

AN INSTITUTIONAL ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY IN
THE TURKISH BANKING SECTOR

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AN INSTITUTIONAL ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY IN
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DECLARATION OF ORIGINALITY

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ABSTRACT

An Institutional Analysis of Corporate Social Responsibility in the Turkish Banking Sector

What constitutes responsibilities of a company has long been an issue of debate. The economic view that companies are responsible only to their shareholders has evolved and broadened to include all stakeholders. Today, as corporate citizens, businesses are expected to contribute to the societies in which they are embedded. As people increasingly become aware and critical of the effects of business world on society, corporations' efforts to fulfill their social responsibility have gained utmost importance for their survival. Against this background, this study examines the corporate social responsibility (CSR) practices of companies operating in Turkish banking sector from an institutional perspective.

The sample includes 27 deposit and participation banks operating in Turkey as of December 2015. Data were gathered from their annual reports and analyzed by content analysis. The impact of age, size, geographical diversification, availability of financial resources, quotation on Borsa Istanbul and ownership structure on overall CSR scores received by banks, the number of target groups addressed, and the number of fields in which banks execute their CSR activities, is examined.

Findings show that older, larger, more geographically diversified, financially better-off and domestic banks quoted on Borsa Istanbul have higher CSR scores, target a larger number of groups with activities in a larger number of fields.

ÖZET

Türk Bankacılık Sektöründe Kurumsal Sosyal Sorumluluğun

Kuramsal Bir Analizi

Bir şirketin sorumluluklarının nelerden oluştuğu, uzun süredir devam eden bir tartışma konusudur. Şirketlerin sadece paydaşlarına karşı sorumlu olduğunu savunan iktisadi görüş evrilmiş ve tüm çıkar gruplarını da dahil ederek genişlemiştir. Günümüzde, şirketlerin, tüzel kişiler olarak, içinde yer aldıkları topluma katkıda bulunmaları beklenmektedir. İnsanların, iş dünyasının toplum üzerindeki etkileri konusunda giderek bilinçlenmeleri ve hassaslaşmaları sonucu, şirketlerin sosyal sorumluluklarını yerine getirme çabaları, varlıklarını sürdürebilmeleri için azami önem kazanmıştır. Bu bağlamda, bu çalışma Türk bankacılık sektöründe faaliyet gösteren şirketlerin kurumsal sosyal sorumluluk (KSS) uygulamalarını kurumsal açıdan incelemektedir.

Örnekleme, Aralık 2015 itibari ile Türkiye’de faaliyet gösteren toplamda 27 mevduat ve katılım bankasından oluşmaktadır. Veriler, bankaların yıllık faaliyet raporlarından toplanmış ve içerik analizi yöntemi ile incelenmiştir. Banka yaşının, büyüklüğünün, coğrafi farklılığının, finansal kaynakların uygunluğunun, Borsa İstanbul’a kote olmanın ve sahiplik yapısının, bankalar tarafından alınan KSS skorları, adres gösterilen hedef kitle sayısı ve KSS uygulamalarının gerçekleştirildiği alan sayısı üzerindeki etkisi incelenmektedir.

Bulgular göstermektedir ki, daha yaşlı, daha büyük, coğrafi açıdan daha çeşitli, finansal olarak iyi durumda ve borsaya kote yerli bankalar daha yüksek KSS skoruna sahip, faaliyetlerinde ise daha fazla alanda, çok daha sayıda grubu hedef almaktadırlar.

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In Memory of Ayçe Ayma

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ABBREVIATIONS

BAT: Banks Association of Turkey

BRSA: Banking Regulation and Supervision Agency

CSR: Corporate Social Responsibility

EC: European Commission

EU: European Union

FDI: Foreign Direct Investment

IJV: International Joint Ventures

ILO: International Labor Organization

MNCs: Multi-National Companies

MNEs: Multi-National Enterprises

NGOs: Non-Governmental Organizations

OECD: Organization for Economic Co-operation and Development

SMEs: Small and Medium Enterprises

UK: United Kingdom

UN: United Nations

US: United States

WWI: World War I

WWII: World War II

CHAPTER 1

INTRODUCTION

As a result of the incidents spreading over a long-time span starting from the industrial revolution era until the consumerist society era, emergent economic, social and environmental problems forced people to find alternative solutions to eliminate the negative effects of business activities on society, overcome negative consequences of these business activities, and develop new courses to integrate with society. Briefly, the social responsibility concept appeared in an era when people began to suffer from adverse impacts of the business practices and consequently, social responsibility was considered to be one of the alternative solutions to these problems. Although corporations' concerns for society have been observed and studied by academics for many decades (Garriga and Mele, 2004) and have received names such as social responsibility or philanthropy, the term corporate social responsibility (CSR) has come to light in the last 60 years. Since then, the concept has evolved significantly.

Historically, the main reason for the existence of corporations across the world has been to make money and increase shareholder value. Therefore, it is likely to observe that this corporate financial responsibility has been the sole driving force behind the existence of corporations from the beginning. Nevertheless, the responsibility of corporations has grown from this narrow notion into a complicated concept in the past several decades (Cochran, 2007). In today's context, even though there is no consensus on the definition of CSR, it, in a narrow sense, refers to transparent business activities

relying on objectives and moral values of the society, observance of laws and regulations, and respect for people, society and the environment. In a broader sense, it refers to assuming responsibility for all of their influences on people and the planet (Chandler and Werther, 2006).

On the other hand, scandals that took place in the business world destroyed consumer and client trust in leaders and businesses and consequently drew people's attention to the topics related to business ethics, corporate governance and CSR. Eventually, the protective approaches of the United Nations (UN), the Organization for Economic Co-operation and Development (OECD), the International Labor Organization (ILO), and the European Union (EU) towards human rights, environment, and labor force led businesses to become more prudent when it comes to CSR.

Moreover, studies conducted by academics, research agencies and other organizations demonstrate that businesses engaging in CSR activities are good at enhancing employee recruitment and retaining the best employees, building positive relationships with clients, employees, suppliers, and other stakeholders, improving public image, and attracting investors. Therefore, CSR is drawing the attention of more and more people in business world day after day.

In addition, political approaches and economic government development programs, which reduce the involvement of the state in the economic and societal sphere, diminish state influence over society and leave power to businesses and non-governmental organizations (NGOs). Today, businesses have an important influence over their societies. According to Davis (1960), businesses derive power from the society and in return, they are required to respond to expectations coming from the external environment accordingly. Otherwise, it will not be easy for them to survive.

Advancements in communication technology, improvements in transportation, improved mobilization of capital, easier access to goods and services across the world and consequently globalization enable people around the world to easily reach what they need, and encourages them to become more conscious about the effects of these goods and services over the community while enjoying it. Therefore, the emergence of more conscious consumers who care about both favorable and adverse business practices influencing the society has increased the importance of CSR. The study conducted by Daviss (1999) reveals that since people are more conscious and aware of the effects of business activities on society, the reputation of a business in CSR will be considerably significant. Consequently, today CSR diffuses on a global basis.

Institutional theory establishes the theoretical framework of this study. Sakarya et al. (2012) suggest that diffusion of CSR activities may be clarified on the basis of institutional theory, which claims that pressures stemming from institutional environment are significant for the survival and persistence of the firms embedded in that environment. As businesses try to adapt to these pressures, their similarities increase and they start resembling each other (Dimaggio and Powell, 1983).

Banks play an important role in economy by accepting deposits, collecting funds, providing loan facilities and offering supplementary services (Yeung, 2011). As a consequence of their intermediary duties, they influence a larger number of people. It is not only bank owners or employees but also managers, depositors, borrowers, and regulators who are under the influence of the activities of banks. As a part of their operating activities, banks inherently interact with various institutions from different backgrounds, and directly or indirectly influence their business activities as well (Yamak and Süer, 2005; Lentner et al., 2015).

Companies in the banking sector have been suffering from trust issues because, in the eyes of community, they were considered to be one of the culprits during the financial crises. The 2008 financial crisis, which broke out in the US and spread very quickly across the world and affecting millions of people may be a good example when viewed from this aspect. Therefore, it is quite significant for banks to dispel these concerns in today's globalized world. When considered from this point of view, banks are supposed to be responsible to their stakeholders in a socially responsible way, regardless of where they operate and what kinds of services and products they offer (Yeung, 2011).

Previous studies on CSR mainly focus on developed countries ignoring developing countries to a significant extent (Khan et al., 2009; Yeung, 2011; Kavaliauskė and Stancika, 2013; Dhingra and Mittal, 2014; Lentner et al., 2015). However, studies on CSR practices in developing countries may prove valuable to understand and explain the reasons behind different practices across countries that may emerge from different expectations, norms, cultural values or institutional environments (Blowfield and Frynas, 2005). Additionally, studies on CSR in the banking sector, especially in the Turkish context, are very rare (Yamak and Süer, 2005) and they mainly either try to explain the relationship between CSR and financial performance, or only use the data available on the websites of banks or take just a few of the banks into consideration in making their analyses (Güçdemir, 2006; Çelik et al. 2012). Therefore, this study aims to investigate CSR and its antecedents in the Turkish banking sector. The research question guiding this study is “What are the factors influencing CSR practices in banks in Turkey?” Additionally, what banks actually do when they engage in CSR activities and the areas they address are also examined in detail. Within this context,

CSR activities taken from the 2015 annual reports of 27 banks were analyzed to figure this issue out and contribute to the literature in this field.

The outline of this study is charted as follows. Chapter 2 presents a literature review of the various approaches developed to define the CSR concept and its historical evolution in the United States, Europe and Turkey. Chapter 3 will present the theoretical framework and hypotheses of the study. In Chapter 4, context of the study will be described. Chapter 5 focuses on methodology, including sample selection, data collection, variables and measures of the study, and data analysis methods. In Chapter 6, the findings of the study will be summarized and discussed. It will cover descriptive findings, inter-correlation of variables, hypothesis testing and the analysis of research model. Finally, Chapter 7 will provide concluding remarks on the CSR practices in the Turkish banking sector. Limitations of the study and avenues for future research will also be outlined.

CHAPTER 2

LITRETATURE REVIEW

Even though different approaches have been developed to define CSR, such attempts have not resulted in a common view. Therefore, one may encounter various views, approaches and definitions of the concept. At the present time, the “not-having-a-specific-definition-of-CSR” view is the only position on which there is a consensus. What is understood is that CSR is still open to interpretations. Within this framework, in this chapter of the study, some approaches that have been developed by academics and that influence other studies will be presented for a better understanding of the concept. Thereafter, the evolution process of CSR will be addressed from both American and European perspectives. The emergence and evolvment of CSR on these two continents differ from each other as a result of a variety of long-term, historically ingrained institutions (Matten and Moon, 2008). And both perspectives significantly influence the CSR practices carried out in Turkey as a consequence of Turkey’s economic and political ties with the two continents. Therefore, it is important to explain the evolution of CSR under headings that reflect the origins. Later on, the chapter focuses on the emergence and evolution of CSR in Turkey. As institutional theory establishes the theoretical framework of the study, and the evolution process of what is understood as CSR in Turkey is approached accordingly. A historical outlook on CSR in Turkey is presented and briefly summarized.

2.1 What does CSR stand for?

What constitutes the responsibilities of businesses has long been an issue of debate. Economists long claimed that the sole responsibility of a business was to honestly and guilelessly engage in activities which boosted profitability. They argued that taking responsibility in social issues would undermine the fundamentals of the economic system, as it would increase the costs and consequently harm the competitive advantage of businesses (Friedman 1962; Griffin and Mahon 1997). According to them, paying taxes discharged businesses of other responsibilities (Friedman, 1962).

As early as 1932, Dodd argued that managers were responsible not only to the shareholders of their corporations but also to the public as a whole. He claimed that although corporations have economic responsibilities towards their shareholders, the primary reason they are allowed and encouraged by law is to provide society with the goods and services it needed. This proposition became the basis of the thesis that corporations are responsible towards society (Cochran, 2007). The term social responsibility was first introduced by Bowen (1953) in his book entitled “*Social Responsibilities of the Businessman*”. He claimed that businessmen were supposed to undertake socially responsible activities that overlap with the values and objectives of the society.

Davis (1960) classified responsibilities of companies into two groups: socio-economic and socio-human obligations. As economic units, companies have broad economic duties towards societies in which they conduct business such as facilitating economic development by creating employment opportunities, becoming competitive,

and fostering their own sustainability. Additionally, they also have obligations to achieve social development and enhance human values through such means as motivating employees and enabling them to actualize their potential. Businesses affect the society through their activities and have influence and power on their communities. According to Davis (1960), the power businesses have is given to them by society and because responsibility accompanies power, their responsibility must be proportionate to their power. According to Davis's (1960) legitimacy theory, it is unlikely for a business to survive and sustain its existence if it does not use its social power in a responsible way.

On the other hand, Votaw defined CSR as "something but not always the same thing to everybody". According to him, some may consider it just as legal obligations or responsibilities, or may only refer to ethical practices while, others may see it as a way of gaining legitimacy to get acknowledged (Votaw,1972, p.25). Even today, the situation is not much better and still there is not a definition on which a consensus has been reached.

Reviewing various different views on what the social responsibility of corporations included, Carroll (1979) first classified the responsibilities of a business as economic, legal, ethical and discretionary (philanthropic) and then created a pyramid of CSR on the basis of these four responsibilities (Carroll, 1991). According to him, a business which aims to become lucrative obeys the law and behaves in an ethical way as a decent corporate citizen. Economic responsibility is the foundation upon which other responsibilities are based. Since the existence of businesses depends on providing goods and services demanded by society, economic responsibilities consist of the basic

obligations and encompass achieving profitability, being competitive, minimizing costs, and maximizing sales. In the second layer of the pyramid, businesses are expected to abide by the laws and meet at least the minimum legal obligations while providing goods and services as a part of their legal responsibilities. Ethical responsibilities, the third layer, draw attention to responsibilities beyond economic and legal ones. Businesses are expected to comply with the uncodified norms and values of society and engage in practices that reflect them. Ultimately, philanthropic responsibilities form the last and top layer of Carroll's pyramid. Philanthropic practices encompass volunteer projects and activities directly or indirectly executed by the business for the benefit of society. Businesses are expected to contribute to the community and improve the quality of life with their projects.

According to Frederick (1960), CSR is supposed to focus on meeting the needs of society because responding to the expectations of society is more important than regarding them as responsibilities. He puts forward the concept of corporate social responsiveness and asserts that businessmen are expected to manage an economic system that meets the expectations of the community. Frederick develops a new model of CSR in which he differentiates between CSR₁, CSR₂, CSR₃, and CSR₄ (Frederick, 1998). CSR₁ is a philosophical concept which refers to the idea that businesses have to improve the society. Then he moves from this philosophical view to an action-oriented corporate social responsiveness concept and defines it as CSR₂. This approach refers to the way a business manages its environment and its capacity to respond to its environment. The next approach, CSR₃, which Frederick calls corporate social rectitude, emphasizes that corporate decisions must coincide with business ethics and transcend

economic interests. CSR₃ advocates ethical righteousness in business activities and adopted policies. CSR₄ takes the CSR concept into realms of the universe, science and religion. This last concept relies on the consideration that science must guide the position of the business in the universe.

In 2001, the European Commission (EC) issued a Green Paper in order to find better ways to promote CSR at both the European and international level and to encourage companies to participate in activities regarded as CSR (European Commission, 2001). In this Green Paper, the EC defined CSR as voluntary actions of a business that contribute to a better society and a cleaner environment. According to the EC, CSR refers to the duty of businesses to voluntarily integrate social and environmental concerns into their business operations as well as in their interaction with the stakeholders (European Commission, 2001).

Hopkins (2004) attempts to define the concept by focusing on the difference between the “corporate responsibility” and “CSR”. According to him, adding the term “social” changes the meaning of the concept and encourages practitioners to focus on their social responsibilities in addition to their ordinary responsibilities. In other words, making profit for the shareholders can very well be considered as corporate responsibility, but when it comes to CSR, economic, social and environmental aspects of business responsibilities are to be broadly included.

Along with so many definitions related to CSR, Aguinis (2011, p. 855) also defines it as “context-specific organizational actions and policies that take into account stakeholders’ expectations and a triple bottom line of economic, social and

environmental performance.” In the definition, he emphasizes all types of organizations (e.g. governmental, non-profit, privately owned) and draws attention to “doing the right thing” instead of “not doing harm” and avoiding unethical behaviors. Therefore, his definition focuses on the triple bottom line of economic performance (e.g. minimizing cost, maximizing profit), social performance (e.g. preserving health, encouraging education), and environmental performance (e.g. mitigating environmental impact).

Even though social responsibility is not a novel field, the attention paid to the CSR is new and the field is open to developments. Academics, international organizations and NGOs attempt to explain CSR from different viewpoints, so CSR encompasses topics related to economy, environment and community. At the same time, the stakeholder concept adopted by CSR makes studying it theoretically and applying it harder in practice. Regardless of the difficulties, the common goal, contributing to the society, is the most important objective of the concept. Therefore, the primary aim of CSR may be considered as hindering activities that debilitate society, harm the environment or disrupt the economy. However, CSR is not limited to only protecting the environment, economy or community from the harmful effects of business activities; it also involves engagement in activities that enhance social welfare and human development.

CSR is a continuing commitment and it is about the relationship between organizations and the environment. In line with the expectations of community and stakeholders, companies are most likely to feel pressures to execute their CSR practices in various fields (e.g. education, health, environment) and to address different target groups (e.g. employees, students, women, and disabled people). Therefore, in this study,

voluntarily undertaken, economic, ethical and philanthropic activities that reflect a company's concern for the environment and people both within and outside the company will be regarded as CSR.

2.2 Evolution of CSR

Practices which refer to modern-day CSR activities have existed in different forms for more than 4,000 years. To make it clear, ethical advices on usury, charging excessive interest, have been included in the texts of Vedic and Sutra of Hinduism and Jatakas of Buddhism. In the Sumerian tablets, worker rights were mentioned (Visser, 2010) and in the 1800s BC, Hammurabi, the king of Babylonia, paid attention to the responsibilities of parties involved in business activities. In addition, Aristo studied ethics and mentioned business ethics in the fourth century BC. Especially in sacred books such as the Qur'an and the Torah, obligations regarding business life have been mentioned. Practices such as zakat in Islam maintain its importance among Muslims and is interwoven with the philanthropic activities even today (Yamak, 2007). When it is considered in terms of the humanitarian, moral and universal values proposed by Holy Scriptures, it may be considered that religions play a significant role in the evolution of CSR.

2.2.1 CSR in the US

In different studies, it has been mentioned that the first CSR activities appeared in the US, although there is no common view on this discussion (Yamak, 2007). These studies indicate that, at the beginning, wealthy businessmen were contributing to the poor and

sharing their wealth with the society. That is why the very first CSR practices emerged from a paternal relationship between corporations and the community. In addition to that, the emergence of CSR in the US relies on ethical values and religion. Corporations and business people who serve the needs of their society deserve to get wealth. On the other hand, a successful corporation or businessman is also expected to display loyalty by undertaking philanthropic activities for the society. This understanding comes from the Protestant ethic, which pervades the US society and may be regarded as generating normative pressures over businessmen (Yamak, 2007).

Until the 1920s, the overall social responsibility approach revolved around profit maximization. Therefore, managers paid more attention to profitability, productivity and the interests of shareholders while ignoring product quality, social values and working conditions (Hay and Gray, 1974). In this period, responsibility referred only to the responsibility of businessman and for most people; social responsibility was solely making profit (Yamak, 2007).

The following decade, the 1930s, witnessed the enactment of certain laws and regulations to protect labor and human rights, and to avoid antitrust issues in the early industrialized states. This, in turn, created coercive pressures over corporations. These laws led to the emergence of powerful labor unions (Aydintan, 2008), which were granted rights to comment on the responsibilities and obligations of businesses with regard to the working conditions, work hours and wages of their employees. In those years, pressures stemming from laws and regulations on the one hand and labor unions empowered by state on the other were influential in the business environment.

After WWII, in order to achieve a sound transition from the war period to peace, the Committee for Economic Development was established. The Committee put forward that corporations had economic as well as ethical responsibilities towards the society where they operated (Yamak, 2007). Moreover, since there was no longer a scarcity of goods in the US, people had a chance to focus on other problems such as poverty and pollution (Hay and Gray, 1974). When approached as a whole, the afore-mentioned social, economic and political incidents substantially influenced and molded the business environment (Bilgehan, 2012). Overall, the changing business environment influenced the role of businessmen in the society as well as the approach towards socially responsible activities.

After the 1950s, corporations went beyond economic and legal obligations and began to deal with the expectations of society (Yamak, 2007). During the 1960s, the public image of corporations deteriorated as a result of some unethical practices such as damaging the environment, selling faulty products, and bribery (Lantos, 2001). This process ended up in criticizing the philosophy of corporations, which was centered merely on making profit. On the other hand, the expectations of employees and customers led to the introduction of new standards. As a result, new organizations such as the Consumer Product Safety Commission and the US Equal Employment Opportunity Commission were established (Acquier et al., 2011) and began to exert coercive and normative pressure.

In the 1970s, both shareholders and stakeholders became important to the corporations, and corporations began to undertake activities without any profit motive due to the expectations of society (Lantos, 2001). In 1971, with the contribution of the

Committee for Economic Development to the CSR concept, a partnership between government and the business world was established to contribute to the progress of society (Frederick, 1983; Carroll, 1999). In the early 1980s, problems such as economic stagnation and budgetary cuts hindered money flow to NGOs financing useful-to-society projects (Yamak, 2007). In the 1980s, since government policies for CSR activities related to the environment and employees' rights declined, socially responsible behaviors of corporations could not be pursued successfully.

After the 1990s, the business environment was profoundly influenced by globalization. In this period, scandals in the business world shook the confidence of society. As a result of increasing concerns resulting particularly from financial and environmental scandals, universities and business schools began to take this issue into serious consideration and developed courses related to business ethics (Yamak, 2007). Moreover, these scandals accelerated the development of codes of conduct, and the business world voluntarily adopted these codes. Certain standards such as ISO 14001 (Environmental Management Systems Standard), ISO 50001 (Energy Management Systems Standard), SA 8000 (Social Accountability 8000) were established to achieve accountability and sustainability (Matten and Moon, 2008). It can be suggested that laws provided an impetus for organizations to adopt business ethics practices.

In the 2000s, the Global Compact negotiated by the UN was one of the most significant developments in the CSR field (Öztürk et al., 2013). Globalization, developments in information communication technologies and consequently disappearing market borders resulted in intense competition. These developments

convinced businesses in the US that they also needed to possess social objectives in addition to economic objectives to become competitive and survive.

In sum, the evolution of CSR in the US can be summarized as follows. In the beginning, charity and philanthropic activities of businessmen prevailed in the business world, and industrialization and its negative consequences over people were influential. In those years, profit maximization was the main concern. In later years, early industrialized states enacted certain laws and regulations to preserve labors, human rights and more of the same. Especially after WWI and WWII, the business world recognized that they had not only economic responsibilities towards owners and managers but they also had social and environmental responsibilities towards society and nature.

In later years, the broadened responsibility of businesses was acknowledged as a consequence of pressures from the state, labor unions, NGOs, consumers and many other interest groups. Early on, obeying the rules, protecting workers' rights, avoiding unethical activities were considered to be CSR in the US (Donaldson, 2006). Over the past two or three decades, the influence of globalization has been felt deeply in CSR practices. Corporations have been recently approaching CSR in a more strategic way and have reckoned it as a strategic tool that will both allow them to differentiate themselves from competitors and create value for both society and the company.

2.2.2 CSR in Europe

In Europe, the state played an essential role in the evolvement of social responsibility. According to Yamak (2007), because the state served the needs and expectations of the

society in the early years, leaving a confined space for companies, they had less room for maneuver. For this reason, businessmen could not find a way to participate in practices that can be regarded as a social responsibility. For instance, a paternalistic approach of businessmen and bosses towards their employees with strong religious sentiment and motivation, which was quite prevalent in France from the industrial revolution to the end of WWII, reflected the social responsibility understanding in those years. However, since social security issues, which had been undertaken by the business world, were embraced by the state after the WWII, the responsibility of the business world turned into nothing more than philanthropic activities (Yamak, 2007).

On the other hand, over time, interactions of social structures as a result of political, economic, and cultural developments caused the emergence of specific CSR activities on a country basis (Matten & Moon, 2008). Therefore, it is reasonable to think that the evolution of CSR in Europe was influenced by the particular characteristics of each country. These differences influenced both the time practices that emerged and the content of the concept. Hence, it is more likely to consider that early industrializers such as the UK and France adopted CSR practices earlier than the late industrializers (Yamak, 2007). One may therefore say that each country has her own pace in the evolvement process regarding growth rate and the correspondingly response of the institutions in the environment.

Additionally, since the historical evolution of social responsibility among countries has different drivers on a country basis, the adopted definition for what is understood as CSR also differs from country to country. While northern European countries placed more importance on environmental issues, social issues were prioritized

in the southern part of the continent (Habisch et al., 2005). This, in turn, reflects how differently and diversely social and political institutions in European countries approach the socially responsible practices of corporations.

In most European countries, companies are not the most trustworthy institutions according to public opinion, since the scandals in the business world in the 1980s betrayed the public trust (Vogel, 1992). Additionally, as social benefit is so pivotal in Europe, it is perceived as something that cannot be entrusted to companies. Within this context, the first business ethics and CSR courses and studies in different universities were introduced across Europe. Eventually, cognitive, coercive and normative pressures molded in line with the way states and companies in Europe approached CSR. Although the approaches in countries differ from each other, attempts and activities of international institutions, organizations and companies put pressure on isomorphism (Yamak, 2007). For instance, the activities of EC to promote CSR both at the European and the international level took place in 2001 (European Commission, 2001) and exerted pressure on organizations regarding CSR.

Even though the emphasis on CSR in Europe at both the country and the continent level has a long history, it is obvious that the most significant developments took place with the contributions of the EU in the past two decades (Mullerat, 2013). The European Business Manifesto Against Social Inclusion in 1995, the EC Green Paper of 2001 in which corporate codes of conduct and responsible actions of corporations were covered, the EC First Communication on CSR of 2002 which established the fundamentals of commonly-held CSR conception in Europe, and the First High Level Meeting of the European Alliance in 2007 to bring commissioners and business leaders

together to discuss CSR may be regarded as the defining events in the evolution of the European CSR concept (Mullerat, 2013).

In Europe, there are local and global isomorphic pressures that homogenize the CSR concept. These local and global pressures can be brought close together as follows. First of all, some of the duties undertaken by the state are passed on to the private sector because of the states' retreat from the economic and social spheres. On the other hand, EU policies, which are binding for all member countries, play one of the significant roles behind isomorphic pressures. Thirdly, European companies, due to globalization, adopt approaches which are internationally accepted. Eventually, American firms doing business in Europe transfer their understanding to the host country context and influence the local companies (Yamak, 2007).

In brief, there are important differences among European countries in the definition, practices and scope of CSR even though it is under the pressure of isomorphism on a global scale (Yamak, 2007). However, with the influence of the EU and the contribution of EC, corporations of member countries are influenced by normative and coercive pressures with respect to CSR (Matten and Moon, 2008; Mullerat 2013). On the other hand, in the evolution of CSR, in the approach of the EU, European governments and corporations, the aim is to achieve broader objectives such as human rights and sustainability in environment (Donaldson, 2006). When considered from this point of view, Europe has its own particular CSR approach, which is diffused across the continent and is influenced by both national and EU institutions. However, the contextualization of CSR by national institutions is more preeminent, and this may be the reason for differences in practice across countries.

2.2.3 CSR in Turkey

One of the most significant sources of CSR is the philanthropic activities that go back to old times. These philanthropic activities emerged as a result of the interaction between tradition and religion. In the same way that it came about in other Muslim countries, philanthropic activity was a part of daily life in Turkish Islamic countries (Zincir and Bikmen, 2006). Helping others without expecting anything in return was a part of both Islamic countries including Turkey and earlier Turkic states. For Turkish people, being generous, giving someone a hand and engaging in philanthropic activities have historical, cultural and religious roots. That is why it may be considered that activities regarded as CSR have a long history in the Turkish states. Although it is considered that the philanthropic stage of CSR started in the form of waqfs in the Ottoman Empire, waqfs had already existed in the early Turkish states (Alakavuklar et al., 2009).

The influence of tradition and religion in the evolvement of philanthropic activities and the CSR concept was significant and unavoidable (Zincir & Bikmen, 2006). During and after the Ottoman era, the influence of philanthropy continued since helping the poor and people with disabilities was regarded how kind-hearted people would behave in all conditions. In this way, people endeavored to win Allah's approval and improve society by doing a good deed (Soysaldı, 2002; Gökşen, 2006). In terms of Islam, the importance of philanthropy may be considered when it comes to Islam's emphasis on both voluntary actions (Sadaka) and obligatory actions (Zekat) (Gökşen, 2006).

In the Ottoman era, Turkish-Islamic craft guilds and waqfs were the two significant actors in the philanthropic activities (Alakavuklar et al., 2009). While the guilds developed production standards, determined favorable prices and shaped the concept of fair trade to be absorbed by craftsmen, the waqfs were the very first source of philanthropic provision for public services such as social security, health, education and, the construction of bridges and roads. The objectives of these organizations were not only religious and economic cooperation but also social solidarity (Cem, 1974; Turan, 2002). Therefore, their contributions to the development of society should not be ignored or underestimated (Bilgehan, 2012).

On the other hand, enlargement of the Ottoman Empire's territories enabled non-Muslim people to participate in these organizations (Turan, 2002) and these craft guilds transformed into organizations that carried out the inspection of occupational clusters on behalf of the state (Cem, 1974). This tie between the state and these organizations deteriorated over time and ended up with the abolishment of guilds in 1912. However, they continued their existence with the same values until the end of the nineteenth century (Ülgener, 2006).

Waqfs were more organized institutions than guilds, and they also were linked to the state. Tax exemptions and financial supports were some of the indicators of the strong ties between waqfs and the state. Ironically, this tie was the reason the waqfs lost their power substantially towards the end of the nineteenth century (Çizakça, 2006). In the later nineteenth century, towards the end of the Ottoman Empire, the policies of the state, and consequently her institutions, were influenced by the West. As a result of this influence, the state began to get involved in the philanthropic activities and withdrew the

financial supports, and tax exemptions granted to waqfs. In addition to these activities, the state seized the assets of waqfs to overcome its economic difficulties. For this reason, most of the waqfs diminished in size or vanished whilst the Empire was falling (Çizakça, 2006).

With the fall of the Ottoman Empire, the transition from the Empire to a nation state deeply influenced every area of society, including society's approach towards philanthropy and the governance structures of waqfs and guilds (Alakavuklar et al., 2009). Consequently, these organizations became dysfunctional and the state, as a new actor, became actively involved in social responsibility. In 1924, the guilds were turned into Unions of Chamber of Merchants and Craftsmen. In the same year, the waqfs were gathered under a single roof by establishing the General Directorate for Foundations. Therefore, a central power took the place of regional craft guilds and waqfs (Turan, 2002). Although philanthropy was regarded as an individual activity until then, this notion changed with the involvement of state (Alakavuklar et al., 2009). On the other hand, involvement of the state in the business world and its support to some company groups led to the emergence of holding companies in Turkey, which played a significant role in the development of the present-day CSR concept (Alakavuklar et al., 2009).

Until the end of the first half of the twentieth century, the state was the main actor in every field of society and encouraged the private sector to get more involved in the economic and social spheres (Ararat, 2005). Thus, family owned holdings have had more voice in the economic field as a result of incentives. Along with the emergence of family owned holdings, the philanthropy approach has come into play again and, complementing the state, holdings have gradually begun to become influential in the

philanthropic activities. Almost all the family owned holding companies have an associated waqf and they respond to the demands of the society in the sense of the historical philosophy of waqfs. In this way, individual donations and philanthropic activities of companies have become tantamount to social responsibility (Alakavuklar et al., 2009). Since these companies enjoyed state support and incentives, they helped the development of society in return as an expression of their gratitude (Aydıntan, 2008).

The economic and political problems of Turkey, such as social movements, military coups, cold war and an unstable economy between the 1960s and the 1980s shaped and profoundly influenced the social and economic activities of state (Ararat, 2005; Alakavuklar et al., 2009). Consequently, Turkey shifted its economic strategy from import-substitution to export-led industrialization, which coincided with the liberalization efforts of the state. With the contribution of the liberalization process, as the state retreated from the public sphere, the basis for the institutionalization of CSR was established. Moreover, economic liberalization has caused Turkey to get exposed to certain international influences, obliging the state to comply with international standards in the field (Ertuna and Tükel, 2010). In addition to this, the knowledge transfer from the US in those years in the field of business administration as well as the CSR contributed to the evolvement of CSR (Alakavuklar et al., 2009). In the light of these developments in the field, philanthropic activities turned into business-related activities.

CHAPTER 3

THEORETICAL FRAMEWORK

Despite the increasing dominance of institutional theory over organization theory, its application to CSR has been rather recent, leading to a neglect of the role of institutions in shaping CSR practices. CSR has been conceptualized as something that depends on the will of the firm a voluntary and instrumentalist (i.e. profit-oriented) behavior that a firm may or may not prefer to undertake (Brammer et al., 2012). However, if CSR activities reflected only economic rationality, the variety across countries that was made clear in the previous chapter would not emerge. As CSR reflects the social imperatives and consequences of business success (Matten and Moon, 2008), institutional theory, which takes into account the societal context in which organizations are embedded, will establish the theoretical framework of this study. The chapter will conclude with hypothesis development.

3.1 Institutional theory

Institutional theory draws attention to the social context in which organizations are embedded and claims that organizational forms are shaped by the political, social, and economic institutions surrounding them (Wright et al., 2005). The main tenets of institutional theory are that organizations compete not only for resources and customers but also for legitimacy and that their survival depends on social fitness as well as

economic fitness (DiMaggio and Powell, 1983). In other words, conformity to institutional norms increases an organization's potential of survival by providing it with legitimacy. As institutions can grant or withhold legitimacy, organizational actions are shaped by the formal and informal constraints established by the institutional framework (Peng and Heath, 1996).

This approach to institutional theory can be a panacea for the limited, solely business-oriented approach to CRS. Based on the idea that an organization's CSR activities are molded by the institutional environment in which they are embedded, institutional theory can at least complement the economic explanations of CSR and reveal why the motives for and the definitions and content of CSR vary across societal contexts (Campbell 2006, 2007; Muthuri and Gilbert, 2011). Therefore, next, the coercive, mimetic and normative pressures that emerge from the institutional environment and can shape CSR practices will be examined.

3.1.1 Coercive pressures

Coercive pressures refer to the formal and informal pressures that are imposed upon an organization by the institutions on which it is dependent (DiMaggio and Powell, 1983). Among these institutions, the state is the major one with the authority of legislation. On the basis of CSR, coercive pressures encompass sanctions, laws, rules and regulations which attempt to determine socially accepted corporate behaviors (DiMaggio and Powell, 1983; Muthuri and Gilbert, 2011). Governments, for example, pass laws and regulations regarding workplace safety and environmental pollution, which businesses have to comply with. Past research shows that responsible corporate behavior regarding environmental protection is facilitated best by governmental statutes (Campbell, 2007).

Additionally, industrial associations may also establish regulatory mechanisms and peer pressure may be a particularly strong means of enforcement. The power of such associations will be enhanced when supported by the state (Campbell, 2007).

Particularly in industries such as banking, where wrongful behavior of industrial incumbents can influence large numbers of people, both governments and sectoral associations (e.g. the Banking Regulation and Supervision Agency (BRSA) or the Banks Association of Turkey (BAT)) impose strong regulations. As a result, banks feel coercive pressure to avoid sanctions and sustain their existence.

According to Shabana et al. (2016), an “expectational gap” (p.1) exists between how businesses are expected to behave by the stakeholders and how they actually behave. This gap needs to be closed to assure the continuing support of the stakeholders without whose backing a business cannot survive. Because CSR activities provide an image of honesty and reliability in the eyes of consumers and clients, they can emerge as a way to repair the community’s trust. Even when a specific company has no negative influence over society, the negative image of the industry at large may force it to be involved in CSR practices to obliterate the negative perceptions of the society. This may particularly be the case for the banking industry, which has suffered an eroding image although gaining trust is vital for banks’ business success.

Additionally, investors and financial organizations have begun to take the CSR performance of the investee into account because they want to make sure that their money is used properly (Double the Donation Research (DDR), 2016). Banks generally collaborate with and borrow from international financial institutions in order to finance

the credits they extend. Demands of such organizations with respect to CSR may also create coercive pressures on banks.

Davis and Blomstrom (1966) assert that companies are likely to lose their power in the long run if they do not use it in a responsible way and in line with the expectations of society. According to Davis (1960), power comes with responsibility and the responsibility must be proportionate to the power given. If a business acts in an irresponsible way, the power (or the support) given by society will be taken back through actions, such as, lobbying against the firm or boycotting its products and services. As a result of these stakeholder actions, companies are more likely to feel coercive pressures to act in a socially responsible way.

3.1.2 Cognitive (mimetic) pressures

Cognitive pressures stem from uncertainty in the external environment, as well as ambiguous organizational objectives and processes. When ambiguity is prevalent in the environment, organizations start imitating their successful counterparts (DiMaggio and Powell, 1983; Matten and Moon, 2008). For instance, while newly-established companies mimic their older counterparts to survive, smaller companies may imitate larger ones to acquire and maintain competitiveness. On the other hand, companies have a tendency to copy other companies in the field if it is believed that the imitation will result in success and legitimacy (DiMaggio and Powell, 1983).

The Global CSR RepTrak 100 ranking conducted by the Reputation Institute (2016) to identify the 100 most reputable companies in terms of CSR reveals that a compelling reputation in CSR enables companies to get more backing from the public. A

good public image can serve as a source of competitive advantage because it attracts both customers and highly qualified employees to a company (Randy Evans and Davis, 2011). Additionally, organizations with a good public image can retain the best employees while boosting employee engagement (DDR, 2016). Employees working for a socially responsible company will be more willing to work toward the objectives of the organization, will be more productive and engaged, and will work for the organization longer. Therefore, companies in a highly competitive environment will also feel pressure to imitate their successful counterparts to improve their competitiveness and performance.

3.1.3 Normative pressures

Normative pressures stem from the standards and values set by NGOs, educational institutions, professional associations, and trade unions. These organs can shape the organizational structures and processes of companies through their standards adoption of which confer legitimacy (Muthuri and Gilbert 2011). For instance, universities are considered to be significant institutions for the development and diffusion of norms and values among managers. The increased number of courses related to CSR, business ethics and related topics in both undergraduate and graduate degrees and increased number of education programs in this field indicate the pressures exerted on businesses to act in a socially responsible manner. Therefore, managers not only feel stronger normative pressures to engage in CSR practices but also increasingly perceive it as a means to acquire legitimacy and sustain their companies' existence (DiMaggio and Powell, 1983).

Based on their educational background or affiliation to a professional association (Campbell, 2007), managers are inclined to approach CSR as an opportunity. According to Shabana et al. (2016), companies perform CSR practices not only to improve their image but also to put emphasis on their strengths and achievements. On the other hand, CSR activities make organizations more visible in the eye of society and improve public image. Consequently, decent corporate citizens are more respected and favorable than other organizations in the community (DDR, 2016).

On the other hand, sectoral associations can set certain standards for organizations to act in a proactively responsible way because this may preclude the interference of the state in a specific area. Avoiding government intervention is advantageous because rules and regulations imposed by the state may become antagonistic and limit organizations' alternative options (Davis, 1973). Additionally, proactive organizations try to cope with social problems before these problems turn into something they cannot handle on their own. By doing so, they save money and time and do not jeopardize their reputation. For example, instead of reacting to environmental problems, many organizations act in a preemptive way to preserve nature (Randy Evans et al., 2013). This helps a company to maintain its image and, save time and money in the long run. As a result, these standards with respect to CSR will create normative pressures on organizations regardless of their affiliation with a sectoral association.

3.2 Hypothesis development

Before starting the analysis, in the light of what has been covered hitherto in previous sections of the study, it is appropriate to make some observations about the antecedents of CSR in the banking sector. In a few words, it should not be expected that all banks will be involved in similar CSR activities with equal intensity since CSR practices may vary with respect to various contingency variables such as age, size, level of geographical diversification, availability of financial resources and ownership structure.

Initially, in this day and age, companies are approaching CSR activities more strategically and they either integrate these practices into their business activities or carry out philanthropic projects (Lentner et al., 2015). CSR projects that are executed as a part of business activities require long term commitment (Sharma and Gupta, 2014) to maximize benefit for both the company and society. On the other hand, the number of people that are going to be influenced by activities carried out by organizations in the banking sector is significantly larger than other sectors because of the intermediary duty of banks in economy. As a part of their business activities, banks inherently interact with various institutions from different backgrounds and directly or indirectly influence their business activities as well (Yamak and Sürer 2005; Lentner et al., 2015). Taking into account the interactions with these stakeholder groups and the magnitude of these groups in number, it is possible to consider that CSR activities strategically pursued by banks may be dominated by different fields, depending upon a given bank's target audience.

Last but not the least, a study conducted between December 2014 and January 2015, in order to understand what CSR means in the public eye and what kind of CSR activities people expect from companies operating in Turkey, reveals that education and health constitute people's main concerns. Companies are expected to prioritize these fields. Conservation of environment and nature, domestic violence and woman-child rights tag along behind the above-mentioned concerns, respectively. Apart from the public, the business world expects that environmental projects, cultural and artistic activities and sports are supposed to be supported right after education (Capital, 2015). Hence, it would not be surprising to come across an inclination towards previously mentioned fields at the end of the CSR analysis of banks.

3.2.1 Age

It is possible that companies operating in the banking sector suffer from a lack of trust since they were held partially responsible for the financial crises. As intermediaries, gaining the trust of clients is highly significant for banks. Therefore, CSR may be regarded as a strategic tool to reach out to the target audience, and banks may use it to preserve their competitive positions. In order to clear themselves, restore the community's trust in them and protect their legitimacy, older banks are more likely to engage in a wider variety of CSR practices than their younger counterparts. Older ones may not only feel more cognitive and normative pressures as well-established older institutions of the sector, but they also have the experience to better handle their relationships with the stakeholders. Their experience may also help them to have a deeper understanding of what kind of activities they should undertake with respect to

CSR in order to gain stakeholder goodwill (Hu and Scholtens, 2014). Therefore, the following hypotheses are developed:

H1a: Older banks will have higher CSR scores.

H1b: Older banks will address a larger number of target groups with their CSR activities.

H1c: Older banks will carry out CSR activities in a larger number of fields.

3.2.2 Size

The media has an important role in informing the community about the activities of organizations (Campbell 2007). According to Shabana et al. (2016), larger organizations attract more attention and have wider media coverage. This, in turn, puts them under stronger scrutiny, increasing both coercive and normative pressures. Additionally, the public is more concerned with their activities not only because they are more visible but also as they may have influence over a larger number of stakeholders as well as over the environment (Shabana et al., 2016). Therefore, on the basis of these considerations, larger banks may be expected to be involved in CSR more than smaller banks. They may also be involved in a wider variety of CSR practices addressing a larger number of target groups. Altogether, these considerations suggest the following hypotheses:

H2a: Larger banks will have higher CSR scores.

H2b: Larger banks will address a larger number of target groups with their CSR activities.

H2c: Larger banks will carry out CSR activities in a larger number of fields.

3.2.3 Geographical diversification

Banks may operate on a regional, national or international scale. Existence on a broader scale will increase the number of people who will be influenced by a bank's operations, make it more visible and escalate the public scrutiny over it. This, in turn, will increase the coercive and normative pressures over it and make it more concerned about its reputation. Therefore, it is anticipated that those banks which are more diversified geographically across the country will be more likely to be more actively involved in CSR activities. Additionally, they will be more likely to address a larger number of target groups with activities in a larger number of fields. On the other hand, CSR involvement of less geographically diversified banks, which operate in certain cities or geographical regions, will display the opposite characteristics. Therefore, the following hypotheses are developed:

H3a: More geographically diverse banks will have higher CSR scores.

H3b: More geographically diverse banks will address a larger number of target groups with their CSR activities.

H3c: More geographically diverse banks will carry out CSR activities in a larger number of fields.

3.2.4 Availability of financial resources

Availability of financial resources can act as a constraint on a company's commitment to CSR (Campbell 2007). Firms face coercive pressures from their shareholders to maximize their profits and enhance shareholder value. Thus, financially weak companies

may prioritize them over other stakeholders and reserve fewer resources for CSR activities as using these limited resources for the CSR practices would simply mean jeopardizing the value offered to shareholders. On the other hand, financially strong companies may enjoy a greater ability to act in a socially responsible way by also targeting a larger number of groups with more diverse activities. Together these arguments lead to the following hypotheses:

H4a: Banks with more financial resources will have higher CSR scores.

H4b: Banks with more financial resources will address a larger number of target groups with their CSR activities.

H4c: Banks with more financial resources will carry out CSR activities in a larger number of fields.

3.2.5 Quotation on Borsa Istanbul

Companies finance their business activities in two ways. They either borrow or encourage investment in themselves. Being quoted on the stock exchange market enables companies to go public and fulfil financial needs. CSR is deemed significant for public firms because it signals to investors that a company is reliable and trustworthy. Especially for companies in the banking sector which need to foster trust in order to attract clients, CSR may emerge as a significant tool for attracting investors. Also, as quoted companies are required to be transparent in their activities and are under stricter scrutiny, they are exposed to stronger coercive pressures. This, in turn, may force them to behave in a more socially responsible way. Besides institutional investors, who pursue and attach importance to CSR and sustainability in their decision-making process, put

coercive pressures on quoted companies as well (Sakarya et al. 2012). Additionally, public firms tend to face more normative pressures since they draw more attention in the media. Therefore, based on the consideration above, the following hypotheses are extended:

H5a: Banks quoted on the stock exchange will have higher CSR scores.

H5b: Banks quoted on the stock exchange will address a larger number of target groups with their CSR activities.

H5c: Banks quoted on the stock exchange will carry out CSR activities in a larger number of fields.

3.2.6 Ownership structure

As a result of higher legitimization concerns in the eye of Turkish banking sector clients, fully foreign banks are expected to engage in more CSR practices than Turkish banks and international joint ventures (IJVs) between Turkish and foreign banks. Moreover, foreign banks may engage in CSR practices novel to Turkey as a result of their past international experiences in developing countries such as Turkey and the influence of institutional pressures from their home countries. In addition to local pressures, as global actors, foreign banks are also likely to face coercive, normative and mimetic pressures emerging from the global context. On the other hand, Turkish banks may be expected to be more deeply committed to society's main concerns and engage in practices to address those problems as a result of cognitive pressures. However, as it is expected that foreign banks will face a wider variety of stronger pressures to acquire legitimacy, the following hypotheses are suggested:

H6a: Banks with ownership structures that have relatively high foreign shares will have higher CSR scores, and that foreign banks will have higher CSR scores than IJVs, which in turn will have higher CSR scores than Turkish banks.

H6b: Banks with ownership structures that have relatively high foreign shares will address a larger number of target groups with their CSR activities, and that foreign banks will have a larger number of target groups than IJVs, which in turn will have a larger number of target groups than Turkish banks.

H6c: Banks with ownership structures that have relatively high foreign shares will carry out CSR activities in a larger number of fields, and that foreign banks will carry out CSR activities in a larger number of fields than IJVs, which in turn will carry out CSR activities in a larger number of fields than Turkish banks.

CHAPTER 4

CONTEXT OF THE STUDY

In this chapter, the institutionalization of CSR in Turkey with the contribution of international and global factors along with local factors is presented. The main factors influencing the CSR concept and the contemporary situation in CSR practices are briefly summarized in this chapter. Additionally, factors that influence the CSR practices of companies operating in the Turkish banking sector and the general situation of the industry as of 2015 are summarized.

4.1 Contemporary CSR approach in Turkey

CSR practices and the number of news items in the press regarding these practices have been increasing for a long time. Additionally, carrying out intra-organizational training programs for CSR, tracking and assessment of these activities, and courses and research projects on CSR in universities illustrate the increasing importance attributed to CSR. Most importantly, they indicate strengthening normative pressures (Alakavuklar et al., 2009).

Apart from the state, NGOs that monitor the companies and can that enable them to gain legitimacy are important when CSR is taken into account (Zincir & Bikmen, 2006; Alakavuklar et al., 2009). In addition to NGOs, professional organizations, chambers of commerce and industry, and foundations (or endowments) can put pressure on companies' CSR practices (Alakavuklar et al., 2009).

These previous examples indicate that CSR can be used as an instrument to gain legitimacy and that a philanthropic approach is turning into something different. Cultural expectations, such as helping others discreetly and not using this for advertising, have been changing. Even though CSR activities are considered to be institutionalized, the philanthropic approach is still dominant. The impact of foreign direct investment (FDI) or multinational corporations (MNCs), legislative regulations and occupational standards, and the EU accession process should be taken into account in the transformation process of CSR (Zincir & Bikmen, 2006; Alakavuklar et al., 2009).

4.1.1 FDI and MNCs

The diffusion of CSR activities through globalization is mostly the consequence of increasing uniformity in management practices (Matten & Moon, 2008). This is the result of both global policies pursued by international companies and the adoption of these organizations' management practices by local companies. In other words, MNCs operating in Turkey may influence the management practices of other companies in Turkey. This is because MNCs are not only under the coercive, mimetic and normative pressures emerging from Turkey as a host country but also from their home countries. This, in turn, compels them to pursue practices similar to those of the home country in Turkey. As a result of this process, MNCs' practices are passed on to local companies. Briefly, some practices are adopted and institutionalized through foreign investments and information transfer (Alakavuklar et al., 2009), as they can create cognitive and normative pressures on companies operating in the host country.

Moreover, given that either rules and regulations or cultural and historical differences are obstacles to having a uniform pattern, Ertuna and Ertuna (2009) claim that corporate governance in different countries will be different from each other. However, in a country like Turkey, which has historical roots in philanthropy, these activities have been recently performed in a way that is incompatible with the conventional values and have been advertised under the name of CSR (Alakavuklar et al., 2009). For instance, large business groups which emerge as the dominant form of organizing in Turkey announce their CSR activities in their websites and even if some of these are philanthropic in nature, they are also mentioned under the name of CSR. This contradiction is likely to reflect the ossified conventional values regarding philanthropy, on the one hand, and the influence of MNCs operating in Turkey on Turkish companies, on the other. (Alakavuklar et al., 2009).

4.1.2 Legislative regulations and occupational standards

In Turkey, there are no specific laws or regulations pertaining to CSR, but regulations which aim to protect consumers or improve business practices seem to close the gap in this field. Agreements with national or international organizations or international NGOs may be regarded as a source of improvements in working conditions and occupational health and safety rules. Becoming party to such agreements can be considered consequences of coercive and normative pressures. Besides, companies in Turkey acknowledge these agreements by imitating each other just to be perceived as competitive (Alakavuklar et al., 2009). In addition to that, companies are expected to comply with these rules and regulations since Turkey is a part of many initiatives

promoted by international organizations such as the OECD Guidelines for Multinational Enterprises and the UN Global Compact.

The OECD Guidelines for Multinational Enterprises (MNEs) recommend that MNEs should have a better understanding of economic, environmental and social drivers of countries where they carry on business. On the other hand, the UN Global Compact aims to create a sustainable growth in economy that achieves continuous benefits to market, communities and people. It also provides businesses with guidelines for labor, human rights, environment and anti-corruption. Ultimately, these principles and initiatives only aim to guide businesses in CSR field; their implementation is voluntary. According to Alakavuklar et al. (2009), legislative regulations and occupational standards put coercive and normative isomorphic pressures on companies, and CSR practices carried out by companies are generally the result of such pressures instead of just volunteerism.

4.1.3 EU accession process

The relationship between Turkey and EU has been continuing since 1959, when Turkey officially applied for associate membership. After December 1999, when Turkey was accepted as a candidate for full membership, reforms and new chapters guaranteeing democracy, human rights and rule of law were opened in succession. As a result of Turkey's attempts to harmonize her legislation with EU's, new regulations to meet the expectations of institutions in EU have been influencing the businesses and CSR activities (Alakavuklar et al., 2009). Therefore, it can be said that these regulations create coercive isomorphic pressures on businesses.

In the light of information which has been mentioned so far, the impacts of international companies' policies, EU, legislative regulations, national and international NGOs, occupational clusters on institutionalization process of CSR activities in Turkey are significant and undeniable (Alakavuklar et al., 2009).

4.2 CSR and Turkish banking industry

People, companies and even the state are significantly under the influence of the activities performed by financial institutions (e.g. banks) since these institutions have a key role in distributing the financial resources due to their intermediary duties (Yeung, 2011). More recently, banks have been more aware of not only economic but also environmental and social results of their activities. That is because when society become more conscious about sustainability, the pressure on banks grows (Kaya, 2010) and consequently, those banks that ignore environmental and social issues lose both reputation and clients.

Compared to other industries, in the financial industry, the awareness of environmental and social issues developed in a slow pace. It was because the companies in the financial industry were regarded as "environment friendly" and did not undertake much responsibility in environmental issues (Kaya, 2010). Banks usually perform their operating activities, namely their financial intermediary duties, by collecting funds and providing loan facilities. In this regard, it is likely to consider that they have no direct impact on the environment. However, their indirect influence is non-negligible since each company in every single industry finances itself through financial institutions and

the activities of these companies significantly influence people and environment (Lentner et al., 2015).

4.2.1 Institutional pressures on Turkish banking industry

Environmental concerns were first mentioned in the Turkish constitution (article 56) in 1982 (Kaya, 2010). Immediately after that, in 1983, the Environmental Law was enacted and in 2006, the purpose of the law was changed by putting emphasis on sustainability. After the 1980s, companies became more sensitive to the environment as a result of legislative regulations and the sanctions imposed upon those who do not comply with them. Hence, even though these laws and regulations are not likely to create coercive pressures on banks because the activities of banks do not have a direct impact on the environment, banks are still indirectly influenced by them. For instance, it might be delegitimizing for a bank to finance investments of a company that violates the law, because the bank would be left in the lurch once it comes to light. Stakeholders of the bank are likely to react to this situation negatively.

On the other hand, although Turkey puts a signature on international initiatives such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises for sustainability and development, there is no specific sustainability or CSR law that will guide and be implemented by any company including financial organizations. But in terms of the banking industry, ethical principles in the Banking Law (chapter 7, article 75) can partially fulfil this gap. The ethical principles underline fairness, righteousness, honesty and social responsibility in management (The Banks Association of Turkey, 2017). Additionally, principles such as safeguarding public interest, transparency and environmental impact are also emphasized. For this reason, banks must act in line with these principles in their relationships with clients, other organizations and public

institutions. Banks must also provide documents, records and information in an accurate and timely manner. This is the only way they are allowed to exist and gain legitimacy (Arslan and Hotamışlı, 2007).

The BRSA is the regulatory authority in the banking industry. The agency is responsible from supervising banks and their risk management strategies as well as adjusting the banks in Turkey to international standards regarding financial markets, institutions and customers in line with public requirements and expectations. The BRSA also aims to achieve trust and stability in financial markets, make the credit system function properly and protect the rights and interests of account owners. As it has the authority to issue bylaws and communication in conformity with article 93 in the Banking Law (The Banks Association of Turkey, 2017), the BRSA emerges as the main source of coercive pressures on banks operating in Turkey.

The BAT, was established in accordance with article 79 of the Banking Law. All deposit, investment and development banks operating in Turkey are to become members of the BAT and implement all its decisions. Of all the objectives of the institution, preventing unfair competition in the banking sector, and fostering and promoting stakeholder-oriented activities might be considered significant in terms of the CSR activities of banks (The Banks Association of Turkey, 2017). Therefore, the BAT creates coercive and cognitive pressures on banks operating in Turkey as well.

Furthermore, the Corporate Governance Principles featured by the Capital Market Board is one of the most significant leading attempts in the field of CSR and sustainability. It is an important legal document related to CSR practices for firms quoted on Borsa Istanbul. The Corporate Governance Principles were first published by the OECD and the Capital Market Board amended these principles to Turkey in 2003

and then updated them in accordance with the OECD principles in 2005. The principles are collected under four headings, namely, shareholders, public disclosure and transparency, stakeholders, and the board of directors. The Capital Market Board requests publicly traded companies to issue compliance reports which indicate the extent to which quoted companies meet the Corporate Governance Principles. Although the implementation of Corporate Governance Principles is optional, there is a need for explanation in cases of non-compliance (Selekler-Göksen and Yıldırım-Öktem, 2009).

Although a large number of NGOs related to CSR and sustainability operate in Turkey, these organizations focus mostly on creating awareness of topics such as sustainability, environment and activities related to education and consultancy. However, collaboration between NGOs and public and private organizations is insufficient and the ability of NGOs to prevent financial institutions' negative effects on society is limited (Kaya, 2010).

Moreover, financial institutions operating in Turkey benefit from funds provided by international financial institutions (e.g. the World Bank, the European Investment Bank, the Council of Europe Development Bank, the French Development Agency, the Islamic Development Bank, the German Development Agency, the International Finance Corporation, the Development Bank of Japan) to finance their investments and projects related to renewable energy, treatment of wastewater, education, health, infrastructure and superstructure or other credits. These international institutions usually demand that banks put their signature on some initiatives (e.g. UN Environment Programme Finance Initiative) or have ISO certificates (e.g. ISO 9001 quality-management systems standards, ISO 14001 environmental management systems standards) in order to provide

credits. Requisitions of international financial institutions also put coercive and cognitive pressures on banks.

4.3 The conspectus of Turkish banking sector in 2015

Turkish banking sector has a long history which dates back to the nineteenth century. Therefore, its traditional roots may be considered as providing an authentic banking system. However, the transformation process towards a free market economy, which started at the beginning of the 1980s and profoundly influenced the Turkish economy, affected institutions in the financial sector as well as institutions in other sectors. Banks in Turkey may be classified with respect to many different criteria. As of December 2015, Turkish Banking Sector had got 50 banks, including 32 deposit banks, 13 development and investment banks and five participation banks. At this point, it will be useful to understand the differences in this classification and why the banks have been clustered under these three types.

In accordance with the Banking Law, deposit banks are institutions which accept deposits and provide loan facilities on their own behalf. Participation banks are institutions which can collect funds and provide loan facilities through special current and participation accounts. Development and investment banks are institutions which are basically founded to provide credit facilities and/or fulfil special duties laid down by the laws beyond accepting deposit and participation funds. Table 1 lists the banks in Turkey as of the end of 2015 on the basis of this classification.

Table 1. Classification of Banks

	2015
Total number of deposit banks	32
Number of Turkish banks	7
Number of foreign banks	19
Number of IJVs	6
Total number of participation banks	5
Number of Turkish banks	2
Number of IJVs	3
Development and investment banks	13
Total number of banks	50

Source: BRSA, BAT

As of December 2015, these banks had 12,269 branches and the banking sector had 217,504 employees. State banks had 3,726 branches. On the other hand, domestic private banks and foreign banks had 4,511 and 4,032 branches, respectively. When it has been closely looked at the number of employees with respect to the similar classification, the number of employees in state banks is 62,586 and it is 78,719 for domestic private banks and 76,199 for foreign banks.

The size of assets in Turkish banking sector increased by 18.2 % in 2015 and reached 2.357 billion ₺ (TL). The ratio of the size of assets in Turkish banking sector to GDP was 1.14 at the end of year, 2014. In addition to that, interest income and interest expenses of the banking sector in the income statement actualized as 164 billion ₺ and 87 billion ₺, respectively. As of December 2015, net profit for the year was consequently 26 billion ₺. These figures indicate the financial magnitude of the Turkish banking sector which is significant to comprehend the importance of banking sector (Banking Regulatory and Supervisory Agency, 2016).

CHAPTER 5

METHODOLOGY

The fifth chapter of the study focuses on methodology. Sample selection and data collection methods are described and variables of the study are introduced and operationalized. Finally, data analysis method is introduced.

5.1 Sample selection

According to the BRSA, there were 50 banks in Turkey as of December 2015. Among these, 13 were development and investment banks, which were established for special duties laid down by the laws. They were excluded from the sample because these banks were not expected to pay much attention to CSR practices due to their nature and because data were on them were limited. Six foreign bank branches, which have authority to collect deposits in Turkey, were also excluded from the sample since they operated as single branches. Apart from that, four banks, which had been established in the last three years, were excluded from the sample as well because they were considered too new and not sufficiently established to have institutionalized CSR practices. Therefore, the final sample consists of 27 banks operating in the Turkish banking sector, representing more than 50 percent of the total population. See Appendix A for the banks in the sample.

5.2 Data collection

Data were collected from archival sources. First of all, the list of banks was obtained from the web site of the BRSA. Data on the size, age, geographical diversification, shareholding structure, and profitability of banks were gathered from the web pages and various publications of the Banks Association of Turkey, the Participation Banks Association of Turkey, and the BRSA. Whether banks were quoted on Borsa Istanbul was checked by the secondary data on web pages of Borsa Istanbul and the Public Disclosure Platform. Information on CSR practices and activities carried out by the banks in the sample were obtained from their annual reports pertaining to 2015. All the reports have been derived from the website of the BRSA. In order to reach required data, the annual reports of related banks in the sample were examined.

5.3 Variables and measures

Age, size, geographical diversification, availability of financial resources, quotation on Borsa Istanbul, and ownership structures of banks are the independent variables of the study while overall CSR scores, the number of target groups and the number of fields are the dependent variables.

5.3.1 Independent variables

Age: Age was calculated by subtracting the foundation year of the bank from 2015, the base year of this study. Banks were categorized into two groups around the median, banks whose age was below the median were labeled as younger banks and coded as 1 and banks whose age was above the median were labeled as older banks and coded as 2.

Size: Size was operationalized as the number of employees as of 2015. The median value for the number of employees was used to split the banks into two groups. Smaller banks whose size below the median were coded as 1 and larger banks, whose size above the median, were coded as 2.

Geographical diversification: Geographical diversification was operationalized as the percentage of cities in Turkey where a bank has a branch. Therefore, a table with bank and city names was prepared. Later on, for each bank, the cities where branches of that bank are located were counted and the result was first divided by 81, the total number of cities in Turkey, and then multiplied by 100 to get a percentage. Banks were categorized around the median for this variable as well. Banks geographical diversifications which were below the median were labeled as less diversified banks and coded as 1 and banks geographical diversifications which were above the median were labeled as more diversified banks and coded as 2.

Availability of financial resources: Availability of financial resources was operationalized as the profitability of banks. Data on net profits of each bank was collected by using non-consolidated financial statements from its annual reports. Then,

the net profit of a bank was coded as 1 if it was below the median value of the sample and 2 if it was above.

Quotation on Borsa Istanbul: This variable regards whether the shares of a bank are exchanged on Borsa Istanbul. Banks quoted on Borsa Istanbul were coded as 1 and others as 2.

Ownership structure: Banks were categorized into three groups on the basis of their ownership structures. The study conducted by Tatoğlu and Glaister (1998) contributes to this study by forming a basis for the classification of the banks in the sample with respect to their shareholding structures. Accordingly, while banks with more than 90 percent of Turkish shares are categorized as Turkish banks, banks with more than 90 percent of foreign shares are categorized as foreign. And finally, banks established by Turkish and foreign firms and in which neither party owns less than 10 or more than 90 percent of shares are classified as IJV. Turkish banks, foreign banks and IJVs are coded as 1, 2, and 3, respectively.

5.3.2 Dependent variables

There are three dependent variables of the study, namely, overall CSR scores, number of target groups and number of fields.

CSR activities: CSR activities of banks refer to the practices and projects developed and executed by banks as CSR. While listing possible CSR activities in the banking sector, Lentner et al.'s (2015) study, which identified 20 different CSR activities for banking sector, established the basis (see Table 2). However, Lentner et al. (2015) suggest that those areas can be expanded, modified or excluded. A preliminary

reading of the CSR activities led to the elimination of some of these activities from the study since they were uncovered and not pursued by banks in the sample. On the other hand, some of them were modified in order to elaborate with respect to the target groups and fields, and avoid double-counting and mistakes in scoring. For instance, instead of classifying artistic and cultural activities under a broad heading of supporting arts and culture, in order to be more specific, this activity was split into three, depending upon their target groups: supporting arts and culture for university students, supporting arts and culture for kids and the youth, and supporting arts and culture for adults. None of the banks declared that it broadly supported arts and culture; all were specific about their target groups. If this activity had been classified as simply supporting arts and culture, it would have been impossible to determine the target group of the activity. As a result of these concerns, other activities pursued by banks were classified in detail depending upon their target groups in a similar vein and CSR activities of banks came under fifty-one subtitles (see Table 4). The total number of CSR activities for the banks in the sample was 1009.

Table 2. Bank's CSR Activities

CSR Activity	Banking Activity
Developing financial literacy and awareness, financial education	Combating money laundering, corruption and terrorism
Fair and transparent financial services, handling of complaints	Developing the basic principles of financing sensitive sectors
Responsible, prudent lending, risk management	Financing environmental protection investments
Supporting culture and the arts	Helping disadvantaged clients to use banking services, products for clients with special needs
Supporting disadvantaged social groups	Involvement and ethical treatment of stakeholders
Supporting local communities	Mitigating environmental impacts (selective waste collection, office layout)
Supporting NGOs	Providing financial support to social enterprises
Supporting sports	Providing jobs, appropriate working conditions, equal opportunities
Volunteering to improve the living environment	Supporting disadvantaged people

Source: Lentner et al., 2015, p. 100

Overall CSR scores: After listing the possible CSR activities, banks were graded for each activity on the basis of their involvement level. Banks received a score of 0 on the basis of a CSR activity if they were not involved in it. A score of 1 was given if the bank donated money or other things to other organizations to support their CSR activities, collaborated with other organizations and shared responsibility for that activity, or started such a CSR activity in the last 2 years. On the other hand, a bank received a score of 2 for an activity if the bank devoted not only financial resources but also human resources, and was involved in that activity for longer than 2 years. In the end, an overall CSR activity was calculated by adding the scores a bank received from each activity. But, of all the CSR activities, banks received a score of 1 for the activity 'donating money' since it was difficult to compare and determine the involvement level.

Therefore, the total score that a bank can receive is 101 instead of 102 for the 51 different CSR activities.

The number of target groups: The term target groups refers to those entities whose needs were addressed by a bank’s CSR activities and for whom a bank developed CSR projects. Within this framework, target groups were grouped under nine headings: society at large; customers, SMEs, entrepreneurs; children; women; disabled people; industry; university students; employees; and governmental agencies. Later on, in order to determine the number of target groups addressed by each bank, target groups in which the bank had performed CSR activities were counted and summed. Each bank ended up with a score out of 9. Table 3 summarizes how many CSR activities were oriented towards each target group with corresponding percentages and Table 4 illustrates the CSR activities classified under the related headings. The way target groups are classified differs slightly from previous studies’ classifications (e.g. Gray et al., 1995; Ertuna and Tükel, 2009). In previous studies, the classification of target groups revolves mainly around stakeholders, but CSR activities of banks in this study aimed mostly to address the problems and needs of society at large.

Table 3. Classification of Target Groups

Target Groups	Number of CSR Activities	Percent
Society at Large	19	37.25
Customers, SMEs, Entrepreneurs	5	9.8
Children	5	9.8
Women	5	9.8
Disabled People	5	9.8
Industry	4	7.84
University Students	4	7.84
Employees	2	3.92
Governmental Agencies	2	3.92
Total	51	100.00

Table 4. CSR Activities Categorized on the basis of Target Groups

Society at Large	Combating money laundering, corruption and terrorism
	Developing financial literacy and awareness, and financial education
	Donating money
	Encouraging people to participate in volunteering projects
	Fair and transparent financial services
	Having ethical principals
	Helping people who need help after natural catastrophe
	Mitigating environmental impacts (selective waste collection, office layout)
	Providing financial opportunities for those who need after natural catastrophe
	Responsible, prudent lending, and risk management
	Supporting activities related to environmental issues
	Supporting NGOs
	Supporting primary education through teachers, students, schools and facilities
	Supporting renewable energy and environment friendly investments
	Supporting renovation projects
	Supporting science projects and education
	Supporting sports
Supporting the arts, culture and social activities for adults	
Sustainability	
Customers, SMEs, Entrepreneurs	Consultancy service for customers, SMEs, entrepreneurs
	Handling complaints to maximize customer satisfaction
	Providing academic supports, education programs for customers, SMEs, entrepreneurs
	Supporting entrepreneurs financially
	Supporting SMEs and artisans financially
Children	Supporting education for children and the youth
	Supporting orphans, sick children and children of martyrs in terms of education or donation
	Supporting projects to reintegrate children and youth who got involved in crime to society
	Supporting sports for kids
	Supporting the arts, culture and social activities for children and the youth
Women	Developing financial literacy and awareness, and financial education for women
	Financially supporting women entrepreneurs
	Fostering gender equality
	Supporting women entrepreneurs in terms of education
	Supporting women in society
Disabled People	Employing disabled people and supporting activities enhancing the employment opportunities
	Helping disadvantaged clients use banking services, and developing products for clients with special needs
	Supporting disabled teams, sportsmen and sportswomen
	Supporting education programs and participating in activities for disabled people
	Supporting training programs and activities for employees to raise awareness of disability
Industry	Agricultural consultancy service and education programs for entrepreneurs and farmers
	Financially supporting farmers and agricultural development
	Supporting health sector financially
	Supporting tourism sector financially
University Students	Giving scholarships or support for those who need financial aid for their education
	Providing self-improvement opportunities such as internships, seminars, congresses for college students
	Supporting science and education at the university level
	Supporting the arts and culture for university students
Employees	Providing in-company trainings, education programs, and activities
	Providing jobs, appropriate working conditions, and equal opportunities
Governmental Agencies	Financially supporting municipalities
	Providing education programs for municipalities

Source: Based on Lentner et al. (2015), adapted for this study.

The number of fields: The term fields of activities refers to the areas in which banks executed their CSR practices. While determining the fields of CSR activities, the question was what the banks wanted to do with that activity and in which field the activity would be best represented. In the study, 10 different fields were defined: education, science, and scholarship; financial support; philanthropic activities and volunteering projects; responsible banking; professional field & employment; arts & culture; sports; environment; consultancy service; and others. Activities, which could not be classified under one of these headings, were gathered under the ‘others’ heading. Then, fields in which the bank has performed CSR activities were counted and summed, and each bank ended up with a score out of 10. While Table 5 shows how many subtitles each field includes and their corresponding percentages, Table 6 illustrates these fields and CSR activities classified under the related heading.

Table 5. Fields of the CSR Activities

Fields	Number of CSR Activities	Percent
Education, Science, and Scholarship	14	27.45
Financial Support	9	17.65
Philanthropic Activities and Volunteering Projects	6	11.76
Responsible Banking	4	7.84
Professional Field & Employment	4	7.84
Arts & Culture	4	7.84
Sports	3	5.88
Environment	3	5.88
Consultancy Service	2	3.92
Others	2	3.92
Total	51	100.0

Table 6. Fields in the Turkish Banking Sector and Related CSR Activities

Education, Science, and Scholarship	Developing financial literacy and awareness, and financial education
	Developing financial literacy and awareness, and financial education for women
	Giving scholarships or support for those who need financial aid for their education
	Providing academic supports, education programs for customers, SMEs, entrepreneurs
	Providing education programs for municipalities
	Providing in-company trainings, education programs, and activities
	Providing self-improvement opportunities such as internships, seminars, congresses for college students
	Supporting education for children and the youth
	Supporting education programs and participating in activities for disabled people
	Supporting primary education through teachers, students, schools and facilities
	Supporting science and education at the university level
	Supporting science projects and education
	Supporting training programs and activities for employees to raise awareness of disability
	Supporting women entrepreneurs in terms of education
Financial support	Donating money
	Financially supporting farmers and agricultural development
	Financially supporting municipalities
	Financially supporting women entrepreneurs
	Providing financial opportunities for those who need after natural catastrophe
	Supporting entrepreneurs financially
	Supporting health sector financially
	Supporting SMEs and artisans financially
Supporting tourism sector financially	
Philanthropic Activities and Volunteering Projects	Encouraging people to participate in volunteering projects
	Helping people who need help after natural catastrophe
	Supporting NGOs
	Supporting orphans, sick children and children of martyrs in terms of education and donation)
	Supporting projects to reintegrate children and youth who got involved in crime to society
Supporting women in society	
Responsible Banking	Combating money laundering, corruption and terrorism
	Fair and transparent financial services
	Having ethical principals
	Responsible, prudent lending, and risk management
Professional Field & Employment	Employing disabled people and supporting activities enhancing the employment opportunities
	Fostering gender equality
	Handling complaints to maximize customer satisfaction
	Providing jobs, appropriate working conditions, and equal opportunities
Arts & Culture	Supporting renovation projects
	Supporting the arts and culture for university students
	Supporting the arts, culture and social activities for adults
Sports	Supporting the arts, culture and social activities for children and the youth
	Supporting disabled teams, sportsmen and sportswomen
	Supporting sports
Environment	Supporting sports for kids
	Mitigating environmental impacts (selective waste collection, office layout)
	Supporting activities related to environmental issues
Consultancy Service	Supporting renewable energy and environment friendly investments
	Agricultural consultancy service and education programs for entrepreneurs and farmers
Others	Consultancy service for customers, SMEs, entrepreneurs
	Helping disadvantaged clients use banking services, and developing products for clients with special needs
	Sustainability

Source: Based on Lentner et al. (2015), adapted for this study.

5.4 Data analysis method

In this study, CSR activities declared by banks in the annual reports were presumed to be the actual activities carried out by banks since it is likely that there could be a discrepancy between what they actually execute and what they state in their reports. According to Ertuna and Tükel (2009), in the Turkish context, firms may not disclose all their philanthropic activities due to the traditional beliefs that discourage revealing activities carried out in the favor of others. However, new approaches as a result of internationalization, interaction with international organizations and the practices of multinational corporations operating in Turkey increase the importance of transparency in this field.

Since content analysis is widely used for the studies conducted in CSR field (Gray et al., 1995; Ertuna and Tükel, 2009), this method was employed in this study too. In previous studies, in order to assess the quantity of CSR activities, researchers counted the number of pages devoted to or the number of words and sentences used to express CSR practices. However, since it was determined that the number of pages or sentences employed to express activities would not be enough to reflect the involvement degree of banks in these practices, the measures identified above were used to quantify the involvement degree of banks in this study.

In this study, SPSS 23 was employed to make the statistical analyses. First of all, in order to determine whether parametric or non-parametric analyses would be used for hypothesis testing, a Shapiro-Wilks normality test was used. This test indicates whether the variables are normally distributed or not. If the variables are normally distributed,

parametric analyses are used. If not, non-parametric analyses are employed. As the sample includes fewer than 30 banks, the Shapiro-Wilks normality test was employed to check for normality. As can be seen in Table 7, the majority of the variables were not normally distributed ($p < 0.05$).

Table 7. Normality Tests of Variables

Tests of Normality			
	Shapiro-Wilk		
	Statistic	df	Sig.
Age	.833	27	0.001
Size	.840	27	0.001
Geographical Diversification	.821	27	0.000
Availability of Financial Resources	.718	27	0.000
Quotation on Borsa Istanbul	.638	27	0.000
Ownership Structure	.801	27	0.000
Overall CSR Scores	.937	27	0.104
Number of Target Groups	.919	27	0.037
Number of Fields	.928	27	0.062

As a preliminary step, frequency and Spearman's correlation analyses were used in the analysis of the data. Since the variables of this study are not distributed normally, two widely-used non-parametric tests, the Mann-Whitney U test and the Kruskal-Wallis test, were conducted in order to test the hypotheses (Field, 2013). While the Mann-Whitney U test was conducted to compare two groups, the Kruskal-Wallis test was used to compare more than two groups.

CHAPTER 6

FINDINGS OF THE STUDY

This chapter will begin with the presentation of descriptive findings of the banks in the sample with an emphasis on their CSR practices. Then, it will continue with the correlation analysis and conclude with the hypothesis testing.

6.1 Descriptive findings

Table 8 presents the descriptive characteristics of the banks in the sample. As can be seen in the Table 8, an average bank is around 45 years old and has 7,743 employees. While one of the banks operates in a single city, namely Istanbul, six of them have branches all around Turkey. The average number of cities in which banks in the sample have branches is 48. Additionally, 16 (59 percent) of the banks in the sample have branches in all of the seven geographic regions of Turkey. The average amount of profits is approximately 970 million TL. The average value of total CSR scores received by banks is about 18 out of a possible score of 101. Finally, an average bank's CSR activities are oriented towards five (out of nine) target groups in six different fields (out of 10).

Table 8. Descriptive Statistics of Variables

Variables	N	Minimum	Maximum	Mean	Median	Std. Deviation
Age	27	4	152	44.41	31	32.070
Size	27	123	25,697	7,742.63	4,723	8,100.28
Geographical Diversification	27	0.0123	1	0.59	0.79	0.38
Availability of Financial Resources	27	-17,061,000	5,377,791,000	967,618,811	261,076,000	1,410,131,135
CSR Scores	27	3	45	17.81	18	11.16
Number of Target Groups	27	2	9	5.14	5	2.17
Number of Fields	27	2	10	6.26	7	2.45

Age: Table 9 shows the distribution of the banks in the sample in terms of their age. Ages range from four to 152, with an average of about 44 years. While one third of the banks have been operating in the banking sector for more than 60 years, only 7.4 percent are younger than 15 years of age. Additionally, more than one third of the banks have been operating in the sector for more than 16 but less than 30 years.

Table 9. Age of Banks in the Sample

		Frequency	Percent	Cumulative Percent
Valid	75+	4	14.8	14.8
	61-75	5	18.5	33.3
	46-60	0	0.0	33.3
	31-45	6	22.2	55.5
	16-30	10	37.1	92.6
	0-15	2	7.4	100.0
	Total	27	100.0	

Size: Table 10 displays the distribution of banks in terms of their size. As of 2015, the average number of employees in the sample was approximately 7,743. While majority of the banks in the sample had fewer than 5,000 employees, 7.4 percent of them had more than 20,000 employees.

Table 10. Size of Banks in the Sample in Terms of Employee Numbers

		Frequency	Percent	Cumulative Percent
Valid	20,000+	2	7.4	7.7
	15,001-20,000	4	14.8	22.2
	10,001-15,000	3	11.1	33.3
	5,001-10,000	3	11.1	44.4
	0-5,000	15	55.5	100.0
	Total	27	100.0	

Geographical diversification: Table 11 presents the distribution of banks across the country. About 52 percent of the banks in the sample had presence across more than 75 percent of the country. In other words, slightly more than half of the banks were located in more than 60 cities of Turkey. Thirty-seven percent of the banks, on the other hand, had presence in one fourth of the cities in Turkey. As there are only three banks that do not fit into these two categories, it is possible to say that banks are either widely or narrowly dispersed over Turkey.

Table 11. Distribution of Banks across the Country

		Frequency	Percent	Cumulative Percent
Valid	76-100 %	14	51.8	51.8
	51-75 %	1	3.7	55.5
	26-50 %	2	7.4	62.4
	0-25 %	10	37	100.0
	Total	27	100.0	

Availability of financial resources: Table 12 demonstrates the distribution of banks on the basis of net profits. Net profits of more than 25 percent of the banks in the sample exceeded 1 billion TL. On the other hand, almost 45 percent of the banks made profits of less than 250 million TL. Also, one of the banks in the sample finished 2015 with a net loss. As the net profits of the Turkish banking sector was more than 26 billion TL with an average of almost 521 million TL (BRSA, 2016), 63 percent of the banks in the sample were below the industry average.

Table 12. Distribution of Banks on the Basis of Profitability

		Frequency	Percent	Cumulative Percent
Valid	1,000,000,000 +	7	25.9	25.9
	750,000,000 - 1,000,000,000	2	7.4	33.3
	500,000,001 - 750,000,000	1	3.7	36
	250,000,001 - 500,000,000	4	14.8	50.8
	0 - 250,000,000	12	44.4	96.3
	- 250,000,000 - 0	1	3.7	100.0
	Total	27	100.0	

Quotation on Borsa Istanbul: Table 13 categorizes the banks on the basis of whether they were quoted on Borsa Istanbul or not. While 13 of the banks were quoted on Borsa Istanbul, 14 were non-quoted.

Table 13. Quotation on Borsa Istanbul

		Frequency	Percent	Cumulative Percent
Valid	Quoted	13	48.1	48.1
	Non-quoted	14	51.9	100.0
	Total	27	100.0	

Ownership structure: Table 14 shows the ownership structures of the banks in the sample. On the basis of categorization mentioned in the previous chapter, about 26 percent of the banks in the sample were categorized as Turkish banks. The remaining 74 percent were equally divided between foreign banks and IJVs.

Table 14. Ownership Structure of the Banks in the Sample

		Frequency	Percent	Cumulative Percent
Valid	Turkish Banks	7	25.9	25.9
	Foreign Banks	10	37.0	63.0
	IJVs	10	37.0	100.0
	Total	27	100.0	

Overall CSR scores: Table 15 indicates the distribution of banks according to the total CSR scores they received. The total score that a bank could receive was equal to 101. Only one of the banks in the sample received a total score of over 40 out of 101. On the other hand, 63 percent of the banks received a total score of 20 or less.

Table 15. Distribution of Banks in terms of CSR scores

		Frequency	Percent	Cumulative Percent
Valid	40+	1	3.7	3.7
	31-40	3	11.1	15
	21-30	6	22.2	37.2
	11-20	8	29.6	66.7
	0-10	9	33.3	100.0
	Total	27	100.0	

6.1.1 Target groups

As stated in the previous chapter, target groups were grouped under nine headings. On the basis of this categorization, it is important to note that more than 60 percent of the CSR activities developed by banks address the needs of society at large. This target group is followed by employees, and customers, SMEs and entrepreneurs, respectively. On the other hand, CSR activities addressing governmental agencies are not so popular among banks. Table 16 shows how many projects were performed by banks for the related target groups and their corresponding percentages. Examples of the CSR activities oriented towards each target groups are presented in Appendix B.

Table 16. Classification of Target Groups

Target Groups	Number of CSR Activities	Percentage of Activities Oriented towards the Target Groups
Society at Large	641	63.53
Employees	89	8.82
Customers, SMEs, Entrepreneurs,	76	7.53
University Students	46	4.56
Industry	45	4.46
Women	42	4.16
Disabled People	37	3.67
Children	30	2.97
Governmental Agencies	3	0.30
Total	1,009	100.00

6.1.1.1 Society at large

This target group has the highest percentage among others; 641 out of 1,009 namely, 63.53 percent of the, CSR activities carried out by banks were composed of projects addressing the issues of society as a whole. The CSR activities oriented towards the society consist of the following: developing financial literacy and awareness, financial education; supporting the arts, culture and social activities; encouraging people to participate in volunteering projects; fair and transparent financial services; responsible, prudent lending and risk management; supporting NGOs; combating money laundering, corruption and terrorism; supporting primary education through teachers, students, schools and facilities; supporting sports; providing financial opportunities for those who need after natural catastrophe; supporting renovation projects; helping people who need help after natural catastrophe; supporting activities related to environmental issues; mitigating environmental impacts (selective waste collection, office layout); supporting

renewable energy and environment friendly investments; supporting science projects and education; having ethical principles; sustainability; and donating money.

Table 17 indicates the total scores received by banks for the projects addressing society at large. The scores received by banks for the CSR activities addressing society at large range from 1 to 21 and the average score was 8.37. About 60 percent of the banks received a total score between 8 and 21 out of 37, and the rest of the banks received a total score of 7 or below out of 37.

Table 17. Total CSR Scores Received by Banks in Projects Related to Society at Large

		Frequency	Percent	Cumulative Percent
Valid	16-21	2	7.4	7.4
	12-15	5	18.5	25.9
	8-11	9	33.3	59.2
	4-7	5	18.5	77.7
	0-3	6	22.2	100.0
	Total	27	100.0	

6.1.1.2 Employees

Among the 1,009 CSR activities carried out by the banks in the sample, 89, about 9 percent, of them, were oriented towards employees. These activities can be classified under the headings of providing employment opportunities for new graduates, appropriate working conditions, and equal opportunities for all; and providing in-company trainings, education programs, and activities.

Table 18 shows the total scores that banks received on the basis of their involvement level in CSR practices addressing the problems of employees. The scores range from 0 to 4, with an average of 1.89. While almost 11 percent of the banks received a total score of 0, another 11 percent received a total score of 4. About 29.6 percent of the banks, on the other hand, received a total score of 1 out of 4.

Table 18. Total CSR Scores Received by Banks in Projects Related to Employees

		Frequency	Percent	Cumulative Percent
Valid	4	3	11.1	11.1
	3	5	18.5	29.6
	2	8	29.6	59.2
	1	8	29.6	88.8
	0	3	11.1	100.0
	Total	27	100.0	

6.1.1.3 Customers, SMEs, and entrepreneurs

Slightly more than 7.5 percent of the CSR activities carried out by banks in the sample aimed at solving the problems of customers, SMEs, and entrepreneurs. CSR activities under this heading include providing consultancy, academic support, and education programs for customers and handling complaints to maximize customer satisfaction for the entire group. Banks also lent money to SMEs and artisans on favorable terms.

As can be seen in Table 19, 37 percent of the banks did not pursue any projects within this context. For the activities addressing customers, SMEs and entrepreneurs, the maximum total score received by banks was 8 out of 10 while the average score was

2.04. On the other hand, more than 60 percent of the banks received at least a total score of 1 out of 10.

Table 19. Total CSR Scores Received by Banks in Projects Related to Customers, SMEs, and Entrepreneurs

		Frequency	Percent	Cumulative Percent
Valid	7-8	3	11.1	11.1
	5-6	0	0.0	11.1
	3-4	7	25.9	37
	1-2	7	25.9	63
	0	10	37	100.0
	Total	27	100.0	

6.1.1.4 University students

About 4.6 percent of the CSR activities addressed university students. These projects were classified under four headings: supporting science and education at the university level; providing self-improvement opportunities such as internship, seminars, and congresses for college students; giving scholarships or support for those who need financial aid for their education; and supporting the arts and culture for university students.

Table 20 presents the total scores received by banks for projects addressing university students. Almost half of the banks, 48 percent, did not get involved in any projects related to this target group. The maximum CSR score for this target group was 5 out of 8 and the average score was 1.19. About half of the banks received at least a total score of 1 out of a possible score of 8. Only one bank's total score was 5 out of 8.

Table 20. Total CSR Scores Received by Banks in Projects Related to University Students

		Frequency	Percent	Cumulative Percent
Valid	5-6	1	3.7	3.7
	3-4	5	18.5	22.2
	1-2	8	29.6	51.9
	0	13	48.1	100.0
	Total	27	100.0	

6.1.1.5 Industry

Slightly less than 4.5 percent of the CSR activities, corresponding to 45 out of 1009, consisted of practices carried out for specific sectors. These activities include financially supporting health and tourism industries and agricultural development as well as providing consultancy services and education programs for entrepreneurs and farmers.

Table 21 indicates the total CSR scores received by banks for the activities addressing the development and support of other sectors. More than half of the banks, about 56 percent, received a total score of 0 out of 8. While the average score received by banks was 0.81, the maximum score was 4 out of 8. Finally, 12 of the banks received a total score of at least 1 out of 8.

Table 21. Total CSR Scores Received by Banks in Projects Related to Other Sectors

		Frequency	Percent	Cumulative Percent
Valid	4	1	3.7	3.7
	3	1	3.7	7.5
	2	5	18.5	26
	1	5	18.5	44.5
	0	15	55.5	100.0
	Total	27	100.0	

6.1.1.6 Women

Almost 4 percent of the CSR activities, which corresponds to 42 out of 1009, executed by the banks addressed women’s welfare. They supported women entrepreneurs by providing education in general and financial education in particular; focusing on their financial literacy and awareness, and extending long-term and cheaper credits to them. Additionally, banks undertook activities to support women in society and foster gender equality.

Table 22 shows the total scores banks received on the basis of their involvement level in CSR practices that addressed women’s welfare. About 45 percent of the banks received a total score of 0 out of 10 for the CSR activities for women’s welfare. The maximum total score received by banks was 6 out 10 while the average score was 1.23. More than half of the banks, about 55 percent, received at least a total score of 1 out of 10.

Table 22. Total CSR Scores Received by Banks in Projects Related to Women

		Frequency	Percent	Cumulative Percent
Valid	5-6	1	3.7	3.7
	3-4	4	14.8	18.5
	1-2	10	37	55.5
	0	12	44.4	100.0
	Total	27	100.0	

6.1.1.7 Disabled people

Only about 4 percent of the CSR practices carried out by banks addressed disabled people. These activities consist of supporting training programs and activities for employees to raise awareness of disability; supporting education programs, participating in activities for disabled people; helping disadvantaged clients use banking services, and developing products for clients with special needs; employing disabled people and supporting activities enhancing the employment opportunities; and supporting disabled teams, sportsmen and sportswomen.

Table 23 demonstrates the total scores received by banks for CSR activities addressing disabled people. The CSR score for this target group varied from 0 to 6 with an average of 1.33. About 37 percent of the banks received a score of 0 while slightly more than 7 percent took scores between 5 and 6.

Table 23. Total CSR Scores Received by Banks in Projects Related to Disabled People

		Frequency	Percent	Cumulative Percent
Valid	5-6	2	7.4	7.4
	3-4	3	11.1	18.5
	1-2	12	44.5	63
	0	10	37	100.0
	Total	27	100.0	

6.1.1.8 Children

Slightly less than 3 percent of the CSR activities, namely 30 out of 1,009, targeted children's welfare. These activities included the followings: supporting education for children and the youth; supporting sports for kids; supporting orphans, sick children and children of martyrs; supporting projects aimed at reintegrating children and youth who got involved in crime against society; and supporting the arts, culture, social activities for children and youth.

Table 24 indicates the total scores received by banks for the projects addressing children welfare. More than half, approximately 59 percent of the banks, received a total score of 0, since none of the activities in this target group had been pursued by any of these banks. On the other hand, the maximum score received by banks was 4 out of a possible maximum score of 10 for the activities addressing children's welfare, while the average score was 0.89. Only 11 banks in the sample performed CSR activities oriented towards children.

Table 24. Total CSR Scores Received by Banks in Projects Related to Children

		Frequency	Percent	Cumulative Percent
Valid	4	2	7.4	7.4
	3	1	3.7	11.2
	2	5	18.5	30
	1	3	11.1	41.1
	0	16	59.3	100.0
	Total	27	100.0	

6.1.1.9 Governmental agencies

Only 0.3 percent, 3 out of 1,006 CSR activities were oriented towards institutions that can be called governmental agencies. These practices were financially supporting municipalities; and providing education programs for them.

Table 25 indicates the total scores received by banks for the projects addressing governmental agencies. More than 90 percent of the banks received a total score of 0 out of 4 from the projects addressing this target group. The maximum score received by banks was 2 out of 4 while the average score was 0.11. Only 2 banks carried out CSR projects oriented towards governmental agencies.

Table 25. Total CSR Scores Received by Banks in Projects Related to Governmental Agencies

		Frequency	Percent	Cumulative Percent
Valid	2	1	3.7	3.7
	1	1	3.7	7.5
	0	25	92.5	100.0
	Total	27	100.0	

6.1.2 Fields of the CSR activities

As stated in chapter 5, the CSR activities of the banks were gathered under 10 headings. The categorization of these activities in accordance with their fields can be seen in Table 26. According to this categorization, the fields of arts & culture; and education, science, and scholarship were the most popular ones among others. More than 60 percent of the CSR activities were performed in these two fields. On the other hand, consultancy service; and sports were the least popular. Combined, they account for only about 5 percent of all the CSR activities executed by banks in the sample. Some examples of the CSR activities performed in each field are presented in Appendix C.

Table 26. Fields of the CSR Activities

Fields	Number of CSR Activities	Percentage of CSR Activities in the Fields
Arts & Culture	395	39.15
Education, Science, and Scholarship	214	21.21
Financial Support	87	8.62
Responsible Banking	71	7.04
Environment	64	6.34
Professional Field & Employment	52	5.15
Others	41	4.06
Philanthropic Activities and Volunteering Projects	35	3.47
Sports	28	2.78
Consultancy Service	22	2.18
Total	1,009	100.00

6.1.2.1 Arts & culture

Almost 39 percent of the CSR activities, 395 out of 1,009, pursued by banks were gathered under the heading of arts and culture. These activities consisted of supporting renovation projects; supporting access of university students to art and cultural activities; supporting art, culture, and social activities for children and youth; and lastly, supporting art, culture and social activities for adults.

Table 27 indicates the total scores received by banks that carried out activities in the field of arts and culture. About 30 percent of the banks received a total score of 0 out of 8 while the maximum score received by banks in this field was 6 out of 8 and the

average score was 1.59. More than 48 percent of the banks received a total score of 1 or 2 out of 8. And lastly, only one of the banks received a total score of 6 out of 8.

Table 27. Total CSR Scores Received by Banks in the Field of Arts & Culture

		Frequency	Percent	Cumulative Percent
Valid	5-6	1	3.7	3.7
	3-4	5	18.5	22.2
	1-2	13	48.1	70.3
	0	8	29.6	100.0
	Total	27	100.0	

6.1.2.2 Education, science, and scholarship

About one fifth (21%) of the CSR activities were performed in the field of education, science and scholarship. This is the second highest percentage on the basis of categorization of CSR activities pursuant to their fields. These activities consisted of giving scholarships or other support for those who needed financial aid for their education; giving education programs to customers in general, including SMEs, and entrepreneurs; developing financial literacy and awareness and financial education; providing in-company training, education programs, and activities; providing self-improvement opportunities (internships, seminars, congresses) for college students; supporting primary education through teachers, students, schools and facilities; supporting education programs and participating in activities for disabled people; providing education programs for municipalities; developing financial literacy and awareness, and financial education for women; supporting women entrepreneurs in terms of education; supporting training programs and activities for employees to raise

awareness of disability; supporting science and education (university level); supporting education for children and the youth; and finally, supporting science projects and education.

Table 28 indicates the total scores received by banks for the projects in the field of education, science, and scholarship. The CSR scores for this field vary between 0 and 14, with an average of 4.96. While about 7 percent of the banks received a total score of 0, about 18 percent of them received a score of 9 or above. More than 90 percent of the banks in the sample, on the other hand, received a total score of at least 1 out of the possible maximum score of 28.

Table 28. Total CSR Scores Received by Banks in in the Field of Education, Science, and Scholarship

		Frequency	Percent	Cumulative Percent
Valid	9 and above	5	18.5	18.5
	6-8	6	22.2	40.7
	3-5	8	29.6	70.3
	0-2	8	29.6	100.0
	Total	27	100.0	

6.1.2.3 Financial support

Slightly less than 9 percent of the banks carried out CSR activities in the field of financial support. This is the third highest percentage on the basis of categorization of CSR activities pursuant to their fields. Financial support can take three forms. First,

there were financially supported groups such as SMEs, artisans, farmers, entrepreneurs (and women entrepreneurs in particular), and people in need of help after natural catastrophes. Second, certain sectors such as health, tourism and agriculture also received preferential treatment. Finally, banks supported municipalities and donated money to various causes.

Table 29 indicates the total scores received by banks for the projects executed in the field of financial support. A total score of 0 out of 17 was received by about 26 percent of the banks. On the other hand, the maximum score received by banks in the field of financial support was 8 out of 17, and the average score was 2.22. Twenty banks in the sample received a score of at least 1 out of 17. Finally, there was only one bank receiving a total score of 8 out of 17 for the activities carried out in the field of financial support.

Table 29. Total CSR Scores Received by Banks in the Field of Financial Support

		Frequency	Percent	Cumulative Percent
Valid	7-8	1	3.7	3.7
	5-6	4	14.8	18.5
	3-4	7	25.9	44.4
	1-2	8	29.6	74
	0	7	25.9	100.0
	Total	27	100.0	

6.1.2.4 Responsible banking

About 7 percent of the CSR practices carried out by banks took place in the field of responsible banking. These projects were categorized as fair and transparent financial services; responsible, prudent lending and risk management; combatting money laundering, corruption and terrorism; and having ethical principles.

Table 30 shows the total scores received by banks for carrying out projects in the field of responsible banking. About 7 percent of the banks received a total score of 0 out of 8. The maximum score received by banks in the field of responsible banking was 5 out of 8, while the average score was 2.37. Twenty-five banks in the sample received a score of at least 1 out of 8 for the activities in this field.

Table 30. Total CSR Scores Received by Banks in the Field of Responsible Banking

		Frequency	Percent	Cumulative Percent
Valid	5-6	2	7.4	7.4
	3-4	12	44.4	51.8
	1-2	11	40.7	92.5
	0	2	7.4	100.0
	Total	27	100.0	

6.1.2.5 Environment

About 6.5 percent of the CSR activities were related to the environment. These activities included mitigating environmental impacts (selective waste collection, office layout);

supporting renewable energy and environment friendly investments; and supporting activities related to environmental issues.

Table 31 shows the total scores received by banks for the projects carried out in the fields of environment. CSR scores for this field ranged from 0 to 6 with an average of 1.56. Almost 45 percent of the banks received a total score of 0 out of 6, and only 2 banks received a total score of higher than 4.

Table 31. Total CSR Scores Received by Banks in the Field of Environment

		Frequency	Percent	Cumulative Percent
Valid	5-6	2	7.4	7.4
	3-4	6	22.2	29.6
	1-2	7	25.9	55.5
	0	12	44.4	100.0
	Total	27	100.0	

6.1.2.6 Professional field and employment

About 5 percent of the CSR activities were carried out in the area of a professional field and employment. These activities included providing jobs, appropriate working conditions and equal opportunities; handling complaints to maximize customer satisfaction; fostering gender equality; and finally, employing disabled people and supporting activities enhancing their employment opportunities.

Table 32 demonstrates the total scores received by banks for the activities carried out in this field. About 33 percent of the banks received a total score of 0 out of 8. The

maximum score received by banks in the sample was 7 out of 8, while the average score was 1.56. More than 40 percent of the banks received a total score of 1 or 2 out of a possible maximum score of 8 while about 66 percent of the banks received at least a score of 1.

Table 32. Total CSR Scores Received by Banks in the Field of Professional Field & Employment

		Frequency	Percent	Cumulative Percent
Valid	7-8	1	3.7	3.7
	5-6	1	3.7	7.4
	3-4	5	18.5	25.9
	1-2	11	40.7	66.6
	0	9	33.3	100.0
	Total	27	100.0	

6.1.2.7 Others for field

Nearly 4 percent of the CSR activities, 41 out of 1,009, were classified under the heading of ‘others’. This was the seventh most popular field. They comprised helping disadvantaged clients to use banking services, and developing products for clients with special needs; and sustainability.

Table 33 shows the total scores received by banks for the activities they carried out in this field. More than 40 percent of the banks received a total score of 0 out of 4. The maximum score received by banks was 4 out of 4, while the average score was 1.22.

On the other hand, the percentage of banks receiving a total score 1 out of 4 was about 30, while almost 60 percent of the banks received a score of at least 1 out of 4.

Table 33. Total CSR Scores Received by Banks in the Field of Others

		Frequency	Percent	Cumulative Percent
Valid	4	3	11.1	11.1
	3	3	11.1	22.2
	2	2	7.4	29.6
	1	8	29.6	59.2
	0	11	40.7	100.0
	Total	27	100.0	

6.1.2.8 Philanthropic activities and volunteering projects

Slightly less than 3.5 percent of the CSR activities involved philanthropic activities and volunteering projects. These activities included the following: encouraging people to participate in volunteering projects; supporting projects to reintegrate children and youth who got involved in crime to society; supporting NGOs; supporting women in society; helping people in need after a natural catastrophe; and supporting orphans, sick children and children of martyrs in terms of education or donation.

Table 34 shows the total scores received by the banks for the projects carried out in the field of philanthropic activities and volunteering projects. About 45 percent of the banks received a total score of 0 out of a possible score of 12. The maximum score was 4, while the average for this field was 1.11. Fifteen of the banks received a score of at least 1 out of 12.

Table 34. Total CSR Scores Received by Banks in the Field of Philanthropic Activities and Volunteering Projects

		Frequency	Percent	Cumulative Percent
Valid	4	3	11.1	11.1
	3	2	7.4	18.5
	2	2	7.4	25.9
	1	8	29.6	55.5
	0	12	44.4	100.0
	Total	27	100.0	

6.1.2.9 Sports

Almost 3 percent of the CSR activities, 28 out of 1,009, carried out by the banks were composed of projects related to sports. These activities can be summarized as supporting sports; supporting disabled teams, sportsmen and sportswomen; and supporting sports for kids.

Table 35 shows the total scores received by banks for the projects executed in the field of sports. About three quarters of the banks received a total score of 0 from the CSR activities executed in the field of sports. In this field, the maximum score received by banks was 4 out of 6, and the average score was 0.63. And, only one of the banks received a total score of 4 out of 6 for the activities in the field of sports. On the other hand, 26 percent of the banks received a score of at least 1 out of 6.

Table 35. Total CSR Scores Received by Banks in the Field of Sports

		Frequency	Percent	Cumulative Percent
Valid	4	1	3.7	3.7
	3	2	7.4	11.1
	2	3	11.1	22.2
	1	1	3.7	26
	0	20	74	100.0
	Total	27	100.0	

6.1.2.10 Consultancy Service

About 2 percent of CSR activities were carried out in the field of consultancy service.

These activities consisted of consultancy service for customers, SMEs, and entrepreneurs; and agricultural consultancy service and education programs for entrepreneurs and farmers.

Table 36 indicates the total scores received by banks for the projects executed in consultancy service field. In this context, about 67 percent of the banks received a total score of 0 out of 4 because they did not engage in either of the projects in this field. A score of 3 out of 4 was the highest score received by two the banks in the sample, while the average score was 0.59. In addition, only one third of the banks received a score of at least 1 out of 4 for the CSR activities in this field.

Table 36. Total CSR Scores Received by Banks in the Field of Consultancy Service

		Frequency	Percent	Cumulative Percent
Valid	3	2	7.4	7.4
	2	3	11.1	18.5
	1	4	14.8	33.3
	0	18	66.7	100.0
	Total	27	100.0	

6.2 Inter-correlation of Variables

Spearman's non-parametric correlation test was used for the correlation analysis. Table 37 shows the correlation matrix of the variables in the study. All three dependent variables display the highest correlation with size ($p < 0.01$). They additionally have statistically significant positive correlations with age ($p < 0.01$ for overall CSR score and the number of target groups, and, $p < 0.05$ for the number of fields) geographical diversification ($p < 0.01$ for all) and profitability ($p < 0.01$ for all).

The independent variables of age, size, geographical diversification and availability of financial resources are also positively correlated with each other ($p < 0.01$ for all). On the other hand, variable of quotation on Borsa Istanbul is negatively correlated with geographical diversification ($p < 0.01$), size ($p < 0.01$) and net profits ($p < 0.05$).

Table 37. Inter-correlations of Variables

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1) Age	1								
(2) Size	.496**	1							
(3) Geographical Diversification	.469*	.955**	1						
(4) Availability of Financial Resources	.561**	.904**	.864**	1					
(5) Quotation on Borsa Istanbul	-.357**	-.542**	-.608**	-.438*	1				
(6) Ownership Structure	-.222	-.439*	-.371	-.400*	.223	1			
(7) Overall CSR Scores	.576**	.890**	.837**	.840**	-.577**	-.292	1		
(8) Number of Target Groups	.552**	.862**	.850**	.812**	-.627**	-.305	.905**	1	
(9) Number of Fields	.467*	.912**	.857**	.850**	-.542**	-.381*	.909**	.848**	1

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

6.3 Hypothesis Testing

Hypothesis 1a, b, and c, predict that older banks will have higher CSR scores, will address a larger number of target groups with their CSR activities and will carry out CSR activities in a larger number of fields. As can be seen in Table 38, the results of the Mann-Whitney test show a statistically significant difference between overall CSR scores of older and younger banks ($p < 0.05$). When the mean scores are calculated for both groups, it is seen in the Table 39 that older banks have an average score of 22.20, while younger ones have an average of 12.33. Therefore, hypothesis 1a is accepted.

As can be seen in Table 38, older and younger banks display a statistically significant difference on the basis of the number of target groups addressed ($p < 0.05$).

As can be seen in Table 39, the difference is again in favor of older groups such that the

average number of target groups addressed by younger banks is 4.08, while the same figure for older banks is 6. This finding supports the expectation put forward in hypothesis 1b.

Finally, there is also a statistically significant difference between older and younger banks in terms of the average number of fields in which they conduct CSR activities ($p < 0.10$). As can be seen in Table 39, the average number of fields in which older and younger banks carry out their CSR practices is 7 and 5.33, respectively. Hence, hypothesis 1c is supported.

Table 38. Results of the Mann-Whitney Test for Age

	Overall CSR Scores	The Number of Target Groups	The Number of Fields
Mann-Whitney U	41.500	44.500	53.500
Wilcoxon W	119.500	122.500	131.500
Z	-2.371	-2.250	-1.797
p-value	0.016**	0.025**	0.075*

***. Difference is significant at the 0.01 level.

**. Difference is significant at the 0.05 level.

*. Difference is significant at the 0.10 level.

Table 39. Mean CSR Scores on the Basis of Age

Age of Banks	Means	
	Younger	Older
Overall CSR Scores	12.33	22.20
The Number of Target Groups	4.08	6
The Number of Fields	5.33	7

Hypothesis 2a, b, and c predict that larger banks will have higher CSR scores, will address a larger number of target groups with their CSR activities and will carry out CSR activities in a larger number of fields. Banks are split into two groups on the basis of their employee numbers as larger and smaller banks. A comparison of the overall CSR scores for the two groups shows that the difference between the two groups is statistically significant ($p < 0.01$). As predicted in the hypothesis, larger banks have higher CSR scores than smaller banks; the means for the two groups are 26 and 9, respectively (see Table 41). Therefore, hypothesis 2a is accepted.

The number of target groups addressed by larger and smaller banks displays a statistically significant difference as well ($p < 0.01$). As predicted in hypothesis 2b, the mean number of target groups for larger banks (6.71) is larger than that of smaller banks (3.46). Therefore, hypothesis 2b is accepted.

As the result of the Mann-Whitney test shown on Table 40, larger and smaller banks also differ on the basis of the number of fields of CSR activity ($p < 0.01$). As expected in hypothesis 2c, larger banks carry out CSR activities in a larger number of fields. Consequently, hypothesis 2c is accepted.

Table 40. Results of the Mann-Whitney Test for Size

	Overall CSR Scores	The Number of Target Groups	The Number of Fields
Mann-Whitney U	7.500	14.500	7.000
Wilcoxon W	98.500	105.500	98.000
Z	-4.060	-3.763	-4.112
p-value	0.000***	0.000***	0.000***

***. Difference is significant at the 0.01 level.

** . Difference is significant at the 0.05 level.

*. Difference is significant at the 0.10 level.

Table 41. Mean CSR Scores on the Basis of Size

Size of Banks	Means	
	Smaller	Larger
Overall CSR Scores	9	26
The Number of Target Groups	3.46	6.71
The Number of Fields	4.23	8.14

Hypothesis 3a, b, and c predict that more geographically diverse banks will have higher CSR scores, will address a larger number of target groups with their CSR activities and will carry out CSR activities in a larger number of fields. Within this context, banks in the sample are split into two groups on the basis of the extent of geographical diversification. As is seen in Table 42, the difference between more geographically diverse banks and less geographically diverse banks is statistically significant on the basis of overall CSR scores ($p < 0.01$). While the mean for more geographically diverse banks is 26.21, the figure for less geographically diverse banks is 8.77. Hypothesis 3a is, therefore, accepted.

On the basis of the number of target groups, the difference between two groups is statistically significant as can be seen in Table 42 ($p < 0.01$). Additionally, while the average number of target groups addressed by more geographically diverse banks is 6.79, the figure is 3.39 for less geographically diverse banks (Table 43). Therefore, hypothesis 3b is accepted.

There is also a statistically significant difference between more and less geographically diverse banks in terms of the average number of fields in which they conduct CSR activities ($p < 0.01$). As can be seen in Table 43, the average number of fields in which more geographically diverse and less geographically diverse banks carry out their CSR practices is 8.14 and 4.23, respectively. Hence, hypothesis 3c is also supported.

Table 42. Results of the Mann-Whitney Test for Geographical Diversification

	Overall CSR Scores	The Number of Target Groups	The Number of Fields
Mann-Whitney U	5.000	10.000	7.000
Wilcoxon W	96.000	101.000	98.000
Z	-4.182	-3.984	-4.112
p-value	0.000***	0.000***	0.000***

***. Difference is significant at the 0.01 level.

** . Difference is significant at the 0.05 level.

* . Difference is significant at the 0.10 level.

Table 43. Mean CSR Scores on the Basis of Geographical Diversification

Geographical Diversification	Means	
	Less Diversified	More Diversified
Overall CSR Scores	8.77	26.21
The Number of Target Groups	3.39	6.79
The Number of Fields	4.23	8.14

Hypothesis 4a, b, and c predict that banks with more financial resources will have higher CSR scores, will address a larger number of target groups with their CSR activities and will carry out CSR activities in a larger number of fields, respectively. Results of the Mann-Whitney test (Table 45) show that there is a statistically significant difference between overall CSR scores of more profitable and less profitable banks ($p < 0.01$). When the mean scores are calculated for both groups, in Table 45, it is seen that more profitable banks have an average score of 25.29, while less profitable ones have an average of 9.77. Therefore, hypothesis 4a is accepted.

The number of target groups addressed by more profitable and less profitable banks displays a statistically significant difference as well ($p < 0.01$). As predicted in hypothesis 4b, the mean number of target groups for more profitable banks (6.64) is larger than that of smaller banks (3.54). Therefore, hypothesis 4b is accepted.

Table 45 shows that the average number of fields in which less profitable banks carry out their CSR practices is 4.39, and the figure for those that are more profitable is 8. The difference between these two groups is statistically significant ($p < 0.01$). Therefore, hypothesis 4c is accepted.

Table 44. Results of the Mann-Whitney Test for Profitability

	Overall CSR Scores	The Number of Target Groups	The Number of Fields
Mann-Whitney U	16.000	17.000	14.500
Wilcoxon W	107.000	108.000	105.500
Z	-3.647	-3.640	-3.745
p-value	0.000***	0.000***	0.000***

***. Difference is significant at the 0.01 level.

**. Difference is significant at the 0.05 level.

*. Difference is significant at the 0.10 level.

Table 45. Mean CSR Scores on the Basis of Profitability

Profitability	Means	
	Less Profitable	More Profitable
Overall CSR Scores	9.77	25.29
The Number of Target Groups	3.54	6.64
The Number of Fields	4.39	8

Hypothesis 5a, b, and c put forward the expectation that banks quoted on the stock exchange will have higher CSR scores, will address a larger number of target groups with their CSR activities and will carry out CSR activities in a larger number of fields. As can be seen in Table 46, quoted and non-quoted banks display statistically significant difference on the basis of overall CSR scores ($p < 0.01$). While the mean for banks quoted on Borsa Istanbul is 24.54, the figure for non-quoted banks is 11.57. Hence, hypothesis 5a is accepted.

As can be seen in Table 46, the results of the Mann-Whitney Test show that there is a statistically significant difference between quoted and non-quoted banks on the basis

of the number of target groups addressed ($p < 0.01$). As predicted in hypothesis 3b, the mean number of quoted banks (6.54) is larger than the mean number (3.86) of non-quoted banks, and the expectation in hypothesis 5b is supported.

Quoted and non-quoted banks also differ on the basis of the number of fields of CSR activities ($p < 0.01$). As can be seen in Table 47, the average number of fields in which quoted and non-quoted banks carry out their CSR practices is 7.62 and 5, respectively. Therefore, hypothesis 5c is also supported.

Table 46. Results of the Mann-Whitney Test for Quotation on Borsa Istanbul

	Overall CSR Scores	The Number of Target Groups	The Number of Fields
Mann-Whitney U	30.500	26.000	34.500
Wilcoxon W	135.500	131.000	139.500
Z	-2.942	-3.197	-2.766
p-value	0.002***	0.001***	0.005***

***. Difference is significant at the 0.01 level.

**. Difference is significant at the 0.05 level.

*. Difference is significant at the 0.10 level.

Table 47. Mean CSR Scores on the Basis of Quotation on Borsa Istanbul

Means		
Quotation on Borsa Istanbul	Quoted	Non-quoted
Overall CSR Scores	24.54	11.57
The Number of Target Groups	6.54	3.86
The Number of Fields	7.62	5

Hypothesis 6a, b, and c predict that that foreign banks will have higher CSR scores than IJVs, which in turn will have higher CSR scores than Turkish banks; foreign banks will

have a larger number of target groups than IJVs, which in turn will have a larger number of target groups than Turkish banks; and foreign banks will carry out CSR activities in a larger number of fields than IJVs, which in turn will carry out CSR activities in a larger number of fields than Turkish banks, respectively. Within this context, banks in the sample were categorized into three groups in terms of their ownership structure. A comparison of the overall CSR scores for the three groups shows that the difference among the three groups is statistically significant ($p < 0.10$). As can be seen in Table 49, mean CSR values for Turkish banks, foreign banks and IJVs are 24.86, 13.4 and 17.3, respectively. This implies the expectation put forward in hypothesis 6a is not supported and it is consequently rejected. In addition, as a result of the Mann-Whitney U test, the difference between the average CSR scores of Turkish banks and foreign banks is statistically significant ($p < 0.05$), as can be seen in Table 50. On the other hand, there are statistically insignificant differences between the average CSR scores of ‘Turkish banks and IJVs’ and ‘Foreign banks and IJVs’ ($p > 0.1$ for both) as seen in Tables 51 and 52.

On the basis of the number of target groups, the difference among these three groups is statistically significant ($p < 0.05$), as can be seen in Table 48. On the other hand, Table 49 shows that the average number of target groups addressed by Turkish banks is 6.86. In addition, while the average number of target groups addressed by foreign banks is 4.2, the figure for IJVs is 4.9. Therefore, hypothesis 6b is not supported. On the other hand, Table 50 and 51 indicate that there are statistically significant differences between the average number of target groups for Turkish banks and foreign banks ($p < 0.01$), and Turkish banks and IJVs ($p < 0.1$). Also, as seen in Table 52, the difference between the

average number of target groups is statistically insignificant for foreign banks and IJVs ($p>0.1$).

Finally, Table 48 displays a statistically significant difference between Turkish banks, foreign banks and IJVs on the basis of the number of fields ($p<0.05$). The average number of fields in which Turkish banks carry out their CSR practices is 8.14. While the number of fields in which foreign banks carry out their CSR practices is 5.4 on average, the figure for IJVs is, on average, 5.8. Hence, hypothesis 6c is not accepted. As a result of the Mann-Whitney U tests, as can be seen in Tables 50 and 51, there are statistically significant differences between the average number of fields for Turkish banks and foreign banks, and Turkish banks and IJVs ($p<0.05$ for both).

Table 48. Results of the Kruskal Wallis Test for Ownership Structure

	Overall CSR Scores	The Number of Target Groups	The Number of Fields
Chi-Square	5.697	7.054	6.484
df	2	2	2
p-value	0.058*	0.029**	0.039**

***. Difference is significant at the 0.01 level.

**. Difference is significant at the 0.05 level.

*. Difference is significant at the 0.10 level.

Table 49. Mean CSR Scores on the Basis of Ownership Structure

Means			
Ownership Structure	Turkish Banks	Foreign Banks	IJVs
Overall CSR Scores	24.86	13.4	17.3
The Number of Target Groups	6.86	4.2	4.9
The Number of Fields	8.14	5.4	5.8

Table 50. Results of the Mann-Whitney Test for Turkish and Foreign Banks

Ownership Structure	Means		p-value
	Turkish Banks	Foreign Banks	
Overall CSR Scores	24.86	13.4	0.014**
The Number of Target Groups	6.86	4.2	0.01***
The Number of Fields	8.14	5.4	0.019**

***. Difference is significant at the 0.01 level.

**. Difference is significant at the 0.05 level.

*. Difference is significant at the 0.10 level.

Table 51. Results of the Mann-Whitney Test for Turkish Banks and IJVs

Ownership Structure	Means		p-value
	Turkish Banks	IJVs	
Overall CSR Scores	24.86	17.3	0.109
The Number of Target Groups	6.86	4.9	0.055*
The Number of Fields	8.14	5.8	0.033**

***. Difference is significant at the 0.01 level.

**. Difference is significant at the 0.05 level.

*. Difference is significant at the 0.10 level.

Table 52. Results of the Mann-Whitney Test for Foreign Banks and IJVs

Ownership Structure	Means		p-value
	Foreign Banks	IJVs	
Overall CSR Scores	13.4	17.3	0.631
The Number of Target Groups	4.2	4.9	0.393
The Number of Fields	5.4	5.8	0.912

6.4 The analysis of research model

Hypothesis testing displays that independent variables of age, size, geographical diversification and availability of financial resources have positive relationships with the dependent variables of overall CSR scores, the number of target groups and the number of fields. All the hypotheses concerning the relationship between the above-mentioned independent variables and dependent variables are supported. Findings regarding the relationship between quotation on Borsa Istanbul and three dependent variables is as expected.

Finally, the independent variable of ownership structure does not show statistically significant correlation coefficients with the dependent variables, with the exception of one: there is a negative and statistically significant correlation between ownership structure and the number of fields ($p < 0.05$). Comparisons of different ownership structures, however, show that, contrary to expectations, Turkish banks and IJVs have higher CSR scores, target a larger number of groups and have CSR activities in a larger number of fields than foreign banks. Therefore, hypotheses regarding ownership structure are refuted. Table 53 presents a summary of the results for hypothesis testing.

Table 53. Hypotheses and Results

Hypotheses	Result
H1a: Older banks will have higher CSR scores.	Supported
H1b: Older banks will address a larger number of target groups with their CSR activities.	Supported
H1c: Older banks will carry out CSR activities in a larger number of fields.	Supported
H2a: Larger banks will have higher CSR scores.	Supported
H2b: Larger banks will address a larger number of target groups with their CSR activities.	Supported
H2c: Larger banks will carry out CSR activities in a larger number of fields.	Supported
H3a: More geographically diverse banks will have higher CSR scores.	Supported
H3b: More geographically diverse banks will address a larger number of target groups with their CSR activities.	Supported
H3c: More geographically diverse banks will carry out CSR activities in a larger number of fields.	Supported
H4a: Banks with more financial resources will have higher CSR scores.	Supported
H4b: Banks with more financial resources will address a larger number of target groups with their CSR activities.	Supported
H4c: Banks with more financial resources will carry out CSR activities in a larger number of fields.	Supported
H5a: Banks quoted on the stock exchange will have higher CSR scores.	Supported
H5b: Banks quoted on the stock exchange will address a larger number of target groups with their CSR activities.	Supported
H5c: Banks quoted on the stock exchange will carry out CSR activities in a larger number of fields.	Supported
H6a: Banks with ownership structures that have relatively high foreign shares will have higher CSR scores, and that foreign banks will have higher CSR scores than IJVs, which in turn will have higher CSR scores than Turkish banks.	Not Supported
H6b: Banks with ownership structures that have relatively high foreign shares will address a larger number of target groups with their CSR activities, and that foreign banks will have a larger number of target groups than IJVs, which in turn will have a larger number of target groups than Turkish banks.	Not Supported
H6c: Banks with ownership structures that have relatively high foreign shares will carry out CSR activities in a larger number of fields, and that foreign banks will carry out CSR activities in a larger number of fields than IJVs, which in turn will carry out CSR activities in a larger number of fields than Turkish banks.	Not Supported

CHAPTER 7

CONCLUSION AND IMPLICATIONS

This study investigated the antecedents of CSR in the Turkish banking sector. The ultimate objective was to identify the differences between the CSR practices of banks with respect to certain contingency variables (i.e. age, size, geographical diversification, quotation on capital market and ownership structure). Additionally, a detailed analysis of the groups targeted by CSR practices and the fields of these practices was also made. Institutional theory established the theoretical framework of the study.

7.1 Conclusion

In order to compare the areas addressed by banks and identify what they did while performing their activities, CSR projects of banks were investigated on the basis of the target groups addressed and the fields in which they performed their practices. The results of the study showed that considerably more than half of the CSR activities carried out by banks addressed society at large. Then, of the target groups, employees, customers and university students came right after society. On the other hand, a significant number of CSR projects were carried out by banks in the fields of art, culture, and education. Banks also paid attention to projects in the fields of financial support, responsible banking, and environment. Results show that the concerns of banks for society are quite in line with the society's expectations.

Banks operating in the Turkish banking sector did not follow a uniform structure for disclosing their CSR activities; some disclosed their practices under the heading of CSR, some under sustainability and yet others under corporate governance practices. In addition, a clearly defined CSR philosophy was owned by a few banks and most banks approached CSR as a marketing tool. Although the influence of philanthropy was overwhelming over the CSR activities, most activities pursued by banks were far from being CSR practices.

In the light of the findings, overall CSR scores received by older and larger banks were higher than the overall CSR scores received by younger and smaller banks. In addition, older and larger banks addressed a larger number of target groups and carried out their CSR activities in a larger number of fields. This may be the result of the fact that these banks are more visible and more concerned about their legitimacy than their younger and smaller counterparts. Additionally, they are more likely to interact with a wider variety of stakeholder groups and feel more pressure to satisfy their stakeholders' and society's expectations. Older banks are more experienced in managing their relationships with the stakeholder groups and have a deeper understanding of what kind of activities they should undertake.

As expected, geographically more diversified banks received higher CSR scores than their less diversified counterparts. Also, the CSR activities carried out by more diversified banks addressed a larger number of target groups and they performed their CSR activities in a larger number of fields. These results were expected because more diversified banks will feel the need to attend to the needs of a larger population, be more

visible and be more concerned about their reputation. Consequently, these banks will be more prone to being exposed to and tend to respond to normative and coercive pressures.

Availability of financial resources is another variable that was considered to influence CSR practices of the banks in the study. The results showed that more profitable banks received higher CSR scores, addressed a larger number of target groups and carried out their practices in a larger number of fields. This may be because financially strong banks have more resources that they can use in CSR activities. Furthermore, today companies do not consider their expenditures for CSR activities as cost. They see these activities as an investment in their future and in return, CSR activities are expected to contribute to enhancing the profitability of these companies.

Additionally, overall CSR scores received by quoted banks are higher than those received by non-quoted banks. Quoted banks also addressed a larger number of target groups and carried out their CSR activities in a larger number of fields. The results were expected because companies quoted on stock exchange are under strict scrutiny and are expected to be transparent in their activities as part of their legitimacy concerns. Furthermore, they are required to conform to certain regulations with regard to information disclosure.

Contrary to the expectations, banks with relatively high foreign shares had lower CSR scores, addressed a limited number of target groups and performed their CSR activities in a limited number of fields. This may be because foreign banks, as global players, are more immune to local pressures. Additionally, the host societies may not be expecting them to attend to their needs as much they expect, or may be even require, it

from fully or partially domestic banks. Finally, banks with domestic ownership may be feeling stronger normative pressures to improve the society of which they are a part.

In terms of coercive pressures, the Turkish banking sector is considered to be lacking in legal enforcement. However, ethical principles in the Banking Law emphasizes honesty, transparency and social responsibility in management practices. On the other hand, even though the implementation of the guidelines published in the Corporate Governance Principles is not mandatory for all banks, it is compulsory for banks listed on the stock exchange market. While this may create coercive pressures for quoted banks, it may also create cognitive pressures on unlisted banks that are concerned about managing their legitimacy. The activities of the BRSA that are aimed at protecting the rights and interests of account owners and avoiding unethical practices in the banking sector may be perceived as exerting coercive pressure on banks.

One of the most significant sectoral associations in the Turkish banking sector is the BRSA. Therefore, practices of the BRSA with respect to CSR also create cognitive pressure on banks. Additionally, foreign and IJV banks operating in Turkey are likely to bring with them certain standards and CSR practices from their home countries to Turkey. Such standards and CSR practices are adopted and imitated by Turkish banks if it is determined that the imitation will provide a competitive advantage. A similar approach can be seen if it is believed that the demands of international financial institutions with respect to sustainability and CSR will provide a competitive advantage in the Turkish banking sector. Therefore, even though banks do not get credits from such international institutions, they feel cognitive pressure.

On the other hand, even though NGOs operating in Turkey have limited influence on companies and banks, such organizations are likely to create normative pressures since they endeavor to raise awareness of CSR and sustainability in society. It should also be pointed out that Turkey acknowledges certain international initiatives such as the OECD guidelines. Even though such initiatives aim to provide companies with guidelines for better working conditions, these principles only performed by companies on a voluntary basis, and they exert normative pressures on companies and banks operating in Turkey.

7.2 Limitations and recommendations of the study

This study, like any study, has limitations. First of all, this study was conducted in Turkey. Therefore, its generalizability is limited. Secondly, it focused merely on the banking industry, and it is therefore not possible to recognize industrial differences. Enlarging the number of industries will provide a more comprehensive understanding of CSR. Thirdly, the data employed in this study was collected from the annual reports of the banks for the year 2015. In order to reach more robust conclusions related to the CSR activities of banks, data for longer periods may be analyzed. In this study, archived data of banks was used for the analyses. However, this data may not accurately reveal the CSR practices of banks. Hence, to improve accuracy, interviews, and surveys may be used to complement archival data.

APPENDIX A

LIST OF THE BANKS IN THE SAMPLE

Akbank T.A.Ş.
Albaraka Türk Katılım A.Ş.
Alternatif Bank A.Ş.
Anadolubank A.Ş.
Arap Türk Bankası A.Ş.
Burgan Bank A.Ş.
Citibank A.Ş.
Denizbank A.Ş.
Deutsche Bank A.Ş.
Fibabanka A.Ş.
Finansbank A.Ş.
HSBC Bank A.Ş.
ICBC Turkey Bank A.Ş.
Ing Bank A.Ş.
Kuveyt Türk Katılım Bankası A.Ş.
Odea Bank A.Ş.
Şekerbank T.A.Ş.
T.C. Ziraat Bankası A.Ş.
Turkish Bank A.Ş.
Turkland Bank A.Ş.
Türk Ekonomi Bankası A.Ş.
Türkiye Finans Katılım Bankası A.Ş.
Türkiye Garanti Bankası A.Ş.
Türkiye Halk Bankası A.Ş.
Türkiye İş Bankası A.Ş.
Türkiye Vakıflar Bankası T.A.O.
Yapı ve Kredi Bankası A.Ş.
Source: BRSA

APPENDIX B

EXAMPLES OF THE CSR PRACTICES ON THE BASIS OF TARGET GROUPS

Some Examples from the CSR Activities Oriented Towards Society as a Whole	
BANK	ACTIVITY
Bank 22	Raising awareness in saving and financial literacy and giving education within this scope is one of the mostly pursued projects by banks. In this context, Bank 22 collaborates with non-governmental organizations to provide education in financial literacy and budget keeping for those who do not have enough knowledge in this scope.
Bank 18	The projects ‘Penny Bank (Kumbara)’ developed by Bank 18 aims at helping society adopt saving habits, and popularize them.
Bank 17	‘Orange Drops (Turuncu Damla)’ project developed by Bank 17 is the result of a research conducted more than 4 years to investigate Turkey’s propensity to save. As other projects in this scope, Orange Drops aims at providing awareness of saving and raising awareness in the scope of financial literacy as well. For this purpose, voluntary employees of the bank give students financial literacy education focusing on saving habits.
Bank 13	The project ‘Voluntary Clovers’ Club (Gönüllü Yocalar Klubü)’ developed by Bank 13 enables employees to plan and develop projects based upon volunteering. On the other hand, Bank 13 has supported Community Volunteers Foundation (Toplum Gönüllüleri Vakfı), which organizes the youth and aims at carrying out social responsibility projects in terms of identified needs of society, since its foundation.
Bank 15	All the projects existing within the structure of ‘Volunteer for the Future (Geleceğe Gönüllüyüz)’ have been carried out by the employees of Bank 15 on a volunteer basis.
Bank 9	Bank 9 also supports its employers to take responsibilities individually, and to develop and carry out their projects. Besides, via the project ‘Initiative Plus’, the bank gives financial supports to the individual projects developed by employers in the scope of education, sustainability, arts and societal.
Bank 2	Some of the banks carry out their CSR practices through supporting NGOs. In this sense, Bank 2 supports education through Bereket Foundation.
Bank 5	Bank 5 supports the projects of NGOs such as TEV-Soma Umut Fonu, TKMCV, TOFD and LÖSEV through donations.
Bank 9	Bank 9 has supported projects of NGOs which are developed for children who have been diagnosed with a genetic disease, cystic fibrosis.

Bank 13	Bank 13 established ‘Teacher Academy Foundation (Öğretmen Akademisi Vakfı - ÖRAV)’ in 2008. Since then, the bank has developed projects concerning teachers and enabling the development of educators. Besides, Bank 13 is the main supporter of the training program called ‘Have Fun While Learning Math and Science (Matematik ve Fen Eğlenerek Öğren)’ which aims at enhancing problem solving ability of students in elementary school.
Bank 9	Bank 9 donated saplings for The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats (TEMA) and created <i>Bank 9</i> Memorial Forest. The bank supported so many projects developed by TEMA against deforestation and erosion.
Bank 13	Bank 13 carries out numerous activities for this purpose. Firstly, the bank is the main supporter of WWF (Doğal Hayatı Koruma Vakfı). Secondly, it is the first Turkish bank that put signature to initiatives such as ‘Caring for Climate (C4C)’ and ‘Business Leadership Criteria on Carbon Pricing’. The bank was the first and only Turkish bank declaring that it would take part in Climate Change Action Plan in 2015. In addition to those, the bank became the main sponsor of CDP Turkish Water Program which tries to create and raise awareness concerning the water risks and opportunities of Turkey.
Bank 8	In addition to its financial support for sport clubs, Bank 8 is the sponsor of CEV Volleyball Champions League as well.
Bank 13	Bank 13 has sponsored men’s national basketball team ‘12 Dev Adam’ since 2001 and has been the sponsor of women’s national basketball team ‘Potanın Perileri’ since 2005. Besides, the bank supports the men’s national under-19 and under-20 basketball teams.
Bank 17	Bank 17 is the official sponsor of Turkish Basketball League.
Bank 20	In 2015, Bank 20 supported Beşiktaş, Fenerbahçe and Galatasaray via sponsorship agreements.
Bank 25	Volleyball team OF Bank 25 competes successfully in national and international competitions. For the activities of volleyball team and other sportive activities, the investment of the bank, an indoor sports facility, was under construction in 2015.
Bank 18	On the other hand, Bank 18 donated more than 12,000 books for the schools and public libraries across the country in 2015.
Bank 13	In order to raise awareness in sustainability, Bank 13 collaborates with Boğaziçi University and arranges trainings about environmental and social risk management with the participation of corporate customers from energy and infrastructure sector. Besides, the bank signed the Principles of the UN Global Compact in 2015. Within this context, the bank made a sustainability team and began to work on ISO 14001 Environmental Management System.

Bank3, Bank 5, Bank 8, Bank 10, Bank 11, Bank 12, Bank14, Bank 22, Bank 26	Nine of the banks have released that they donated money to third parties in 2015. Even though some of the banks explicitly remark the name of these third parties, some just give total amounts donated in their annual reports. However, it can be observed that third parties consist of educational institutions, culture and art foundations, health facilities, and organizations executing projects for environmental protection.
Some Examples from the CSR Activities Oriented Towards Employees	
BANK	ACTIVITY
Bank 8	In its annual report, Bank 8 states that the bank has adopted certain principles to provide appropriate working conditions and equal opportunities to employees. Per bank's principle 'respect for human', the bank indiscriminately aims at providing a peaceful environment in which employees will have an opportunity to use and improve their skills and express their thoughts freely. In addition to that, transparent management approach, enabling employees to have mutual trust, understanding and communication in the work environment, are supported by user-friendly technologies. On the other hand, it has been claimed that any support and help needed to improve employees' skills and manage employees' careers are provided by the human resource department of the bank.
Bank 3	Bank 3 established 'Innovation Center (Gelişim Merkezi)' in 2013 in order to support the improvement of employees with innovative and solution oriented approaches. In-company trainings and education programs have been provided by the bank. These trainings and education programs are the representative of the collaborations with certain universities. Innovation Center enables the bank to gather all the activities under a single roof.
Some Examples from the CSR Activities Oriented Towards Customers, SMEs, and Entrepreneurs	
BANK	ACTIVITY
Bank 1	Ask Your <i>Bank 1</i> Expert (Bank 1 Uzmanına Sor)', which is developed by the bank, aims to give information to SMEs in certain fields. The bank provides SMEs with free of charge consultancy services in the fields of finance, tax, law, and incentives because based upon observations of Bank 1 and interviews conducted with SMEs, it is considered that SMEs mostly need information in these fields
Bank 13	In order to provide consultancy service and support SMEs and entrepreneurs, the partnership called ' <i>Bank 13</i> Partners' was formed by Bank 13 and Boğaziçi University
Bank 22	TIM- <i>Bank 22</i> Venture House (TİM-Bank 22 Girişim Evi) is a project developed by Bank 22 to train entrepreneurs and support their promising projects and technological products. In 2015, the

	bank provided training for about 12.000 entrepreneurs to support innovation and popularize innovative culture and also Pamukkale Teknokent Venture House begun to provide service with the contributions of Pamukkale Teknokent in Denizli.
Bank 1	Bank 1 has a special team monitoring and analyzing customer feedbacks and complaints to achieve and enhance customer satisfaction. This team has got an international quality certificate 'ISO 10002'. Besides, the bank establishes a Committee of Customer Experience in order to improve service quality and customer experience.
Bank 2	Bank 2, has started using Customer Complaint Management Module in order to better handle customer complaints and achieve customer satisfactions and the bank is rewarded with the award of 'Best Participation Bank Managing Complaints (Şikayetleri En İyi Yöneten Katılım Bankası)' as a result of the efforts. Also, Bank 2 received 'ISO 10002:2004' Customer Satisfaction Management System Quality Certificate in 2015.
Some Examples from the CSR Activities Oriented Towards University Students	
BANK	ACTIVITY
Bank 26	As a consequence of the collaboration between Bank 26 and Koç University, the bank supports scientific research in the field of finance through 'Finance Platform (Finans Kürsüsü)' project. On the other hand, Bank 26 aims at providing consultancy service through the project called 'International Education Consultancy (Uluslararası Eğitim Danışmanlığı)' for the children of clients who wish to go abroad for university education or vacation school.
Bank 17	Bank 17 collaborates with Koç University for a project called 'Practica Talent Camp (Practica Yetenek Kampı)' in order to train and inform senior year students from undergraduate and master programs about finance and banking sector, and consequently recruit them. During these camps, those students who attend the camps receive various educations about self-improvement and innovation. In addition to that, Bank 17 opens up an opportunity of internship for junior and senior year students who have to intern for graduation.
Bank 1	In order to support arts and culture for university students, jazz concerts given in various university campuses of different cities are continued and supported by Bank 1. As part of 'Istanbul Contemporary Art Fair (İstanbul Çağdaş Sanat Fuarı)', the bank handed out free of charge invitations to students in various universities in 2015. Apart from these activities, the youth were included in volunteering projects for the benefit of society by Bank 1 and those who participated in these activities were rewarded with Belle & Sebastian concert performed in Volkswagen Arena as part of ' <i>Bank 1 Jazz Fair</i> '.

Some Examples from the CSR Activities Oriented Towards Industry	
BANK	ACTIVITY
Bank 4	Bank 4 provides special credits for companies operating in health and tourism sectors.
Bank 27	Bank 27 is active in the sector of pharmaceuticals and offers services and projects such as 'Pharmacy Support Package (Eczane Destek Paketi)' to support and become more influential in this industry.
Bank 21	Activities pursued by Bank 21 in order to provide farmers with financial support and agricultural development encompass projects such as 'EKOkredi' that aims at giving financial support to farmers, 'Banking on Family Farming (Aile Çiftçiliği Bankacılığı)' that supports women farmers and entrepreneurs in rural areas aiming at inhibiting rural-urban migration.
Bank 8, Bank 25	Some of the banks such as Bank 8, Bank 25 develop some private cards for producers in order to enable micro producers to easily reach financial supports and campaigns offering special products and services for farmers.
Some Examples from the CSR Activities Oriented Towards Women	
BANK	ACTIVITY
Bank 18, Bank 22	Some of the activities carried out by banks is about performing financial support such as making loans available and offering special services for women entrepreneurs as Bank 18, Bank 22 and some other banks have done.
Bank 7	Some other banks such as Bank 7 offers programs to develop financial literacy and awareness among women and give financial education to women micro entrepreneurs.
Bank 13	Bank 13 has given certificate for women entrepreneurs completing their educations successfully through a program called 'Kadın Girişimci Yönetici Okulu' since 2012. Also, the bank supported a study 'Research on Women Entrepreneurs (Kadın Girişimciler Araştırması)' conducted by a professor from METU. Bank 13 collaborates with Sabancı University for a project called 'Business World is Against Domestic Violence (İş Dünyası Aile içi Şiddete Karşı)' within the context of woman oriented projects.
Bank 27	Bank 27 supports and attaches importance to the employment of women. In this connection, based on a research conducted by Capital Magazine, the bank was ranked in the 5 th place among the 100 best companies providing women with employment opportunities.
Bank 26	Bank 26 supports gender equality in society through the project 'Gender Mainstreaming for my Country (Ülkem için Toplumsal Cinsiyet Eşitliği)' to create awareness about the reasons of gender inequality in society.

Some Examples from the CSR Activities Oriented Towards Disabled People	
BANK	ACTIVITY
Bank 17	In order to raise awareness of disability, the group ‘Orange Hearts (Turuncu Kalpler)’, which belongs to Bank 17, has performed social activities with people who suffer from mental disabilities. In addition to that, as a part of ‘Word of Silence’, employees of the bank took education in Turkish sign language in the beginner level to raise awareness in communication.
Bank 26	Bank 26 supports the project ‘Ülkem için Engel Tanımıyorum’ which has been carried out by Koç Holding. Within this context, the training of ‘Right Approach to Disability (Engelliliğe Doğru Yaklaşım)’ was received by the employees of the bank.
Bank 21	The project ‘The Color I Touch (Dokunduğum Renk)’ has been supported by Bank 21 for more than four years. It has been aimed at helping sight-disabled people meet art and culture through the project.
Bank 18	In a certain number of books published in Braille Alphabet was sent to those schools that have sight-disabled students by Bank 18.
Bank 26	The project ‘Accessible Banking (Engelsiz Bankacılık)’ and the first web site in this field ‘www.engelsizbankacilik.com.tr’ started by Bank 26 are the practices within this direction.
Bank 13	Some of the banks, such as Bank 13, provide education programs for their employees to make banking services more accessible for disabled people.
Some Examples from the CSR Activities Oriented Towards Children	
BANK	ACTIVITY
Bank 26	Bank 26 collaborates with Education Volunteers Foundation of Turkey (TEGV). The project ‘Okuyorum Oynuyorum’ has been carried out since 2006 for the primary school students who do not have the opportunity of modern education. This project composes of out-of-school education activities which have been carried out by volunteers. Another project ‘Colored Pencils (Renkli Kalemler)’ has been carried out by the bank in order to help children gain new skills and raise the journalists of future with the contributions of experienced journalists and volunteers of TEGV.
Bank 15	The project ‘We look up at the same sky (Aynı Gökyüzüne Bakıyoruz)’ has been supported by Bank 15 since 2013. Purpose of the project is reintegrating children and the youth, who get involved in crime, to society. In the project, it is aimed at encouraging those children and youth to gain skills and help them gain self-confidence before they get out of prison.
Bank 1	Bank 1’s CSR activities consist of artistic and cultural projects

	addressing children and the youth. Theatre plays performed in <i>Bank 1 Children's Theatre (Bank 1 Çocuk Tiyatrosu)</i> and dance educations given by <i>Bank 1 Art Dance Workshop (Bank 1 Sanat Dans Atölyesi)</i> are the activities carried out by the bank addressing children and youth.
Some Examples from the CSR Activities Oriented Towards Governmental Agencies	
BANK	ACTIVITY
Bank 22	Bank 22 Bank provides local governments with financial support to make them carry out their infrastructure and superstructure investments easily. Besides, Bank 22 offers consultancy service to the local authorities via <i>Bank 22 Kobi TV</i> and with <i>Bank 22 Kobi Academy Public Meetings</i> . These meetings are held in different cities across the country to better reach local governments.
Bank 25	Bank 25 collaborates with municipalities and welfare associations to help them carry out welfare activities.

APPENDIX C

EXAMPLES OF THE CSR PRACTICES ON THE BASIS OF FIELDS

Some Examples from the CSR Activities Performed in the Field of Arts & Culture	
BANK	ACTIVITY
Bank 19	Bank 19 is the only bank stating that it carried out renovation projects to restore historical structures. The bank declares that it restored two water fountains (one in Bursa), one cistern and lastly a mosque in Ortaköy. These restoration projects executed by Bank 19 are reckoned as a contribution of the bank to culture of Turkey.
Bank 11	The development platform ‘Tiny Hands Big Dreams (Minik Eller Büyük Hayaller)’ established by Bank 11 aims at sharpening the creativity and imagination of children. For this purpose, the bank supports and executes many activities such as theatre shows, exhibitions and so on
Bank 13	Bank 13 cooperates with Turkish Foundation of Cinema and Audiovisual Culture to provide children who reside in cities in which they are less likely to go to the movie theatres with the opportunity of meeting cinema culture through ‘Bank 13 Children’s Movies Festival (<i>Bank 13 Çocuk Filmleri Festivali</i>)’. Briefly, banks carrying out projects to support the arts and culture for children are either sponsor to these activities or collaborate with foundations.
Bank 1, Bank 8, Bank 12, Bank 13, Bank 14, Bank 18, Bank 20, Bank 26, Bank 27	The Banks supporting the arts and culture for adults engage in projects such as film festivals (11 th <i>Bank 1</i> Short Film Festival), publishing books (Geziograf, İki K1y1 Bir Deniz by Bank 8), exhibitions (Dialogue in the Dark by Bank 12; O’Art by Bank 20), and sponsorship (Istanbul Jazz Festival by Bank 13, Ankara International Film Festival by Bank14). On the other hand, some of the banks possess art galleries (Bank 20, Bank 27), auditorium (Bank 18) and these banks carry out all the activities such as concerts, exhibitions, theatre shows by using their own facilities. Apart from these, supporting archeological excavations (Çatalhöyük Kazıları), organizing award ceremonies (<i>Bank 26</i> Afife Tiyatro Ödülleri) are some of the activities actualized by banks to support the arts and culture.
Some Examples from the CSR Activities Performed in the Field of Education, Science and Scholarship	
BANK	ACTIVITY
Bank 8, Bank 9, Bank 15,	Collaboration with TED, Bank 8 gives full scholarship to the financially-weak farmers’ successful children. Similar activities are

Bank 17, Bank 18, Bank 26	carried out some other banks such as Bank 9, Bank 15, Bank 17, Bank 18, and Bank 26. It should be added that all the banks carry out these projects with a partner such as Darüşşafaka, Koç University, and the Association for Supporting Contemporary Life (ÇYDD) and so on.
Bank 11	In order to make contribution to prospective entrepreneurs, Bank 11 ran the contest of ‘Future Bosses (Geleceğin Patronları)’ in 2015.
Bank 22	The traditional contest of ‘Ninth Plain Good Sense (9. Akıl Fikir Yarışması)’ was carried out by Bank 22 in order to encourage innovation and more than 13.000 projects competed in the contest in 2015.
Bank 8	Bank 8, over Deniz Academy, provides her employees with in-company trainings, education programs and activities. The bank uses different methods and ways such as e-learning, learning through mobile devices, Deniz TV to give education to her employees. In addition to that, she provides book summaries and the bank has a digital library that employees can benefit whenever they are. These education programs compose of various topics such as career management, leadership, information security and so on.
Bank 11, Bank 15, Bank 17, Bank 19	Likewise, Bank 11, Bank 15, Bank 17 and Bank 19 have similar activities. Bank 19 also pegs down that she provides social activity opportunities for her employees as well as education and development programs. Clubs for sports, travel, photography, hobby and teams such as basketball are actively supported by the bank in order for employees to achieve balance between work and private life.
Bank 2	Those banks providing self-improvement opportunities such as internship, seminars, and congresses for college students develop these activities by mostly cooperating with universities. Also most banks become only sponsor to these activities. For instance, Bank 2 provided student from private universities with internship opportunities. Also, the bank was the sponsor for the economics and finance congresses held in various universities in 2015.
Bank 15	Bank 15 conducted seminars, held conferences covering topics such as trade, export, economics, finance, and risk management during 2015.
Some Examples from the CSR Activities Performed in the Field of Financial Support	
BANK	ACTIVITY
Bank 27	In order to finance the commercial activities of women and augment the contribution of women in economy, Bank 27 put the project ‘Bank 27 Woman Entrepreneur Support Package (Bank 27 Kadın Girişimci Destek Paketi)’ into service in 2015.
Bank 10	Likewise, Bank 10 offers a similar service for women with the name of ‘Financial Support Package’.

Bank 14	Bank 14 provides artisans and entrepreneurs with zero-interest loans to support disappearing professions and create financial resource for those who need. In addition to that, the bank collaborates with Small and Medium Industry Development Organization (KOSGEB) and provides those SMEs registered in KOSGEB data base with credit opportunities.
Bank 25	Similar partnership has continued between Bank 25 and KOSGEB. The bank offers SMEs credit opportunities with suitable interest rates and terms.
Some Examples from the CSR Activities Performed in the Field of Responsible Banking	
BANK	ACTIVITY
Bank 13	In order to minimize the negative effects of credit and investment activities, some of the banks, such as Bank 13, improve environmental and social risk processes and evaluate credit applications according to these environmental and social credit policies.
Bank 14	Some of the banks, such as Bank 14, have the Department of Risk Management that is in charge of preparing reports about the risk factors of the credits, market or operations.
Bank 17	Bank 17 has embraced Ecuador Principles since 2003 and credit applications above 10 million\$ have been evaluated according to environmental and social responsibility standards and the projects have been financed in accordance with Ecuador Principles.
Bank 3	Most of the banks develop strategies in order to provide security, avoid internet banking frauds and combat money laundering. Those banks either establish special departments or take advantage of technology to achieve these objectives. Such as, Bank 3 has begun to use ISO 27001 Information Security Management Systems in order to provide corporate information security.
Bank 5	Bank 5 has established a department regarding the prevention of laundering of crime revenues and financing of terrorism.
Some Examples from the CSR Activities Performed in the Field of Environment	
BANK	ACTIVITY
Bank 2	Headquarter of Bank 2 is an intelligent building which does not harm the environment. The building was designed and planned to diminish the carbon dioxide emission. Besides, other precautions taken by Bank 2 aim at mitigating environmental impacts such as water saving, waste collection, electricity saving, paper saving and so on.
Bank 12	<i>Bank 12</i> Data Center, which belongs to Bank 12, has for purpose to achieve high effectiveness in power usage. This may be regarded as an activity that aims at environmental conversation.
Bank 12, Bank 13, Bank 14,	In order to support renewable energy and environment friendly investments, most of the banks such as Bank 13, Bank 12, Bank 14,

Bank 18, Bank 20	Bank 18, and Bank 20 put financial support such as providing low interest loans or getting into partnerships with international financial institutions to finance projects in this field. The usage of renewable energy resources comes into prominence in order to avoid the devastating impacts of global warming. And it is a significant opportunity for banks to finance renewable energy investments in a fight against global warming.
Bank 1	Bank 1 has been included in ‘Carbon Disclosure Project - CDP’ which is one of the most prestigious activities of environment initiatives and put supports behind the execution of this project in Turkey.
Bank 14	Bank 14 gets involved in different activities to support environmental issues. The bank was sponsor for the 2 nd Istanbul Carbon Summit in which participants discussed how to mitigate the carbon emission. Besides, the bank carried out ‘Bank 14 Memorial Forest’ project and dibbled totally 20.000 saplings on behalf of each employee.
Some Examples from the CSR Activities Performed in the Field of Professional Field and Employment	
BANK	ACTIVITY
Bank 13	Some of the banks put support behind gender equality by actively participating in events related to this subject or they just declare that gender equality is supported by the bank. For instance, Bank 13 announces that the bank supports gender equality by being the only and first Turkish bank in UN Women Business Hub which works for social gender equality and empowerment of women. In addition to that, the bank participates other international organizations, takes initiatives and held activities for this purpose.
Bank 13, Bank 26, Bank 27	The activities carried out by banks to provide employment opportunities for disabled people compose of offering support packages to finance their trade activities and augment the contribution of disabled people in economy as Bank 27 has done, recruiting disabled people as Bank 26 has done, and developing projects such as ‘Join the Work, Begin to Work (İşe Katıl, Hayata Atıl)’ in order to help these people get hired as Bank 13 has done.
Some Examples from the CSR Activities Performed in the Field of Others	
BANK	ACTIVITY
Bank 25	Since 2014, Bank 25 has been a part of Sustainability Index which is carried out by companies on Borsa Istanbul to analyze decisions given related to sustainable activities such as environment, global warming, depletion of natural resources, employee rights, and occupational health and safety. Also, the bank is one of the five banks listed.
Bank 1, Bank 4, Bank 6,	Banking Association of Turkey published a short report indicating the statistical data of banking services for disabled people in 2015.

Bank 8, Bank 10 and so on	According to the report, 16 of the banks in the sample carry out a practice for disabled people. Certain banks renovate their ATMs in order to provide better service and extend these services for disabled people.
Some Examples from the CSR Activities Performed in the Field of Philanthropic Activities and Volunteering Projects	
BANK	ACTIVITY
Bank 15	The project carried out by ‘ <i>Bank 15</i> Volunteers Theatre Club’, which enables volunteer employees to perform theatre shows and financially assist NGOs such as the Foundation for Children with Leukemia (LÖSEV) with the revenue earned may be regarded as an example of both supporting NGOs and volunteering projects.
Bank 17	In order to both support women in society and raise awareness and solidarity, Bank 17 granted compensations to the Purple Roof Women's Shelter Foundation (Mor Çatı Kadın Sığınma Evi) on International Women’s Day.
Bank 19	Besides, Bank 19 collaborated with the Red Crescent in Turkey to establish a village for the victims of flood disaster in Pakistan. The bank also collects donations and executes projects fighting against famishment and drought across Africa.
Bank 9	In order to help those people who needed support after natural disasters, banks either collected donations or actualized certain projects. For instance, Bank 9 started a project for the construction of container houses after Van earthquake and paid visits to earthquake victims.
Some Examples from the CSR Activities Performed in the Field of Sports	
BANK	ACTIVITY
Bank 11	Most banks support sport activities through sponsorships. For example, Bank 11 was a sponsor for <i>Bank 11</i> Private Banking Istanbul Seniors Cup, TED Doctors Tennis Tournament, and Istanbul Champions Cup Tennis Tournament in 2015.
Bank 13	In order to encourage disabled people to integrate in social life, Bank 13 has been the sponsor for Turkish Wheelchair Basketball League since April 2013. In addition to this, the bank has been the sponsor for Turkey men’s national wheelchair basketball team and Turkey women’s national wheelchair basketball team.
Bank 13	Bank 13 has collaborated with Turkish Basketball Federation in order to infuse basketball into children and train them, and the bank has supported ‘12 Giant Men Basketball Schools (12 Dev Adam Basketbol Okulları)’ since 2002.
Bank 25	Another example may be the donation of sports equipment for schools made by Bank 25 in order to put support behind the development of sportive activities.

Some Examples from the CSR Activities Performed in the Field of Consultancy Service	
BANK	ACTIVITY
Bank 1	The project ' <i>Bank 1 Export Academy (Bank 1 İhracat Akademisi)</i> ' has been developed by Bank 1 and Sabancı University. The purpose of it is to provide SMEs with required information about export, export marketing, cultural differences, and economic expectations, and to eliminate lack of knowledge in order to achieve sustainable growth for SMEs in international trade.
Bank 14	' <i>Bank 14 SME Experts (Bank 14 KOBİ Uzmanları)</i> ' aims at instantly responding to the questions coming from SMEs. Also, the bank provides SMEs and entrepreneurs with monthly articles to help them acquire knowledge related to current economic conditions and topics that might interest them.
Bank 14	With the projects aiming at providing consultancy service and education programs for entrepreneurs and farmers, Bank 14 makes an effort to support the growth of agricultural sector. The bank holds free of charge contact meetings with the people residing in rural areas of the country by informing them on disinfection, pruning, irrigation, and equipment maintenance in order to encourage them to make conscious production. Besides, as a part of collaboration with Ministry of Food, Agriculture and Livestock, the bank delivered more than 500.000 agriculture thematic books for farmers.

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