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CORPORATE SOCIAL RESPONSIBILITY PRACTICES OF COMPANIES: A COMPARISON MADE BETWEEN THE COMPANIES IN TURKEY AND EUROPE ACCORDING TO THEIR DISCLOSURES THROUGH THE WEBSITES

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ABSTRACT

Master with Thesis

CORPORATE SOCIAL RESPONSIBILITY PRACTICES OF COMPANIES: A COMPARISON MADE BETWEEN THE COMPANIES IN TURKEY AND EUROPE ACCORDING TO THEIR DISCLOSURES THROUGH THE WEBSITES

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Corporate Social Responsibility became a prominent phrase of both academic and business literature since realizing the positive and negative effects of companies on society was undeniable. The phrase was altered to many other terms as "corporate social responsiveness" or "stakeholder management" and nowadays, in the globalized business world, the term of "corporate citizenship" preceded other terms in the literature. As the concept highlighted, companies were expected to behave responsibly and have strong relationships with the stakeholders. Beside the society's demands, companies were also expected to be transparent to society by disclosing their activities through diverse communication channels.

The research was aimed to investigate to what extent the companies disclose their social responsible practices and how much Turkey noticed social responsibility comparing to Europe. Companies' websites as a communication tool were determined as the indicator of the research considering broad range of internet usage and only the practices disclosed through the websites were considered. Two countries' financially successful top 100 companies were compared. The results emphasized that Europe were more seriously considering

of being socially responsible than Turkey. The findings mainly highlighted deficiencies of Turkey in socially responsible practices and have been a preliminary research for further investigations to improve the practices.

Keywords: Corporate Social Responsibility, Corporate Citizenship, Turkey, Europe, Website, Internet

ÖZET

Yüksek Lisans Tezi

FİRMALARIN KURUMSAL SOSYAL SORUMLULUK UYGULAMALARI: TÜRKİYE VE AVRUPA'DA Kİ FİRMALARIN İNTERNET ADRESLERİ ÜZERİNDEN YAPTIKLARI PAYLAŞIMLARININ KARŞILAŞTIRILMASI

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Firmaların toplum üzerindeki negatif ve pozitif etkilerinin yadsınamaz olduğunun anlaşılmasından beri, kurumsal sosyal sorumluluk kavramı akademik ve iş dünyası kaynakçalarında önemli kavramlardan biri haline gelmiştir. Bu etkilerin toplumda yarattığı çeşitli beklentilerden dolayı kavram zaman içerisinde başkalaşarak, "kurumsal sosyal duyarlılık" yada "paydaş yönetimi" gibi kavramlara dönüşmüş, günümüzde, globalleşen iş dünyasında ise, kurumsal vatandaşlık kavramı diğer kavramlardan daha önde yer almaya başlamıştır. Kavramın da vurguladığı gibi, toplum firmalardan sorumlu davranmasını ve paydaşları ile kuvvetli ilişkiler kurmasını talep etmektedir. Bu taleplerin yanında firmalardan gerçekleştirdiği tüm faaliyetlerini toplum ile çeşitli iletişim yolları ile paylaşması, topluma karşı şeffaf olmasıdır.

Bu çalışma, firmaların kurumsal sosyal sorumluluk uygulamalarını topluma ne ölçüde açıkladığını ve Türkiye'nin Avrupa'ya oranla kurumsal sosyal sorumluluk uygulamalarından ne kadar haberdar olduğunu ortaya koymaktadır. İnternetin geniş bir kullanım alanı olduğu dikkate alınarak, çalışmada bir iletişim

aracı olan firmaların internet sayfaları ölçüm aracı olarak kullanışmış ve sadece bu sayfalarda yer alan uygulamalar ele alınmıştır. İki ülkenin finansal açıdan en başarılı 100 firması karşılaştırılmış ve sonuç olarak Avrupa'nın Türkiye'den daha ciddi olarak sosyal sorumluluk uygulamalarını ele aldığı görülmüştür. Bulgular Türkiye'nin sosyal sorumluluk uygulamalarındaki eksiklikleri açığa vurarak, geliştirilmesi için yapılacak olan araştırmalara ön hazırlık niteliğindedir.

Anahtar Kelimeler: Kurumsal Sosyal Sorumluluk, Kurumsal Vatandaşlık, Türkiye, Avrupa, Web sitesi, İnternet

CONTENT

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

INTRODUCTION

It is apparent that the significance of corporate social responsibility (CSR) in business life can not be denied albeit continuing debates on its definition and contents. The term illustrates the necessity of the companies' management on how they produce a positive impact on society and how they response to their stakeholders' expectations in detailed and since 19th century, the business men have directed their attention to this concept and they realized that they can not deny its importance. The concept is focused on considering public issues, improving and respecting society and behaving ethically and it is obvious in today's business world that these considerations are the needs or expectations of the stakeholders. As the expectations have become so varied, it is even harder to compete in the market than it was just a decade ago. To exemplify, customers, who are one of the major stakeholder groups, consider not only the quality or the price or the diversity of the products they consume; but also what companies have done to contribute to the improvement of the society. Consequently, fulfilling the diverse social needs of stakeholders has become more important than what the companies produce. These long-term demands have forced companies to consider corporate social responsibility more seriously as a differentiation tool for competing (Kotler, Lee; 2005). It is clear that satisfying the customers' expectations and serving the public, along brings loyal customers and shiny reputations to the companies. More campaigns, more charity activities and more foundations are provided in nowadays business life to serve what the public needs and companies realized how seriously CSR become an indispensable tool to communicate with the stakeholders. Companies use this tool through internet, books, campaigns and other several communication methods to concretize such efforts.

As corporate social responsibility has become one of the most concerned terms in the literature and business world in today's century, in this research, two countries are compared as Turkey, one of the developing countries in the world which endeavors to be a member of European Union and Europe, which is one of the successful countries with the best practices of corporate social responsibility. The purpose of the study is to examine to what extent Turkey is aware of the term of "corporate social

responsibility" comparing to Europe. Considering the effort of Turkey to be a member of European Union, qualification of the companies' corporate social responsibility practices also indicates how consistent Turkey's performance is according to the needed standards to be a member of the union. The practices of both countries are examined to discover to what extent their companies disclosed or practiced their corporate social responsibility. Their websites, as one of the easy and fast tool to communicate and publish the recent developments or practices of the companies, are used as the indicators of their disclosures of responsible activities.

In the first part of this study, the history and the evolution of the term of corporate social responsibility are explained and the theoretical background is provided. As Mohan (2003) summarized the evolution of social responsibility by stair graph, it is clear that corporate social responsibility is replaced with corporate social responsiveness than with stakeholder management and finally accepted as corporate citizenship in the literature. Here in this part, the step of stakeholder management is examined in detailed as it is used in our research checklist.

In the second part, corporate citizenship, the final step of corporate social responsibility, is examined. Different than social responsibility, this term is chosen especially to serve the meaning of taking pro-active actions, behave responsibly for global safety, having strong and close relationships with the stakeholders and conforming changes happen in society (Altman, Cohen; 2000: 1-3). As the corporate citizenship term appeared in the companies' agendas, the related established institutions, initiatives and their standards are considered in the study as they draw a frame of how companies can be accepted as socially responsible. Lately in the second part, world's best companies and their practices are listed. In the end of this part, the corporate social responsibility term is examined in Turkey in general.

In the methodology part as the third part, the purpose of the research, the design of the checklist, the analysis method and than findings and analysis are stated. Following part three, in the conclusion and interpretation part, the overall evaluation of the research and the findings are interpreted and limitations of the research are stated.

PART I

LITERATURE REVIEW

1.1. The Concept of Corporate Social Responsibility

1.1.1. History of Corporate Social Responsibility

The concept of corporate social responsibility has had a long and diverse history in the literature. Its history prolonged back to 19th century providing its significance for the companies. In 1920s, business executives and representatives started to deem that business and society were linked together and can not be separated. What needed was to act as a team with the society for social improvements beyond the benefits of the companies (Heald; 1970 quoted in Carroll, 1999). In 1930s, the first evolutionary steps were taken by the Christian business leaders. They constituted the Christian Frontier Council (CFC) in 1939. The council brought ethical structures to social and economical components of business life. Subsequent meetings were hold and several articles were published mentioning that the companies should also act responsibly to their workers, consumers and the community than just their shareholders in ethical and financial structures (Jeremy; 1990 quoted in Marietto; 1994).

After the World War II, the speed industrialization was gathered; changes in the concept of capitalism reinforced the importance of business philanthropy. By the increase in investment to industries and commerce, the shareholders became more interested in owning the shares of the companies. In early periods, the business responsibility was only to promote the economic welfare and produce good services to customers. Eventually, as more companies were founded, they became less differentiated and shareholders started to account on different range of interests of the companies than just their shares or good services to customers. These new interests were social and humanitarian objectives that forced companies to not focus on more capital oriented issues. Economically satisfied public's attention turned into social concerns. Consequently, corporate social responsibility has gained more importance. In the 1960s, many scholars as Davis, Frederick, Howard Bowen et. al., also defended the importance of corporate social responsibility and suggested that social responsibility

must be guided by business leaders as they have significant effect on society in many points (Carroll, 1999: 269-291). They defined CSR as businessmen's initiatives and actions taken beyond the company's economic or technical interests (Davis, 1960: 70). The scholars also emphasized that the shareholders were no longer motivated by short-term economic plans but consider more on society improvement (Marietto; 1994). As customers and shareholders realized more the importance of the increasingly prevalent term of CSR they started to support those companies which contribute to the social betterment. As a result, business leaders tend to use it as a strategic tool to gain more customers and catch the attention of their shareholders.

Between 1960s and 1980s, technology has advanced to a level that markets have become more complex and international. The continuing growth of the industry forced companies to undertake new responsibilities that their shareholders and customers were demanding; social responsibility - gathered speed with charity donation - was one of the forms of philanthropic activities of companies. Scholars labeled those activities as corporate social responsibility (Freidman, 1970; Sethi, 1975; Davis, 1975; Frederick, 1978; Carroll, 1979). Providing good working conditions to the employees and focusing more on customer satisfaction and needs were some of those demands of the shareholders and customers. In this stream companies were advised to pay more attention on communications with employees; training and development; career-planning; retirement and termination counseling; layoffs, redundancies and plant closings; stress and mental health; absenteeism and turnover; health and safety; employment equity and discrimination; women in management; performance appraisal; day care. They were expected to build up good communication channels with their customers considering their complaints and their innovations, guarantee their product's safety and provide customer services for their satisfaction (Clarkson, 1988 quoted in Clarkson, 1995). Consequently, it was comprehensible that companies and managers should regard, and give response to these social issues (Clarkson, 1995).

In the 1980s, the optimistic frame of CSR has changed as the economic recession damaged the balance of public needs - company benefits and lost its popularity. Increase of unemployment, rapid inflation and slow growth affected the companies' economy in a dramatic way. The companies considered more on their

capital problems than employee and public issues during this period (Beck; 1983). This change caused governments and unions presenting more importance to non-financial issues and they obliged the companies to contribute to improve the social issues. On the other hand, some articles were penned and researches were conducted to highlight the prominence of CSR in 1973 and 1976. The most significant article during this period was "The Responsibility of the British Public Company" written by Company Affairs Committee (Confederation of British Industry). Recommendations made in this article to companies to embrace non-financial and social goals caused arguments. The companies complained how they were able to provide capital to social improvement; even they could not find capital to invest for their production. Such articles, arguments and debates between government and companies caused CSR to become popular in the business life again and caused government to change its policies to adopt the operations of CSR and several companies like IBM and Shell became the followers of CSR during that period that CSR was providing an increasing importance as the rules of obligations for companies to act as legal and social institutions to have safe images in the public's eye (Marietto, 1994; Leonard, McAdam; 2003). Several supporter bodies were founded to emphasize the significance of CSR and to standardized the business life cycle as Environmental Protection Agency (EPA), Organization for Economic Co-operation and Development (OECD), US Equal Employment Opportunity Commission (EEOC) and many others (Carrol; 1991) and CSR gained an indispensable place in the business life and companies have comprehended how important it was to protect the environment, consider on employees' rights or emphasizing the welfare of the country responding to customers/publics' needs.

From the 1990s to nowadays, the result of the diverse expectations of shareholders and customers from companies on social responsible activities, definitions of CSR became varied and alternative phrases, such as corporate social responsiveness (CSR2), stakeholder theory, business ethics theory, corporate social performance (CSP) and corporate citizenship emerged and replaced with CSR. Discussions between business and scholars were continuing if CSR has a stable meaning. It was believed that variety of meanings is the consequences of distinct management disciplines and even between the scholars, there was no consensus on a specific definition of CSR. As a result, corporate social responsibility became to mean

everything to everyone that to some it means legal obligations or to some it means charitable contributions (Sethi, 1975; Waddock, 2004). During this period, it should be noted that scholars did not reject the CSR concept, but they expanded the content of CSR.

1.1.2. Evolution and Definitions of Corporate Social Responsibility

The confusion of not having a specific meaning of CSR, caused an ambiguity that it has been defined or conceptualized in a number of different ways by authors in the literature and its various definitions has comprised economic, legal and voluntary activities (Carroll; 1979). It was hard for business to integrate their corporate aspects as scholars have not provided an adequate conceptual meaning. The debate was to whom and for what the corporations are responsible. Some believed that companies' primary responsibility was to provide a maximum financial return to shareholders with in the boundaries of law and ethical constraints (Friedman; 1970 – quoted Carson; 1993). The others believed that business has a broader obligation toward the society defined as embodying the companies' stakeholders including shareholders, employees, consumers, competitors, suppliers and the local community in addition to general citizens (Carroll, Schwartz, 2003; Sethi, 1975; Frederick, 1994; Davis, 1975).

As the dilemma occurs, the scholars defined CSR in many ways. In 1960s, Davis defined CSR as businessmen's decisions and acts as they have the leading role in the society. Regarding this definition, companies are considered to have a broad obligation to serve the community, including the development human values and economical responsibilities. Eells and Walton argued that people consider CSR as in terms of problems that arise when companies contribute to the social scene. Freidman (1970) has supported that the companies are economical structures and defined CSR as the maximizing economical gain in the boundaries of law and ethical rules. In 1975, Sethi in an attempt to clarify the concept suggested a framework for CSR that enable researches to conduct historical comparisons. This framework has emphasized that a common meaning and classification was needed to ensure that the framework would accommodate to every practice. According to Sethi, social behaviors of companies can

be traced with in three stages regarding to how they response to ethical norms, social pressure and legitimacy. Using this point of view companies were classified as groups of social obligation, social responsible and social responsiveness. The study has clearly stated that Sethi mostly supported the concept of "social responsiveness" as it represented the companies which acknowledge the importance of legitimacy, take definite stand on issues even it means diminishing economical gains, disclosing its action to its stakeholders, operating its development strategy in an effective way to improve the welfare of the society and considering society's needs and act to satisfy these needs. Similar to Sethi, Frederick as one of the scholar supporting the concept of "corporate social responsiveness" suggested the fundamental idea was the obligatory contribution of the business world to improve social issues (1994). Social issues can be listed as human rights (1), workplace and employee issues, including occupational health and safety (2), unfair business practices (3), organizational governance (4), environmental aspects (5), marketplace and consumer issues (6), community involvement (7), social development (8) (McAdam, 2003: 27). Hay, Gray and Gates explained that companies should commit healer resources to social problem areas in 1976 (quoted Carroll; 1979). CSR was also described as companies' responsible activities which aim to create higher standards of living while preserving their profitability for the stakeholders both within and outside of the companies (Hopkins, 2005 – quoted Hopkins, 2006; McAdam, 2003). It was referred to the business activities integrated with social and environmental concerns and in interactions with stakeholders (Marrewijk, 2003: 102).

Archie B. Carroll, one of the scholars who discussed the concept of CSR significantly, summarized social responsibility as the entire range of obligations business has to society.

> "*The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time* (Carroll; 1979: 489, 500)".

As pointed out in this definition, CSR is conceptualized with in four categories economic, legal, ethical and discretionary responsibilities. In 1991 Carroll detailed these categories and designed a pyramid consists of four parts:

Figure I: The Pyramid of Corporate Social Responsibility
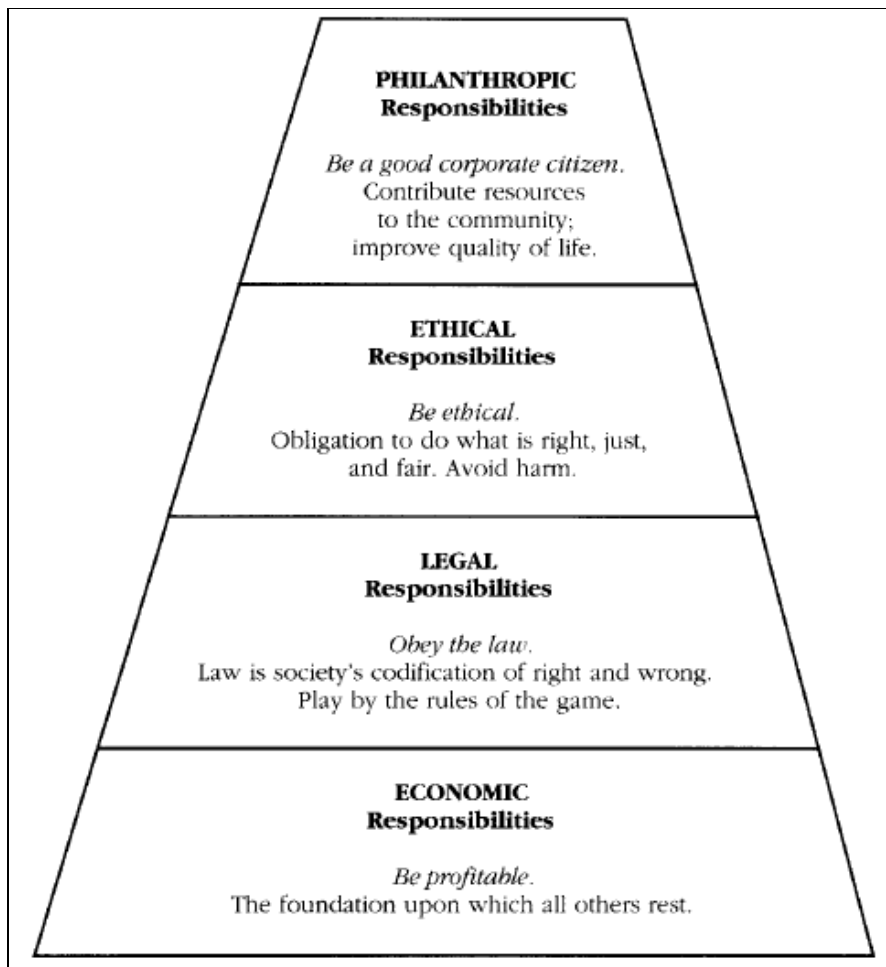
Source: Carroll, 1991, p: 42

- *Economic responsibilities* are the basic unit of the pyramid and the business life. Companies are economic entities that are expected to maximize earnings per share, to be as profitable as possible and to maintain a strong competitive

position in the market besides fulfilling the fundamental needs of stakeholders as providing goods and services.

- *Legal responsibilities* are society's expectations from companies to fulfill their economic missions within the framework of legal requirements. These responsibilities can be listed as performing in the boundaries of law and regulations and be a law-abiding corporate citizen.

- *Ethical responsibilities* are additional behaviors and activities that are not necessarily codified into law but are expected by society. These responsibilities embody some standards, norms or expectations that reflect concerns for what stakeholders and society regard as fair or moral rights.

- *Discretionary (philanthropic) responsibilities* are social expectations occur for business to assume social roles over and above the law and obligations. These roles are voluntary and it depends on the companies' initiatives. These responsibilities aim is to improve the society's welfare. It can be listed as participating in voluntary and charitable activities.

Carroll wanted to direct the attention of the companies to the ethical and discretionary responsibilities by the pyramid given above. It was certain that the components were not mutually exclusive. With the guide of the framework, companies expected to obey the law and behave ethically as well as accomplish the needed profit.

In 1991, Carroll and Schwartz penned an article against to the pyramid argued that it can not capture the overall contents of CSR (p: 505). A hierarchy between the responsibility categories would not be proper. On account of this aspect, Schwartz and Carroll formed a three domain approach of CSR consists from the statements of economic, legal and ethical areas. They symbolized it with a Venn-diagram that binds the statements to each other and avoided forming a hierarchy between the categories (p: 507).

Even the phrase of CSR explained and defined in many ways by scholars, there is still no consensus of what CSR means or to whom they are responsible for. It was obvious that CSR has continued its conceptual development through the years and

replaced with new phrases in articles. These phrases were pronounced in the figure below with a chronological chart:

Figure II: Developments in CSR-Related Concepts
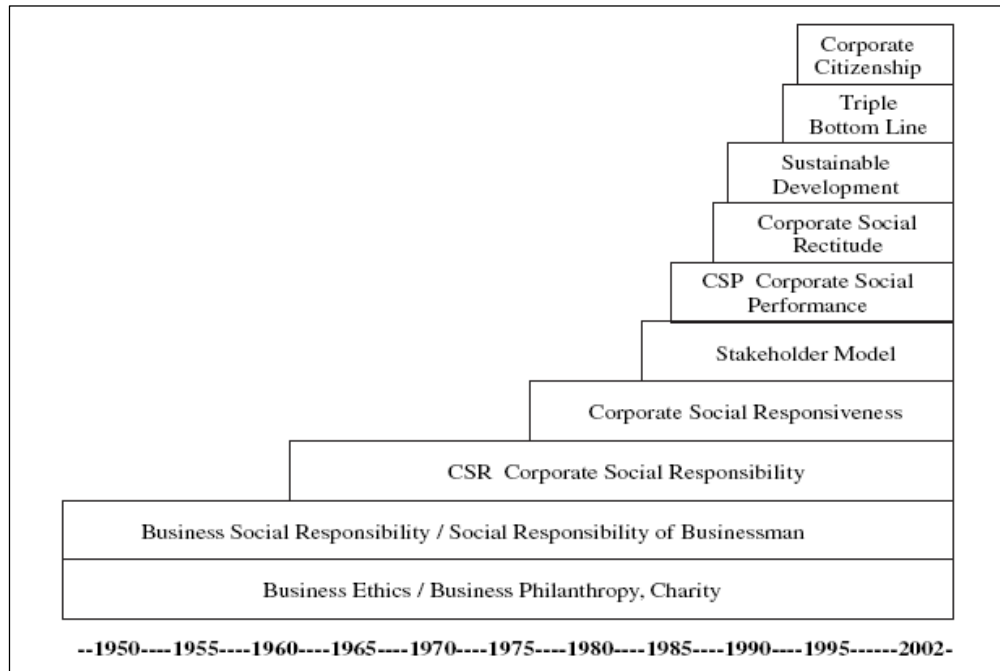
Source: Mohan; 2003, p: 74 – quoted Bakker, Hond, Groenewegen; 2005

New phrases related with CSR were derived in consideration of the lack of terminological explanations and the ambiguity that managers faced with the assets of CSR. In business, this uncertainty caused complexity on the management decisions to imply CSR policy. This confusion was mentioned as the categorizing step of the evolution of CSR. It was the step that the assets of CSR differed in the time and places and new concepts replaced CSR in the title of the notions of social responsibilities of business and companies (Bakker, Hond, Groenewegen, 2003: 288 – 289). Carroll explained this differentiation as:

"Though the concept of CSR may from time to time to supplanted by various other focuses such as social responsiveness, social performance, public policy, ethics or stakeholder management; an underlying challenge for all is to define the kinds of responsibility management and business have to the constituency groups with which they transact and interact most frequently (Carroll, 1991: 40)".

After 1970s, the phrases mentioned above as social responsiveness, stakeholder model, corporate citizenship and corporate social performance were emphasized more than social responsibility. Especially the concepts of "social responsiveness", "stakeholder model" and later "corporate citizenship" became prominent than the others. Meehan (2006) suggested the term social responsiveness was emphasized more because proactive and dynamic involvements were required for social betterment. Companies were not only expected to meet the needs of society to secure their legitimacy but also to promote desirable changes in business-society relationships. Briefly, beyond the obligations, the term of responsiveness was referred to social acts of the companies. On the other hand, the stakeholder model highlighted the point that the companies were responsible for the environment, employees, consumers, suppliers, community, social activist groups and many other person or groups who has a stake, a claim, or an interest in the operations and decisions of the company (Freeman; 1984). The concept carried out a conflict that as the social issues differed according to the needs of the stakeholders, a challenge occurred for the businessmen to achieve their goals and accomplish their social responsibilities. Some scholars claimed that this conflict caused businessmen to fulfill their stakeholders' expectations considering their legitimacy and power. To summarize, the definitions of CSR presented that a more humanistic, more ethical, more transparent business was expected by stakeholders (Bowman, Haire; 1975).

1.2. Corporate Social Responsiveness

One of the phrases that replaced with CSR was "corporate social responsiveness" entered into the business management literature in 1970s. Scholars

began to enunciate the phrase of "corporate social responsiveness" as it was more positive and accurate rather than the older term of "corporate social responsibility". The companies were in the level of "reacting" to their stakeholders' demands in diverse ways as they have already recognized their responsibilities to society. This new term referred to these diverse ways that was related to the companies' capacity to give response to the social pressures (Murphy, 1978: 18). Companies, as social institutions of the society, obliged to respond to the concerns that provide their continuity in the market, their growth and their strong reputation (Sethi, 1975). Another debate also occurred on what degree the companies were giving response to the social needs. There was no limit but the response range was on a continuum from no response (do nothing) to a proactive response (do much). Therefore the term corporate social responsiveness also clarified on what on what degree and how they show their sensitiveness (Carroll, 1979). Ackerman (1973) described the term of social responsiveness as acting or performing responsible according to the society's demands from companies. Salbu (1993) defined it as an ability to recognize and respond effectively to social challenges that the company faces with. "Social responsiveness was a valid concept that leads managers to a clearer emphasis on implementation and policy development (Wartick, Cochran; 1985: 763)". It was integrated with the companies' philosophy or mode or management strategy beyond business actions. It was a managerial response to social responsibility and social issues. Another important point the definitions emphasized was how society's demands or expectations or public policy determine the companies' managerial decision making on responding to social needs The maintenance of an open and receptive managerial environment was needed as companies were under pressure of internal and external participants. Public policy or the social environment or society's needs provided the basic framework and specific guidance for company's behavior with response to matter of social concerns. Therefore social responsiveness was not only consisted of literal text of law and regulation but many other social reflection areas (Preston and Post; 1975).

Supporting Post and Preston's suggestions, Buehler and Shetty (1976) examined the means of society's demands for business. They made a survey with 232 companies on responses to social demands in the areas of consumer, urban and environmental affairs. The survey result demonstrated that a range of 50 percent to 63

percent of the companies had created new organizational positions or upgraded existing ones in response to social demands; and from 3 percent to 8 percent of the companies had elected special interest group representatives to the board as internal changes.

As corporate social responsibility embodied the principles of business ethic and companies' policy dealing with the social issues; corporate social responsiveness fulfilled its gaps as lack of operational meaning and ability of being a guideline for better managerial performance. Most importantly, corporate responsiveness directed the attention of both society and companies from the question of "why companies should respond to social pressures" to "how companies fulfill the society's demands effectively".

1.2.1. Evolution and Definitions of Corporate Social Responsiveness and The Management Strategies

Corporate social responsiveness was an extensive concept that allows researching the interactions between business and society. Some researches have attempted to develop various conceptual models for analyzing the relationship between business and society (Carroll, 1979; Freeman, 1984; Frederick, 1994). Others have focused on strategies to associate corporate social responsiveness with performance or companies or public policy process (Sethi, 1975; Carroll, 1979; Wartick and Cochran, 1985; Epstein, 1987; Wood, 1991). In addition, some researches associated responsiveness with the management strategies to acquire effective results (Ackerman, 1973; Sethi, 1979; Clarkson, 1995).

Corporate social responsiveness was identified as a way of integrating the academic theory and the managerial thinking. It provided the ability to manage the company's relations with various groups. Corporate social responsiveness could be categorized as micro organizational dimension and macro institutional dimension. Micro organizational dimension was focused on single companies' abilities which achieve important levels of social responsiveness process. Macro institutional dimension was

focused on larger scale institutions' policies whether any of them has significant impact on social issues (Frederick, 1997: 154-160). Carroll defined corporate social responsiveness as a tool to reach the most desired response model to society's needs. According to this point of view, corporate social responsiveness was a concept that enables companies to act strategically in their choice of response model with respect to social responsibility (Carroll, 1979: 502). It was emphasized that corporate social responsiveness was an indicator whether a company's social performance was adequate or unsatisfactory. Being adequate or unsatisfactory was a result of the chosen strategy. Companies should have chosen the appropriate response strategy which corresponded with their company culture. The figure below plots these response strategies:

Table I: Corporate Social Responsiveness Strategies

Ian Wilson	Reaction	Defense		Accommodation	Proaction
Terry McAdam	Fight all the way	Do only what is required		Be progressive	Lead the industry
David and Blomstrom	Withdrawal	Public relations approach	Legal approach	Bargaining	Problem solving

DO NOTHING ←————————————————→ **DO**

Source: Carroll, 1979; p: 504

In this figure, three different categories of strategy of responses were asserted. Wilson presented four possible business strategies (1974), Terry McAdam described the managerial approach and represented four philosophies (1973) and Davis and Blomstrom described the responses to societal pressures (1975). Originated from these approaches, a cube was designed which explained the steps of corporate social

performance and the response pattern positioned to the literature by the terms as reaction, defense, accommodation and proaction. "Reaction" strategy was referred to denying the social problems caused by the company and not taking any responsibility to improve it. "Defense" was referred to the companies only taking responsibility on the damages they caused in the society. "Accommodation" and "pro-action" strategies were referred to the companies who meet their responsibility to their society and additionally, contribute to many social improvement projects (Carroll, 1979: 501-504).

In 1985, as Carroll leaded, another response model of social responsibility was published combining social responsiveness with companies' social performance. Corporate social performance was defined as "the underlying interaction among the principles of social responsibility, the process of social responsiveness, and the policies developed to address social issues" (Wartick and Cochran 1985: 758) and it was consisted of three categories. One of them was corporate social responsiveness which provided the approach to realizing social responsibility in the model. It was the strategy of a performance level of doing less (reactive) and doing more (proactive) similar to the response strategies of corporate social responsiveness as mentioned above. Following the terms of reactive, defensive, accommodative and proactive to characterize corporate strategy or posture toward social responsiveness; a new social performance scale was constituted named as RDAP scale (Clarkson; 1988, 1991).The scale can be summarized by the table below:

Table II: The RDAP Scale

Rating	Posture or Strategy	Performance
1. Reactive	Deny responsibility	Doing less then required
2. Defensive	Admit responsibility but fight it	Doing the least that is required
3. Accommodative	Accept responsibility	Doing all that is required
4. Proactive	Anticipate responsibility	Doing more than is required

Source: Clarkson, 1995; p: 109

In the table, two elements as posture or strategy and performance were the focal points of the process. "Posture or strategy" referred to characterizing the company's stance toward the management of stakeholder issues as measuring and evaluating the level of responsibility that a company demonstrates in its management of stakeholder relationships and issues. "Performance" referred to the measurement of evaluating the actions and the levels of responsibility of the company whether management concerning the issues appropriately or not (Clarkson, 1995: 109).

Besides analyzing corporate social responsiveness in a managerial strategy manner, it was also described into corporate behavior approach. The concept was divided into three parts as social obligation, social responsibility and social responsiveness. Here, the term of social responsiveness was defined as the adaptation of corporate behavior to social needs. According to this approach, the important point was not how corporations should respond to social pressures, but what should be their long-run role in a dynamic social system (Sethi, 1975). Companies were expected to anticipate the changes and respond to their external environment. They were needed to develop capabilities that would prepare them to accept the challenges the system may cause to face suddenly. Sethi labeled the approach as social responsiveness and made a table consisted of how should the companies response to the circumstances. Searching for legitimacy and accepting the role which was insisted by the social system to the company was necessary to realize and analyze the issue or problem. Companies were under pressure as they were expected to behave responsible by considering the ethical norms and philanthropic activities. They should be willing to disclose their practices to other groups and to be publicly evaluated for their various activities as responding to social issues. They were expected to provide open communication channels with the government and support legislative bodies to develop better regulations and promote honesty, not pursuing special-interest laws (Sethi, 1975: 62-63). This external pressure caused by society could be divided as non-market and market. As companies responded to market (varying their product, service, promotion… etc.), they serviced to their consumer's needs and expectations. Non-market forces were presented as other social pressures as environmental, social, educational or political that concerned whole society. Besides pressure, another schema occurred to

fulfill the approach was the time between the emergence of a problem and its solution as the definition of corporate social responsiveness was acting responsible or performing the expectations on social issues as what society demands from the companies. First step of this timeline was the "pre-problem" step referred to perceive the problem quickly to feedback. Second step was "identification" which defines the problem and relates it with the source. Third one was "remedy" and "relief" intended considering the issues after examining the harmed groups. The last step was "prevention" that described developing long-range programs to prevent the recurrence of the issue. The approaches emphasized the corporate social responsiveness as a whole that should not be separated from companies' managerial decisions. The basis of companies' policies or their development processes were expected to reflect their social responsibility considerations. Managers were needed to regard their strategies established on social responsiveness and should not consider it as non-profit or unnecessary expense (Sethi, 1979: 62-65). As corporate social responsiveness was interconnected to a process of strategies of managing the company, similar model to Sethi was constituted based on managerial decisions. In this model, the term social responsiveness process was consisted of three parts as environmental assessments, stakeholder management and issues management. As a common response pattern, the first step was defined as managers realizing the issues. Then the company managers considered the situation and decided the best way to response. They determined the policies and tried to design the process and finally disclosed the process to whole company to provide their contribution. Managers and the employee realized that they would face a chaos if they do not respond to the needs (Ackerman, 1973; Preston, 1975 quoted in Preston, Post, 1981). In 1982, another similar approach was penned by Newgren and Glunipero that companies decided their responses by following the steps as forming the image of the company than deciding the management philosophy and finally the evaluating the issue which embraced the stage of realization and the prevention of the problem.

In 1987, another formula of describing the importance of corporate social responsiveness was named as corporate social policy process by Epstein (Epstein, 1987). It was highlighted that no business person or scholar could deny the impact of the concept on business policy toward society. At this point, corporate social policy term

was emerged which combines the elements of corporate social responsibility, business ethics and corporate social responsiveness. Corporate social responsiveness, the important element of corporate social policy process, pertained to organizational decision making process and it was the development of the process for "determining, implementing and evaluating the company's capacity to anticipate, respond and manage the issues and problems arising from the diverse claims and expectations of internal and external stakeholders" (Epstein, 1987: 6-9).

Corporate social responsiveness was also analyzed as an ecological concept and an adaptation to environmental conditions. As all most of the scholars agreed, companies could not ignore the social concerns. Considering on social issues and environmental betterment would return as better social and financial performance with a shiny reputation for companies. As supporting this approach, Wood emphasized in the research that companies were facing different issues if they were in different industries. Therefore they would use different response models to variety of situations but the point of behaving responsible to the social concerns and giving responses, effected the companies reputation, social and financial performance (Wood, 1991; 707). In the research, society's demands were examined in four parts as economic, legal and ethical and the domains as social legitimacy public responsibility and managerial discretion to analyze the suggested different response models. As managerial discretion approach was a new indicator comparing to other researches, it was referred to producing low polluting products, recycling management, innovating to serve better and using charitable investments (Wood, 1991: 710).

Another approach to examine the concept was choosing the appropriate strategy for being socially responsive. This choice was depended on the differentiation of the stakeholders' demands and the variety of the responses in consequences of the companies practice business in different industries. Beliveau, Cottrill and O'Neill (1994) categorized this differentiation as managerial reputation, institutional and economical perspective. Institutional perspective emphasized the diversification of legitimacy in industries and organizations. Economical perspective refers to a company's ability to provide CSR considering the company's economic health. Finally, managerial

reputation clarifies the positive effect of corporate social responsiveness to the company's reputation in the market.

1.2.2. Replacing Corporate Social Responsiveness to Another Concept

Although there was still a debate on whether social responsiveness could replace with social responsibility, it was certain that companies should decide how to respond to the social needs or issues or expectations. As companies realized the significance of giving response to social demands, the need of consciousness on the responding to the issues in the long run strategies without considering as unnecessary expenses of the company was realized. Hereafter, it would not be enough only to develop a code of conduct or publish a social report. Managers and other employees recognized the interdependence with social participants. Social responsiveness was embedded within a company only when it was evident in the company's culture through its decision making process (Ackerman, 1973; Black, 2006). Managers realized how important to encourage their whole company involve to discretional activities and behave ethically. It was undeniable that companies were forced to respond to their social participants as consumers, shareholders, employees and others. Consequently, the focal point of responding to social issues brought the consideration of how to manage the social participants' expectation or in other terms as "stakeholders". Corporate social responsiveness was what companies did in order to be socially responsible. It was how companies and their managers responded to the diverse expectations to different expectations of society. These approaches, brought many questions to apply the social responsiveness patterns appropriately as "who the stakeholders were for company?" "how could the company manage its stakeholders?". The answers to similar questions created another concept as stakeholder management.

1.3. The Stakeholder Management Theory

In the management literature, the common view for companies was only to maximize their profit and efficiency to satisfy their shareholder by an obligation to obey

and respect the essentials of law and conventional morality. Providing investors to rely on the company more by increasing the returns, was the only mission for companies to ensure their strength of competency and survival in the market. After a while companies perceived that groups effecting their existence in the market were not consisted of only the investors. As the environment and the life conditions of generations were effected by the companies; the pressures of nature, society and future generations on business could not be ignored. (Zsolnai, 2006: 39).

During the depression years, Harvard Law Professor Dodd Jr. E. Merrick has cited in his article in 1932 that, General Electric Company identified four major groups have an affect on their companies: stockholders, employees, customers, and the general public. In 1947, Johnson & Johnson's president Robert Wood Johnson declared a company's first responsibility was to its customers. It could be followed by its workers, management, community and stockholders, as in order to their importance (Preston, 1990). Similar to the companies mentioned above, in 1950, General Robert E. Wood, CEO of Sears, listed the "four parties to any business" as "customers, employees, community, and stockholders" (quoted in Worthy, 1984: 64 - Preston1990). These "groups" were labeled in 1963 by Stanford Research Institute as *stakeholders* during a research. It was referred to "the groups without whose support, the organization would cease to exist." The definition represented that companies' managers need encouraging contributions from their stakeholders to accomplish their own desired results. The institute also published a list of probable stakeholders similar to General Electric Company and Johnson & Johnson Company as shareowners, employees, customers, suppliers, lenders, and society **(**SRI, 1963; quoted in Freeman, Reed; 1983**)[1].** As determining the main stakeholders, stakeholder management has become an important approach in the transition process of business ethics to management practice and strategy. This process caused a strong interrelation between the concepts of stakeholder theory, corporate responsibility and business ethics (Garriga and Mele´, 2004: 61). The stakeholder theory aimed to build a stable answer to the questions of "why should investor-owned companies need to be managed ethically" and "how does this effect the strategies of companies" (Cragg, 2002) or the confusions

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[1] From an interview with William Royce; senior management consultant at SRI International.

as being socially responsible to whom (Clarkson, 1995) and to who managers should consider more (Greenwood, 2001).

Stakeholder theory emerged as a result of the relationship - should build on honesty, trust, clearness and ethic - between business life and the existing stakeholders. As companies became more established, more complex, more diverse and more global; a broad range of community needed to be considered on with a permanent contribution to improve social problems (Greenwood, 2001: 46; Zsolnai, 2006: 43). The elements of this community as non-governmental organizations (NGOs), activists, governments, media and other institutional forces caused pressure on companies. These groups demanded responsible company practices. As a result of that, companies considered corporate responses by establishing dialogue with a wide spectrum of stakeholders (Garriga and Mele´, 2004).

Recently, it was approved by the scholars and the business leaders and even by the public that the companies' activities had an impact on individuals and relative groups. As Cragg (2002) mentioned below:

> *"Their (stakeholders) interests may revolve around basic needs like food, water, or shelter. They may involve issues of health or safety. They may concern the capacity of those involved to accomplish their goals and objectives or to experience a decent standard of living or quality of life. That is to say, the activities of corporations give those they impact a stake in those activities (p: 115)."*

Companies should be considered their stakeholders' needs and demands for their own success, reputation and acceptance as socially responsible. In case of not responding to the groups' demands, it might be caused ignoring their existence. It was argued that stakeholder management process could be difficult as there could be many diverse stakeholder groups (voluntary/involuntary by Clarkson, 1994 cited in Turnbull, 1996; or external/internal by Sirgy, 2002) but they all should considered carefully without favoring one group at the expense of others.

1.3.1. Definitions and Evolution of Stakeholder Management Theory

Civil rights, the antiwar movement, consumerism, environmentalism, and women's rights as the social movements of the sixties and seventies, reconsidered everyone on the role of the business enterprise in society especially the public (Reed, Freeman; 1983: 90). As conferences were organized and many researches and articles were issued; "influential groups" entered the literature for affecting the company activities. One of the researches which brought the term "stakeholder" into notice was by Stanford Research Institute (now SRI International) in 1963 as a generalization of "stockholder" for the first time. SRI argued that managers needed to recognize the concerns of shareholders, employees, customers, suppliers, lenders and society in order to improve objectives that stakeholders would expected. In the 1970s Russell L. Ackoff and C. West Churchman as system theorists, integrated the organizational system with stakeholder analyses. Ackoff (1974) argued that many societal problems could be solved by the participation of the stakeholders to the network which consists of companies as open-systems or in other words redesigning fundamental institutions with the support and interaction of the stakeholders in the system. During 1980s, the stakeholder approach was considered by relevant scholars and placed in organization theory, corporate social responsibility literature, and strategic management literature. The actual point of view was expressed as managers or companies should explore their relationships with all stakeholders in order to develop business strategies (Freeman, 2001: 4-7; Zsolnai, 2006: 38). The approach emphasized the importance of investing in the relationships with stakeholders of the company. The continuing of these relationships has depended on the sharing of a core of principles or values. Thus, stakeholder theory was allowing managers to incorporate personal values into the formulation and implementation of strategic plans. Most of the research on the stakeholder approach has taken place in many sub-fields as normative theories of business, corporate governance and organizational theory and et al.

1.3.1.1. A Stakeholder Approach to Normative Theories

Normative theories were leaded by Freeman. The first definition of stakeholder was constituted in 1984 as "any group or individual who is affected by or can affect the achievement of an organization's objectives". Stakeholders could be considered as the elements of corporate strategic planning and demonstrated the importance of stakeholders during the companies' activity processes. The definition became common in the literature that many scholars used it as the basis of their researches (Clarkson, 1995; Cragg, 2002; Zsolnai, 2006; Donaldson, Preston; 1995 et al.).It was argued that the concept was necessary for a company to manage its relationships with specific stakeholder groups which have an "*affect*" on the companies' decision making process, in an action-oriented way. It was clear that stakeholder's responses would be a precious benefit as having better relations with the company on the long-term so companies should not consider the expenses for satisfying the demand of the stakeholders as non-profit outgoings (Freeman, 1984: 25). As there are two main stakeholders groups as internal and external, they can be categorized as government, competitor, shareholders, suppliers, civil society, employees, customers, on-governmental organizations, environmentalists, media and others as below:

Figure III: The Stakeholder Model
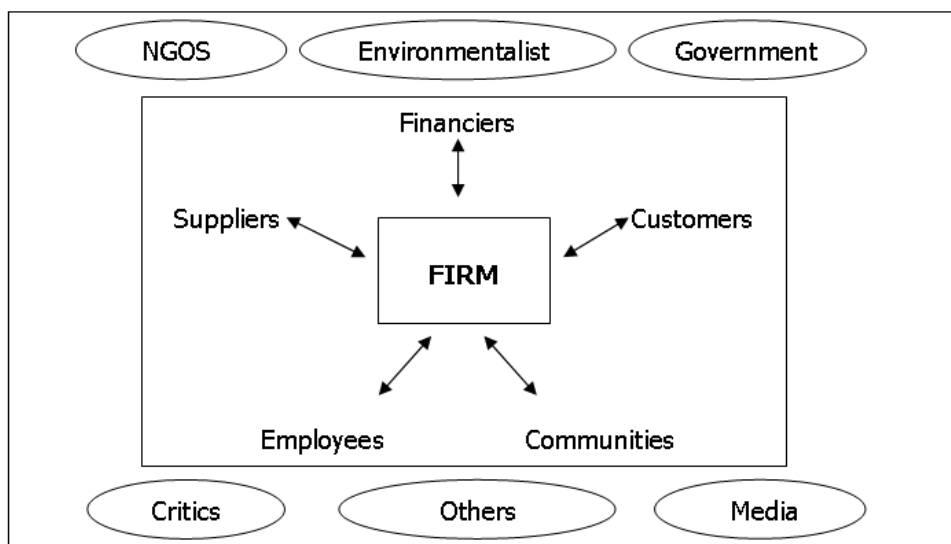
 Source: Freeman, 2003; quoted in Fassin 2008

In addition to Freeman's approach; stakeholders were defined as the groups or individuals that have a stake in a company to a degree and the theory was examined in three different approaches as descriptive, instrumental or normative were nested within each other that can not be separated. Descriptive theory would simply illustrate that companies have stakeholders. It presented a guideline to describe the specific characteristics to recognize the stakeholders. Instrumental theory, interconnected with descriptive theory, was used to emphasize the importance of the connections between stakeholder approaches and commonly desired objectives such as profitability. Normative theory was used to describe on what reasons companies consider their stakeholders. Thus, normative approach was used to interpret the functions of the company, including moral and philosophical guidelines for management and operations (Donaldson, Preston 1995: 70-75).

1.3.1.2. A Stakeholder Approach to Corporate Governance and Organizational Theory

In 1984, some scholars believed that shareholders deserved special consideration over other stakeholders because of "asset specificity". Then it was expanded as a central paradigm of human relationships, ethics and business management (Jones; 1995). Later this approach was improved as all stakeholders have a specific asset in the companies so every stakeholder group deserved the special consideration. The belief of "the most important interests of the companies are shareholders" was replaced with "all stakeholders of a company need significant consideration" (Freeman, Evan; 1990). In 1995, the concept was examined more detailed. Considering Freeman's approach, a general definition of stakeholder was stated as "persons or groups that have, or claim, ownership, rights, or interests in a corporation and its activities, past, present, or future". Companies or managers should focus on the stakeholder issues to avoid from breakdowns or failings and consider their claimed rights might be sampled as legal or moral, individual or collective (Clarkson, 1995: 106; Clarkson, 1998: 259). Additional to Freeman's approach, Clarkson classified stakeholders into specific groups as primary and secondary. Primary stakeholder group was defined as the participants whose continuing existence was important for the

company's ongoing survival. Examples to primary stakeholders could be shareholders, investors, employees, customers, and suppliers, together with what was defined as the public stakeholder group (the governments and communities). The importance of the primary groups was clarified as:

> "There is a high level of interdependence between the corporation and its primary stakeholder groups. If any primary stakeholder group, such as customers or suppliers, becomes dissatisfied and withdraws from the corporate system, in whole or in part, the corporation will be seriously damaged or unable to continue as a going concern" (Clarkson, 1995; p.106).

Secondary stakeholder group was defined as "those who influence or affect, or are influenced or affected by, the company, but they are not engaged in transactions with the company and are not essential for its survival" (Clarkson, 1995: 107). Examples to secondary stakeholders could be media, non-governmental organizations, government and others groups. Secondary stakeholders also had the possible impact to affect the other stakeholder groups' ideas (Clarkson, 1995). Clarkson argued that stakeholder theory provided a structure and rationality for explaining why building ethics into business planning and operations was a management strategy (Clarkson, 1995).

1.3.2. Grouping Stakeholders and Management Strategies

The focal point of a stakeholder approach suggested clearly that companies must formulate and implement processes which satisfy all groups who have a stake in the business. The central task of this process was to manage relationships and integrate the interests of shareholders, employees, customers, suppliers, communities and other groups in a way that ensures the long-term success of the company. Even if the definitions have drawn a frame for what these concepts included, it was still uncertain for companies and scholars which groups or individuals could be accepted as stakeholders. As mentioned in the previous section, Freeman (1984) originally analyzed stakeholder groups in terms of government, political groups, shareholders,

financial community, activist groups, consumers, consumer advocacy groups, unions, employees, trade associations, competitors, and suppliers. Morgan and Hunter (1994) noted four basic types of organizational stakeholders: internal, buyers, suppliers, and lateral. Donaldson and Preston (1995) categorized stakeholders into governments, investors, political groups, suppliers, customers, trade associations, employees, and communities. Clarkson (1995) addressed two major stakeholder groups: primary and secondary and detailed those under six major topics. Those topics were company, employee, public stakeholder, customer, suppliers and shareholders. Henriques and Sadorsky (1999) introduced four groups: regulatory, community, organizational, and media and recently. Greenwood (2001) suggested a broaden group for stakeholders as:

> *"Primary or secondary; as owners and non-owners of the companies; as owners of capital or owners of less tangible assets; as actors or those acted upon; as those existing in a voluntary or an involuntary relationship with the company; as right holders, contractors or moral claimants; as resources providers to or dependents of the companies; as risk takers or influences; and as legal principals to whom agent-managers bear a fiduciary duty". (p: 31)*

Sirgy (2002) categorized stakeholders into three groups: internal, external, and distal (indirectly influence the survival and growth of the business firm through influence exerted on the firm's external groups) (Sirgy, 2002: 145). Identifying or addressing the stakeholder groups, generated another important issue: managing these stakeholders systematically. On the other hand, stakeholder groups could be examined by their potential for companies as threat and cooperative. These two dimensions were described according to how they affect the company with four constituted strategies— collaborate, involve, defend, and monitor—in a view of stakeholder's potential for threat and potential for cooperation. A group of stakeholders were defined by threats for the company and the other group defined as potentials to develop. "Collaborate" type stakeholders were named as the supportive stakeholders who supported the company's goals and actions. It included employees, trustees, managers and parent company. Collaborators needed involvement in relevant issues that encourages cooperative potential. "Involvement" type stakeholders were marginal stakeholders who were

neither threatening nor cooperative. This group could be defined as consumer interest groups, stockholders and professional associations for employees. According to scholars, "Involvement" group needed to be managed by monitoring when the issues were associated with the stakeholders, their support should be increased or their positions should be deflected. "Defend" type stakeholders were defined as non-supportive stakeholder. This group was referred to the stakeholders who had high potential for threat but low on cooperation. Defenders could be categorized as competitors, employee unions, federal government or media. Companies should use defensive strategies to reduce the dependence. "Monitor" type stakeholders were named as mixed blessing stakeholders whose potential to threaten or cooperate was equally high. This group included employees, clients or customers in well-managed companies. Companies would need to consider their relationships and collaborations with this group seriously and strategically to prevent them opposing the company (Savage, Nix, Whitehead and Blair, 1991: 65-67).

Scholars, especially the ones who grouped the stakeholders originated different forms of management strategies to integrate stakeholder management. A list of strategies was made for stakeholder management and started the list with the phrase of, "understanding and planning the needs of stakeholders" as a first step. Second step referred to the negotiation process including some behavioral methods that displayed how much the company cares about stakeholder's concerns. These methods could be conflict management and coalition analysis. Third step was referred establishing a decision philosophy for responses and the last one was referred allocating the resources based on the importance of the issues or stakeholders. Also two process systems were constituted for managing. First one was stakeholder strategy process which analyzed the relative importance of stakeholders, their cooperative potential and their competitive threat as it relied on behavioral analysis. Second one was stakeholder audit process which identified stakeholders and assesses the effectiveness of current organizational strategies. Following these steps, a stakeholder grid was formed which, reflected the real world. Two dimensions were suggested as stake (economic stake, marketplace stake…) and power (voting power of stockholders, economic power of customers…) of the stakeholders (Freeman, Reed; 1983: 92-95). In 1988 also some other steps of strategies were suggested for better stakeholder management as

following the questions of "Who the companies' stakeholders are? Or how stakeholders affect the companies? Or how do companies measure each of the variables and stakeholder's impact on companies?" (Freeman, 1984). The first step of the strategy was defined as mapping the stakeholders and the relationship between. The significance of identifying the direct and indirect stakeholders for the company was fundamental to decide the strategy of the responses. Identifying stakeholders should be followed by determining and mapping the integrations between the company and the stakeholders. The next step was to assess the relative power of each stakeholder's interests to determine the ethics, responsibilities and moral obligations the company has to each stakeholder. Final step should be monitoring the consequences. As technology, public, politic and economic needs and obligations changed, the strategies would need to be enhanced. (Frederick, 1988; quated in Shah, Bhaskar; 2007: 8-11) If the strategy considered according to the stakeholders' threat or cooperate potentials, another important management strategy can be designed with four steps as: (1) identifying key organizational stakeholders, (2) diagnosing them along two critical dimensions of potential for threat and potential for cooperation, (3) formulating appropriate strategies both to enhance and change current relationships with those key stakeholders and to improve the company's overall situation and (4) effectively implement these strategies. Beyond the traditional categorization, stakeholders should be considered according to their capacity, opportunity, and willingness to threaten to or cooperate with the company. It was emphasized that stakeholder's relevance to a particular issue that confronting the organization, determines the stakeholder's capacity for threat. Generally, the more dependent the company, the more powerful the stakeholder was. The opposite was also acceptable that the more dependent the stakeholder for the company, the higher the willingness to cooperate (Savage, Nix, Whitehead and Blair, 1991: 65-67). Additional to these strategies, Freeman and McVea (2001) emerged improved theories for stakeholder management and added new concepts as corporate planning, systems theory and social responsibility to the literature. As companies were open systems that both internal and external stakeholders were integrated, the problems could only be solved with the support of all members or stakeholders in the network (system theory). When management considered all their stakeholders expectations, it was easy to state the qualifications of needed responses (corporate planning approach) and determine the short and long

term plans. As decision plans were settled by companies, they should consider all the stakeholder groups fairly because of moral standing (according to the social responsibility literature). Consequently, companies would always benefit by building strong and permanent relationships with the stakeholders as gaining good reputation. In 1991, Goodpaster presented six steps to be followed after an issue or problem. The first step was described as *perceiving* the issue and searching for available options for short and long term practices. Companies needed to analyze their practices by considering the affected groups. As gathering information from the affected groups and from environment, this structured information should be synthesized with the priorities of the company. Then choices should be made among available options and a supportive action should be taken. Finally the company should experience the outcomes for future decisions (Goodpaster, 1991: 57).

In recent researches, as scholars realized the improvements in industry and diversify demands of the stakeholders, the definitions of stakeholders have varied. Additional to stakeholder concept the terms of stakewatcher and stakekeeper were entered to the stakeholder management approach. Stakeholders were referred to those who have an undeniable stake: the dedicated stakeholders with a real positive and (or at least expected) loyal interest in the company. This group included management group, financiers (bankers, owners, and shareholders et al.), employees, customers, business related groups, communities, political groups and even students. Stakewatchers were referred to pressure groups, which do not really have a stake themselves but protect the interests of real stakeholders. Activist groups, auditors, unions, competitors, substitutes, public interest groups and environmental groups can be introduced as elements of this concept. Stakekeepers were referred to independent regulators who have no stake but have pressure, influence and control on companies. Court, bank commission, Consumer Product Safety Commission, media, civil society, government state, blackmailers and thieves (as non-stakeholders) were examples to this concept (Fassin, 2008: 15-30).

To summarize, stakeholders needed to be considered more than social responsibility or corporate performance according to several scholars as a result of having cooperative relations with companies. Besides, the stakeholder approach was

suggested as the base of social responsibility theories. Stakeholder approach did not only encourage companies to satisfy the stakeholders' expectations, it also provided companies to become more sensitive for their stakeholders' needs and approach them with empathy. It caused companies to gain benefits as competitive advantage in the market or a good reputation or dedicated customers…etc. It provided companies to constitute flexible decision making system so that companies respond instantly to their stakeholders' expectations. With the leading of stakeholder approach, as affecting internal and external participants, companies were guided on the issues of how to respond to the demands and how to categorize the stakeholders. This interaction was needed for the existence of the company. Here, stakeholders' management played a *prescriptive* and *descriptive role* as an approach. It concreted the stakeholders not only according to their importance or needs and provided the companies' long term decision plans or objectives more clear and specific. Thus, it became a must that stakeholders should not only be considered in present, they must be managed over the long term without favoring one at the expense of others (Preston, 1990; Wood, 1991; Freeman, McVea, 2001; Cragg, 2002).

PART II

CORPORATE SOCIAL RESPONSIBILITY IN TODAY'S WORLD

2.1.   The Term of Corporate Citizenship

Forces of the morally changed global public have impelled the developing business world to take more actions in social roles towards the expectations. Whether the companies agreed or not, they were expected to take role and think globally in the process of identifying, analyzing, and responding to the social, political, and economic responsibilities as defined through law, public policy, stakeholder expectations, corporate values and business strategy. As companies contributed to the progress of finding new solutions and developing new approaches to solve the social problems, they became citizens singly. This term of citizenship was labeled as "corporate citizenship" which was related with the approaches of being socially responsible as many other terms (stakeholder management, corporate social responsibility or corporate social responsiveness). A corporate citizen could be defined as taking philanthropic actions and serving to the community beyond producing (Carroll; 1991, 1999). It highlighted the importance of contributing to philanthropic activities as a strategy for companies to ensure profitable business life. The term has been recognized in the corporate social responsibility literature in the last few years and companies started to mention it in their web sites:

Table III: Commitment to Corporate Citizenship

Company	Corporate Citizenship Statement
Procter and Gamble	"…as a *global citizen*, P&G is concerned about the potentially negative consequences of climate change and believes that prudent and cost-effective action by governments..."
Nike	"Our vision is to be an innovative and inspirational *global citizen*

	in a world where our company participates. The Nike Foundation is a further step in Nike's evolution as an engaged global corporate citizen"
Nokia	"We believe the two are mutually dependent – acting responsibly is good for business, and profitable business is essential for *good citizenship*."
Adidas	"It is our responsibility as a member of each community to act as a true *corporate citizen* and we are committed to doing this through a range of programs and activities including corporate giving, volunteer work and community relations programs."
Intel	"Our efforts in policy development foster credible, trustworthy relationships; strengthen regard for Intel as a valued *corporate citizen*; and create a supportive public policy environment."
The Coca-Cola Company	"We continue to take actions across our Company and the Coca-Cola system to minimize waste, maximize profit, and advance our operations, while working to be better global citizens."

The term corporate citizenship was expanded beyond all other terms. Altman and Vidaver-Cohen in 2000 constituted a framework of corporate citizenship that included the interactions between business and society (engagements, partnership society, stakeholder relationships, global relationships…etc.), the importance of the strategies of business world (communication, opportunities…etc.) and necessity of clear and strong communication with society and business (Altman, Cohen; 2000: 1-3). According to the framework a company as an ideal citizen was expected to take pro-active actions, behave responsibly, have strong and close relationships with its stakeholders and consider on new opportunities that might improve its image. Chris Marsden defined corporate citizenship as "company's management influences on and relationships with the rest of society (Marsden, 2000: 11)". A matrix was formed that summarized the companies' response models to social issues. The matrix consisted of three reflections

as "denial, reactive engagement and proactive engagement" according to companies' objectives, managerial strategies and their relations with stakeholders. Maignan and Ferrell (2000) agreed with Marsden as:

"The commitment to visible and popular activities such as volunteer programs, philanthropic donations, or sponsorships is not sufficient to establish corporate citizenship. Proactive corporate citizens also pay attention to their economic, legal, ethical, and discretionary responsibilities; for example, by informing employees about regulations guiding appropriate relations with customers and co-workers or by running all business operations efficiently with an eye on future performance (p: 294)".

2.2. Institutions, Standards and Initiatives for Global Corporate Citizenship

Media, people around the world and business world had consensus on the importance of the term of corporate citizenship. It was agreed that companies significantly started to address social problems and contribute to greater social responsibilities. In today's globalized world, it was harder to say donations or some sponsorship activities would be enough to assume the company is socially responsible. Here the highlighted point was having standards for behaving responsibly. Early in 1970s, many organizations and institutes were established and many standards were generated to draw attention to the socially responsible practices. Especially the government supported these institutions as "hidden hands" for inspecting the companies by established social responsibility practice standards. Governments agreed that companies needed to feel an obligation to contribute to social betterment or having a social contract with the society to promote social welfare. By these standards disclosed by the institutions could constitute universal language of social responsibility (Cragg, 2002; p: 133-138). Herein examples of these institutions and initiatives are listed as Corporate Social Responsibility Europe (CSRE), The Food and Agriculture Organization of the United Nations (FAO), Organization for Economic Co-Operation and Development (OECD), United Nations Global Compact (UNGC), International Labor Organization (ILO), Industry Canada Corporate Social Responsibility, International

Organization for Standardization (ISO), Swedish Standards Institute (SIS), Brazilian Association of Technical Standards (ABNT), World Health Organization (WHO), United Nations Development Program (UNDP), Global Reporting Initiative (GRI), Occupational Safety and Health Administration (OHSA) and more. The prominent organizations are:

- **Organization for Economic Co-Operation and Development (OECD):** The forerunner of OECD was formed in 1947 with the name of "Organization for European Economic Co-operation (OEEC)" to administer American and Canadian aid for the reconstruction of Europe after World War II. In 1961 OECD took over from OEEC. Its mission is to help the member countries to achieve sustainable economic growth and employment and to raise the living standards in the member countries while maintaining financial stability. All these efforts are tend to contribute to the development of the world economy and growth in world trade on a multilateral, non-discriminatory basic. OECD brings together the governments of countries around the world and uses its wealth of information on a range of topics to boost employment and assist other countries' economic development. They help to ensure the environment implications of economic and social development are taken into account. OECD classifies social responsibility issues into six items as economy, society, governance, finance, sustainability and innovation. The subtitles under the item of economy are related with the issues of growth, market competition, regional, urban and rural development, trade standards, enterprises, industrial developments and services. The subtitles under the item of society are related with the issues of employment ranges, health, social and welfare, the quality of education and migration. The subtitles under the item of governance are related with the issues of corporate governance, regulatory reforms and public governance. The subtitles for finance are taxes, investments and financial markets. For sustainability item the subtitles can be written as the protection of environment and energy and sustainable development. For innovation the subtitles can be listed as supportive activities on innovation and development in science and bio technology. OECD supports these pioneer activities by its principles as given in OECD report and by giving certificates to its member. The number of member

countries of OECD is 30 and some of them can be listed as Australia, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan, Korea, Luxembourg, Mexico, New Zealand, Norway, Poland, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States and more (www.oecd.org).

- **United Nations Global Compact (UNGC):** UNGC is the world's largest corporate citizenship and sustainability initiative that was launched in 2000. It is a network-based initiative with the Global Compact Office and six UN agencies at its core. It is both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. It is a voluntary initiative that relies on public accountability, transparency and disclosure space for innovation. It purposes business activities and strategies to be build up on to its ten principles in the areas of human rights, labour, environment and anti-corruption. These ten principles can be summarized as supporting and respecting the human rights, effectively protest having child labours, eliminating discrimination in respect of employment and occupation, undertaking initiatives to promote greater environmental responsibility and developing environmental friendly technologies and work against corruption in all its forms, including extortion and bribery. UNGC has more than 6200 participants, including over 4700 businesses in 120 countries around the world. Turkey is one of these countries with 162 participants. Name of some of the participants are Turkcell Communication Service, Doğuş Group, Aviva Insurance, Eczacıbaşı Holding, Goldaş Jewellery, Deloitte Turkey, Koç Holding, Teknikel, Akbank, Ufuk University, Barsan Global Logistic, Yaşar Holding and more (www.unglobalcompact.org).

- **International Labor Organization (ILO):** The ILO was founded in 1919, to pursue a vision based on the universal peace can only be established if it is based upon decent treatment of working people. To administer this purpose, in 1919 it has maintained and developed a system of international labour standards. These standards consist of 22 different subjects comprise the standard of working times, social security, wages, equality of opportunity and treatment, elimination of child labour and more. It is the first specialized agency

of the UN in 1946. It is dedicated to creating opportunities for women and men to bring decent and effective work in conditions of freedom, equity, security and human dignity and better living standards to the people of both poor and rich countries. It aims to promote rights, standards and fundamental principles and rights at work, create and encourage opportunities for women and men to secure decent employment and income, enhance the effectiveness of social protection for all and strengthening dialogue on work-related issues. The ILO accomplishes its work through three main bodies comprising government, employer and worker representatives. One of them is International Labour Conference which arranged every year in June. The Conference establishes international labour standards and enables a forum for discussion of key social and labour questions. It also manages the Organization's budget and elects the Governing Body. The Governing Body meets three times a year and takes decisions on ILO policy. It establishes the program and the budget which it then submits to the Conference for adoption. Other body is The International Labour Office which is the permanent secretariat of the International Labour Organization, contains a research and documentation centre and a printing facility, which issues many specialized studies, reports and periodicals. 183 country members of ILO (including Turkey), show how much they consider elaborately on labour requirements (www.ilo.org).

- **<u>International Organization for Standardization (ISO):</u>** ISO was born from two organizations - the ISA (International Federation of the National Standardizing Associations), established in New York in 1926, and the UNSCC (United Nations Standards Coordinating Committee), established in 1944. In 1946, delegates from 25 countries, decided to create a new international organization, with the object of "to facilitate the international coordination and unification of industrial standards" and ISO was born in 1947. In its early years ISO was leading the companies to find their misapplications of managing, then it became an organization for effective precaution and in today's century, ISO helps companies to become institutionalize with global technical standards that should be applied to ensure the quality of the products, services, production and

decision processes, company strategies, environmental friendliness, safety, reliability, efficiency and interchangeability with a safe and innovative technology. It has published more than 17500 International Standards, ranging from standards for activities such as agriculture and construction, through mechanical engineering, clothing industry, health protection, medical devices and the newest information technology developments. Turkey is one of the member countries of ISO and Turkish Standardization Institute (TSE) is a kind of its agent. Many companies have ISO standards related to their business area. Tüpraş has the certificate of EN ISO/IEC 17025 and by that standard the fuel oil was accredited. Arçelik has TS EN ISO/IEC 17025:2005 certificate that proves its technical system which is international. Ipragaz has TS EN/IEC 17020:2005 certificate that proves the product has accredited. Tesco Kipa has ISO 22000:2005 certificate that proves it preserve the goods in safe and healthy conditions. Other companies as Turkcell, Arçelik, Turkish Airlines, Vestel, Şişecam, Goldaş Jewellery and many more have generally accepted management system standards as ISO 9001 and ISO 14001 that means it can be applied to any business, large or small, whatever its product or service in any sector or whether it is a business enterprise, a public administration, or a government department (www.iso.org). Other than these standards ISO also will be published ISO 26000 in 2010 which will guide companies on incorporating social responsibility into their operations (www.iso.org/sr).

Other than ISO, there are also two kinds of prominent standards as SA 8000 and OHSAS 18000. SA 8000 is established by Social Accountability International (SAI) which is a non-governmental, international, multi-stakeholder organization dedicated to improving workplaces and communities by developing and implementing social responsibility standards. The certificate is given to the companies who provides the conditions of the standards as child labor, forced labor, freedom of association and right to collective bargaining, discrimination, discipline, working hours, compensation, providing health and safety, management systems (www.sa-intl.org). OHSAS 18000 is an international occupational health and safety management system specification. It is intended

to help organizations to control occupational health and safety risks (www.ohsas-18001-occupational-health-and-safety.com).

Other than the institutions, there are also many remarkable initiatives to guide the companies to become global corporate citizens. Two of them will be given here:

- **A Framework for Action - Global Corporate Citizenship:** World Economic Forum has developed a strategy to manage their company's impact on society and its relationships with stakeholders. They have generated a framework as a leadership process to guide companies for clearly setting their accountability on social responsible subject. The terms used in literature for responsibility as corporate responsibility, sustainable development and triple-bottom-line would not be enough to cover all the requirements so The Forum preferred using the statement "corporate citizenship". Forum emphasized that the social issues and responses given to those issues are not just managerial details. Providing a good leadership, defining stakeholders and the key issues of management and governing the company through ethical conduct policies are fundamental to core business operations. Then companies should consider more on how strictly they maintain environmental quality, how they compliance with the law and regulations, how they produce safe goods and how they apply the ILO standards. All these efforts and procedures should be shared with stakeholders by communicating consistently in a transparent manner. (www.weforum.org/pdf/GCCI/GCC_CEOstatement.pdf)

- **Global Reporting Initiative (GRI):** In 1997 GRI Steering Committee was formed to establish sustainability reporting guidelines which would pioneer companies to develop their own sustainability report. GRI is an initiative that illustrates a framework which provides specific principles and indicators enables organizations to measure their economic, environmental, and social performance in a standardized way and report transparently. Its reporting guideline also enables comparing the other company's practices in the areas of environment, management strategies, labour issues, economic and social performance. To date, more than 1,500 companies, including globally known

brands, have declared their voluntary adoption of the Guidelines worldwide which is an indicator that GRI have become a prominent global standard of sustainability reporting. The reporting framework has six issues as general subjects that are economy, environment, human rights, labour, product responsibility and society. Companies should disclose their business purpose and experience and interests and expectations of their stakeholders on their reports. The given information should cover topics and indicators that reflect the company's considerable economic, environmental, and social impacts or that would substantively influence the assessments and decisions of stakeholders. A qualified report should reflect both positive and negative aspects of the company's performance and should be accurate and detailed for its stakeholders.

2.3. The Best Corporate Citizens

Since 2000, The Corporate Responsibility Officer (CRO), a global business media organization, publishes the 100 best corporate citizens list analyzed according to KLD Rating Methodology every year (In 2009 it changed to IW Financial Research to have more reliable and agreeable). It is basic criterion to be one of the best corporate citizen is "being transparent". Being transparent refers to the data used to rank the companies should be publicly available on the companies' reports or in their web pages or through media. The companies are chosen according to their financial success. (In 2009, "Russell Investment Index 1000" was used as a financial success indicator). Companies are analyzed through eight data category as environment, climate change, human rights, employee relations, philanthropy, financial performance and activities, governance and lobbying. Every year Intel Corporation, Cisco Systems, Starbucks Coffee and Pitney Bowes appear in the list and as of now accepted as the best corporate citizens in business. Intel publicly reports practices of corporate social responsibility since 1994 and in 2000; it started to publish Corporate Social Responsibility report annually. The company won several awards as U.S. EPA Water Efficiency Leader, Outstanding Corporate Citizen Award, Red Cross Award (providing technology support for a project at a children's hospital) and more as proving the

success of being a good corporate citizen. Starbucks Coffee Company publishes the corporate social responsibility annual reports since 2001. The significant awards of Starbucks are Twenty Most Admired Companies in America 2003-2007, 40 Best Companies for Diversity, Great Place to Work Awards – Credibility 2005 and more. Pitney Bowes continues its responsibility practices since 2000 as being one of the good corporate citizens. Human Capital Award, Women of Innovation Award, CRM Innovator Award, Best Employer for Healthy Lifestyles Award (Platinum Winner) and Green Circle Award are some of the proofs of the company's success and consideration of corporate citizenship. Cisco Systems as the last significant company to be mentioned, continues corporate social responsibility practices since 1992. Company's some of the remarkable awards are Waste Reduction Awards, Fortune's World's Most Admired Companies (31th), Green Power Partner of the Year and more. Some examples of the practices mentioned in the annual reports or social responsibility reports are given in the table below:

Table IV: Social Responsibility Practices of Ten Years Four Best Corporate Citizens

		Intel Corporation	Cisco Systems Inc.	Starbucks Coffee Co.	Pitney Bowes
Corporate Profile	**Customer Relations**	• Giving details about new customer satisfactory systems (*CSR@intelblog*). • Sharing developments considering feedbacks, disclosing their stakeholders (*Customer Excellence Program*).	• Giving details about responding models to customer needs (*Cisco New Hire Network…*). • Applying new training programs to satisfy the customers the most (*Global Technical Leader Program…*).	• Sharing developments in all the business units considering feedbacks, disclosing their stakeholders • Considering the customers' demands (*continue producing coffee considering Fair Trade rules and organic coffee certified rules and diverse the coffee and tea kinds*).	• Sharing developments considering feedbacks, disclosing the stakeholders and create solutions by working as a team with the customers (*APS™ high-speed mail inserters, VeriMove™ Net solution…*)
	Economic Performance	• Sharing the fiscal year results, (the increase in the income, revenue…) new investments, projects and changes in their savings.			

Governance	• Defining the corporate governance, stakeholder engagements, code of conduct and principles of ethics and importance of corporate social responsibility • Giving detailed information about changes or promotions in the board or management, introducing the board members. • Mentioning their memberships with initiatives or institutions (*GRI, UN Global Alliance for Information and* *Communication Technologies and Development, Code of Conduct …*).	
Product Responsibility	• Giving detailed information about the technology of the production, products and new production strategies, emphasizing that the products are nature friendly and promising to continue producing high quality products (*Microprocessors, chipsets, network systems, coffee, tea, working with Environmental Production Agency, Design for Environmental Quality program…*).	
Environment	• Contributing to protect the nature (*Reducing greenhouse gas emission, support recycling programs*, water *conservation*). • Investing renewable power and improving the energy efficiency of the products.	

Human rights and Workplace	• Sharing turnover and diversity rates, career changes, development procedures or employee training	• Offering flexible working hours, places (*laptops, mobile mail, smarter buildings, Cisco Connected*	• Sharing given benefits and career planning programs. • Giving detailed information about employee sturcture	• Giving detailed information about employee structure, workplace rights and code of conduct and health care and

Human rights and Workplace	programs (*Intel University*). • Given benefits, bonuses (*Health and equity benefits, retirement compensation, and employee bonus…*). • Accomplished regularities (*OSHA criterion, wellness programs…*).	*Workplace…*) • Giving detailed information about employee structure and workplace rights and code of conduct (*United Nations Universal Declarations of Human Rights…*)	and workplace rights and code of conduct and health care (*Thrive Wellness Initiative…*)	emphasizing how they encourage the employees to balance work and life and the importance they give to diversity (*Diversity Strategic Planning process, MBA Leadership Summit…*)
Society and Education	• Encouraging volunteerism programs, trying to solve issues (*Intel Foundation, Volunteer Matching Grant program…*). • Adapting the technology to education life (*Improving next generation's*	• Providing diverse education sources for employees and people outside (*Samarthanam Trust for the Disabled, Leadership Sessions for Employees, My Learning Network…*). • Meeting society's	• Strong relationships with local public • Being respectful to community concerns • Giving details about its donations (*Make Your Mark Volunteer Program,* National *Association for the Advancement of Colored People…*). • Contributing to	• Funding educational needs and personal misfortunes (*The Pitney Bowes Literacy and Education Fund, The Pitney Bowes Relief Fund*). • Encouraging employee volunteerism (*Pitney Bowes Employee*

Society and Education	*teachers, Intel Higher Education Program).*	needs (*Cisco Leadership Fellows - Cisco leaders who share their expertise with NGOs, Disaster Relief - help for victims of natural disasters worldwide…).*	educational improvement donations (*China Education Project…).*	*Involvement Fund).*

2.4. Corporate Social Responsibility in Turkey

In 30 years period, Turkey, willing to be a member of European Union, achieved great developments in industry, afforded hard to improve its welfare and confirmed reforms on economic and public policies to integrate with the global developments. Beside developments in Turkey's sustainability rate, corporate social responsibility practices also considered as a significant key to be a member. Turkey's corporate social responsibility history prolonged back to the age of the Ottoman Empire. The basis of the society's culture and unity were interconnected with education, health and social security providing the foundations and public utilities as Turkish business world practices today. Different than the Ottoman Age, Turkey contributed several social responsibility activities and campaigns and signed several international agreements with institutions as OECD, ILO to reach international standards in spite of the unstable economy and politics which formed inadequate conditions to provide sustainable development. These agreements and standards forced businessmen to consider social responsibility seriously. Additionally, government supported social responsibility consciousness by specific regulations. Even there is no regulation directly serving to the concept of social responsibility, their substance are related to its subtitles as environment protection (law 2872), renewable energy (law 5346), customer protection (law 4077), labour law (law 4857) and tax regulation (law 193). Especially tax regulation encouraged increases in the donations and charities as companies have discounts according to how much they donated.

Two remarkable social responsibility associations are Turkey Corporate Social Responsibility Association and Business Council for Sustainable Development Turkey. These associations represent Turkey internationally and encourage companies to assimilate being responsible to their environment, employees, society and performance. These attempts leaded many projects to actualize. Some of them are:

- Mavi Jeans contributed the reconstruction of Katip Çelebi Elementary School cooperating with the university students who are the members of Community Volunteers Foundation.
- Aras Holding – Aras Cargo contributed to a forestation project named "Life to green, green to life" and planted fourteen thousand trees in Elazığ.

- Avea designed an e-education project to adopt its employees the consciousness of being socially responsible and philanthropic and related projects in 2006.
- Eczacıbaşı – İpek Paper organizes hygiene informing courses targeting 7 -11 aged children since 2002.
- Bilim Pharmaceuticals donates coats to poor students in every winter since 2005.
- Aygaz organizes accident, first-aid and disaster informing courses for children.
- Koç Holding supports hiring vocational high school's students and discloses that they will give priority to their internship and scholarship, and they will provide them personal development educations.
- Arçelik, Banvit, Goldaş, Halkbank and Garanti Bank are some of the companies donate to have qualified schools and education.
- YapıKredi Bank cooperates with European Union Active Workforce Program to support woman entrepreneurs.
- Vestel supports Turkish Athleticism Team since 2004.
- Turkcell organized a project named "Kardelen" aimed to give scholarship to girl students who are ambitious for their education since 2000.

As Turkish companies contribute to many social responsibility projects, media also supports the developments and awards the responsible companies. One of the famous monthly magazine subjects business and economy named Capital Magazine, edits yearly research and chooses the best socially responsible companies. Ten companies which appear in 2007's list were Sabancı Holding, Koç Holding, Turkcell, Ülker, Doğan Holding, Eczacıbaşı Holding, Akbank, Arçelik, Zorlu Holding, Danone and in 2008's list are Sabancı Holding, Koç Holding, Turkcell, Ülker, Arçelik, Eczacıbaşı Holding, Akbank, Doğan Holding, Zorlu Holding and Avea (Göcenoğlu, Onan; 2008).

PART III
RESEARCH METHODOLOGY

3.1. Purpose of The Study

In this research, two countries as Turkey and Europe were compared for their corporate social responsibility practices. As Turkey is a candidate of European Union, it is important to assimilate the needed standards for social responsibility in fields of trade, communication, education and environment, social, economic and human rights as expected from other countries. European Union is also a business partner of Turkey and these standards should be provided to continue and develop this partnership to have confident business relations. Therefore, to examine to what extent the companies in Turkey adopted corporate social responsibility practices comparing to the companies in Europe was the aim of the study. On the other hand, as the core principle of corporate citizenship was to serve the stakeholders' demands, the second purpose was to discover which stakeholders were considered mostly by two countries.

3.2. Survey Method

The research model was based on content analysis as it was used in similar articles as Maignan and Ralston's (2002) or Esrock and Leichty's (2000) article. Maignan and Ralston examined the companies in France, Netherlands and U.K. according to the Fortune 500 rankings with a coding scheme they have generated based on content analysis. Esrock and Leichty titled the effects of websites and their functions for stakeholders. Other researches can be listed as Moon and Chapple (2005) "*Corporate Social Responsibility (CSR) in Asia: A Seven-Country Study of CSR Web Site Reporting*", Birth, Illia, Lurati and Zamparini (2006) "*Communicating CSR: The Practice in the top 300 companies in Switzerland*", Jose and Lee (2006), Esrock, Leichty 1998 and more. Content analysis was used in this research was conceptual analysis that has a method of choosing certain concepts to examine and analyzing the text.

Companies experience many different ways to reach their stakeholders to disclose their social responsibility practices. There are three main communication channels that companies use frequently as publishing social reports, disclosing any information through their websites and advertising. Within these communication channels, with a rapid growth in its development, Internet is being preferred mostly in the world as a cheap, fast, and easy information dissemination tool and used as a disclosure indicator in this research. Companies are aware of this new age technology. As a result, to reach out a broad range of audience, they created and developed their corporate websites. Furthermore companies were able to provide feedbacks easily and quicker to their stakeholders by this practical communication channel. Comparing to hard copy reports or documents, internet enables accessibility to needed information by different audience as potential employees, creditors, students, auditors and lobbying organizations from anywhere in the world for 24 hours and enables loading without a limit. Through this environmental friendly network providing easy access, companies started to choose publishing their ethical, social and environmental reports with low costs than hard copy to meet the principle of being transparent to be a good corporate citizen. (Adams, Frost, 2004; Beckn, Campbelland, 2004; Coupland, 2006; Jose, Lee, 2007). According to these previous studies, the websites were examined and the results in percentages were considered to compare Turkey and Europe.

3.3. Research Criterion (checklist) Design

Two important questions leaded the research criterion (checklist) design as:

Q1: To what extent do companies disclose their CSR practices in Turkey and Europe?
Q2: Which main stakeholder issues are considered in CSR practices in Turkey and Europe?

Before composing a checklist, a preliminary research made to draw a frame whether companies in both countries disclosed their CSR practices or not. It was found that the companies in Europe disclosed detailed information on corporate social responsibility, supporting with reports or additional links. But in Turkey, companies CSR

disclosing models differed. Some companies stated detailed information as publishing reports, presenting their practices and defining their principles. Some of them did not present any of its practices but only disclosed their principles. Using these results, the checklist was consisted of two main parts (Appendix I). The first part was generated to serve the question one and was adopted from the research of Maignan and Ralston (2002). Here the CSR image of the company was examined by how much and how valuable information the companies gave in their websites. Two subtitles were specifically formed to certain the image as the principles of corporate social responsibility and processes of corporate social responsibility. Principles of corporate social responsibility were examined by the subtitles of value driven, performance driven and stakeholder driven. Maignan and Ralston (2002) summarized value driven as the presentation of corporate social responsibility that becomes the part of the company's culture, policy and strategy. Performance driven was presented as corporate social responsibility practices play significant role in the company's competitive strategies or economic mission. Stakeholder driven was presented how much companies response to their stakeholder needs and how they disclose their role in the company. Corporate social responsibility processes indicated the activities aimed implementing corporate social responsibility principles related to stakeholder issues. These processes referred to the issues as social, environmental, health and safety and more. As the significance of the stakeholders for the company was emphasized, the second part was generated to serve the question two which was originated from the Freeman's stakeholder scheme. There are many stakeholder groups that change according to the company's working area as manufacturers, employees, customers, media, government, suppliers and more. In this research the main stakeholder groups were considered as community, customer, employee, shareholders, suppliers and others. In the second part of the checklist, it was aimed to examine whether companies gave enough place to their stakeholders and which stakeholders were considered the most in the companies' websites.

Besides, the disclosed practices of social responsibility of the companies in Turkey were divided into two. Some companies presented detailed information including their practices, principles and social responsibility reports. The others did not give any information about their practices but only presented their principles. According

to these findings, two scales were added to analyze how serious the companies perceive the "corporate social responsibility" term while examining Turkey. First scale was "detailed mentioning" referred to the company discloses its CSR practices and principles according to the detailed coding scheme. Second scale was "brief mentioning" referred to the company discloses only its principles or aspects for CSR. In the analysis the sentences, expressions, words and terms appearing in the companies' websites that serve to these two scales were used as the indicators for the related item in the checklist. Similarly, in Clarkson's (1995) research sharing information on their organizational and economic structure (*mission, vision, code of ethics, competitive environment, publishing annual reports, shareholder rights etc.*) or employee structure and their benefits (*sharing employee benefits, compensation, rewards, career planning programs, providing employee communication, providing health and safety of their employees etc.*) or customer, supplier and environmental consideration (*guarantying the product safety, considering customer complaining, providing the service their suppliers need and proving how they decrease the negative impacts in the environment etc.*) represents how responsible a company is to its society. Clarkson's list of stakeholder issues was also used as an additional guide to examine the company websites (Appendix II).

3.4. Sampling

The population was an entire group of companies in all the sectors in both Turkey and Europe with a number of more than 500 companies. Hence, the sample was taken according to two countries' financial top 100 companies' lists. There was no distinction on the basis of sectors. Top 100 companies were chosen according to the best known business magazines' annual lists ordering the country's largest companies according to their revenues or turnover. Turkey's top 100 were examined according to the turnover ranking of Capital Business Magazine listed as Turkey's top 500. Europe's top 100 were examined according to the revenue ranking of Fortune Magazine as it is a direct proportional measurement unit with turnover. Each company's website was analyzed carefully according to the designed coding scheme. If the company did not have a corporate social responsibility section in the website, related sections as

corporate citizenship, sustainable development, annual report or even media section were examined to analyze the company's practices. The companies, whose website was not working, noted and considered as not being responsible as having an active website could be assumed as another indicator for being transparent or responsible to stakeholders. 87 companies of Turkey and 95 companies of Europe over 100 presented needed information in their websites.

3.5.   Findings

In the findings session, the companies in Turkey will be presented and a comparison will be made with the companies in Europe.

3.5.1. The Companies in Turkey

Within the 100 company websites, only one company (number 42) did not disclose its name and the analysis continued from the next company. Three companies did not give any specific information about their CSR practices in Turkey but they have linked to their home websites for their corporate social responsibility practices in their home countries. Six companies did not have their own websites as they were mentioned in their group company pages. To sample, a marketing company was one of sub-companies of a holding and the information related to the company was presented in the Holding's website. There were no specific information on CSR practices of the marketing company but general CSR practices of the Holding were disclosed. Only four companies did not have any websites. Of the remained 87 companies, 84 of them yielded any information on CSR but three of them did not present the needed information on their websites.

The first section of the research was about principles of companies motivating corporate social responsibility which also constitutes an indicator of corporate social responsibility image of the company. As dividing this section into three parts, herein the companies were expected to present their corporate social responsibility aspects in

their value (culture, policy…etc), performance (economic and market) and stakeholder statements. Four general sub-categories have been generated to examine value driven statement as company strategy, mission and vision, culture and policy. One of the construction company presented its corporate social responsibility image as "… as being a member of the community, …protecting our competitive advantage with our quality, …with the support of our employees, …as our stakeholders expects from us." 42 companies over 87 companies mentioned corporate social responsibility principles in their corporate value sections (Table VII). 10 of them presented social responsibility practices as their corporate strategy and emphasized that every project they considered was committed to the principles of CSR. In the analysis, 17 companies mentioned corporate social responsibility mostly in their mission and vision statements. 8 of them considered CSR principles constitute their cultural principles and 7 of them considered CSR as their policy.

Table V: The Ratios of Corporate Social Responsibility Image of the Companies in Turkey

Category	Percentage (% 100 company)	Percentage (% 87 company)
Value Driven		
Company Strategy	% 10	% 11
Mission and Vision	% 17	% 19
Culture	% 8	% 9
Policy	% 7	% 8
Total	% 42	% 48
Performance Driven		
Economic mission	% 30	% 34
Competitive Strategy	% 16	% 18

Total	% 46	% 52
Stakeholder Driven	% 49	% 56

Companies disclosed their economic performance with the basis of corporate social responsibility principles with total number of 46. One of the companies in retail sector summarized its economic mission as "…empowering our economic advantage with the strength of being a responsible leader in the sector…." Company's performance driven statement was consisted of two sub-categories as economic mission and competitive strategy. 30 companies mentioned CSR principles as their economic mission and 16 of them mentioned as their competitive strategy. The last statement of the first part of the checklist was stakeholder driven. Companies disclosed CSR principles based on their stakeholders' demands. 49 of companies presented that CSR principles were to please their stakeholders' requests. Companies summarized their stakeholder driven mission as "being customer and environment oriented" or "being respectful to our precious employees and increasing the quality 100 of our products". In general, only 37 companies over 87 considered CSR in their corporate value basis, economic performance basis and stakeholder strategy basis.

The second section showed which CSR *processes* the companies disclosed mostly. It was consisted of six items as philanthropic and sponsorship activities, volunteerism, code of ethics or conducts disclosure, health and safety programs for the employees, quality processes or certificates and environmental activities. With the leading of preliminary research results, this section was divided into two parts as *detailed mentioning* and *brief mentioning*. 11 companies did not present any information about their CSR processes in their website. Other companies disclosed detailed or even brief information related at least on of the practices (categories) in the table (Table VII). One of the items in the checklist as a process was code of conduct or ethics. Code of conduct/ethics was accepted as a guide book of the company that was presented to lead the website visitors realize the company's principles of CSR. As CSR is a fresh term in the companies' website, code of conduct has still assumed to be a stranger for

most of the companies. This hypothesis was verified by the result of 64 companies as not giving any information on code of conduct in their websites. Only 23 of the companies were aware of the necessity of code of conduct and they disclosed it in their websites.

Table VI: The Ratios of CSR Processes of the Companies in Turkey

Category	Percentage (% 100 company)		Percentage (% 87 company)	
Code of Conduct	% 63		% 72	
	Detailed	**Brief**	**Detailed**	**Brief**
Philanthropic/Sponsorship Programs	% 34	% 12	% 39	% 14
Volunteerism	% 18	% 9	% 21	% 10
Quality Programs	% 36	% 23	% 41	% 23
Health and Safety Programs	% 22	%14	% 25	% 16
Environmental Management	% 33	% 23	% 38	% 26

Philanthropic programs or sponsorships were the most common CSR process began in the Ottomon ages as mentioned in the literature survey part. Many companies had their own foundations even they did not mention in their websites. While 46 companies presented their support for philanthropic activities, 41 companies did not mention any information in their websites. In this category, detailed mentioning referred presenting philanthropic activities or sponsorship programs and disclosed the recent or most important ones. Here 34 companies gave detailed information on sponsoring cultural or sportive activities or their donations or their charitable activities (as sponsoring "Basketball League", "Trend Show", "Eurovision", or donating computers to

schools or books…) or their foundations activities additional to their principles. Remained 12 companies just presented as their principles or their future goals about sponsorships/philanthropic activities which examined in the brief mentioning category.

Encouraging employees to be involved in responsible activities was an important indicator that proves how serous the companies embrace CSR principles as their business strategy. According to the research, 60 companies did not have any information on their websites on volunteerism. 27 companies presented that they had volunteer activities as mentoring teenage or helping to greening activities or making donations or provide children better homes or schools. 18 companies mentioned detailed their employees' involvements and the projects of CSR practices. Remained 9 companies only mentioned how they encourage their employees to volunteer in principles.

When quality programs category was examined, the result indicated that 28 of the companies did not present any information about their production quality even quality is the most important indicator for every company. 23 companies from 59 responsible companies gave brief information about their quality effectiveness. In quality programs indicator, brief information referred to only the company presented its principles or quality strategies. 36 companies presented their ISO certificates and different policies as operational excellence or total quality policy additional to their quality principles.

Health and Safety Policy was not presented by 51 companies even it is a necessity in human resources management policy dictated by International Labor Organization. 22 companies disclosed detailed information on health and safety issues including their policy, certificates (OHSAS 18000) and any unique implementation they had as constituting health centers or organizing tours in the production place to control if health and safety principles are applied appropriately. Other 14 companies presented their general policies for health and safety management without any detail.

Different stakeholder groups or non-governmental organizations or law put significant pressures on companies to become more environment oriented in any

decision they are making. As living in the century of having a serious issue as "global warming", companies were expected to be environmental friendly comparing to past. 33 companies in the Turkey's top 100 companies presented their environment management policy in detailed. 23 companies disclosed only their principles and remained 31 companies did not give any information about their environmental activities. Additional to the ISO certificates, companies started to produce environment friendly products. To examine in general, only 12 companies disclosed CSR processes in every categories mentioned in the table VII detailed or briefly.

The second part of the checklist leaded to which stakeholders and to what extent the companies present their disclosures. The stakeholder issues, here, considered through six main titles as employee, community, customer, shareholder, supplier and others as non-governmental organizations or media or government which were adopted from Freeman's Stakeholder scheme. Companies were aware of the significant importance of the stakeholders as supported in the literature survey part. Their disclosures, reports or press releases were to satisfy their stakeholders' expectations. In this part of the research, the indicators also classified in two parts as brief and detailed and here brief information was referred to the companies only presented their general policies they apply. This part of the research showed that only 4 companies did not mention any information about their stakeholders in their websites.

Table VII: The Ratios of Stakeholder Issues

Categories	Percentage (% 100 company)		Percentage (% 87 company)	
	Detailed	Brief	Detailed	Brief
Community				
Art/Culture	% 27	% 13	% 31	% 15
Education	% 20	% 18	% 23	% 21

Environmental Issues	% 33	% 23	% 38	% 26
Sport	% 22	% 15	% 25	% 17
Donation/Charity	% 33	% 11	% 38	%13
Customer				
Product Safety/Quality	% 36	% 23	% 41	% 26
Customer Service	% 55	% 4	% 63	% 5
Other Customer Issues	% 15	% 26	% 17	% 30
Employee				
Benefits/Facilities	% 10	% 35	% 11	% 40
Career Planning	% 15	% 25	% 17	% 29
Training and Development	% 20	% 25	% 23	% 29
Health/Safety	% 22	% 14	% 25	% 16
Diversity	% 12	% 4	% 14	% 5
Shareholder				
Communication Channels	% 37	-	% 43	-
Financial Reports/Tables	% 63	-	% 72	-
Supplier				
Opportunities provided	% 12	% 3	% 14	% 3
Coherence with CSR Policy	% 5	% 10	% 6	% 11
Other				
Government	% 19	% 11	% 22	% 13
Media	-	% 6	-	% 7
Non-Governmental Organizations	% 23	% 14	% 26	% 16

The first examined stakeholder group was community. Here community oriented activities analyzed through five subtitles as art and culture, education, sport,

environmental issues and donations/charitable practices. (Environmental management and donations/charity titles were examined in the previous section, so it will not be mentioned again. Also philanthropic activities embrace donations and charities). This division was made according to the preliminary research and Clarkson's stakeholder issues list. In total, 27 companies over 80 did not presented any information on community practices. 27 companies presented their CSR practices on art/culture and 13 of them gave brief information as they described giving significant importance to art and cultural responsible activities. Building up museums, sponsoring excavations, plays, festivals or campaigns related with health, children safety, and family safety were some of the examples of art or culture based CSR practices. 20 companies presented detailed and 18 companies presented brief information on sponsoring educational activities. As companies realized the value of vocational high school graduate students, the projects of sponsoring their internships and employments started to present in companies' websites or new projects developed aiming to obtain profession to high school graduates. For sportive activities, 22 companies in detailed and 15 companies briefly disclosed their practices.

Customers were usually accepted as the most important stakeholder group for the companies. To examine to what extent companies were customer oriented, two main subtitles were formed as product safety/quality and customer service providing. Presenting a product catalogue or frequently asked questions link or tips for customers or generating a glossary in the website titled as other customer issues were some of the indications of detailed consideration of the companies. 21 companies did not offer any service or communication channel in their website for their customers. 36 companies presented in detailed and 23 companies presented brief information on the quality of their products, their quality management, their ISO certificates and reliability of their products. 55 companies formed a detailed customer service link for their customers including mail addresses and tracking links for their products in service. 4 companies gave brief information about their customer services. Other customer issues including established customer clubs, generating frequently asked questions sections for customers or giving detailed information of their products or forming a glossary to understand the product/the sector or forming a products tips section were considered

by 15 companies in a detailed way and 26 companies presented their policy or one or two of the services were active.

Employees as the corner stone of the companies were examined into four main categories. Benefits and facilities, career planning, training and development, providing health and safety and acceptance of diversity presented as subtitles of human resources management. 35 companies did not mention any activities they provided for their employees. Disclosing rewards, compensation ratios, frequency of bonus giving, the organizations aimed to increase the communication in the company and many other facilities provided for the employees were done by 10 companies in a detailed way. 35 companies gave only the policies of providing benefit for the employees. Career planning was disclosed with a number of 15 companies in a detailed way. Companies presented their planning schedule by explaining how the program continued. 15 companies stated the importance of career. 20 companies highlighted in detailed the importance of training and development practices supported to employees to continue their competitive advantage. They mentioned their leadership programs, mentoring programs and other training and self development programs. 25 companies mentioned only the importance they gave to training and development practices. As not being an international country, diversity was not considered enough by companies. 12 companies with a majority of international companies, diversity issue was presented in the human resources management sections. 4 companies were just mentioning their *"awareness"* of diversity. On the other hand, shareholders, as another corner stone of the company, were considered as important by 63 companies. The communication channels as links and established shareholder clubs were the indicators how companies consider significantly their shareholders and 37 companies considered it. However, 63 companies published and presented their financial reports and comparison reports with the sector or other companies.

65 companies as not mentioning their suppliers in their websites conceived that the companies in Turkey do not consider their suppliers as their important stakeholders. Only 15 companies responded their suppliers' demands. 12 companies presented the opportunities they provided for their suppliers in a detailed way as undertaking their training and development practices to improve their market performance and accustom

with the company's culture. To sample, one of the companies in informatics sector generated a website for its suppliers to ease their operations as stock control or forming sales reports or order tracking. As to examine the issue of managing whether the suppliers' operations were coherent with the company's CSR policy or not, only 5 companies admitted that they controlled and tried to improve their suppliers. 10 of the companies presented that they give information about their supplier policies.

The other stakeholder groups as government, media or non-governmental organizations were also considered by the companies. 19 companies presented their relations with government and disclosure their cooperated practices and 11 companies disclosed brief information. 23 companies confirmed their cooperative works with non-governmental organizations such as Tema Foundation or Keçiören Social Charity Foundation or Disable People Foundation. As media was a new channel for companies to have cooperative relations, 6 companies were aware of media's power and mentioned in their website that they were continuing their communications by press releases or other channels.

3.5.2. Comparing The Companies in Turkey and in Europe

The companies in Turkey were examined separately from Europe to acknowledge to what extent Turkey discloses its practices. It was clear that Turkey progresses on the practices of corporate social responsibility. The companies in Europe, on the other hand, proceeded and developed their practices with additional creative activities. To define the actual place of Turkey in the Corporate Social Responsibility List, herein the comparison was carried out. (The indicators will not be divided as detailed or brief as it was used examining the companies in Turkey, the total percentages will be considered). Of the 100 company website of Europe was visited, 95 companies yielded any information about corporate social responsibility, two companies did not pronounce information in, one company's website was not working, one company was a member of another company group and one company has merged with another company. 70 companies in Europe were value driven. 77 of them were

performance and 78 of them were stakeholder driven. 57 companies disclosed their motivating principles of CSR as a combination of three of these approaches (Table IX).

The companies in Europe stated their popular perspective of motivating principles of CSR as performance and stakeholders with a ratio of 77 and 78. The ratios in Turkey were similar to Europe with number of 46 and 49 companies supporting the principles of performance and stakeholder. In a detailed examination, the companies in Turkey mostly preferred to present their value driven principles in their mission and vision statements but the companies in Europe mostly disclosed as it was their corporate strategy. Second preferred statement to present value driven motivating principle was mission and vision for Europe and company strategy for Turkey. Examining the performance principle, both Turkey and Europe tended to present it in their economic mission statements.

Table VIII: Principles Motivating Corporate Social Responsibility – Comparison of Turkey and Europe

Category	Percentage of Europe (% 100 company)	Percentage of Turkey (% 100 company)
Value Driven		
Company Strategy	% 57	% 10
Mission and Vision	% 30	% 17
Culture	% 20	% 8
Policy	% 7	% 7
Performance Driven		
Economic mission	% 51	% 30
Competitive Strategy	% 26	% 16
Stakeholder Driven	% 78	% 49

For the CSR processes, as it was stated that the companies in Europe give priority to philanthropic/sponsorship programs while the companies in Turkey choose the important process as quality programs (Table X). A salient point was how different the percentages of volunteerism in both countries. 80 companies in Europe encouraged their employees to involve in socially responsible projects. Daimler emphasized the importance of volunteer activities as:

"Social responsibility means more than just donating money, which is why Daimler allows its employees to take a day off work during the Day of Caring in order to take part in community projects (http://www.daimler.com/dccom/)."

This volume decreased in Turkey to 27. Even the ratio of philanthropic programs of Turkey was increased, the volunteerism stayed behind. On the other hand, both countries were aware of the importance of the environmental caring and environmental CSR processes have the second range in the lists. It was also recognizable that as Code of Ethics/Conduct was a new concept for the business in Turkey, Europe verified its basic importance with a number of 76.

Table IX: CSR Processes – Comparison of Turkey and Europe

Category	Percentage of Europe (100 company)	Percentage of Turkey (100 company)
Philanthropic/Sponsorship Programs	% 88	% 46
Volunteerism	% 80	% 27
Code of Ethics/conduct	% 76	% 23
Quality Programs	% 76	% 59

Health and Safety Programs	% 71	% 36
Environmental Management	% 82	% 56

A prominent similarity directs the attention in the frequencies of stakeholder issues for both countries of Europe and Turkey as in the table given below.

Table X: Stakeholder Issues – Comparison of Turkey and Europe

Categories	Percentage of Europe (100 company)	Percentage of Turkey (100 company)
Community		
Art/Culture	% 73	% 40
Education	% 80	% 38
Environmental Issues	% 87	% 56
Sport	% 65	% 37
Donation/Charity	% 75	% 44
Customer		
Product Safety/Quality	% 80	% 59
Customer Service	% 83	% 61
Other Customer Issues	% 72	% 41
Employee		
Benefits/Facilities	% 80	% 47
Career Planning	% 68	% 40
Training and Development	% 82	% 45
Health/Safety	% 84	% 36
Diversity	% 71	% 16

Shareholder

Communication Channels	% 75	% 37
Financial Reports/Tables	% 92	% 63

Supplier

Opportunities provided	% 68	% 20
Coherence with CSR Policy	% 72	% 15

Other

Government	% 79	% 30
Media	% 57	% 6
Non-Governmental Organizations	% 82	% 37

The results acknowledged that when companies presented their social responsibility practices, they mostly addressed to three main stakeholder groups: shareholder, community and customer for both countries. As it was stated in the table, shareholders were the most pronounced stakeholder group in both countries. By the two sections of shareholder issues, again, both Turkey and Europe responded their shareholders' needs by disclosing their financial tables and annual/financial reports in their websites most importantly. To examine the stakeholder groups of community and customers, it was obvious that Turkey and Europe differed in ordering the issues. In Turkey, the companies considered mostly their customers' needs than considering the community's expectations. This inferred that customers' needs were second and the community's need was third important stakeholder group for the companies in Turkey. To Europe this ordering was vice versa. To examine stakeholder categories in detailed, for community, it was obvious that environmental issue as one of the sub-issues of it had the priority than other sub-issues both for Europe and Turkey. Europe considered than education, donation and art and sport issues with the written order. The companies in Turkey presented this order as donation, art, education and sport. Considering the customer stakeholder group, both countries preferred responding models to their

customers' needs were in the same order and almost with the same percentages. Both countries communicated their customers through their websites and tried to satisfy them by providing reliable customer services. They established information on their product quality and safety.

Europe disclosed and considered the most the issues of employee health and safety in detailed as obliged by ILO and GRI Index. Sub-issues as training and development and benefits and facilities were in the second order in Europe and considered mostly than the other sub-issues. It was emphasized that the benefits were not consisted of only material rewards. Providing working in flexible hours and individual working time models, child care places, launching initiatives to provide wealthy and healthy life for employees as Fit for the Future Academy Nutrition Health Benefit Program (Coca-Cola) or establishing clubs for retired to work with them again as they mentor the new generation employees were examples of moral benefits. The ratios of Turkey were almost the half of the ratios in Europe. Benefits and facilities practices were considered mostly than other issues. Even health and safety issue was obliged by law, it was considered less than training and development practices in Turkey.

Responsibilities to suppliers and other stakeholder groups as non-governmental organizations, government and media also were presented by both countries. To discuss the supplier responsibilities, the difference between two countries was the sub-issues considered. The companies in Europe as they penetrated the CSR principles in their very business strategy, behaved careful whether their suppliers coherent with their CSR policy or not. If the suppliers could not provide the needed conditions, they also took the responsibility of improving their practices. 72 companies over 73 apply this principle but only 15 companies over 22 in Turkey considered providing the conformity between their CSR principles and suppliers' principles. Considering other stakeholder issues as non-governmental organizations, government and media, ratios also proved that Europe regarded the importance of the relationships with these groups besides Turkey's ratio indicated that the companies provided progress on consolidating the relationships with non-governmental organizations and government except media. Non-governmental organizations had the highest ratio for both countries. Media appeared as a strange communication channel to the companies different than Turkey and predicted

as it will be gained its reputation as the corporate social responsibility practices entered more in the principles of the companies.

PART IV

CONCLUSION

4.1. Conclusion and Interpretation

Being socially responsible was discussed in the business literature since 1920 under different subjects as corporate social responsibility, philanthropic activities, charitable giving, corporate social responsiveness, stakeholder management, sustainable development and more. The companies pursued the developments in both business and academic researches, recognized the concepts of corporate social responsibility or corporate citizenship in recent years. As global warming was constantly debated in the press releases or new epidemic diseases took lives of many innocents or the consequences of natural disasters or any other occasions that needed more support to heal the conditions, the companies have began to approach the being responsible in a more professional manner. Customers, employees, suppliers and even shareholders were no longer interested in only companies' profit maximizing or producing better products as graduate students emphasized in the survey of The Future Leaders that they were not willingly to work for an unethical organization (Cooper, 2007). Consequently, companies considered on more philanthropic activities and formed strategic alliances with non-governmental organizations and government to accomplish beneficial movements for better society while advancing their business goals. As it was mentioned in the literature survey section, these companies have became corporate citizens who consider their effects on community while responding their stakeholders' demands and gained a competitive advantage as a bonus (Smith, 1994).

In ten years period, "socially responsible" companies increased with a remarkable range. On the other hand, there were no certain explanation of in what terms and with what practices a company could be accepted as a responsible company. Hence, some companies only published reports and some companies only donated huge amount of money and called themselves corporate citizens. Thereupon many institutions and initiatives were established to standardize the social responsibility

practices as OECD, ILO or ISO and one of the conditions was to be transparent to community to be a responsible company. At the beginning, companies published hard cover reports and presented their social responsibility practices in detailed in the frame of the settled standard. As the technology developed and Internet became one of the most important communication tool for community, companies created their own websites for their benefits and presented their responsible practices through their websites. Soon after, websites used as an indicator for many researches to examine the companies as companies enhanced the usage of their websites by offering more detailed information on their characteristics as business strategy, culture, employee relations, financial tables and reports etc. In the beginning, scholars analyzed companies through their websites to evaluate their practices. Than, as every company presented information on responsible practices, comparison aimed researches were issued. The comparisons usually were made between companies, cultures or countries. Kampf in 2007, compared Walmart and Maersk to examine the influence of national culture to social responsibility practices. In 2006, Birth, Illia, Lurati and Zamparini compared top 300 companies of Switzerland to examine how effective the communication through companies' websites.

Similarly, in this research, the companies in Turkey and Europe were compared according to their responsible practices presented in their websites. The list of top 100 companies of both countries was considered according to their turnover and revenues. 5 companies of Europe and 13 companies of Turkey were dismissed as a result of not having a website or not presenting the needed information or being merged to another company. To have an opinion, Europe was more developed than Turkey on responsible activities as an international country. The most important fact was that the institutions and government had a serious pressure on the companies and they drew the frames for being socially responsible by published standards and their conditions strictly based on law and regulations. A company which was not applying the responsible business principles, it might be difficult to stay longer in the market. On the other hand, in Turkey, being socially responsible was a fresh term for both business and academic studies. Additional to being a developing country, as the standardizations, regulations and laws were not settled strong enough as they should be, Turkey was in the "beginner level" of practicing responsible issues. The result of having 5 *"totally"* responsible companies

over 87 according to the generated checklist in the study was constituted an indicator to where Turkey stand for being socially responsible (Here "totally" referred to practicing every item of the checklist used in this research and presenting them in the website). The research results also defined that the companies in Turkey mostly considered the principles, their strategies or aspects on corporate social responsibility. The findings of the research clearly presented that the companies in Turkey started to realize the significance of corporate social responsibility practices and afford to apply the needed principles. Turkey was progressing on corporate social responsibility as being aware of the importance of building company values and financial performance considering the stakeholders needs. 37 companies which refer to the ratio of approximately more than one-third (% 40) over 87 considered corporate social responsibility in their basis of corporate strategy, mission, vision or policy. They presented their economic mission and strategy of responding their stakeholders on the basis of responsibility. They proved their commitment by using the key words of "being a citizen, accountability, sustainability, transparent...." On the other hand, 57 companies over 95 in Europe were noted as totally responsible companies and referred more than half of them (% 60) were considering the issues on the checklist. Considering the motivating principles ratios, both Turkey and Europe regarded responsible strategies significantly in market operations and were willing to improve their financial position with taking social responsibility and community commitment into account. Highest preferred principle by companies to announce their commitment to social responsibility was through their stakeholder policies. Findings also supported the expressions in the literature survey section that companies focused on their stakeholders mostly on applying responsible practices.

To examine the findings of the second part of the checklist, in Turkey, quality management process was the main considered process of CSR of the companies. Environmental management and philanthropic programs followed it in the written order. In Turkey's condition as being a developing country, the increase in the production area and as a result, focusing on product quality and product safety more than community or environment related issues, could be understandable even it was unacceptable for the CSR standards. Barely considering volunteerism and code of conduct might be explained by the freshness of the term corporate social responsibility to the companies.

It might be assumed that the companies almost embraced the principles of responsibility as the findings designated. Companies still needed time to adapt their employees and disclose their CSR practices from their websites. As interpreting the companies in Europe, more than 70 companies over 95 (% 85) disclosed all the processes in their website. To range, philanthropic activities considered as the most important and followed by environmental management and than volunteerism as expected. On the other hand, environmental issues presented as one of the most important practices of the companies for both countries might be a result of today's world problems as disasters, climate changes, destroyed forests and many other issues.

The last finding of the research pointed out that both countries tended to focus primarily almost the same stakeholder issues. The finding of the Q2 question, 63 companies over 87 in Turkey and 92 companies over 95 in Europe mainly considered their shareholders and presented the needed information on their websites. Opposite to the order of shareholders, suppliers considered the least. Besides companies considered on the shareholders because of their voting power or feeling obliged to show their care and loyalty, legal requirements might be more effected on disclosing the related information. As companies were financial structures, they were legally obliged to disclose their tax ratios, profits, share prices, dividends and other financial indicators in their websites as a principle of being transparent to the public (Clarkson, 1995; Freeman, 1983). Supporting this view, companies preferred presenting financial reports and tables while defining different models to respond shareholders. Except shareholder consideration, the companies in Europe and Turkey differ in ordering the other stakeholders but provide the same processes. Turkey issued the customers in the second place and community in the third. To analyze the customer responses in detailed, the companies in Turkey mainly focused on customer services and provided information about their product quality and safety in their websites. In the community practices, environmental issues considered as the most. Than charitable giving, art and cultural activities, improving education practices and sportive sponsoring comes in the written order. Considering employee practices, Turkey presented the information mostly on benefits and facilities and introduced the information on training and development and career planning. Even health and safety issue was a legal obligation; it stayed

behind of the other subtitles. The relations with non-governmental organizations, media and government and Turkey, needed to be improved. In Europe, community and non-governmental organizations and government considered as the second important issues. Comparing to Turkey, in Europe mainly environmental, cultural or educational issues were responded as the society has a serious pressure on companies with the support of regulations and law. The order of considered stakeholders for Europe was customers, employees and suppliers with the written order.

Consequently, the findings of the research pointed out the outstanding effort of Turkey to improve its CSR practices. It was obvious that Turkey has the potential and willing to progress on being a good corporate citizen. The society and the business world started to become conscious on how important the CSR practices. Comparing to Europe's conditions, obligatory pressures would be needed in Turkey too as perceived in Europe. The increasing demands of customers, community and shareholders, will be forcing companies to present more practices on social responsibilities.

4.2.   Limitations and Recommendations

However the research provided the indicators and offered several important contributions to the subject, the limitations as in many studies should be considered while interpreting the results.

• This research only examined the companies in Turkey and Europe. To have a specific result of Turkey's social responsibility practicing level, more comparisons with other countries can be made.

• The research generated a general view of Turkey on what level it practiced the social responsibility comparing to Europe. Here CSR practices were not examined in a detailed way as considering all the issues and subtitles of the social responsibility. To have more specific results, the issues can be detailed and the number of indicators (sub-issues) can be increased.

- The research was limited to a sampling frame of Capital and Fortune magazine top 100 companies with the highest revenue and turnovers. Consequently, the results can not be generalized. There may be other responsible companies that actualized all the items in the checklist. To have certain results, the amount of companies should be increased and the research should be repeated.

- In the research, the stakeholders' opinions were not considered. To support the level of the companies on social responsible practices, to evaluate whether the information they were presented was enough or not, a stakeholder satisfaction questionnaire can be added to the study.

- In the research, the value of turnover and revenue were taken as indicators of the companies and financially it was considered as they had a direct proportion in between. As the turnover increases, the revenue also increases but it is not a rule. As turnover rises, in some cases an increase may not be observed. The study should be repeated, when the same ordered top 100 lists were found for both countries.

- Another limitation can be written as the research was only based on the information given in the companies' websites. There are many other sources of disclosures as newspapers, magazines or video sources and other media sources. These sources should also be examined to not miss any corporate social responsibility practices. Also some companies in Turkey may not be presented their corporate social responsibility activities knowingly in their websites. This may cause from the cultural facts that the legal pressures are not serious enough yet. So there is a risk that all the practices may not be concerned in the study because of misguidance by the company websites.

- Another limitation can be added as the websites can be updated easily. Companies may presented more CSR practices after the research. Many findings are likely to be time bounded and even may be changed during this report's written period.

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APPENDIX I

CHECKLIST DESIGN USED TO EXAMINE THE COMPANY WEBSITES

Data Categories	Examples

A. CORPORATE SOCIAL RESPONSIBILITY IMAGE OF THE COMPANY

1. Principles Motivating CSR

1.1. _Value Driven:_ CSR is the part of the company's culture, strategy, mission, vision and policy.

"Being transparent and openly sharing our successes and challenges through our Corporate Social Responsibility Annual Report is an important part of our strategy". (www.starbucks.com)

"Corporate responsibility is an essential ingredient in how we do business" (www.intel.com)

1.2. _Performance Driven:_ CSR practices are considered with economic mission and competitive strategies. CSR does not considered as apart from economic activities**.**

"…with every acquisition we integrate, we improve our performance and our ability to operate as a sustainable and profitable enterprise." (www.pb.com – Pitney Bowes)

"P&G embraces sustainable development as a potential business opportunity, as well as a corporate responsibility."

	(www.pg.com – Procter&Gamble)
	"Our employees, shareholders, suppliers, contractors, and the communities in which we operate are impacted by our economic performance." (www.bms.com - Bristol Myers-Squibb)
1.3. _Stakeholder Driven:_ CSR activities are announced in the company's websites as stakeholders demanded.	
	"As a global company with strong connections to our communities, we make every effort to adhere to the local, cultural, political and religious requirements in the markets we serve." (www.coca-cola.com)

2. CSR Processes

	"The Nike Foundation in 2005 began investing in adolescent girls as powerful agents of change in the developing world." (www.nike.com)
2.1. _Philanthropic Program and Sponsorships:_ Company presents a certain CSR program and provides a charity or a sponsorship	"The Pitney Bowes Literacy and Education Fund is a private charitable foundation established by Pitney Bowes that funds leading-edge literacy and education initiatives in communities in which Pitney Bowes has a significant presence." (www.pb.com)
	"…more than 12,000 employees participated in the first-ever global event for our charity program, the ING Chances for Children Global Challenge." (www.ing.com)

2.2. _Volunteerism:_ Company encourages its employees to join in social responsibility programs.	"_Make Your Mark_ (MYM) is our volunteer program that brings partners and customers together to work on projects that directly affect their communities." (www.starbucks.com)
2.3. _Code of Ethics:_ Company presents its code of conduct	"Our Company's Code of Business Conduct (the "Code") guides our business practices, requiring honesty and integrity in all of our business matters." (www.coca-cola.com)
	"The Board has approved a code of conduct, outlined in our Worldwide Business Conduct Manual." (www.pg.com)
2.4. _Quality Programs:_ Company provides a product quality service.	"Factory management, …tend to gain in higher efficiency and product quality, …"(www.gapinc.com)
	"Today, Nestlé research and development creates high quality infant for products…"(www.nestle.com)
2.5. _Health and Safety Programs:_ Company presents the programs related with workplace safety and health care.	"Over the past year, our team in the region worked to educate factories on the importance of effective health and safety management systems." (www.gapinc.com)
	"…promote a safe, healthy, and supportive work environment where employees can contribute their skills"

(www.cisco.com)

"Environmentally preferred materials used in footwear product" (www.nike.com)

2.6. _Environmental Management:_ Company announces decreasing the negative impact of its production activities.

"Microsoft Virtualization enables multiple operating systems to run on a single server, potentially reducing energy use by up to 90%." (www.microsoft.com)

B. STAKEHOLDER ISSUES

1. _Community_

Participation to art/culture, improve education, providing the safety of society, improve environmental negativities as reducing air pollution or emphasizing recycling or using non harmful chemicals, provide industry links, glossary terms…etc.

2. _Customer_

Providing product quality and customer service, publishing customer tips or frequently asked questions section, product catalogue…etc.

3. _Employee_

Providing equal opportunities and diversity, enable employee involvement, encouraging for volunteer programs…etc.

4. *Shareholder*	Publishing financial annual reports, giving messages from management, representing affiliate companies…etc.
5. *Suppliers*	Giving equal opportunities, providing their safety and development…etc.
6. *Other (Government, Media and Non-Govermental Organizations)*	Providing reliability of the company, presenting the participation to philanthropic programs, presenting the support for the developments of the society's economics, social, environmental initiatives…etc.

APPENDIX II

Max B. E. Clarkson's Stakeholder Issues List

1. Company
    1.1. Company History
    1.2. Industry Background
    1.3. Organizational Structure
    1.4. Economic Performance
    1.5. Competitive Environment
    1.6. Mission or Purpose
    1.7. Corporate Codes
    1.8. Stakeholder and Social Issues Management System

2. Employee
    2.1. General Policy
    2.2. Benefits
    2.3. Compensation and Rewards
    2.4. Training and Development
    2.5. Career Planning
    2.6. Employee Assistance Program (supportive service available)
    2.7. Health Promotion
    2.8. Absenteeism and Turnover (presenting the ratios and the factors affecting absenteeism/turnover)
    2.9. Leaves of Absence (policies on leaves of absence - childbirth, adoption, political office)
    2.10. Relationships with Unions (policies regarding unions…)
    2.11. Dismissal and Appeal
    2.12. Termination, Layoff and Redundancy (policy regarding job security, retraining, early retirement…)
    2.13. Retirement and Termination Counseling
    2.14. Employment Equity and Discrimination (policies regarding hiring and promotion, harassment)
    2.15. Women in Management and on the Board
    2.16. Day Care and Family Accommodation
    2.17. Employee Communication
    2.18. Occupational Health and Safety
    2.19. Part-time, temporary, or contract employees
    2.20. Other employee or human resources issues

3. Shareholders

    3.1. General Policy

    3.2. Shareholder Communications and Complaints

    3.3. Shareholder Advocacy

    3.4. Shareholder Rights

    3.5. Other Shareholder Issues

4. Customers

    4.1. General Policy

    4.2. Customer Communications

    4.3. Product Safety

    4.4. Customer Complaints

    4.5. Special Customer Services

    4.6. Other Customer Issues

5. Suppliers

    5.1. General Policy

    5.2. Relative Power

    5.3. Other Supplier Issues

6. Public Stakeholders

    6.1. Public Health, Safety, and Protection

    6.2. Conservation of Energy and Materials

    6.3. Environmental Assessment of Capital Projects (incorporating environmental principles into capital process)

    6.4. Other Environmental Issues

    6.5. Public Policy Involvement (direct or through industry association)

    6.6. Community Relations

    6.7. Social Investment and Donations