CSR policy of Polish and Turkish enterprises
– comparison

Polityka CSR polskich i tureckich przedsiębiorstw
- porównanie

Fatih Pınarbaşı¹, Renata Stasiak-Betlejewska²

¹ Student, Students Scientific Club Erasmus+Manager, e-mail: info@fatihpinarbasi.com
² Ing. PhD., supervisor of Students Scientific Club Erasmus+Manager, Czestochowa University of Technology, Faculty of Management, Al. Armii Krajowej 19B, 42-200 Częstochowa POLAND, e-mail: renatastasiak@wp.pl

Abstract: Corporate Social Responsibility (Eng. CSR) has been developing both in the world and in Turkey in recent years and it directly affects organizations’ marketing related to branding activities. Companies conduct a lot of different activities within this issue which are very effective in fields such as public relations and brand communication. This paper include Corporate Social Responsibility case studies conducted in selected Turkish and Polish enterprises in terms of corporate social responsibility policies and brand promotion activities.

Streszczenie: Społeczna Odpowiedzialność Przedsiębiorstwa (ang. CSR) rozwija się zarówno w świecie, jak i w Turcji w ostatnich latach i ma bezpośredni wpływ na działalność marketingową organizacji, która związana jest z marką. Przedsiębiorstwa prowadzą wiele różnych działań w tej kwestii, które są bardzo skuteczne w obszarach, takich jak public relations i komunikacja marki. Dokument ten obejmuje studia przypadków w zakresie Corporate Social Responsibility zrealizowane w wybranych tureckich i polskich przedsiębiorstwach realizujące politykę korporacyjną odpowiedzialności społecznej i działania promocyjne marki.

Key words: Corporate Social Responsibility, policy, brand promotion

Słowa kluczowe: Społeczna Odpowiedzialność Przedsiębiorstwa, polityka, promocja marki

1. Introduction

There are a lot of definitions in the literature that describes term of Corporate Social Responsibility [1,2]. There are many concepts and theories of Corporate Social Responsibility (Eng. CSR), both theory and practice are dynamically developed [3]. In the economic literature there are two theories that contribute to Corporate Social Responsibility conception related to Milton Friedman theory of agency (1970) and to R.E. Freeman theory of (1984) related to responsibility with regard to stakeholders. Theodore Levitt (1958) could be credited with setting the agenda for the debate about the social responsibility of business in his Harvard Business Review article ‘The Dangers of Social Responsibility’, in which he cautions that ‘government's job is not business, and business's job is not government’. Milton Friedman (1970) expressed the same sentiment and added that the mere existence of CSR was a signal of an agency problem within the firm. An agency theory perspective implies that CSR is a misuse of corporate resources that would be better spent on valued-added internal projects or returned to shareholders [4]. In institutional theory and classical economic theory of Jones (1995) companies involved in repeated arm sactions with stakeholders on the basis of trust and cooperation are motivated to be honest, trustworthy, and ethical because the returns to such behaviour are high.

The European Commission defined Corporate Social Responsibility as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis [5].

The draft of ISO 26000 standard was designed to standardize knowledge on CSR (Corporate Social Responsibility). ISO 26000 defines corporate social responsibility as a responsible organization for the impact of its decisions and actions (products, services, processes) on the society and the environment, through transparent and ethical behaviour [6]. ISO 26000 distinguishes the following areas of corporate social responsibility: Organizational Governance, Human Rights, Labour Relations, Environment, Fair market practices, Relationships with consumers, Social Commitment.

Corporate Social Responsibility (CSR) is defined as the management strategy, whereby companies in their activities voluntarily take into account the social and environmental interests and relationships with various groups of stakeholders, in particular employees. Being socially responsible means investing in human resources, the environment, relationships with the environment of the company and reporting on these activities, which contributes to the competitiveness of businesses and create conditions for sustainable social and economic development [7]. Most of CSR activities of enterprises in EU are focused on brand promotion related to the social responsibility and partnership relations with local community. Unfortunately for both academicians and practitioners, the analysis of CSR is still embryonic, and thus theoretical frame-
works, measurement, and empirical methods have not yet been resolved [4].

2. Experimental

Corporate Social Responsibility is a very important issue in the business world and the consumer world that has a growing importance as the main issue of the enterprise policy. The enterprise policy has a set of goals aimed at future enterprise development directions. Brand is one of the main field connected with product promotion and enterprise perception in the market. CSR policy in Turkish and Polish enterprises is the main study field. Institutional corporate social responsibility policies contain important information on the aspects of organizations’ perspective. That is why these policies will take place in this centre.

The effect of corporate social responsibility studies on consumption and the attitudes of consumers to organizations/brands that carry out CSR studies are the topics investigated in the paper. For this purpose, the paper includes results of the report of Corporate Social Responsibility 2016 in Turkey, to analyse most successful enterprises in this area. In the paper there is also a short analysis of Polish enterprises cases that are significant for its CSR results.

3. Results and discussion

 Enterprises that have been included in the presented study were selected from the list of the 20 most successful companies in Corporate Social Responsibility in the "Corporate Social Responsibility Research" report prepared by Capital Magazine in cooperation with GFK Turkey [8]: Sabancı Holding, Koç Holding, Yıldız Holding, Turkcell, İşBankası, Yaşar Holding, Yaşar Holding, Arçelik A.Ş, Hürriyet, Türk Telekom, Türk Telekom, Intel, Zorlu Holding, Enka, AnadoluGrubu, Abdı İbrahim, Doğan Holding, Migros, Coca-Cola, Akbank. Table 1 presents the most successful enterprises in Turkey that use CSR policy in their business activity with regard to selected field of CSR policy.

According to ISO 26000 standard, there are crucial enterprise activity fields taken into consideration in CSR policy of Turkish enterprises such as: education, health, environment, sport, culture and arts, domestic violence, human rights, values for employees. Analysis of enterprises presented in Table 1 shows that enterprise Koç Holding has a leading position in the presented ranking in field of education, health, domestic violence, human rights and value given to employees. Koç Holding is Turkey’s leading investment holding company and Koç Group is Turkey’s largest industrial and services group in terms of revenues, exports, taxes paid, share in Borsa İstanbul’s market capitalization and employment generation. This enterprises was founded in 1926 and it has become not only one of the largest and most successful groups of companies in Turkey but also in Europe. This enterprise has own code that includes principles and ethical values of administering corporate governance, undertaking social responsibility and providing environmental protection at international standards.

Table 2 presents ranking of CSR projects that are the most significant in the public opinions. Baba Beni Okula Gönder is typical education project aimed at supporting education system and carrier development what is the main axis of enterprises that apply CSR policy in the brand promotion. A very important issue in the field of CSR policy creating is a tendency of enterprises to increase budgets for new projects in the CSR field is taken from the "Corporate Social Responsibility Research" report prepared by Capital Magazine in cooperation with GFK Turkey, what was analysed in Table 3 [8].

Data presented in Table 2 present increasing awareness of Turkish managers about CSR importance and its meaning for the budget creating, but there is still no idea about using the CSR budget for the activity if there is no CSR strategy created in accordance to enterprise market strategy.

There was noted decrease of percentage of Turkish managers who think that CSR budget won’t increase (8.5% in 2016 in comparison to 9.7% in 2015). In Poland in 2015 there was noted a record-breaking number of good CSR practices: 813 (the sum of first-time reported and long-standing practices; the last year’s total was 684). There was noted 454 of new examples of corporate activity (vs. 420 in 2014), plus 359 long-standing activities, understood as those already described in 2015 (vs. 264 last year). The development of CSR is
also noticeable in the number of companies reporting new practices. There are 137 of them (vs. 124 last year), of which 35 represent the SME sector (31 last year). The areas with the highest number of practices remain the same. They are ‘local community involvement and development’ and ‘labour practices’ [3].

Table 2. Opinions of Turkish enterprises on CSR budget increasing

<table>
<thead>
<tr>
<th>Will CSR budgets increase in 2016?</th>
<th>2015 (%)</th>
<th>2016 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Increase”</td>
<td>30.8</td>
<td>40.5</td>
</tr>
<tr>
<td>“Remain Same”</td>
<td>41</td>
<td>38</td>
</tr>
<tr>
<td>“Won’t Increase”</td>
<td>9.7</td>
<td>8.5</td>
</tr>
<tr>
<td>“No Idea”</td>
<td>12.6</td>
<td>13.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

The Report: Responsible Business in Poland. Good Practices classifies business activities into 7 areas according to the ISO 26000 standard: organisational governance, human rights, labour practices, environment, fair operating practices, consumer issues, and community involvement and development. While the most practices are featured in the area of community involvement and development, the strongest growth can be seen in the area of labour practices (84 practices in 2014 and 114 practices in 2015). CSR provides tools to improve HR management, enhance staff experience, and build a specific corporate culture, allowing to retain a highly qualified workforce. Therefore, practices encouraging and supporting healthy lifestyles, facilitating settling in new jobs or promoting work-life balance do not come as a surprise [10].

Research of Deloitte CE Top 500 that was connected with ranking of enterprises dealing with CSR policy reporting pointed that Poland noted the highest number of companies in non-financial reports in Europe (26% of all analysed European enterprises) [3]. Table 3 presents the best Polish enterprises cases in CSR policy reporting in 2015.


<table>
<thead>
<tr>
<th>The most successful enterprises on CSR policy reporting</th>
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<tbody>
<tr>
<td>1. Grupa Kapitałowa Lubelski Węgiel Bogdanka S.A</td>
</tr>
<tr>
<td>2. Góraźdże Cement SA</td>
</tr>
<tr>
<td>3. KGHM Polska Miedz S.A</td>
</tr>
<tr>
<td>4. Kompania Piwowarska S.A</td>
</tr>
<tr>
<td>5. Grupa Kapitałowa Lubelski Węgiel Bogdanka S.A</td>
</tr>
<tr>
<td>6. Polski Koncern Naftowy ORLEN S.A</td>
</tr>
<tr>
<td>7. Bank Zachodni WBK – journalists reward and internauts’ reward</td>
</tr>
</tbody>
</table>

The other Polish report “Społeczna odpowiedzialność biznesu w polskich realiach” (Corporate Social Responsibility In Polish Realities) published by CentrumCSR.PL Foundation, presents the results of the monitoring of 12 indicators: from human rights, through CSR reporting, to anti-corruption efforts, which continued for one and a half year and encompassed 227 of Poland’s largest companies from 16 industry sectors. The study relied heavily on the analysis of the Polish language content published on corporate websites. According to the authors of the report, the content is “not specific, and contains neither explicit declarations nor verifiable data,” and corporate social responsibility is generally regarded as synonymous with charity [11].

Deloitte and PBS report on CSR notes that 80% of Polish managers see the impact of CSR practices on the Polish enterprises activity.

4. Summary and conclusions

The worldwide reports on CSR provide enthusiastic information on CSR practice importance growing in relation to significant projects of the enterprises that belongs mainly to the medium and large companies list. Key areas of activity of the analysed companies, both Polish and Turkish are mainly areas that are defined in ISO 26000. A most popular areas include: relationships with employees, education, the environment and social commitment. CSR activities of companies are mainly used to promote the brand and strengthen the positive impact of the brand on the local community.


Literature