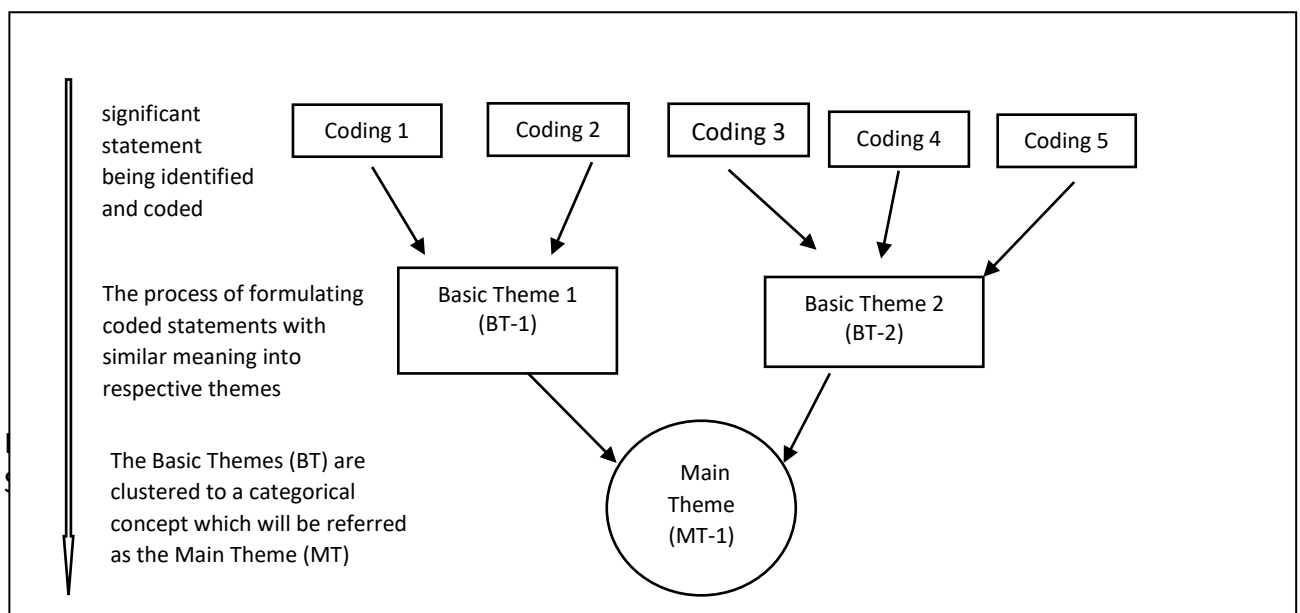


Figure 2: The Process of Developing Research Theme

Source: Sarmila et al. (2015)

Hence the understanding of the CSR implementation is rooted to the perspective of the farmers whom shares their experience through face to face interview with the researcher. A total of 45 farmers were interviewed to collect their view on the CSR project that they participated. The interview was managed with a semi structured interview protocols to guide the researcher during the interview session. The interview sessions were recorded and being transcribe verbatim to become hardcopy interview narrative. Thematic analysis was carried out with the assistance of *NVivo* software. The analysis starts with identification of relevant statements for *open-coding* (Merriam 2009, Corbin & Strauss 2007). The coded statements were then clustered into similar meaning to form a Basic Themes (BT). These basic themes would help researcher to identify categories of meaning which being referred as the Main Themes (MT)s. The MT help in explaining the phenomena being studied (Grant 2008, Stirling 2001, Boyatzia 1998). The illustration of the process of thematic analysis can be referred to Diagram 1.

### Results of the study

The study found 31 percent of respondents involved in this project are in the age range of 61 to 70 years, 25 percent in the age group 51 to 60 years and 22 percent in the age group 41 to 50 years. The thematic analyses have found 317 significant narrative statements that describe the experience of the farmers that involved with the CSR chili contract

farming project. The statements have been coded and grouped into 46 basic themes (BT). The basic themes with similar meaning were clustered into 11 categories of Main Themes (11 MT). The number of coded narratives statements that develop each BT has been identified in bracket (refer to table 1)

Table 1

*The Basic Themes and Main Themes Listing of the Farmers' Experience*

Basic Theme (BT)	Major Themes (MT)
BT-9: Learn how to use pesticides (13) BT-10: Learn new planting techniques (5) BT-11: Learn how to use fertilizer (3) BT-12: Learn how to manage plantation costing (1)	<b>MT-1:</b> Acquired agriculture knowledge and practice (22)
BT-17: Opportunity to choose the right farming techniques (3) BT-18 Opportunity to use new techniques to add revenue (2) BT-19: Build awareness on appropriate techniques (3) BT-20: Ability to manage large-scale plantation (6) BT-21: Skills improved through the process of planting (3)	<b>MT-2:</b> Improve Skills (17)
BT-30: Frequent meeting with fellow farmers (14) BT-31: Close relations between farmers (13) BT-32: Mutual understanding among farmers (12) BT-33: Share problems, skills, and information (8) BT-34: Planting in groups (2)	<b>MT-3:</b> Close Relationship and Teamwork (49)
BT-1: Keep trying and never give up (15) BT-2: Have Trust and Confidence (10) BT-3: Visionary (4) BT-4: Taking opportunity (2)	<b>MT-4:</b> positive attitude of farmers (31)
BT-13: Encouraging other farmers to participate (15) BT-14: Motivated to start planting (12) BT-15: Having a leader among farmers (3) BT-16: Committed to improving crop's quality (3)	<b>MT-5:</b> Farmers' Initiatives (33)
BT-35: Opportunity to increase agriculture revenue (18) BT-36: Enhance the primary source of family income (8) BT-37: Opportunity to change life (4) BT-38: Opportunities to have side job (4)	<b>MT-6:</b> Generate Income (34)
BT-5: Harvest period is longer (5) BT-6: Earnings season can be estimated (9) BT-7: Opportunities to plant in large quantities (4) BT-8: Less risk of unsold produce (3)	<b>MT-7:</b> Increase agriculture productivity and revenue (21)
BT-25: Opportunities for self-employment (5) BT-26: Freedom to organize work (4) BT-27: Freedom in farming activities (2) BT-28: reduced work stress (4) BT-29: Motivated to produce more (2)	<b>MT-8:</b> Freedom in Work (17)

BT-43: farming is our skills (9) BT-44: farming is our interest (8) BT-45: Having land for farming (4) BT-46 Planting is our value (4)	<b>MT-9:</b> farming as culture, value, and Identity (25)
BT-39: Farmers need market for product (20) BT-40: Overcome the complexity of market affairs (6) BT-41: Market at a fixed price (5) BT-42: Troubleshoot the marketing issues (5)	<b>MT-10:</b> Need For Secured Market (36)
BT-22: Enhance Skills in planting and replanting (12) BT-23: Enhance Skills and techniques on pesticide & fertilizer (18) BT-24: Skills can use for other crops (2)	<b>MT-11:</b> Mastery of planting Skills and knowledge (32)

The findings have shown that the CSR project of this plantation project has been implemented by providing agricultural knowledge to the farmers in the effort to prepare them to undertake chili plantations on a large scale. Farmers are taught how to use insecticides, fertilizers and plant techniques other than managing their plantation costs (*MT-1: Acquired Agriculture knowledge and practice*). Farmers' involvement with this program has initiated farmers' awareness of the existence of several plantation techniques. Hence, the farmers can choose appropriate techniques that would help increase agriculture revenue. This gives the opportunity to the farmers to increase their ability to manage their chili fields and improve their plantation skills through the farming and cultivation process (*MT-2: Improve Skills*).

The results of the analysis have also identified the emergence of few basic themes (BT-10 to BT-14) that shows good relationships and teamwork among farmers (*MT-3: Good Relationship and teamwork*). Through this program they often meet to discuss plantation issues where they will share their problems and information. This situation has developed close relationships among the farmers. The research has also identified farmers' positive attitude to the project (*MT-4: Positive attitudes of farmers*). Among others are they are willing to try and do not easily give up with the planting process. They have high trust on the project and confident of themselves. Some of the farmers have a vision in their life to be the best, and they are willing to take the opportunity given to them to be involved with the contract farming project. Along with the positive attitudes, the farmers are also very keen to invite other farmers to participate in the program. They encourage others to join them to plant chili and will assist and motivated them to start planting and improve crop yields. To have a better structure for their group, they appointed a leader among them (*MT-5: Farmers Initiatives*).

The project provided an opportunity for the farmers to increase their agriculture yields compared to previously. There are farmers who mentioned that revenue from the chili farming project had become the main income for their family. There are also some farmers who admitted their involvement in the project had changed the family's lives to the better (*MT-6: Income Generation*). It is also obvious that through the chili farming projects the farmers have the opportunity to grow crops on a large scale and reap the yield over a longer period. They are able to estimate their revenue for one season and they can overcome the risk of unsold farm produce. These phenomena have been referred as an increase in productivity and yield of farmers (*MT-7: Increase agricultural productivity and revenue*). The thematic analysis also found an interesting



theme of the study is freedom of work. This main theme (*MT-8: Freedom of work*) were gathered from the basic themes that found farmers have the opportunity to be self-employed and have the freedom to manage their work and manage their plantation activities. F

Further, this project has reduced pressure on farmers and has increased their motivation to increase farm production (BT-31 to BT-35). Even more interesting, the farmers involved also stated that this project is in line with the culture of their community who have been doing plant activities since long ago. The farmers see value in agriculture activities to their lives. Hence they regards themselves having existing agriculture skills and the chilli farming project introduced to them are very much of to their interest (*MT-9: Farming as a culture, value, and identity*). However, they narrated that they are unable to succeed in their farming activity before this because of their inability to find a market for their agriculture product. They find the market system was complicated for them to adhere to the event they fully aware that as farmers they need a market for their crops. Hence this plantation project has helped them to meet their market needs and solve their market problems (*MT-10: Need for Market*). After more than ten years of the chili farming phase, the farmers have realized that the have enhanced their skills especially about the use of pesticides and fertilizers. They are aware that the chili they grow would be used to a produced product that would be marketed globally and this makes them even more careful to produce chili with Good Agriculture Practice (GAP). Their skill and knowledged are not only be used for chili farming but also able to be used other crops (*MT-11: Mastery of agriculture skills and knowledge*).

## Discussion

This study gives an understanding that the Chili contract farming project that has been implemented by a multinational corporation in Malaysia towards farmer's community in this study has been implemented by developing farmers' capabilities through enhancing farmer's agriculture knowledge and improving farmer agriculture skills. This is referred by Phillip & Pittman (2009) . as the basic or start-up in developing the community. The study has also found good relationship and teamwork amongst farmers. This good relationship according to Green & Haines (2007) is one of the elements of social capital in the community. Social capital is known as a critical factor in community development. The emergence of MT-6: Increase agriculture productivity and revenue, MT-7: Income Generation and MT-8 Freedom of work shows improvements in the community. The improvement is achieved by an act of positive attitudes and initiative of the farmers towards the project introduced to them. These improvements indicated community development outcomes as described by Phillip & Pitmann (2009). Hence, the results of this study show the potential development of the development chain as illustrated in Figure 2. Starting with the process of increasing the knowledge of agriculture and further improvement in skills has developed the chili farmer's ability to act. Hence good relationships and cooperation between them have created the social capital necessary for them to continue their actions in development efforts. This has enabled farmers to develop positive attitude in themselves as well as initiatives in the farming community.

## Conclusion

This study provides an understanding that the approaches undertaken in implementing this project is a joint set of asset-based community development approaches and also the need approach of community development. The combination of these two approaches has made this project well run with the community. Also, the development chain model has been executed to the farmer's community. The basic element of community development that is community capacity need to be integrated with community social capital development to help generate outcomes for the community. The approach and implementation of the CSR contract chili farming project gives an understanding that the company's CSR project can assist in the effort to develop the community through community development approach and community development chain model. A more detailed study to examine the strength and relationships of each element in the community development model can provide more insight into its formation for community development purposes.

### Acknowledgement

The authors gratefully acknowledge the support of UKM research funding code GGPM-2012-020 and Centre of Research Instrumentation Management (CRIM), UKM for this publication.

### Corresponding Author

Sarmila M.S is a senior lecturer at Program of Development Science, Centre for Development, Social and Environment, Faculty of Social Sciences and Humanities, Universiti Kebangsaan Malaysia.

Email: sarmila.mdsun@ukm.edu.my

### References

- Barney, I. (2003). Business, community development and sustainable livelihood approach. *Community Development Journal*. 38(3), 255-265.
- Beaulieu, L. J. (2002). *Mapping the assets of your community: a key component for building local capacity*. Retrieved November 25, 2010, from [http://srdc.msstate.edu/publications/227/227\\_asset\\_mapping.pdf](http://srdc.msstate.edu/publications/227/227_asset_mapping.pdf).
- Blaikie, N.W.H. (2007). *Approaches to Social Enquiry: Advancing Knowledge* (2nd Ed.). Cambridge: Polity Press.
- Blowfield, M. & Frynas, J.G. (2005). Setting new agendas: critical perspectives on corporate social responsibility in developing world. *International Affairs*, 81(3), 499-513.
- Blowfield, M. (2007). Reasons to be cheerful? What we know about CSR's impact. *Third World Quarterly*. 28(4), 683-695.
- Boyatzis, R.E. (1998). *Transforming Qualitative Information: Thematic Analysis and Code Development*. California, USA: SAGE Publication.
- Corbin, J. & Strauss, A. (2007). *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*. California: SAGE Publication
- Fox, T. (2004). Corporate Social Responsibility and Development: In quest of an agenda. *Development*, 47(3) 29-36.
- Frynas, J. (2005). The false development promise of Corporate Social Responsibility: evidence from Multinational companies. *International Affairs*, 81(3), 581-598.
- Grant, R. A. (2008) phenomenological case study of a lecturer's understanding of himself as an assessor. *Indo-pacific Journal of Phenomenology*. February 2008, 1-10.



- Green, G. P & Haines, A. (2012). *Asset Building and Community Development* (3rd Edn.) California: SAGE Publication.
- Haines, A. (2009). Asset-based community development. Dlm. Philips, R & Pitman, R. (eds.) *An Introduction to Community Development*. Routledge: London, 38-46.
- Ideamudia, U. (2008). Conceptualising the CSR and development debate: bridging existing analytical gaps. *Journal of Corporate Citizenship*. 29 (Spring), 91-110.
- Kolk, A., Van Tulder, R., & Kostwinder, E. (2008). Business and partnerships for development. *European Management Journal*, 26(4), 262-273
- Margolis, J.D. & Walsh, J.P. (2003). Misery loves companies: rethinking social initiatives by business. *Administrative Science Quarterly*, 48, 265-305.
- Merriam, S. (2009). *Qualitative Research: A Guide to Design and Implementation*. United States of America: John Wiley and Son.
- Muthuri, J.N. (2007). Participation and accountability in corporate community involvement programme: a research agenda. *Community Development Journal*. Oxford University Press, 1-17.
- Newell, P. & Frynas, J.G. (2007). Beyond CSR? Business, poverty and social justice: an introduction. *Third World Quarterly*. 28(4), 669-681.
- Philips, R & Pitmann, R.H. (2009). A framework for community and economic development. In Philips, R & Pitman, R. (eds.) *An Introduction to Community Development*. Routledge: London, 3-15.
- Radzi, N. A. M., Lee, K. E., Halim, S. A., & Siwar, C. (2018). An Empirical Study of Critical Success Factors and Challenges in Corporate Social Responsibility (CSR) Implementation: The Case of Selected Corporate Foundations in Malaysia. *International Journal of Academic Research in Business and Social Sciences*, 8(3), 70–90.
- Sarmila M.S, Zaimah R, N. Lyndon, Azima A.M, Suhana Saad, Selvadurai, S. (2012). Tanggungjawab Sosial Korporat dan pembangunan ekonomi komuniti: Kajian kes perspektif komuniti penerima. *GEOGRAFIA Malaysia Journal of Society and Space*. 8 (9), 1 – 12
- Sarmila Md Sum, Reevany Bustami, Salfarina Abdul Gapor. (2012). Usaha Tanggung Jawab Sosial Korporat (CSR) dalam meningkatkan keupayaan komuniti: Kajian kes peladangan cili di Bukit Awang, Pasir. Puteh, Kelantan. *GEOGRAFIA Malaysia Journal of Society and Space*. 8(5): 1-13.
- Sarmila, M., Zaimah, R., Lyndon, N., Hussain, M. Y., & Awang, A. H. (2015). Local community economic wellbeing through CSR project. *Mediterranean Journal of Social Sciences*, 6(4), 79.
- Stirling, J.A. (2001). Thematic network: an analytic tool for qualitative research. *Qualitative Research*. 1(3), 385-405.
- Utting, P. (2003). Promoting development through Corporate Social Responsibility prospects and limitations. *Global Future*, 3 , 11–13.
- Westwood, A. (2011). Localism, social capital and the ‘Big Society’. *Local Economy*. 26(8), 690-701.
- Zaimah, R., Saad, S., Azima, A.M., Hussain, M.Y., Samsudin, M., Omar, M. and Yusof, I. (2015). Kesejahteraan subjektif: Kajian kes nelayan di Sedeli, Kota Tinggi Johor. *Malaysian Journal of Society and Space*, 11(2), 87-94.