

Priorities for Corporate Social Responsibility Reporting: Evidence from Listed Turkish Companies in Istanbul Stock Exchange

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Abstract: *This study is based on “stakeholder theory” in order to explain the concept of corporate social responsibility. To examine the social responsibility areas of business organizations, “The Pyramid of Corporate Social Responsibility” model developed by Carroll (1991) was used in this study. According to this model, entire range of business responsibilities can be considered in four groups: economic, legal, ethical and philanthropic. Within the framework of Carroll’s corporate social responsibility (CSR) Pyramid, the aim of this study is to illustrate priorities in Corporate Social Responsibility Report of the leading companies in Turkey. In this context, 48 companies from Borsa Istanbul (BIST) Corporate Governance Index were selected as the sample of the study. Qualitative research approach was used in the study. The data obtained from the annual reports, sustainability reports and corporate governance compliance reports of these 48 companies were subjected to content analysis. According to the findings, economic and legal responsibilities were found to have priority for shareholders, customers and employees stakeholder groups in terms of corporate social responsibility levels. While philanthropic responsibility was found to have priority for community stakeholder group, economic responsibility is important for suppliers stakeholder group. Legal responsibility, on the other hand, is important for environment stakeholder group. In general, economic and legal responsibilities have priorities in all stakeholder groups other than community stakeholder group.*

Key words: *Corporate Social Responsibility; The Pyramid of Corporate Social Responsibility*

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Introduction

An early definition of Corporate Social Responsibility (CSR) by European Commission was “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (Commission of the European Communities, 2001: 3). The Commission modified this definition in 2011 as “the responsibility of enterprises for their impacts on society”. In order to fulfil corporate social responsibility, business organizations must have a process that integrates social, environmental, ethical and human rights, and consumer expectations into their business operations and core strategy to get close relationships with social partners (Commission of the European Communities, 2011: 6). According to this definition, it is clear that business organizations have more duties than the official expectations, such as investing in human capital and the environment.

Global environmental problems such as climate change, vanishing natural resources and pollution have made corporate social responsibility an important agenda of business world (Harrison and Freeman, 1999; Dincer and Dincer, 2007). The definition and content of CSR change in different contexts. A company should take its stakeholders’ needs into consideration when planning its CSR programmes. Since CSR will always have a location-based nature, a company should understand the priorities of local stakeholders (Welford, Chan and Man, 2007: 52).

Environmental concerns of the consumers and the increasing interest in CSR since the 1970’s brought CSR into the discussion of the academic and business world (Harrison and Freeman, 1999; Dincer and Dincer, 2007). Although the term ‘corporate social responsibility’ is still widely used, terms such as corporate citizenship, business ethics, stakeholder management and sustainability offer competing, complementary and overlapping concepts to cover the field (Carroll and Shabana, 2010: 86).

The purpose of this study is to analyse the nature of CSR. A descriptive analysis based on CSR Pyramid developed by Carroll was used for the Turkish context. The CSR Pyramid which can be labeled as to be the most well known model for corporate social responsibility emphasize the importance of economic, legal, ethical and philanthropic responsibilities with its four levels. None the less, analysis of CSR in Turkey may provide an opportunity to examine the relevance of CSR Pyramid priorities in Turkish context to the conventional American ordering when Carroll’s basic four part model is taken into consideration.

Corporate Social Responsibility and Organizational Stakeholders

The content and definition of CSR has always been a most debated subject (Dahlsrud, 2008: 2; Moir, 2001: 19). As a result of these debates, different perspectives flourished in the field of CSR. Among these perspectives on CSR, Ozuem et al. (2014: 400) put forward some theoretical perspectives as agency theory, the stakeholder theory, the stewardship theory, a resource-based view of the firm, the institutional theory and the strategic leadership theory.

The history of CSR goes a long way back. The modern era of CSR is dated back to 1950s by Carroll (1999: 268). Although the attempts to define CSR flourished during the 1960s and especially in 1970s, the definitions of CSR became more specific while different approaches on corporate social responsiveness and corporate social performance (CSP) began to flourish. However, the 1980s saw fewer new definitions, more empirical research, and an increase on alternative themes such as corporate social performance, stakeholder theory and business ethics theory. In the 1990s, CSR continued to serve on the same basis but it was transformed through alternative thematic frameworks such as stakeholder theory, business ethics theory, CSP, and corporate citizenship. The analysis of definitions showed that these concepts were appealing to the same dimensions of CSR (Dahlsrud, 2008: 4). Grouping the phrases which refer to the same dimensions gave out five dimensions, namely as the environmental dimension (The natural environment), the social dimension (The relationship between business and society), the economic dimension (Socio-economic or financial aspects, describing CSR in terms of business operations), the stakeholder dimension (Stakeholders or stakeholder groups) and the voluntariness dimension (Actions not prescribed by law).

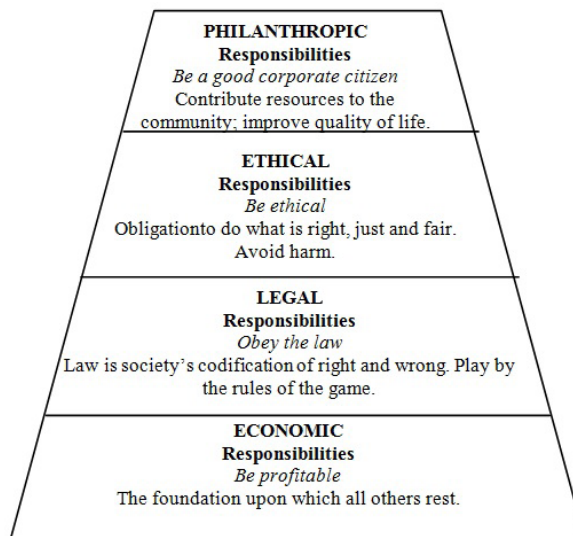
Acting responsibly is important for any firm doing business. Two theories of CSR offer definitions for responsibility. According to the definition based on shareholder theory managers should make decisions that maximize the wealth of their firms' stockholders. On the other hand, the definition based on stakeholder theory argues that rather than maximizing the prosperity of their owners, firms have duties towards the society. Ultimately, this debate on the definition of responsibility changed its direction towards deciding the amount a firm should spend for acting responsibly (Wu, 2014: 286).

The concepts of corporate citizenship, corporate sustainability, stakeholder management, environmental management, business ethics and corporate social performance are studied under CSR. Carroll defines social responsibility as the entire range of obligations a business has towards the society in terms of the economic, legal, ethical, and discretionary categories of business performance (1979: 497). According to this definition, there are four dimensions of CSR namely as economic, legal, ethical and discretionary (philanthropic) responsibilities. Although these four constituent parts of CSR reflect the viewpoints related to earlier definitions, it represents the social responsibilities of businesses in more details. Thus Carroll's definition has been the most widely accepted one among a vast number of definitions in the literature of CSR (Visser, 2005: 33).

Carroll presents economic, legal, ethical and philanthropic dimensions of CSR on the model of "The Pyramid of Corporate Social Responsibility" and argues that not only economic and legal responsibility dimensions have been a part of CSR but all four responsibility dimensions have always existed to some extent while ethical and philanthropic functions have taken a significant position just in recent years (Carroll, 1991).

The pyramid of corporate social responsibility is presented in Figure 1. As can be seen, economic responsibilities component is the foundation block of the other three components. Obeying the laws, or playing by the rules, is the second most important dimension because the law is society's codification of acceptable and unacceptable behavior. Ethical responsibilities lies on the next level and covers being just and fair, discern what is right or wrong in order to avoid doing harm or to protect the stakeholders which are the employees, consumers, the environment, and others. Ultimately, philanthropic responsibilities focusing on being a good corporate citizen lie at the top of the CSR pyramid. These benevolent activities include contributing financial and human resources to the community and improving the quality of life. No CSR pyramid is perfect without one of these four components. They cannot be separated from one other but here and elsewhere, they are taken into consideration individually in order to discuss their specific nature. Moreover, as Carroll argues (1991: 42), "a consideration of the separate components helps the manager see that the different types of obligations are in a constant but dynamic tension with one another".

Figure 1. The Pyramid of Corporate Social Responsibility



Source: Carroll, A. (1991), "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders", Business Horizons.

According to recent literature on CSR, it is important to have a dialogue with stakeholders in order to protect the interests of stakeholders and to have conformity between the stakeholders and schemes of sustainable development and business strategy. In their study, Romolini et al. (2014: 67) argue that stakeholders, in turn, are less influenced by an entity's financial performance alone and more influenced by their perception that sustainability is critical to an entity's financial performance and to fulfilling the

implicit contract between the entity and society. In this study, theoretical perspectives of stakeholders have been taken into consideration. According to a stakeholder-oriented perspective, organizations exist within networks of stakeholders and face potentially conflicting demands from these stakeholders and have to adapt stakeholders' demands into the core policies of CSR. In his study on CSR, Dahlsrud (2008: 4) argues that the stakeholder dimension covers "interaction with their stakeholders", "how organizations interact with their employees, suppliers, customers and communities" and "treating the stakeholders of the firm".

First proposed by Freeman in 1984, stakeholder theory focuses on the strategic management of organizations in the late twentieth century. Numerous studies in literature, especially those of Clarkson (1995), Donaldson and Preston (1995), Mitchell et al. (1997) helped the theory to flourish and develop (Mainardes et al., 2012: 1862). Although they may offer different definitions and interpretations, all these studies, in their core, follow the definition of Freeman (1984) and reflect the same principle to a greater or lesser extent: the company should take into consideration the needs, interests and influences of people and groups, who either impact on or may be impacted by its policies and operations. According to Freeman's (1984) definition, individuals or groups may influence or be influenced by the scope of organizational objectives. Within this concept, a person, an informal group, an organization or an institution may all be stakeholders (Mainardes et al., 2011: 228).

Moir (2001: 19) argues that the stakeholder theory can be used as a basis to analyse those groups to whom the firm should be responsible. A literature review reveals various proposals for classifying stakeholders by their respective level of importance (Clarkson, 1995: 106; Donaldson and Preston, 1995: 68; Mainardes et al., 2012: 1865; Ozuem et al., 2014: 400; Trebeck, 2008: 352).

Stakeholders are important for companies in some sense because they have an influence on company performance. For this reason, companies try to respond to their stakeholders' demands in economic, formal or political frames. Stakeholders may have different levels of priorities for companies at different times but according to literature, there is some stability in the pattern of priority of stakeholders. Also, the stage of business and expectations of businesses may be different in different countries although they may be in the same field. Moreover different orientations can be observed in corporate environments of different countries. Pinkston and Carroll (1994: 165), who studied the conditions of markets in England, France, Germany, Japan, Sweden, Switzerland and the US, argue that stakeholders have different levels of importance in different countries. For example, while the focus is on economic responsibilities to owners in England, the focus shifts to company-employee relations in France and Germany, and to nurturing the business-community relationships in Japan. Naturally, because of the differences in these business relationships, stakeholder priorities can also be different. Thus, the stakeholder groups studied in the samples appeared to be prioritized in the same order while communities and government stakeholders ranked lower than the other threestakeholder groups of employees, consumers, and owners (Pinkston and Carroll, 1994: 161).

The terms of “stakeholder” and “social responsibility” have close relationships in terms of corporate social responsibility. The connection between these two terms derives from the vague content of the term “social” and the concept of “stakeholder” denotes to social or societal responsibilities of a company (Carroll, 1991: 43). Ozuem et al. (2014: 400) argue that according to stakeholder-oriented perception, organizations exist within networks of stakeholders and they aim to meet potentially conflicting demands of these stakeholders in terms of CSR objectives and policies. The duty of the management of a stakeholder oriented business is difficult because the managers have to make a settlement between their objectives and the expectations and demands of the stakeholders. While doing this, they have to meet the demands of main stakeholders in the first place and the remaining groups later. Although it is not always possible to satisfy all the parties at the same time, it is important for a company to protect its long-term interests. Carroll (1991: 43) assumes that the functions of stakeholder management are to describe, understand, analyse, and finally to manage. Carroll poses five questions to understand stakeholder management:

1. Who are our stakeholders?
2. What are their stakes?
3. What opportunities and challenges are presented by our stakeholders?
4. What corporate social responsibilities (economic, legal, ethical, and philanthropic) do we have to our stakeholders?
5. What strategies, actions, or decisions should we take to best deal with these responsibilities?

These questions can be discussed in details but attention must be given to what kind of responsibilities does a company have towards its stakeholders (Carroll, 1991: 43). A conceptional framework of stakeholder/responsibility matrix on this topic is presented in Figure 2.

Figure 2. Stakeholder/Responsibility Matrix

<i>Types of CSR</i>	Economic	Legal	Ethical	Philanthropic
<i>Stakeholders</i>				
Owners				
Customers				
Employees				
Community				
Competitors				
Suppliers				
Social Activist Groups				

Public at Large				
Others				

Source: Carroll, 1991: 44

By looking and working on this matrix, a manager can decide on how to act in different types of corporate social responsibility environments by taking different stakeholder groups into consideration. For each cell, the manager can gather analytical data and use them “for developing priorities and making both long-term and short-term decisions involving multiple stakeholders’ interests” (Carroll, 1991: 44).

However, Pinkston and Carroll (1994) made a little alteration on this classification regarding the stakeholder groups in one of later studies. In their study on international businesses in different countries, Pinkston and Carroll (1994: 161) renamed stakeholder groups as owners, consumers, employees, communities and government. They argued that the perceived relative importance of the organizations’ stakeholder groups will differ across firms by countries-of-origin.

Purpose and Importance of the Research

Most of the research on Carroll’s (1991) CSR Pyramid has been in an American context. Nevertheless, several of the empirical studies already discussed suggest that culture may have an important influence on perceived CSR priorities (Visser, 2005). Within the framework of Carroll’s CSR Pyramid (1991), this study aims to find out CSR priorities of companies listed in the Corporate Governance Index of Borsa Istanbul (BIST) which apply corporate management principles. In order to realize this aim, economic, legal, ethical and philanthropic responsibilities are placed on stakeholder/responsibility matrix based on Carroll’s Corporate Social Responsibility Pyramid and the distribution of stakeholder groups according to their responsibility fields is investigated. It has been observed that no previous study in the literature of the field has attempted to place these four responsibilities on stakeholder/responsibility matrix. From this perspective, it can be said that this study is of great importance with its pioneering aspects.

Methodology of the Research

The research in this study was carried out using the qualitative research method. Extreme case sampling (Patton, 2002) was carried out by selecting Turkish companies with the best corporate social responsibility performance. A similar criterion for selecting companies was used by previous studies in order to analyze CSR (Collison et al., 2008; Lankoski, 2008; Romolini et al., 2014). The sample of the research is composed of 48 companies, which trade in Borsa Istanbul (BIST) and listed in Corporate Governance Index. BIST Corporate Governance Index (XKURY) is an index which includes the companies that apply Corporate Governance Principles¹. Corporate Governance Principles in Turkey are constituted by Capital Markets Board by taking primarily the “OECD Corporate Governance Principles” of 1999 into consideration. Corporate Governance Principles are made up of four parts: (1) Shareholders, (2) Public Disclosure and Transparency, (3) Stakeholders, (4) Board of Directors. An important portion of corporate governance

principles are about the responsibilities of companies towards stakeholdersⁱⁱ. For this reason, sampling for the study has been chosen from companies within Corporate Governance Index which lists companies with high corporate social responsibility performance. In the attainment of data, “Annual Reports”, “Sustainability Reports”, and “Corporate Governance Compliance Reports”, which are presented as “public domain” information in the websites of the so-called companies, were taken as a basis. Content analysis method was used in the analysis of the data.

Content analysis necessitates the information in the content of a text (or report) to be coded within the framework of pre-described categories, as quantitatively and qualitatively (Guthrie and Abeysekera, 2006: 117). With this method, percentage distribution of the information presented in a report (or a text) is measured, by being classified (coded) according to categories (Loberet et al., 1997: 59). Quantitative measurements obtained as a result of coding can be used as data in other kinds of analyses (Hackston and Milne, 1996: 84). For information related to corporate social responsibility which will be coded in content analysis, categories need to be formed and corporate social responsibility information types which will be included in these categories need to be determined. Carroll’s (1991) study was taken into consideration for defining the social responsibility areas in the content analysis. Business practices defined by Spiller (2000) were taken into consideration in order to identify the business practices related to the expectations of stakeholder groups.

Content Analysis Process

In order to determine the categories and classifications of corporate social responsibility information types according to these categories, which will be used in the execution of this research and application of content analysis technique, literature review was completed and the following basic and sub categories were formed based on the information and categories in the studies of Carroll (1991) and Spiller (2000). Moreover, studies of Carroll (1991), Pinkston and Carroll (1994), Clarkson (1995), Donaldson and Preston (1995) and Trebeck (2008) were considered for the identification of stakeholder groups. Accordingly, stakeholder groups were taken into account as shareholders, consumers, employees, communities, suppliers, governments and others.

Social Responsibility Areas of Business Organizations

To examine the social responsibility areas of business organizations, “The Pyramid of Corporate Social Responsibility” model developed by Carroll (1991) was used in this study. According to this model, entire range of business responsibilities can be considered in four groups: economic, legal, ethical and philanthropic (Figure 3).

Figure 3. Economic, Legal, Ethical and Philanthropic Responsibilities

Economic Components (Responsibilities) <ol style="list-style-type: none"> 1. It is important to perform in a manner consistent with maximizing earnings per share. 2. It is important to be committed to being as profitable as possible. 3. It is important to maintain a strong competitive position. 4. It is important to maintain a high level of operating efficiency. 5. It is important that a successful firm be defined as one that is consistently profitable. 	Legal Components (Responsibilities) <ol style="list-style-type: none"> 1. It is important to perform in a manner consistent with the expectations of government and law. 2. It is important to comply with various federal, state and local regulations. 3. It is important to be a law-abiding corporate citizen. 4. It is important that a successful firm be defined as one that fulfils its legal obligations. 5. It is important to provide goods and services that at least meet minimal legal requirements.
Ethical Components (Responsibilities) <ol style="list-style-type: none"> 1. It is important to perform in a manner consistent with expectations of societal mores and ethical norms. 2. It is important to recognize and respect new or evolving ethical/moral norms adopted by society. 3. It is important to prevent ethical norms from being compromised in order to achieve corporate goals. 4. It is important that good corporate citizenship be defined as doing what is expected morally or ethically. 5. It is important to recognize that corporate integrity and ethical behavior go beyond mere compliance with laws and regulations. 	Philanthropic Components (Responsibilities) <ol style="list-style-type: none"> 1. It is important to perform in a manner consistent with the philanthropic and charitable expectations of society. 2. It is important to assist the fine and performing arts. 3. It is important that managers and employees participate in voluntary and charitable activities within their local communities. 4. It is important to provide assistance to private and public educational institutions. 5. It is important to assist voluntarily projects that enhance a community's "quality of life".

Source: Carroll (1991)

Business Practices Related to the Expectations of Stakeholder Groups

In order to determine the expectations of stakeholder groups within the context of corporate social responsibility in content analysis, the study of Spiller (2000) was taken into consideration. This study of Spiller (2000), which defines important business practices regarding each important stakeholder group, is one of the most detailed studies conducted about stakeholder groups' expectations as part of corporate social

responsibility practices. Spiller (2000) specified stakeholder groups that constitute primary priority for a business and claimed that organizational practices, which appear in accordance with the expectations of these groups, can be used in determining the corporate social responsibility performance of a business. This study has been beneficial for many researches about corporate social responsibility practices.

To guide implementation, Spiller (2000: 153-154) has identified ten key business practices for each of the six main stakeholder groups: community; environment; employees; customers; suppliers, and shareholders (Figure 4). The list of 60 practices summarised below is neither exhaustive, nor uncontroversial. However, it does provide a starting point, a menu from which companies can choose, preferably in conjunction with their stakeholders, the areas on which to focus.

Figure 4. Key Business Practices for Each of the Six Main Stakeholder Groups

1. Community 1.1. Generous financial donations 1.2. Innovative giving 1.3. Support for education and job training programmes 1.4. Direct involvement in community projects and affairs 1.5. Community volunteer programmes 1.6. Support for the local community 1.7. Campaigning for environmental and social change 1.8. An employee-led approach to philanthropy 1.9. Efficient and effective community activity 1.10. Disclosure of environmental and social performance	2. Environment 2.1. Environmental policies, organization and management 2.2. Materials policy of reduction, reuse and recycling 2.3. Monitoring, minimising and taking responsibility for releases to the environment 2.4. Waste management 2.5. Energy conservation 2.6. Effective emergency response 2.7. Public dialogue and disclosure 2.8. Product stewardship 2.9. Environmental requirements for suppliers 2.10. Environmental audits
3. Employees 3.1. Fair remuneration 3.2. Effective communication 3.3. Learning and development opportunities 3.4. Fulfilling work 3.5. A healthy and safe work environment 3.6. Equal employment opportunities 3.7. Job security 3.8. Competent leadership 3.9. Community spirit 3.10. Social mission integration	4. Customers 4.1. Industry-leading quality programme 4.2. Value for money 4.3. Truthful promotion 4.4. Full product disclosure 4.5. Leadership in research and development 4.6. Minimal packaging 4.7. Rapid and respectful responses to customer comments, complaints and concerns 4.8. Customer dialogue 4.9. Safe products 4.10. Environmentally and socially responsible production and product composition

5. Suppliers 5.1. Develop and maintain long-term purchasing relationships 5.2. Clear expectations 5.3. Pay fair prices and bills according to terms agreed upon 5.4. Fair and competent handling of conflicts and disputes 5.5. Reliable anticipated purchasing requirements 5.6. Encouragement to provide innovative suggestions 5.7. Assist suppliers to improve their environmental and social performance 5.8. Utilise local suppliers 5.9. Sourcing from minority-owned suppliers 5.10. Inclusion of an environmental and social element in the selection of suppliers	6. Shareholders 6.1. Good rate of long-term return to shareholders 6.2. Disseminate comprehensive and clear information 6.3. Encourage staff ownership of shares 6.4. Develop and build relationships with shareholders 6.5. Clear dividend policy and payment of appropriate dividends 6.6. Corporate governance issues are well managed 6.7. Access to company's directors and senior managers 6.8. Annual report and accounts provide a comprehensive picture of the company's overall performance 6.9. Clear long-term business strategy 6.10. Open communication with the financial community
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Source: Spiller, 2000: 153-154.

Stakeholder/Responsibility Matrix

Business practices devoted to meet the expectations of stakeholder groups for corporate social responsibility areas defined by Carroll and which responsibilities become prominent in which stakeholder groups were defined in the content analysis, based on the Stakeholder/Responsibility Matrix of Carroll (1991). None the less, besides Carroll's (1991) study, stakeholder groups to be considered in the matrix were identified by considering Pinkston and Carroll (1994), Clarkson (1995), Donaldson and Preston (1995), Spiller (2000) and Trebeck's (2008) classifications. According to this, stakeholder groups were taken into consideration as shareholders, consumers, employees, communities, suppliers and others. As a result of the assessment done by the authors of the study, business practices related to the expectations of the stakeholder groups (Spiller, 2000) were placed in economic, legal, ethical and philanthropic areas in the stakeholder/responsibility matrix. By this way, a framework was formed in order to evaluate the findings obtained from the content analysis.

Figure 5: Stakeholder/Responsibility Matrix

<i>Types of CSR</i>	Economic	Legal	Ethical	Philanthropic
Stakeholders				
Shareholders				
Customers				
Employees				

Community				
Suppliers				
Others				

Findings of the Research and Evaluation of Findings

The data attained from the content analysis was analysed with the help of SPSS 20.0 Windows program. How often and at what level the information about corporate social responsibility took place in the related report was determined as number and percentage, and emerging frequency tables were interpreted. During the process of putting data into codes, “1” was used for coding the practices present in the categories considered in the content analysis and “2” was used for coding the practices which are not present in the businesses. Additionally, in terms of sector information, service sector was coded as “1” and manufacturing sector was coded as “2”. 27 of the businesses taking place in the sample operate in service sector, while 21 of them operate in manufacturing sector.

Frequency and percentage values belonging to business practices about the expectations of stakeholder groups are presented in Figure 6. Hereunder, business practices falling within shareholders groups are seen to be over 90%. Businesses perform their legal responsibilities against their shareholders to a large extent. Of the practices in economic area, “Open communication with the financial Community” is seen to be over 65% and others are seen to be over 83%. Economic practices of companies as “Clear long-term business strategy” and “Clear dividend policy and payment of appropriate dividends” oriented to shareholders stakeholder group ate at 90% level.

Among the economic practices taking place in customers stakeholder group, “Customer dialogue” is seen to be at level 87.5%, “Environmentally and socially responsible production and product composition” is seen to be at level 83% and “safe products” is seen to be at level 79%. Businesses perform their responsibilities against their customers in the economic area. Of their responsibilities in legal area, “Truthful promotion” is at level 67% while “Minimal packaging” is at the level of 33%. The fact that this practice is used only in manufacturing businesses should be considered in minimal packaging radio to be low. Ethically, “Rapid and respectful responses to customer comments, complaints and concerns” is at level 79% and “Value for Money” is at level 44%. It is observed that businesses do not stress on the “Money” concept much, which is directed to customers stakeholder group.

Of the practices falling within employees stakeholder group, economically “Learning and development opportunities” was emphasized as 96% and legally “A healthy and safe work environment” was emphasized as 94%. In the ethical responsibility area, “Fulfilling work” and “Competent leadership” were mentioned at 60%, “Community spirit” at 75%, and “Fair remuneration” and “Equal employment opportunities” were mentioned over 83%. It is regarded that practices in employees stakeholder group were given a quite high importance.

Business practices in community stakeholder group are seen to be at 35% in the economic area with “Disclosure of environmental and social performance” at 35% and at 73% in the ethical area of “Innovative giving”. In the philanthropic area, the practice that has the highest level is “Direct involvement in community projects and affairs” with 88% and the practice that has the lowest level is “An employee-led approach to philanthropy” with 48%. It can be stated that businesses act sensitive about philanthropic practices in community stakeholder group.

Businesses do not seem to give much place to information related to suppliers stakeholder group. The most emphasized practice in economic area is “Encouragement to provide innovative suggestions” with a level of 48%. The most emphasized practice in ethical area is “Inclusion of an environmental and social element in the selection of suppliers” with a level of 40%, and the most emphasized practice in philanthropic area is “Assist suppliers to improve their environmental and social performance” with a level of 40%. Other practices seem to be even lower than this level.

Practices under the title of Environment were encountered mostly in the stakeholder group named as Others. The most mentioned practice in economic practices area is “Environmental policies, organization and management” with a level of 83%. “Environmental requirements for suppliers” is seen to be at level 37% and “Environmental audits” is seen to be at level 35%. The practice in legal area is “Public dialogue and disclosure” at a level of 60%.

Whether a difference exists between expectations of stakeholder groups and related business practices from the point of sectors of the businesses taking place in the research was analysed via t-test. As a result of the analysis, business practices falling within stakeholder groups did not show a significant difference between service sector and manufacturing sector.

Figure 6. Stakeholder/Responsibility Matrix in Turkey Sample

CSR Stakeholders	Economic	Freq.	%	Legal	Freq.	%	Ethical	Freq.	%	Philanthropic	Freq.	%
Shareholders	1. Good rate of long-term return to shareholders 2. Clear dividend policy and payment of appropriate dividends 3. Clear long-term business strategy 4. Communication with the financial community	40	83.3	1. Disseminate comprehensive and clear information 2. Corporate governance issues are well managed and access to company's directors and senior managers 3. Annual report and accounts provide a comprehensive picture of the company's overall performance	43	89.6	1. Value for Money 2. Rapid and respectful responses to customer comments, complaints and concerns	21	43.8			
Customers	1. Industry-leading quality programme 2. Customer dialogues 3. Safe products 4. Environmentally and socially responsible production and product corporations	33	68.8	1. Fulfill promotion 2. Minimal packaging	33	66.7	1. Fair remuneration 2. Effective communication 3. Fulfilling work 4. Equal employment opportunities 5. Competent leadership 6. Community spirit	40	83.3			
Employees	1. Learning and development opportunities	46	95.8	1. A healthy and safe work environment	45	93.8		40	83.3			
Mean			95.7			50.6		61.5				
Community	1. Efficient and effective community activity 2. Disclosure of environmental and social performance	34	92.8			93.8	1. Innovative giving	35	78.0	1. Generous financial donations 2. Support for education and job training 3. Direct involvement in community projects and affairs 4. Campaigning for environmental and social change 5. Support for the local community 6. An employee-led approach to philanthropy	33	66.7
Mean			70.8			93.8		72.9			40	83.3
Suppliers	1. Develop and maintain long-term purchase relationships 2. Clear expectations 3. Pay fair prices and bills according to terms agreed upon 4. Fair and competent handling of conflicts and disputes 5. Encouragement to provide innovative suggestions	20	41.7				1. Utilize local suppliers 2. Sourcing from minority-owned suppliers 3. Inclusion of an environmental and social element in the selection of suppliers	16	33.3	1. Assist suppliers to improve their environmental and social performance	19	39.6
Mean			33.1					29.1				
Others (Environment)	1. Environmental policies, organization and management 2. Materials policy of reduction, reuse and recycling 3. Waste management 4. Energy conservation 5. Product stewardship 6. Environmental requirements for suppliers 7. Environmental audits	40	83.3	1. Public dialogue and disclosure	29	60.4						39.6
Mean			60.1			60.4						

According to findings obtained from this research, economic and legal responsibilities were determined to have priority in shareholders, customers and employees stakeholder groups in terms of corporate social responsibility levels. Philanthropic responsibility was determined to be primary in community stakeholder group, economic responsibility was seen to be primary in suppliers stakeholder group, and legal responsibility was seen to be primary in environment stakeholder group. In general, economic and legal responsibilities were observed to have priority in all stakeholder groups, except community stakeholder group. Findings obtained reveal that corporate social responsibility practices of businesses taking place in Turkey research sample are wide enough to include stakeholder groups, other than suppliers.

In Turkey, companies traditionally perform corporate social responsibility practices for long years within the framework of philanthropy. As a matter of fact, many businesses materialize their politics in this direction through various projects, such as awarding scholarships to students, sponsoring sports and art activities. Although social responsibility programs do not improve in private sector as fast as in the world, they have a different status lately. Non-governmental organizations, which developed quickly especially in 1990s, lead the supports of companies in social areas, in which education projects comes first on a more substantial ground with sustainability. On the other hand, especially in previous years, many companies head towards professional support for social responsibility programs. Non-governmental organizations enable the support given to social-oriented projects in private sector to increase quickly. Non-governmental organizations, which work with a transparent administrative mentality and responsibility mission, establish a ground for the creation of social projects with the leading companies of private sector. Social responsibility projects, which are realised through a co-operation with non-governmental organizations, are seen to be executed in areas such as education, sports, health, elderly, children and environment. Besides this, several consultancy institutions are seen to function with the purpose of supporting businesses in identifying social responsibility projects and in the process of putting them into practice (Akgeyik, 2007: 82).

As the obtained findings are compared to the findings of prior studies in different countries, similar results were attained in some aspects, while different ones were obtained in others. For instance, in their study which includes England, France, Germany, Japan, Sweden, Switzerland and the US, Pinkston and Carroll (1994) put forward that the importance given to stakeholders differed according to countries. England has been shown to emphasize economic responsibilities to owners in its business community. France, on the other hand, has been understood to focus on company employee relations, as has Germany. The Japanese environment has appeared to nurture the business-community relationships. Since these relationships can be noticeably different in any given business environment, the stakeholder priorities were expected to be different for the sample organizations.

One of the conspicuous findings of the study is the lack of corporate social responsibility practices regarding the suppliers stakeholder group. A similar situation exists in the findings of the studies that were conducted in other countries. For example, several

empirical studies in Europe, North America and Asia have investigated how firms work with CSR-related issues in their supply chains. Most of these studies are not only confined to large multinational corporations, but also include SMEs. According to the results attained, despite many companies' efforts to engage in CSR-related activities in their supply chains, there is often a gap between the ethical standards expressed and the actual conditions at the suppliers (Andersen and Larsen, 2009: 78). In today's competitive business environment, it has become imperative for firms to find ways to work collaboratively with suppliers. Moreover, it has been shown that firm-supplier cooperation and partnership can help all supply-chain members to increase performance. Additionally, ethical behavior in the firm-supplier relationship will generate trust and better communication – attributes which can result in greater competitiveness and wealth creation (Gonzalez et al., 2013: 373).

Conclusion

This study is based on “stakeholder theory” to explain the concept of corporate social responsibility levels in Turkey. To examine the social responsibility areas of business organizations, “The Pyramid of Corporate Social Responsibility” model developed by Carroll (1991) was used in this study. According to this model, entire range of business responsibilities can be considered in four groups: economic, legal, ethical and philanthropic. Within the framework of Carroll's corporate social responsibility (CSR) Pyramid, the aim of this study is to illustrate priorities (highlight issues and areas) in Corporate Social Responsibility of the leading companies in Turkey. In this context, 48 companies were selected as the sample of the study in the Borsa Istanbul (BIST) Corporate Governance Index. The research was carried out using the qualitative research method. In the attainment of data, “Annual Reports”, “Sustainability Reports”, and “Corporate Governance Compliance Reports”, which are “public domain” information published in the websites of the so-called companies, were taken as a basis. Content analysis method was used in the analysis of the data.

According to the findings of this study, economic and legal responsibilities were determined to have priority in shareholders, customers and employees stakeholder groups in terms of corporate social responsibility levels. Among the companies which fall into the scope the study, responsibilities outstanding in the field of economic responsibilities for shareholders are: “Good rate of long-term return to shareholders”, “Clear dividend policy and payment of appropriate dividends”, “Clear long-term business strategy”, “Open communication with the financial Community”. The important topics for shareholders in terms of legal responsibilities are: “Disseminate comprehensive and clear information”, “Corporate governance issues are well managed and access to company's directors and senior managers”, “Annual report and accounts provide a comprehensive picture of the company's overall performance”. For customers stakeholder group, social responsibility topics on economic level are: “Industry-leading quality programme”, “Customer dialogue”, “Safe products”, “Environmentally and socially responsible production and product composition”. Legal responsibilities which are important for customer stakeholder group are: “Truthful promotion” and “Minimal

packaging”. While the economic responsibilities which stand out for employees stakeholder group are “Learning and development opportunities”, legal responsibilities which are important for the same group are “A healthy and safe work environment”.

Corporate social responsibility practices reflecting ethical and philanthropic responsibility understanding were not seen to take place in shareholders stakeholder group. Philanthropic responsibility mentality was seen not to fall within customers and employees stakeholder groups. In community stakeholder group, on the other hand, it is conspicuous that most of the corporate social responsibility practices are performed within the context of philanthropic responsibility understanding and ethical and economic mentalities remain in the background. It has been realised that social responsibility practices taking place in suppliers stakeholder group are not common, and current social responsibility practices reflect economic responsibility. On the other hand, in the environment stakeholder group, legal responsibility was identified to be primary. In general, economic and legal responsibilities were seen to have priority in all stakeholder groups, except the community stakeholder group. The findings obtained reveal that corporate social responsibilities of large companies in the research sample of Turkey are wide enough to include all stakeholder groups other than suppliers, and economic and legal responsibilities have priority in the corporate social responsibility understanding. As a result, many companies embrace a CSR program as a way to promote socially responsible actions and policies, and effectively respond to stakeholder demands.

According to stakeholder theory, companies can achieve more positive results by paying more attention to corporate social responsibility programs. Stakeholder theory suggests that organizational survival and success is contingent on satisfying both its economic (e.g. profit maximization) and non-economic (e.g. corporate social performance) objectives by meeting the needs of the company’s various stakeholders. The stakeholder management concept serves to ensure that organizations recognise, analyse and examine the individual and group characteristics that influence or are influenced by organizational behaviours and actions.

Future studies may include analyses of which stakeholder groups must be paid more attention in the value creation process of organizations within the context of stakeholder theory, what the contributions the stakeholders provide are and what the possible risks related to stakeholders are, expectations of stakeholders and how processes that will meet these expectations will be developed.

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