

The Corporate Social Responsibility Practice in the Turkish Automotive Distribution Companies

Ayşe KUCUK YILMAZ

Anadolu University, 2 Eylül Campus, School of Civil Aviation, 26470 Eskisehir, Turkey.

Tel: +90 535 462 55 90 E-mail: akucukyilmaz@gmail.com

Abstract

Corporate Social Responsibility (CSR) has become an important subject for business. Corporate Social Responsibility (CSR) is newly emerged concept for Turkish companies. This paper is investigated the current status of CSR efforts in the Turkish automotive distribution companies. Sabanci Holding, Dogus Group and Koç Group are selected as the top three best CSR practice cases for Turkish automotive distributor companies. Sabanci Holding, Doğu Group and Koç Group have improved practice in the CSR subject at Turkey. Their practice will guide for other companies and will increase of awareness for importance of CSR. Information from has been gathered both through personal interviews and by reviewing web sites of the corporations. This paper is contributed to increased awareness and practical application of CSR principles among Turkish Automotive distributor companies, investors and regulators. The aim of this paper is firstly to define corporate sustainability and corporate social responsibility and then to highlight the corporate social responsibility efforts of the Turkish Automotive distributions companies.

Keywords: Corporate sustainability, Corporate social responsibility, Turkish Automotive distributors

1. Introduction

Companies that change their viewpoint about environmental and social pressures and integrate sustainability issues to their business strategy will have a competitive advantage over their rivals and accrue the benefits sustainability offers for them (Nemli, 2004). Corporate Social Responsibility (CSR) is a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations (Wikipedia, 2008). Business is doing more than ever to tackle the sustainability challenge; to recognize social responsibilities, to reduce environmental impacts, to guard against ethical compromises, to make governance more transparent, and be more accountable to stakeholders.

CSR is no longer a trend just among large multinational companies operating in developed countries. More and more emerging market companies are seeing the value of committing to responsible business practices. A strong strategy and reputation as a responsible business can help these companies build trust with local stakeholders thereby establishing a local license to operate. Better ways of approaching employee concerns, such as progressive labor relations, have also been shown to enhance productivity and reduce costs associated with recruitment and turnover (International Finance Corporation, World Bank Group, 2008). CSR can contribute to Turkish competitiveness. According to the December 2005 issue of *Capital* magazine, the five Turkish companies with the best reputations -- Arçelik, Vestel, Turkcell, Koç H./Sabanci, Garanti Banks, and Coca-Cola -- all also have some form of CSR programmes. Some scholars argue that CSR promotes “reputational capital” and trust which sustains long-term relationships. Customers are more loyal (and buy certain brands – such as Fair trade – because they think these brands are responsible. Workers stay longer and ask for lower wages because they get other benefits (Barney and Hansen, 1994).

The purpose of this study is to present the main findings from a survey of the Turkish automotive distributor companies on the extent of their CSR policies and practices. The paper is organized into five main sections and begins with explanation of the corporate sustainability and corporate social responsibility. The methodology of research is given section 3. Corporate Social Responsibility Practice in the selected Turkish Automotive distributor companies is given in section 4. The overall conclusion is given last section.

2. Corporate Sustainability and Corporate Social Responsibility Concept

Corporate sustainability (CS) is a new and evolving corporate management paradigm. Although the concept acknowledges the need for profitability, it differs from the traditional growth and profit-maximization model in that it places a much greater emphasis on environmental, social, and economic performance, and the public reporting on this performance. CS can be viewed as a new and evolving corporate management paradigm. The term ‘paradigm’ is used deliberately, in that CS is an alternative to the traditional growth and profit-maximization model. While

corporate sustainability recognizes that corporate growth and profitability are important, it also requires the corporation to pursue societal goals, specifically those relating to sustainable development — environmental protection, social justice and equity, and economic development (Wilson, 2003).

Corporate Social Responsibility (CSR) is defined as the voluntary integration by firms of the environmental and social issues in their daily business operations and in their interactions with all their stakeholders. CSR is thus closely linked to the concept of sustainable development, which is a development that "meets the needs of the present without compromising the ability of future generations to meet their own needs" (Agence Française de Développement, 2008). CSR deals with the role of business in society. Its basic premise is that corporate managers have an ethical obligation to consider and address the needs of society, not just to act solely in the interests of the shareholders or their own self-interest (Wilson, 2003). Profit making is the fundamental dimension for an enterprise to sustain, perform and grow, which means wealth maximization and mobilization; whereas social responsibility is the fundamental accountability of the state that focuses on social enlistment in its totality. CSR is also concerned with treating the stakeholders of the firm ethically or in a responsible manner. Ethically or responsible' means, treating stakeholders in a manner deemed acceptable in civilized societies. Stakeholders exist both within a firm and outside. The wider aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for peoples both within and outside the corporation (Joshi, 2008).

CSR has become a crucial element of firms' efforts to foster sustainable and equitable development within countryside and worldwide since last two decades. Because, in today's business environment sustainable business success and shareholder value cannot be achieved solely through maximizing short-term profits, but instead through market-oriented yet responsible behavior. Thus, companies, as well as automobile supply manufacturers, should be aware that they could contribute to sustainable development by managing the operations in such a way as to enhance economic growth and increase competitiveness whilst ensuring environmental protection and promoting social responsibility, including consumer interests (Eraslan and Bulu, 2004). CSR contributes to CS by providing ethical arguments as to why corporate managers should work toward sustainable development: If society in general believes that sustainable development is a worthwhile goal, corporations have an ethical obligation to help society move in that direction (Wilson, 2003).

3. Methodology of Research

The purpose of this paper is to determine the most successful companies on corporate social responsibility issues based on the data collected through a field survey and to see the corporate social responsibility (CSR) approach of the 3 most successful Turkish Automotive distributor companies, their future projects, and improvement of CSR awareness in the Turkey. In this study, data was collected from two sources, at first; a literature survey is completed about Turkish Automotive distributor companies. These companies have CSR practice. Second, face-to-face interviews are realized on CSR issues of these firms. Their CSR efforts and practices are presented in this study. These companies are leaders in the field. The most important issues according to these managers, and the main basic principles of the companies making a CSR investment, are determined. The aim of this study has been to examine the current and future prospects of CSR practice in Turkish automotive distributor companies. Concerning the interviews, only three leading company are included in the second part of the study. The study enriches the extant literature and provides future research areas. As the subject of the study is open to continuous development, this study shows the current situation on CSR issues via the leader automotive distributor companies in Turkey.

Turkey possesses a dynamic domestic market with nearly 50 competing brands and a strong and well-established automotive industry. Many international automotive brands have production facilities in Turkey, either through joint ventures or wholly owned subsidiaries, making Turkey an important international production hub. In 2006, the automotive sector, including the component industry, had exports of USD15.5 billion or 18% of Turkey's total exports, making it the country's top exporting sector. The Turkish automotive sector is in a strong position to attract new large-scale export projects in the coming years due to the cost advantages of its workforce and other production inputs, engineering skills and advanced technological infrastructure, geographic location and zero customs access to the EU market.

Ascigil (2003), in her unpublished survey conducted for TESEV explored management attitudes towards CSR in Turkey. Using Carroll's (1979) and Aupperle's (1994) contextualized questionnaires, Ascigil found that 75% of the managers included in the survey gave priority to economic criteria when making decisions whereas 19.11% gave priority to ethical criteria and only 6% to legal criteria. Ascigil notes that Turkish managers do not differentiate between legal and ethical responsibilities as evidenced by the structural analysis of their responses. Furthermore, the study shows that customers are considered to be the most important stakeholders by 75.8% of managers; employees being the second by 50.8% and the society at large by only 24.3%. According to the same survey, 53.5% of the managers would not give priority to ethical considerations if these would negatively impact economic performance.

“Quality” and “Customers” are the most frequently used concepts in companies’ mission statements by 61.5%. “Society” is mentioned in only 22.1% of statements whereas “Profitability” is mentioned only in 3.3%. This may be related to the timidity regarding wealth and concerns about the legitimacy of business. Ascigil notes that the mere existence of a mission statement positively affects management attitudes towards CSR and that companies’ awareness of CSR increases with post graduate education and with an increased share of foreign capital. She further notes that 49.7% of managers consider themselves as reactive with respect to CSR issues, 13.6% totally ignore the concept and 33.5% believe that they handle CSR as a strategic matter. She concludes that CSR in Turkey has not moved beyond a public relations matter in Turkish companies.

The research is conducted to major Turkish automobile distributor companies in semi-structured in-depth interviewing, high level managers, environment managers, quality managers and logistics managers. Information from has been gathered both through personal interviews and by reviewing web sites of the corporations. This paper is contributed to increased awareness and practical application of CSR principles among Turkish Automotive distributor companies, investors and regulators. Further data on the background information of holdings is obtained from company records, annual and internal reports.

4. Corporate Social Responsibility Practice in the Turkish Automotive Sector

GfK Turkey has completed third “The Leaders in Social Responsibility in Turkey” survey, which they first started in 2005. This year framework of the year, which covers 1305 people, has been expanded to include the perceptions of business circles regarding corporate social responsibility in addition to those of the public. In Turkey there are tens of companies which are aware of the concept of corporate social responsibility and which are actively working on the subject. Sabanci Holding, which invests an average of Euro 6.6 million a year just in environmental issues, is just one of them. The Holding spends approximately €1 million on reducing emissions and another €3.5 million just on purification of waste water and solid waste. Since 1974 it has via the Vaksa foundation invested US \$1.11 billion social projects. This is why Sabanci Holding has been chosen as the most successful company in GfK Turkey survey of “The Leaders in Social Responsibility in Turkey” for the last three years (Firat, 2007).

Business interest in CS and CSR is growing in Turkey. The aim of the research is to investigate leading Turkish automotive distribution companies’ practice to CSR. This study is offered to the best samples of the corporate social sustainability practices in the Turkish Automotive Sector. The reason why these companies is selected for the research is that these companies are the leading companies in their sectors, they are innovative firms, they have quality management systems, and hence are more likely to have a positive approach to corporate sustainability and have integrated environmental and social dimensions in their sustainability strategies. The pre-research studies showed that only a few of these companies have formal CS and CSR strategies. So it was decided that to examine the sustainability practices of these few companies would be more informative about sustainability in Turkey. Turkish companies are at the beginning of sustainability journey. In this section, Dogus Group, Sabanci Group and Koç Group are selected as best samples according to the corporate sustainability efforts and related practice.

4.1 The corporate social responsibility practice in the Doğuş Group

The Doğuş Group combines its business development and growth across a variety of sectors and dozens of companies with strong commitment to social responsibility, based upon an approach transcending commercial investment and interests, and carries out these two disparate activities in a holistic way. Today, major responsibilities fall upon both corporations and individuals to enhance social welfare and promote development that is sustainable economically, socially and environmentally. These corporate responsibilities are classified as: Economic (being productive and profitable), Legal (complying with regulations and laws), Ethical (acting in accord with social norms and expectations, as well as the body of law) and Social (voluntarily contributing to solving social issues). Well-attuned to its corporate responsibilities, the Doğuş Group aims to make a difference socially by integrating this commitment into its code of conduct and throughout its work environment. At the Doğuş Group, their understanding of “Corporate Social Responsibility” rests upon helping to create the future of our country and our world. Dogus Group work to ensure that this perception is shared by as broad a base as possible and that it takes an even stronger foothold. This socially responsible philosophy and outlook is best demonstrated in projects implemented by the Group and its companies in education, culture, the arts, sports, health and the environment, as well as in the constant and systematic support provided for these undertakings.

As an indication of its sensitivity towards sustainable development, the Doğuş Group has become one of the companies to sign the United Nations Global Compact as of April 2007. By signing the Global Compact, the Doğuş Group's corporate attitude, based on awareness of social responsibilities and commitment to contributing to society, will include compliance with the ten principles of the United Nations. The Global Compact initiative, with a vision of “sustainable and inclusive global economy” and based on voluntary participation, was launched when the

Secretary-General of the United Nations, Kofi Annan, called upon business leaders during a speech on the "Millennium Development Goals" at the 1999 Davos World Economic Forum. Subsequently, Ten Principles were established under headings such as human rights, working standards, environmental protection, and fight against corruption. Companies from all over the world started to join the initiative and to declare that they would integrate these global principles with their business strategies, operations and cultures.

Through existing and planned projects of social responsibility, Doğuş Otomotiv seeks to enhance society and the environment, by improving living standards. Due to this fact, at the heart of all projects lies the quality of human life. Every year, hundreds of Turkish citizens lose their lives in traffic accidents. In light of this tragic statistic, Doğuş Otomotiv implements a variety of social activities to instill awareness of traffic rules, and thereby reduce the incidence of traffic-related casualties. Sponsoring pioneering projects such as "Traffic is Life!" and "The Backseat is mine", Doğuş Otomotiv underlines crucial topics such as widespread provision of training in safe driving techniques and of appropriate traffic-related education at young ages. Responding to the need for well-trained and qualified employees, one of the industry's core concerns, Doğuş Otomotiv supports the establishment of training labs at industrial schools. Instructors and students selected for these Training Labs have the opportunity to gain in-depth knowledge of the Volkswagen brand and technology through theoretical and practical training courses offered at the workshop and computer lab. Each year, the Volkswagen Training Lab offers training to 32 students at Şişli Industrial School in two classes of 16 students, and to 18 students at the Kartal Samandıra Industrial School (Dogus Group, 2008).

4.2 The corporate social responsibility practice in the Sabancı Group

With this policy statement, the Sabancı Group stresses CSR principles and the importance and priority given to the topic by the Group. Based on the accepted core values of modesty, respect and proximity to people, the Sabancı Group regards basing all corporate conduct on the awareness of CSR as an unchangeable core component of its management approach. Sabancı Group expects all of their establishments that constitute the Sabancı Group to manage the economic, social and environmental impact of their actions with responsibility and to place priority on the development of society. Sabancı Group does not regard the scope of their CSR limited to just their business operations or their impact. Sabancı determine their level of CSR and its priority on what is good for society and the environment as a whole. Sabancı Group pursues a pioneering role with regard to actions that protect democracy, human rights as well as the environment. As the Sabancı Group, the SA-Ethics program prepared and put into practice in accordance with the principles of CSR constitute a guide to their business operations (Sabancı Group, 2008).

The basic principles that govern Sabancı Holding CSR practices are (Sabancı Group, 2008);

- 1- The Sabancı Group fulfill their social and environmental responsibilities toward society in all places that they operate, in close collaboration with their shareholders, employees, public, non-governmental organizations and other stakeholders.
- 2- The Sabancı Group regards their human resources as the most significant component in creating sustainable growth. Sabancı Group ensures that all employees take advantage of their personal rights as members of the Group, fully and accurately. Sabancı Group treats their employees with honesty and fairness; they are committed to creating a non-discriminatory, safe and healthy work environment. They are undertaking efforts to enable the personal development of all employees while pursuing a balance between their private and professional lives. Any discrimination within the organization based on race, religion, gender, age, political opinion, language, physical challenge or similar reasons are not tolerated. Sabancı Group strive to ensure that people of different beliefs, views and opinions work together in harmony by creating a positive and cordial work environment that supports cooperation and prevents conflict. Sabancı Group administers programs that contribute to preserving employee health that they accept as important to ensuring their employees' quality of life and success. The Sabancı Group believes that all employees deserve to work in a healthy and secure work environment consistent with human dignity. Sabancı Group employees are their most valuable assets and they strive to provide employee safety and security as their primary goal.
- 3- The Sabancı Group manages the environmental impact of their activities with a sense of responsibility. All of Sabancı Group companies are required to identify and apply the necessary improvements and development activities that minimize or eliminate negative environmental impact. Sabancı Group requires their companies, beyond their legal requirements, to apply the best environmental solutions to all they do and to support any initiative that will develop and deploy environment-friendly technology and enhance environmental awareness.
- 4- The Sabancı Group struggle toward the improvement of society pursuant to their sense of corporate social responsibility. Sabancı Group encourages their employees to take part in social and societal volunteering.
- 5- The Sabancı Group develops and implements approaches to ensure that all of their partners and particularly their suppliers act in accordance with social responsibility standards of the Group.

6- The Sabanci Group shows sensitivity to the traditions and culture of Turkey and other countries in which they operate. Sabanci Group complies with all legal regulations currently in effect.

7- The Sabanci Group encourages their Group companies to comply with international standards and assure that their operations are certified.

All principles of this policy statement are put into practice in accordance with the relevant regulations; relevant units audit the level of implementation. Sabanci Group considers the success of the companies with regard to social responsibility activities as a significant criterion for evaluating overall company performance. The Sabanci Group share CSR activities realized by their Group with the public via annual reports and on their website. All of their executives and employees, starting with the CEO of H.Ö. Sabanci Holding A.Ş., undertake accountability for carrying out CSR activities. This policy document has been prepared to share with their employees, shareholders and all other stakeholders, their public commitment on the part of the Sabanci Group to fulfill its responsibility to help create a better world and a better future.

4.3 Corporate social responsibility practice in the Koç Group

Established in 1926, Koç Holding operates in the automotive, durable goods, food, retailing, energy, financial services, tourism, construction and IT industries. Koç Group has 88.912 employees and 14.000 dealers as well as agencies and after-sales services and operates having in mind international standards in the areas of corporate governance, corporate social responsibility, environmental protection, customer satisfaction and human resources. Koç Holding is not only the largest company in Turkey, but it is also rapidly climbing the steps in the ranking of world's 500 largest corporations, with leadership positions in profitable business lines. Total exports of Koç Group account for 12% of Turkey's total exports, while Koç Holding and 19 publicly traded Group companies comprise 16% of the total market value of companies traded on the Istanbul Stock Exchange (Koç Holding, 2008).

Koç Holding CSR Projects are presents in the following parts. Since its establishment, Koç Group has worked to give back to its country through projects that will add value to the community. Every year Koç extends thousands of scholarships and initiates numerous projects in the arts, environment and healthcare sectors. In addition to projects at home, Koç Group sponsors events and activities abroad in order to promote Turkey in the international arena. A pioneer in Turkey in countless areas, Koç Group has broken new ground by establishing the country's first private philanthropic foundation, Vehbi Koç Foundation, which in turn signed up to many "firsts" like the first privately operated museum, first industrial museum and first student dormitory. Koç Holding carries out projects all of which share the common aim of being an engine of change for economic and societal transformation by striving for excellence in all its activities and commitments. The Group's 80th anniversary provided an impetus to add new projects to complement and expand past efforts. One of the major CSR projects initiated in 2006 and aimed to increase attractiveness of vocational secondary schools. As a major employer of blue collar workers, Koç invests in their education from the secondary school level, thus bringing attention to the issue of the need for skilled workers on one hand, and unemployment on the other. Thus it is envisioned that the project will support Turkey's bid for membership to the EU by triggering a structural change in the economy through productivity increase and enhanced value creation. This project was developed to create awareness among public and to set off a public debate among the private and academic circles on the needs of vocational education. Koç Holding has pledged to grant 8,000 students scholarships throughout their education, while providing internship opportunities and priority in employment. The Vehbi Koç Building of the Faculty of Vocational and Technical Education in Adıyaman was opened on September 20, 2006. The Faculty will be the main pillar of a university to be established in this southeastern city. Foundations for the building were laid in 2005 by Koç Holding and Vehbi Koç Foundation and construction has been completed in one year at a cost of USD2 million. Limon and Zeytin, the characters of cartoonist Salih Memecan's popular SizinKiler series, came to life in a children's musical performed by the BKM Players. Nearly 100,000 children saw the show, which was performed in Istanbul and then in 16 cities in Turkey through the support of Koç Holding as part of its 80th anniversary celebrations. Koç Holding has sponsored the Turkish Radio & Television (TRT) April 23rd International Children's Festival for the past ten years. In 2006, children from 45 countries, representing a variety of languages, religions and races participated in the Festival at Antalya's antique Aspendos Theatre in a celebration of brotherhood, love, peace and friendship.

After replacing the wax figure of Mustafa Kemal Atatürk, the founder of Turkish Republic, in 2005, donated a copy of the wax figure to Atatürk's Mausoleum in Ankara on April 23rd 2006 as a present to the Turkish public. As a tribute to its 80th anniversary, the Group launched in 2006, a grassroots effort to spread social responsibility efforts through its distribution network in 81 Turkish cities which will be celebrated with a new project at the Group's Anniversary, during the last week of May every year. The initiative asks all distributors, 87,000 employees and 15 thousand local subsidiaries to bring in personal involvement and creativity to address a communal problem such as renovation of a school, building of a park or even cleaning a lake. The projects encompassed a wide variety of ideas:

144 focused on repairing and equipping schools, 51 contributed to orphanages and rehabilitation centers, others dealt with specific social and environment problems. Dealers from Kahramanmaraş, for example, organized annual newspaper subscriptions to 185 families who did not receive newspapers; in Mersin a daycare center was opened to look after street children; and in Van employees of Migros and Tansaş organized a clean-up of Lake Van together with local citizens. Some projects initiated for “For My Country” Day have become part of the way our companies do business. For example, Divan collects and refrigerates the leftovers from industrial meals it serves and donates them to animal shelters. A major part of Koç Group's CSR activities is carried out through Vehbi Koç Foundation. After the enactment in 1967 of the law enabling the establishment of private foundations, which he personally led, Vehbi Koç founded in 1969, the first private philanthropic foundation in Turkey. The Foundation has supported education, culture and healthcare for nearly 40 years.

With an endowment of close to USD1 billion, Vehbi Koç Foundation is one of the largest foundations not only in Turkey but also in Europe. It operates The Koç School, a private elementary and high school, and Koç University in the area of education; American Hospital and MedAmerican Polyclinic in the field of healthcare; Sadberk Hanım Museum, Vehbi Koç and Ankara Research Center and Suna - İnan Kıraç Mediterranean Civilizations Research Institute and Kaleiçi Museum in the field of culture. These organizations are among the most highly regarded in their fields in Turkey, serving hundreds of thousands of people every year. Both Koç School and University give scholarship support to promising low-income students over and above the legal thresholds set by law. Koç University has succeeded in becoming a world-class institution of higher learning in a short period of time in terms of various criteria including student rankings, success of graduates in business and academic life and the number of publications per faculty member. In 2006, Koç University faculty members published a total of 412 articles, 24 books and received 11 patents. Of the published materials, 140 appeared in ICI attributed journals.

The Scholarship Program, one of the most important activities since the establishment of the Foundation, gave over 5,000 scholarships during the 2006 - 2007 academic years. The Vehbi Koç Award, which was first presented in 2002, was given in the area of education in 2006 to the Governor of Sakarya for his leadership and exemplary efforts in the field of pre-school education. During the year, American Hospital and MedAmerican Polyclinic treated over 220,000 people. SANERC (Semahat Arsel Nursing Education and Research Center) continued its program of research, training and publications and initiated the “Nursing Services and Quality Program” in cooperation with the Ministry of Health. The seminars, conferences and exhibitions organized by Sadberk Hanım Museum, VEKAM and Suna - İnan Kıraç Mediterranean Civilizations Research Institute (AKMED) in 2006 continued to make important contributions to cultural life. The Museum also lent 64 objects for the “Istanbul - The City and the Sultan” exhibition opened in Amsterdam. Adalya, the periodic journal of AKMED, succeeded in becoming the only Turkish journal listed in the 2006 Arts & Humanities Citation Index. Founded in 1994, The Rahmi M. Koç Museum is the first major museum in Turkey dedicated to the history of transport, industry and communications. Housed in magnificent buildings—prime examples of industrial archaeology themselves—on the shore of the historic Golden Horn, the collection contains thousands of items from gramophone needles to full size cars, ships and aircraft. The Museum also conducts corporate social responsibility projects like “MuseumBus Project”. An exceptionally designed bus travels to the villages all around Turkey and provides children the opportunity to see certain parts of the exhibitions. Thus, it allows children to comprehend the significance of technological developments and to gain the conscience to protect historical artifacts.

Group companies support the efforts of various key non-governmental organizations such as Turkish Volunteers for Education (TEGV), Foundation for Combating Soil Erosion, Reforestation and Protection of Natural Habitats (TEMA), Family Health and Planning Foundation (TAPV), and Turkish Maritime Environment Protection Association (TURMEPA). Within Koç Group, 21 companies apply ISO 9001 environmental management system at 31 plants. Thirteen companies have attained ISO 14001 certification for waste facilities while eight companies apply OHSAS 18001, the international occupational health and safety management system specifications to minimize the risk of occupational accidents and dangers and provide a safe working environment. Koç Group Occupational Health and Safety Committee meet every month. The Committee's major objective is to share information, formulate a joint stance on universal problems and carry out activities to boost the environmental performance of Group companies. The Koç Group Environmental Reference Handbook, published in 2005, is a vital guide for all the companies in the Group. An environmental inventory has been completed and is being used to prioritize activities.

Migros, a member of Migros-Çevko, continues to be a leader in recycling by providing financial support to collection centers and recycling facilities. Energy savings of around 5% have been attained in stores and management offices through computerized control of lighting and temperature, an important step toward preserving the ecological balance and effective use of resources. In 2006, Otokar received the Akdeniz University

Environmental Service Award for the environmental projects it has carried out in Turkey. Otokar has made an important contribution to the effective use of natural resources by treating and recycling all sorts of waste water in a way that does not harm the environment. With the support of the Ministry of National Education, Yapı Kredi and TURMEPA organized the Limitless Blue project to make primary, middle and high school students aware of the need to preserve natural resources. The program reached 3,000 teachers and 400,000 students in 2006. Sensitivity to the environment prompted reforestation projects from several companies including DemirDöküm, Otokar and Koç Allianz. The Koç Allianz project in Çeşme hopes to save the nearly extinct mastic tree. Through the Green Road Project, Opet has planted 261,923 trees and other plants around 302 stations and in areas designated by city governments, taking care to choose plants suited to the region's climate and soil. This project won Golden Compass Awards from the Turkish Public Relations Association in the categories of Social Responsibility and Environment.

Yapı Kredi and The Educational Volunteers Foundation (TEGV) organized "I am reading and learning Project", which is a multifaceted educational project to contribute to the personal and social development of primary school children. The project aims to develop the capacity of school-age children to think, do research, question and analyze. With Yapı Kredi's support, the project will be implemented at TEGV's 11 Education Parks and 57 Teaching Units by volunteer teachers, including well-known academicians, through 2010 in order to instill the love of reading among 50,000 students.

Migros prepared and distributed Turkish and Mathematics CDs to students in the fourth through eighth grades in a campaign that benefited 15,000 students. During the year, the company also sponsored the April 23 Migros Theater Festival in cooperation with State Theaters in 11 provinces, bring the colorful and exciting world of the theater to 18,000 children. Throughout 2006, Migros Children's Theater treated 25,400 children in eight provinces to free productions of plays dealing with important topics such as love and friendship. Otokoç cooperated with Aygaz and TEGV to support the "Firefly Mobile Learning Units". The project targets supporting the personal development of 7-16 year olds by introducing them to computers and encouraging their participation in drama, reading and other activities. In 2006, Otokoç and Aygaz mobile units reached close to 104,000 children.

Aygaz organized a Careful Children Campaign for primary school children instructing them in first aid and how to behave in case of accidents at home or in school, earthquakes, traffic accidents and fires. A play concerning Careful Children was performed free-of-charge and a total of 310,000 children were presented with certificates. Arçelik's Volunteers for Education Association, in cooperation with the Ministry of National Education, provides support to elementary-age students in 300 Boarding Schools throughout Turkey. The project aims to contribute to the formation of modern, self-confident young men and women by raising the quality of education received by children studying in boarding schools. The project also intends to create public awareness of the needs of these state-run boarding schools. In 2006, the number of schools covered by the project increased to 101 in 24 provinces, touching the lives of 80,000 students. Effective training was given to 253 teachers who have in turn trained another 1800 teachers. At the end of the eight-year project, the program will have reached close to 200,000 students attending 300 Boarding Schools.

Arçelik highlighted its support for culture and the arts by sponsoring the Leonardo: Universal Genius, a traveling international exhibit, in order to expand the values of innovation and technology to a broad audience. Over 114,000 people visited the blockbuster exhibit at the Rahmi M. Koç Museum in Istanbul from November 2 - December 31. The exhibit featured real-life replicas of machines designed according to Leonardo Da Vinci's original drawings. Çatalhöyük: From Earth to Eternity was the first exhibit in Turkey devoted to the excavations of the Hittite city of Çatalhöyük, a site of great interest to archeologists since its discovery. The exhibit at the Yapı Kredi Vedat Nedim Tör Museum reflected Koçbank's ten years of support for the ongoing excavation. Yapı Kredi Private Banking assumed sponsorship of fund-raising events to support the continuing excavation at Afrodisias, one of the most beautiful Hellenistic and Roman sites in Turkey. The temple to Aphrodite and the well-preserved stadium, theatre, baths and marketplace colonnade make the site especially noteworthy. Aygaz has underwritten since 2005, the restoration of the antique city of Sagalassos, 110 km from Antalya in the Ağlasun district of Burdur and is the sole sponsor for the restoration of the Antonin Fountain (161-180 A.D.), the site's most spectacular structure. The work is expected to be completed by 2010. Aygaz was one of the main sponsors of Turks: A Journey of a Thousand Years, 600-1600, a landmark exhibition held at the Royal Academy of Art in London. The exhibit explored the artistic and cultural riches of the Turks from Inner Asia to Istanbul and beyond over a period of a thousand years, showing the artistic diversity that culminated in the splendors of the Ottoman Empire. The exhibit reached a broad audience through a program of gallery talks, workshops and conferences.

Koç Allianz provided Fine Arts Insurance to bring various exhibitions to Turkey including a show of Alev Ebüzziya Siesbye's ceramics from the Danish Museum of Decorative Art at the Istanbul Museum of Turkish and Islamic Art, and Drawings from Rembrandt and His Circle from Rotterdam's Boijmans van Beuningen Museum as part of the

worldwide celebrations of Rembrandt's 400th anniversary. As part of Opet's Respect to History project, rehabilitation of the villages of Alçitepe, Seddülbahir, Bigalı, Kilitbahir Büyük and Küçük Anafarta was completed and the surroundings renewed. Work was also done on the Eceabat region. Improvements were made in the infrastructure and appearance of the Gallipoli peninsula and villages, an area heavily visited by local and foreign tourists on March 18 and April 24. In the villages on the peninsula, progress was made in key areas such as education, health, environment and tourism. Respect to History educates locals regarding the importance of historical preservation while ensuring that visitors to the area (over the 3.5 million annually) are pleased and impressed by what they see. Classes in English, cleanliness, hygiene and bed and breakfast services were conducted in cooperation with the Popular Education Center; the landscaping of village squares and modernization of museums, toilets and shops have helped encourage tourism to the region, securing a source of income for villages.

For Arçelik, investing in sports activities is a part of its vision to support youth and to develop appreciation for and encourage participation to sports. In 2006, Arçelik assumed the sponsorship of the Turkish Basketball League for four years under the "Beko" brand, a symbol of youth, innovation and dynamism. With the long-term cooperation between the Basketball Federation and the Beko brand, Arçelik believes it will make a significant contribution to the development of young athletes who represent Turkey abroad in international competitions. As main sponsor of the Fenerbahçe Women's Basketball Team for the 2004-2006 seasons, Koç Allianz has also contributed to the popularity of basketball in Turkey. Since 1999, Koç Allianz has sponsored Basketball Schools for children from 6 to 16 and sponsored many tournaments. In addition, Koç Allianz is the main sponsor of the Marmaris Yacht Festival, continuing to bond with yacht enthusiasts since 2001 through the sponsorship of the Aegean Yacht Rally. The company widened its involvement in this area with sponsorship of the Winter Trophy organized by the Bodrum Yacht Club Association (BAYK) since 2005. Migros has supported the Special Olympics in Turkey for three years and given sports training to 1,000 mentally challenged athletes for the past two years. In 2006, in cooperation with P&G, it supported the sports training of 1500 handicapped athletes. Opet's Clean Toilet Campaign is one of the longest running social projects in Turkey. The project highlights the importance of cleanliness and hygiene in public restrooms. In cooperation with the Ministry of National Education, nearly 100,000 school children were educated. Furthermore, the restrooms in Opet gas stations were redressed for the handicapped. Standards thus introduced were enforced in all stations. Animated films were prepared to instruct children and adults and these films were broadcast on television. The Opet Clean Toilet Campaign was awarded first place in the International Public Relations Association (IPRA) Golden World Awards in 2004 in the Social Responsibility category as well as in the Golden Compass Award given by the Turkish Public Relations Association. Opet was ranked as one of the "Top Companies" of Turkey in the Social Responsibility category in an annual survey published by Nokta weekly magazine.

4. Conclusion

Companies have three general objectives as acquiring of profit, providing of sustainability and corporate benefits. They should be interrelated and supported each other for corporate sustainability. As well as quality and reduced prices, social responsible and appropriate moral activities also became necessary condition for competition. Corporate Social Responsibility (CSR) has become an increasingly important topic in our country. The study shows that Turkish companies are getting more interesting in corporate social responsibility activities. There is a growing awareness of the importance of corporate social responsibility in Turkey. The leading Turkish automotive distribution companies is communicated with environment related non-governmental organizations, local, national, and international press in order to inform stakeholders about their environmental progress. Thus other companies should follow the same path for corporate sustainability.

The study also shows that the Turkish companies are getting more interesting in CS subject and CSR activities. Achieving of corporate objectives and improving the company's image is the main reasons of CSR. When the subject of corporate responsibility comes up, Turkish companies most companies still see corporate responsibility as a matter of philanthropy and PR. Environmental protection is weak, and corruption remains a problem. Within the framework of meeting European standards, Turkish companies must make the demonstration of their capacity to build more sustainable modes of production, which is an essential stake to optimize their contribution to the improvement of the quality of employment and to the sustainable development of Turkey. According to research result, the Turkish automobile distribution companies should promote CS and CSR as part of its mandate to create the foundation for a more productive, competitive, knowledge-based economy. This can help to support improving innovation performance, employment growth, and income growth of the Turkish automotive distributor companies. In order to stay competitive in international area, Turkish automobile distribution companies should continuously improve their process efficiency and innovation capacity.

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