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The Role of CSR in Business and Its Organizing Mechanisms

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Abstract

My research for diploma is about the role of Corporate Social Responsibility and its organizing mechanisms.

It's known to everybody that nowadays companies are eager to increase their profit by getting a good image. Because to be different from all the past times now for both companies and for their consumers the most important things are society, environment, people and their wants and demands and mental values and etc. The reason of this change, in my opinion is mostly about education and culture and people's humanity feelings. And to take care of all these factors companies have the best way, called Corporate Social Responsibility. Some companies and organizations do some charity, like visiting and supporting orphanages, sending some medical and food to poor regions, taking care of poor children or just taking care of nature and animals. Protecting animals and nature is one of the most widespread methods of having a CSR event. Because consumers as I mentioned above prefer a kind of company that doesn't only think about his own profit and income but also is interested in its products' or services' quality and people's reaction on it. So a good business manager prepares a good marketing plan that will include all these factors detailed in it.

This diploma work is consist of introduction part, 2 chapters and in each chapter you can find out different paragraphs that surround this topic from various aspects, conclusion and at the end literature list.

In introduction part it's talked about how actual the topic is, what the purpose of the research is and what the duty of the research is.

At first chapter I searched about the theoretical sides of the topic, its history and how it developed from past till now, how it progressed, what had changed during all these centuries and what was the reason of this change. In this chapter I also tried to find

out the differences among several cultures, not only among times to be able to demonstrate that this Corporate Social Responsibility wasn't formed at once but it got a long way.

At the second chapter I will give some examples of Corporate Social Responsibility and how they applied it and what challenges the companies they faced. And I will have some survey questions and answers for them

And in Conclusion part I wrote about my own ideas as well about this topic and also gave suggestions that I realized during the research can be effective and useful and the diploma work finishes by the Literature list.

Introduction

How actual the topic is: In modern business world the style is much more different than it used be 2 centuries ago. I've already mentioned about it above, but now I'll give a little bit more detailed information. We all know that organizations' first and biggest aim is to get profit, because otherwise the business can't continue its activity and even have a bankruptcy. So what would you do if you had your own business? I will answer to this question from my point as a business student. I would first research and learn my consumers. Who they are, what their demands are. And according to this survey I would have some changes in my business. Nowadays psychologists say that moral values are more important for people than some financial things. So companies firstly pay attention to this. Moreover Corporative Social Responsibility is not just the way of getting high image performance, but also it is the way to be really useful and reliable company. And by this way the company can attract qualified specialists to work for them. And it also would lead the company to a high brand reputation and increase in sales and it will also lead the company to expand and become even a business chain one day. And if we have a look at the lists of the biggest companies we can see easily that most of them have done CSR events for both their own profit and for society.

The purpose of the research: the main purpose of the research is to find out more detailed and exact factors and things that show the importance of CSR in business and also to realize what the effective methods are to organize it in different types of businesses.

The duty of the research: The duty of the research is related to its purpose. We can count all the duties as below:

- To realize the exact meaning of CSR
- The discussion of the periods of CSR
- The disadvantages and advantages of CSR

- The role of CSR in brand reputation, increasing sales and getting consumer's reliability.

At the result of research we will be able to see every good and bad sides of CSR in both business and society.

Information reference belongs to lectures from lesson at the university and my own opinions that I got from these lectures, and also from both local and foreign authors' monograph's and their articles and also internet resources.

I Chapter. The Theoretical Part of CSR

1.1 Periods of CSR from past till now

CSR wasn't as it is now many years ago. It has a historical improvement from its establishment till now. It was created but had some other meanings, more exactly it used to be understood in the favor of owners and directors but not as its real meaning like now. So in this paragraph we will have a look at these periods.

1. The period before the industrial revolution.

The first person who mentioned about responsibility for the society was a Greek thinker, Eflatun and he used to say that managers or leaders should give the major preference to the general profit in economic issues, but Aristo searched the topic in mental aspects and he supported the idea that prices and earnings should be fair. At the same time he used to say that the percentage (interest) is unfair.

With the influence of Renaissance and Reform art and trade developed, discoveries and inventions were created. In this period productivity increased, richness became major principle of the society. Mental values were replaced with physical values.

Between 16th and 18th centuries there used to be Mercantilism theory which used to say that the government should be active in economic life and should get maximum profit in economic activities. And in order to get this employee or worker expenses should be minimum.

2. The Period after Industrial Revolution

In 1765 James Watt invented steam machine and it helped the industrialization begin.

This period is known with Newton theory. According to this theory the most important thing is getting high income or profit and also workers were considered as

machines. And their social needs weren't attached importance by managers.

In this period "invisible hand" theory* was dominant and the owners, managers didn't think about anything else, except profit and productivity.

(In this theory it was said that when something happens in the market there is no need to control it, it does it itself and that's why managers only thought of themselves and didn't care about anything else.)

So it's obvious that like the previous period, in current period CSR wasn't paid attention at all again.

3. The first half of 20th century and automation period

This was the second industrialization revolution. It reduced the manual labor, developed technology but also it had bad influences in economy. Such as unemployment, environmental pollution and etc. in this period governments begin to have some projects and laws to take care of such issues.

At the beginning of the first part of the 20th century there were many wars and because of these reasons many people lost their jobs and unemployment increased. So at the result of this economic process people who are unemployed came together and established union. Then they began to protect their rights, and made managers think about not only their profit, but also employees.

4. The period after Second World War and the progress of CSR understanding.

After the Second World War, the value to the education increased and qualified employees, specialists increased as well. But there was something wrong for the directors as well as managers, because these specialists, qualified work force rejected to work in the favor of owners and so on. They used these corporations, organizations

and companies in order to make real their own aims.

In 1950s there used to be legal arrangements in the sector of Corporate Social Responsibility of organizations. These arrangements were about right informing in package, advertising in the favor of society, environmental health, work safety, reducing pollution and etc.

At the beginning of 1980s the idea; profit can be gained at the result of good service began to be supported. Additionally in these years social unions had a dominant role in society. Such kind of unions began to protect women's right, were against racism and did a lot of things for these and these kind of issues.

In organizations Corporate Social Responsibility was understood by sharing right information with partners, being fair in business, having a right and equal profit sharing, making advertisements in the requirement of the moral values in that culture, recycling, financial support to the poor, service for the social health, better work conditions and etc. *(refers to "SA 8000 the influence of Social Responsibility Standards to the organizations and to the work supplies" thesis)

Lets understand what CSR is. In my opinion, every person feels happy when she/he does something for someone and see the good result of it. It makes us feel more useful, valuable and makes us think like we can do something good for the rest of the World. Yes, that's true that human brain works in this way and whenever she/he feels all these emotions it becomes more efficient and effective, successful. So Corporate Social Responsibility is the same feelings but for organizations. A company works and tries hard to get profit, to beat his rivals in competition in one side, but at the same in the other side it protects environment or people without demanding anything. These CSR objects may be chosen not only according to the owner's personal choice, but also according to company's favor or employees' wants and etc. and because of finance and reputation in many countries the Corporate Social Responsibility is done by big companies. We will have a look in Turkey and its organizations' (such as

“Vodafone” “Turkcell” “Opet”) CSR strategy at next chapter and also we’ll have an example of “M.C. Donald’s”, “Shell” and how they managed and saved their image, brand reputation. We have some examples about our local companies such as “Bakcell” “Azercell” “Green ASAN” and etc. But before that we should have a look at CSR and its real meaning deeply and the reasons why organizations used to feel to have it. Then the controlling of it and etc.

So what is the ethic concept of CSR?

1.2 The Ethic Concept of CSR

In 1970s CSR began to develop and its ethic concept was interesting and had been discussed in many organizations and universities. As in this years in the United States of America more than 50 books about CSR had been published there. During these publishing period there used to be many researches and it helped this concept to be learned deeply. As a result in 1970-1980s CSR was the main topic at work of universities and also business lives.

In 1980s The USA had some political strategies which influenced to that period’s economy and social situation as well, so because of this many companies began to stop the CSR and it reduced the attention of this process to it too. But we can’t say that all the companies were away from this strategy.

The companies which had already completed the period of meeting this new understanding continued applying CSR. In these kinds of companies workers and managers began to work together. The managers used to start to understand the importance of environmental health and protection. And also these organizations were acting in a strategic way, as they knew that when they leave this strategy the society won’t react it friendly and it will bring lost more than they think. The managers of such companies realized that people are happy about CSR and because of it they rely on and prefer their companies, so if they drop applying it would bring

decrease in reputation and also in finance.

Companies that did not stop CSR did best of it and they began to have more of it. Such as they created Ethics of Work in a workplace and also in a business and even there began to be a magazine about it. And it followed with books in the topic of work ethics.

In 1980s Freeman had developed the understanding of “stakeholder theory”. Although this meaning had been discussed many years ago, while it was knowing and used there had been some changes. In these years research of CSR was stopped but the research of “Stakeholder Theory” continued.

In 1991, a magazine about work ethic was published. In 1990s, there used to be financial crisis and companies began to increase the number of lessons about work ethic and CSR to stabilize this process. At the beginning of these years, a union was established called, CERES. Its duty was to find out solutions to the problems. Some company owners and social union leaders made it.

CERES was a kind of organization, which helped to analysis better, get a good result, and give a right decision. Its slogan was “Think big! Solutions for a better economy”.

In these years, CSR was mostly used in the meaning of stakeholders. Companies paid attention to their partners and their shares much more than society and environment. Nevertheless, whatever, this was a progress in CSR in the compare of previous times.

At the end of 1990s, organizations began to estimate the concept of Corporative Social Responsibility. Again, in this period social unions began to increase and it leaded CSR develop too. By development of CSR new job opportunities increased.

In the beginning of 2000s, according to some theories, companies that take care of human health, animal health and environmental issues are real Corporative Social Responsibility makers. In this case there used to appear 2 parts. First of them:

1st of them is this that Corporate Social Responsibility is about volunteering and 2nd of them is this that the main function of CSR is to activate in the processes and events of taking care of society, community and environment.

According to another thought a company that has CSR shouldn't damage its stakeholders. And if he does a kind of action which may damage the business ethic or work conditions he should definitely stop it. In 1990s with the increasing number of companies, CSR also increased. And the organizations began to compete in this sector too. Like some companies helped and supported against the illness AIDS in Africa and so on.

In these years corporate citizenship understanding began to spread. Some supported the idea that the meaning Corporate Social Responsibility and Corporate Citizenship were the same understandings.

Stakeholder theory remained its importance too. But the relationships between companies and their shareholders became complicated. So this process changed the controlling process from stakeholder control applying to the relationship control applying.

As a result, Corporate Social Responsibility was defined by various researches and they tried to explain each understanding according to their own view. Of course this led the Corporate Social Responsibility not to be able to be defined exactly. For some this was a kind of understanding that should be paid attention again from scientific aspect. Nevertheless, in 19th century, the mentioned understanding (Corporate Social Responsibility) began to be formed and it got a simplicity to today's form.

At some period Corporate Social Responsibility was a reason to some arguments, but at some period, like in 1929's economic crisis was keeping its stability.

1.3 The Factors That Influenced Corporative Social Responsibility in the Process of Establishing

In the establishing process of this understanding- Corporative Social Responsibility, religion was one of the major factors too. Beside this, reactions that came from society forced Corporative Social Responsibility be created.

Religion was the major factor, because more than half of the people, more than 50 % of a country's population consider religion as an important part of their life. They assume that requirements that are mentioned in religion are need to be taken into consideration and have to be obeyed. So one of the most important issues that is mentioned in almost all of the religious books is treating others like doing the same to yourselves. So if a consumer who is a kind one of the people I have mentioned above wants to buy a product or service then she/he will first of all consider these factors;

- Whether his work condition is ethical or not
- Whether he thinks about environment and takes care of it or not
- Whether he acts well against all other people from a level below society
- Whether he is fair about equalize women's right and men's rights
- Whether he gives some of his revenue to charity or not
- Whether he is think full about his consumers or he just wants to sell
- Whether he is careful about the quality of his products or not
- whether his main ambition and purpose is doing business ethically or just produce whatever he can and sell as much as he can
- Whether he is fair about prices too and etc.

So we can talk about these requirements and make this list longer, but now our purpose is a little bit different. We have to find out that how the Corporate Social Responsibility created and what were the factors that influenced it. And Religion was one of them. And I have already mentioned how it could influence and at the same time how it could influence too.

Now let us talk about next factor that influenced establishing process of Corporate Social Responsibility. The following factor is society and requirements that come from it. As we mentioned above there were some organizations whose duties were protecting rights of environment, rights of animals or helping poor people, trying to make their life standards better and etc. and these kind of organizations' participants were also sensitive to companies and their working conditions. It was an easy job to advertise these companies in a bad way and to decrease their brand reputation because of acting in an unethical way against the things that these people were struggling to protect. That was the reason why people's opinion began to be important for business leaders. Because they knew even they don't bad advertise their brands it would be a kind of lost of consumer. Because on the other hand they were themselves consumers and in case that they stop buying something and advising not to use these companies' products or services it will bring failure, bad reputation and it will be followed by loose of finance as well.

The next factor that we are able to say something about the things that influenced the establishing process of Corporate Social Responsibility is moral values of the owners' and managers' themselves. What do we mean by this? Let's explain and analysis it more detailed. On the two factors that we discussed above, all we paid attention was consumers and their requirements and their moral values. But surely it can not be the only reason. Some of the leaders of the companies also were attentive about others and environment while working and production process not because of only they were afraid to loose consumer and finance, but also they really used to think about them inner. The reason of this was because they really cared about them.

As a person, these owners, managers, and even shareholders had opinions and self-ideas about nature and they could realize that in case they damage nature soon it will be end and neither they will be able to earn some nor they will be able to live in a healthy place. It would soon bring the end of peaceful and healthy lives and in case, they used to do so many things to get more to live better why they would destroy it? If they would then what would stay to live and struggle for, to work for? People would lose their hopes and dreams then. So maybe this would sound a little bit dramatic or even philosophic but that was the thing that stopped these people (owner, leaders, managers, shareholders and etc.) destroying, polluting and damaging environment. Surely some of them, not all. Not only environment, but also people and their problems were the kind of issues that were considering important by these leaders. And that attracted people even though this wasn't company's aim. Moreover, these attractions were met sympatric by people and it began to be followed by increase in finance because of high number of consumers and also a good brand reputation because of all the events and actions that were done in order to protect and support others. So not to be depended on which reason the Corporative Social Responsibility was done, it brought companies profit and it made both company owners and people happy and satisfied.

As time goes by, Corporative Social Responsibility began to be an obligatory. The reason was because the environment were going to be destroyed, some kinds of the animals were going to be disappear and this was an alarm which used to show that it was already time to act in order to save the world. For this first step came from The World Bank.

The World Bank in 20014 had decided some new projects about Corporative Social Responsibility and this decision had some purposes. If we are more exact it had 2 directions:

- Corporative Social Responsibility would be able to solve problems related to

economy, environmental and social life. It needed long term research and point of view. In order to be able to do this The World Bank had to create an investigation group and this group had to have a long term research. It surely required financial support to get exact answers on analysis and also qualified specialists who will be able to overcome these. For this first of all these specialist had to research the nature economy environment and society and had to find out what the reasons were of the issues, what their origins are, where they come from and at last they had to give or create a solution to solve them. So yes that direction requires long term.

- There had appeared a new view called “new progress direction” whose main purpose was to take care of ecological responsibility and social issues. This might seem like the same of the first direction, but they are not same. This one is the continuing of the first one. As I have already explained detailed about first and told that at last step it is time to find out solution for the issues and from that moment, the second direction starts. After knowing how serious and deep the problem is, then specialist realize which responsibilities they have to take.

The concept of “responsible growth” that is supported by the World Bank was not just a target to decrease poverty in the world, but also was the first condition of living together in peace and also protecting ecological systems.

1.4 Four Directions of Corporative Social Responsibility

Some researchers used to say that organizations should be criticized with not only their economic success, but also with other criteria successes. One of the researchers in 1970s, Carol and some others like this one used to define Corporative Social Responsibility in four directions and began to explain it in 4 categories. In another word he used to say that if companies or organizations want to be successful they should have these four aspects. (Lantos, 2001:596)

Now let's define each one by one:

Economic responsibilities:

A successful company used to be thought that have to be a kind that can earn more, produce as much as possible, can find new needs and can do various and new things, can be able to pay the taxes and can be able to invest on growth of economy. But these weren't the only reasons. One of the main things was creating value on all these productions. When a company produce a new good, he should know how useful it is for society. Because then this means that company pays attention about society's needs and their demands.

Legal responsibilities:

Again, a company, a successful company also have to take responsibility of legal issues. It should be careful and attentive while working and activity process on legality. Because a successful company have to be also legal, in another case it would not be ethic and also it is wrong behave in Corporative Social Responsibility requirements.

Moral responsibilities:

Moral responsibilities fill the blanks of the legal responsibilities. These responsibilities require to be moral, integrative, doing what is right, respecting others' rights, to stay away of damaging or to stop something that might damage others and etc. Moral responsibilities require doing the things even though they are not written in the legal lows. The religious factors, besides this some factors required by society are included in this direction in Carol's research.

In the previous time before 1960s work ethic was not a kind of topic which was interested by leaders, they used to produce and sell unqualified products, pollute nature and some other illegal things. But in that time of period there was no such an

understanding Corporate Social Responsibility, so media began to light up all these issues and at last society cried out, protested these companies and soon in the middle of the 1970s, in The USA Corporate Social Responsibility understanding appeared. This process led to an increase in the requirements of the society against work places, companies, organizations and their owners, managers and shareholders.

Volunteering Responsibilities:

This direction includes giving their time, care and money to those who need. This makes them more ethical and attracts more people who will be interested in the companies. Companies needed it because they were not consist of only shareholders, but also consumers, rivals, suppliers, local society, media and etc. and think a little bit that you work in a company which has such kind of events wouldn't you feel more proud, more peaceful that you do something good for others? It is a classic psychology. If workers love their job they won't leave it for better salary, or for better work condition. They will stay and fight for it in any risk moment and support it. Because they know that, this company think of others and have some humanity principles. This might help companies to have a more reliable contingency planning. What is the relationship with Corporate Social Responsibility and contingency planning?

In case that company has a principle related to Corporate Social Responsibility according to fourth direction it makes workers love their job and support it at any time. So in case of crisis company knows that he has a number of people who may work for lower salary for a period and doesn't face with the risk of losing employee. So from this point we see that Corporate Social Responsibility has a great influence in every part of company in growing process.

1.5 Corporate Social Responsibility Theories

The theories related to Corporate Social Responsibility demonstrates us “why” and

“how” of the understanding. (Moir, 2001:19). In this case we can talk about 3 major theories that are accepted.

Stakeholder theory:

This theory is about analyzing the responsible groups of company. According to the definition of Freeman a stakeholder is a person or a group who influences company in order to reach its goal. We can divide stakeholders into two groups, such as primary and secondary.

Clarkson defined primary stakeholder group as following: if this stakeholder group always doesn't take part in process, the company won't be able to keep its activity. We can add investors, local governments, shareholders, suppliers. Consumers and so on into this group. But secondary stakeholder group participants are those who are influenced by the company and also influenced the company but at the same time are not contacted with the company and are not obligation for the existence of the company. So which groups should be paid attention by managers? Michele (1997: 855), developed a model to define stakeholders and he said that according to having one of or all of strength, legitimacy and etc. Factors we should evaluate stakeholders. For instance, imagine that there is a company who works with petrol and when you evaluate its stakeholder group you should pay attention to its legitimacy. As he might damage environment, pollute nature, so you should observe and find out this part.

Below I am going to mention about some organization and companies that support stakeholder analysis and are concentrated in stakeholder understanding in their working condition:

- Johnson& Johnson (2000): being fair, honest and respectful to our interest groups is one of responsibilities of our company.
- Volkswagen(2000): we define Corporative Social Responsibility as a talent of

combining of the issues of our company and society's current economic and social problems

- Shell: we all have to evaluate the influence of our company on society and have to stabilize on economic, ecologic and social aspects on everything we do.

Social contracts theory:

Gray (1996) defines society like this; a community is a number of liabilities which are allowed between the society itself and its participants. According to this definition Corporate Social Responsibility is not a kind of obligation, but because it is a part of society itself, it should be done. Donaldson and Dunfee (1999) had developed a social contract in order to decide something related to managers. In an example, a company works with lands and a liability that society waits from it is protecting it. In return the company gets profit for using this area. We can think it bigger in a macroeconomic too in a bigger example, for countries.

Legitimacy Theory:

Suchman (1995) defined organizational legitimacy in 3 types:

- Pragmatic
- Moral
- Cognitive

Also the major struggle areas of legitimacy are:

- Gaining legitimacy
- Continuing legitimacy
- Repairing legitimacy

Suchman used to say that legitimacy is related with contact. A company that wants to have legitimacy should evaluate some types of keeping in touch. When a company

has this legitimacy it should announce it via media for instance. Society gives some responsibilities and also strength to use this legitimacy in order to have Corporate Social Responsibility in its workplace, company or organization. In a long term if the company which has been given this strength and responsibility doesn't use it in a way that the society had required for is forced to fail.

So these are some theories that were major and still have some characteristics on nowadays' Corporate Social Responsibility understanding and its organizing methods.

1.6 What Are the Advantages of Corporate Social Responsibility and the Problems in the Applying Process?

Corporate Social Responsibility, for some is an understanding that influences in a good way all the performances of the company, specially economic ones and for some is an understanding that increases the brand reputation and image. So whichever side we take, we can see that it has several benefits.

An organization called "Business in the Community" which is known by its works in Corporate Social Responsibility has defined these benefits in six directions. (Little, 2003:3)

- Honor Controlling
- Risk Controlling
- Worker Satisfaction
- Creativity and Learning
- Capital Arrival
- Financial performance

Now let's discuss each one by one more detailed.

Honor Controlling

Each company's success is connected with not only its consumers, but also with its all stakeholders. Because a company that pays attention to its relations can get each group's support in order to reach its goals in both long term and short term.

As a result of an investigation, 44% of the English pay attention to the company's Corporate Social Responsibility factor and they believe that this is very important thing. In the point of 86% of consumers, companies who seem like protecting environment, trying to make Earth better place have more positive image.

A company, called BT that is one of the best companies in the connection technologies sector believes that the market share that they have gained because of Corporate Social Responsibility is very high and also they consider that this understanding protects it. The company believes that 25% of the company's image, which attracts consumer satisfaction and reliability, is gained at the result of Corporate Social Responsibility.

Risk Controlling:

Corporate Social Responsibility can be seen as a tool to identify and control the risks better. Many companies try to define the risk understanding by covering social and ecological issues and for long term period. Corporate Social Responsibility introduces solutions in order to decrease loses and also to defeat the risks that are going to happen. In this way, companies can beat the competition and can get high level of their leadership skills.

Satisfaction of the Workers:

In the activity process of companies, workers have special value. They create value in the relationship with stakeholders and introducing it. It is impossible to imagine companies without workers. They are the reasons why we have companies, managers, administrations. Because in case we do not have workers, then there will be no need to have leaders, managers and so on. Workers spend most of their times at

work and the work is an important part of their lives. People are eager to work in a kind of companies that know their responsibilities. According to a result of an investigation each 3 people out of 5 claim that they want to work in a company whose values are the same with theirs and in case that these values continue they will keep working for them. The workers who have desire to work for this company, who are motivated will be the main symbols of the company's success.

Creativity and Learning:

In 1983, Royal Dutch/Shell had an investigation. According to this investigation in the magazine, called Fortune there used to be 500 companies in 1970 but in 1983, 1/3 of them already did not exist. Shell used to claim that the average lifetime of huge investing companies is less than 40 years. In a rough, half of the average person's lifetime. The reason of these companies failure is related with economy and wrong strategy of dividing the shares, but besides all these factors, reasons there was one reason which was the mutual and most important one for all of them.

None of these companies used to have new or variable production. They did not have a market research and because of this they couldn't identify what the consumer needed and wanted, what their demands were. After a period when a buyer went to a market and see something different and new and after using it he/she liked it then he/she will change his/her choice. This change will be the end of the old brand or at least failure and lose of the brand. In this part, I want to mention about one example briefly. The mobile phone brand "Nokia" used to have a great market value, his sales were so high and consumer used to prefer it to other brands in its time but he did not make any progress on its products. His products were so qualified but not new. Therefore, some other brands like Samsung and Apple began to produce sensor phones, which just "killed" Nokia's sales. Therefore, if Nokia used Corporate Social Responsibility in its management and would investigate and research its consumers' needs it would be able to keep its stability still.

Capital Arrival:

Investors did not pay attention to the non-financial parts of the company at the previous times. Because they used to think that if they invest on one company, it means that they have to get profit on it and much more than they have put. But now the situation is a little bit more different. Now the investors consider the Corporate Social Responsibility as an irreplaceable part of the company and success. Because now they consider that, this understanding is a sign of the company's quality. In addition, a qualified company will take care of both the society's and humans' demands and problems and also the financial issues. Therefore, this sounds more reliable. Nowadays very few investors can pretend not to see the Corporate Social Responsibility of an organization. The reason is this new understanding is related with economy, ecology, society, health, future anticipating, and finance and of course company's brand reputation.

Financial Performance:

Corporate Social Responsibility lets companies gain competitive advantage and strength. In addition, it follows financial success. Having a goal more than getting money, will help to increase financial performance in the long term. This understanding will let the company have some future plans, which will bring profit and a great amount of money in the long term of the activity process of company.

Corporate Social Responsibility is a chance to reduce the financial expenses and costs in order to get more profit.

Now let us talk about the issues we face while making Corporate Social Responsibility strategy.

First of all the biggest problem that can be faced is the intentions. While companies making Corporate Social Responsibility their intentions might not only be in the direction to increase their profit or get a good brand reputation but also may want to

deceive both community and people. For instance they can act like they protect women's rights and because of this they hire mostly women to work but in real they do this because they pay less salary to them in the return of a hard work and so on. We can make this example list longer. So first problem that we face with is the real intentions and the ones that the managers and business owners demonstrate to the community.

However, in a modern life, almost every business company thinks of his reputation and honor. Therefore, he also realizes that Corporate Social Responsibility is one of the main factors that directly influences its activity and tries to stay away from such kind of things. (Lewis 2003:356).

Another issue that a company may face mostly is terrorism, business scandals, sudden lose in exchange, unknown economic condition etc. All of them influences big companies and their owners and managers in a bad way. (Varney, 2003)

In such a condition, Corporate Social Responsibility had appeared not like a want, but like an obligation. In 2001, in the USA in the result of a research of a public relations company, it has been known that $\frac{3}{4}$ of people consider Corporate Social Responsibility issues while they look for a company to invest. There are so many doubts against business owners, leaders, managers and shareholders. So all the things they do in order to have Corporate Social Responsibility might seem like doing something in the favor of themselves. Especially if all these things are related with their work, then it might be clearly thought that it is a "Strategic Charity". But on the other hand if they don't do this, they will be blamed with being unmindful of environment and society. So almost every company faces with these problems and are looking for the solution, which will be able to solve both first types of ideas and also second types of opinions.

For having a real Corporate Social Responsibility Peter Frankental (2001: 19) had pointed at those factors below and he believed that to have a smoothly CSR the

companies have to follow these ones:

- Company should pay attention to each stakeholder's demands
- Corporative Social Responsibility attempts must be related with financial markets
- Corporative Social Responsibility must be related with social and ecological purposes.
- All the attempts must be controlled and compared with each other to see the differences
- There must be transparency in the attempts
- There must be conformity mechanisms

In 2004, august, in the magazine called Marketing Turkey, it was talked about some Corporative Social Responsibility issues and the problems that are faced in Turkey. They are below:

- Corporative Social Responsibility understanding is not right realized, so that's why there had appeared "good intended, bad attempts"
- Because having a long term business traditions, this new understanding makes some challenges for companies
- Some companies believe that Corporative Social Responsibility is an obligation and that's why they do some insincere events. Because of society and communities' organizations they do it just for formal, but not really because they want to do
- Using Corporative Social Responsibility in order to advertise not spending too much money, increase its sales in this way, being different from other via this understanding and increasing its brand reputation is one of the wrong usage of the Corporative Social Responsibility and the way of target confusion
- One of the other problems is not being transparent in having this CSR

strategy.

The things that the companies should pay attention are listed below:

- Corporative Social Responsibility programs must be directly related with the companies' work areas
- Corporative Social Responsibility is not a tool for selling or marketing, it is a part of director controls. Because of this reason it should be connected with goals, targets and strategies, it should be systematic.
- Corporative Social Responsibility is not a tradable activity; it doesn't have to make an direct increase in sales. Company shouldn't wait an tradable increase from it
- Corporative Social Responsibility must be transparent and be explainable, should be sharable to the stakeholders with available connection channels

So from all this information we can see that Corporative Social Responsibility's one of major problems is being misunderstood by the society and also some community organizations and the other one is not being honest, transparent. In both cases, the business does not seem trustful and sincere which will reduce its sales indirectly and also even damage its reputation. So first of all the company should try to be right understood then do some activity in order to illustrate that he really cares about Corporative Social Responsibility and really does some work for it.

So having this strategy has advantage but it is not easy to have it, now at the second chapter we will look at some examples and the companies who had applied it and what reactions they have had met during them and so on.

II CHAPTER. COMPANIES THAT USED CORPORATIVE SOCIAL RESPONSIBILITY

2.1 Examples for those companies

2.1.1 Some Turkish Companies and Their CSR Programs

Most of my examples are related with Turkish companies. First of them is “Turkcell”. The Corporative Social Responsibility project of this company called “Women strength to economy with Turkcell”. Its target is to support the women whose salaries are low and make them to find a place in the country’s economy. Turkey Waste Prevention Foundation and Turkey Grameen Microfinance Program support this CSR project. The duty of this project is giving money by the way of microcredit to the women whose salary is under the specific amount. In addition, this will let them be successful in business life.

This projects targets to bring more than a hundred thousand women to the economy in four years. The project helps the women who want to run her own business with low invest. They organized the system in two directions: supporters and women. You can choose via the internet which businesswomen you want to help. The supporters can get their money back in fifty-two weeks. Moreover, on a mobile platform these businesswomen can introduce their products or services.

Beside this there is another Corporative Social Responsibility Project which is about supporting the general education system. In the result of this project there began to have repairing at schools in Antalya, Kahramanmarash, Adana, Izmir, Gaziantep, Kocaeli and Ankara. In Sakarya one of the schools was repaired from head to toe. These kind of projects help students to study well and also give motivation to both students and teachers who work there. And also it makes the company to be known as charitable and kind against society. Most part of the people who live in these regions began to prefer this company to others, because they assume that this company is closer in moral values to them and feel like this is their duty to do this as the company had done so many things for them.

Besides repairing the schools, this project also gives first lessons about traffic laws to children. This project is called “First steps in the street”. Therefore, this attempt both teach children in an entertaining way and also helps to spread its name to as many people as it is possible by increasing its brand reputation.

They have some monthly meetings about organizing Corporate Social Responsibility projects and decide what to do and how to do to be more successful in business life and also to be beneficial for society.

The following company is “Vodafone” and its Corporate Social Responsibility project is “Farmer’s Club with Vodafone”. These projects makes farmers’ lives better and easier by mobile technology. According to the article published in the English magazine The Telegraph, it is written that Vodafone sends weather forecast to the farmers’ mobile phones regularly. It sounds very simple attempt, but it is very useful for people who are householders. For instance, these messages can reach every part of the country and therefore shepherd can save his animals from floods, storms and can put them in the shelters. Therefore, because of the simple but useful mobile system farmers have, less loses and Vodafone has more income and more brand reputation.

This project also gives a chance to farmers who just work in the farms and need some traders to sell their products to consumers to get rid of these suppliers. In addition, have a direct connection with buyers themselves. In this way, farmer can get the profit that trader used to get himself. Also by this method, the product will be cheaper for consumer and he/she will buy more and use this method more. In another word, this will lead the sales increase; as a result, farmers’ income will increase. Therefore, farmers can be aware of new laws and support programs by government via this Corporate Social Responsibility program of Vodafone. Sometimes government has some lessons for farmers in producing process. Like how to save the goods from insects or how to be more productive and so on. By this program, farmers can get information too. One more advantage is; Vodafone gives a chance to farmers to win a tractor by lottery.

These projects are not only useful for farmers but also for Vodafone. If we consider that when Vodafone first stepped into the market, there was a huge rival, Turkcell and it always used to progress. In spite of this, Vodafone could do. Because his strategies were right. Turkcell and Vodafone are both mobile companies and if they do the same Corporate Social Responsibility programs, or even the same type of programs Vodafone would lose. Because turkcell is more experienced. However, both of them have different sectors of CSR programs, which let them, develop.

When Vodafone first entered this market, he had difficulties because of Turkcell. He began to analysis the market and the people. So according to the statistics, $\frac{1}{4}$ of Turkish people work in the farm and is busy with agriculture. However, because of low income and hard weather conditions most of them used to move to bigger cities. It also made problems for economy and society. Therefore, Vodafone decided to give them better conditions in their workplaces, which will make them stay and do their

job with pleasure, and this will be a good chance to be known in the market for Vodafone. Moreover, he was right because it worked.

Serpil Timuray, the leader of Vodafone Turkey says that in 2009 when she first began to work, the company had a bad profile in bad consumer service and its own market share. Its market share decreased 5 points to 18%. One of the most failure market was Turkey. Nevertheless, today it is the shining star. She says that they gained this success by getting farmers' trust. Today it is in front of Gana and India, which showed 28.5% market share. Timuray says that it was possible by paying attention to farmers' activity and supporting them, making their life conditions better. The project did not just made them earn more, but taught them how to be more careful and safe, how to protect their product etc. As the times goes by Vodafone's sales increase and farmers' trust increase too. It is already a kind of "win-win" strategy.

My next example will be the company "Opet" and its Corporate Social Responsibility program "Opet's Example Villages".

Their goal is to make eighty-one example village. Until now, Opet had done six example villages and had spent four million dollars in order to reach this. It had made these example villages in Mardin, Gaziantep, Bolu, Manisa and Isparta and now for last it did in Antalya.

The purpose of this project is to make the villagers educated and the villages modern but in order to get this first of all they should motivate villagers to be interested in the project. Opet had not only develop the physical view of the village, but also it opens some courses to give cultural and educational lessons to local people. Therefore, villagers can learn something to earn money too. Therefore, this factor also motivates people to come and join the project. Besides learning how to increase their profit, villagers can also take part in some activities, which are organizing during the program processes. Therefore, Opet both can make its brand name known among as many people as possible, and help local people to be educated, at the same time to earn some from their living places too.

2.1.2 Some Foreign And Local Companies and Their Corporate Social Responsibility programs and the Differences Between Turkish Companies and Them

In a conclusion of these examples, these all were about Turkey and we saw that they all related with society, people's needs. It means in Turkey Corporate Social Responsibility is mostly used in this area. Giving education to people or teaching something that they need is interested by people and this method was a good CSR strategy. Now we will have a look at some examples by foreign companies and also then local companies. First of all we will talk about "McDonalds", "Shell", then

“Azercell”, “Bakcell” and “Green Asan”. After analyzing these CSR programs, we will compare the strategy differences and the factors that influence these differences.

So let's look MacDonald's and its Corporate Social Responsibility attempt. Some years ago, in the MacDonald's in Brazil there had happened a terror act and many people died there. This was a bad reputation for the company, because both its security system began to be doubtful and also its image decreased. So to get this issue done, the company had done a new attempt. The company destroyed the building in Brazil and in the place of it built a monument for the memory of the people who had died there. This manner was so polite for both people, consumers and also for the government. Therefore, this type of the Corporate Social Responsibility program is for getting back the company's brand reputation and also gaining consumers' reliability.

The following example will be Shell and its reason why he did Corporate Social Responsibility and of course, how he did it.

As we know, “Shell” is a company, which works with petrol and oil. It used to flood its petrol pollution into the North Sea. In addition, thought that no one will be aware of it, but he was wrong because soon everyone in that region knew this manner. Moreover, it is obvious that this was a huge decrease in financial statements because of bad reputation. The company had a great amount of lose guess you can imagine. Therefore, from this example we can also realize that how serious and important the Corporate Social Responsibility is. “Shell” faced many challenges during this scandal. His shareholders step back, investors took back their money and consumer number decreased fast. Because the reason was the same for all of them. The investors did not want their names to be sounded in such an issue. In another case, it would damage their reputation as well. In addition, as well as investors shareholders also did not want to take part in this company's activity process. Therefore, these shareholders began to sell their shares in lower prices and this process directly influenced to the financial situation of the company. In addition, that was an alarm, which showed that it is time to do something. Therefore, the thing that Shell did was simple. “Shell” apologized for this behavior from both community and some little environmental organizations for polluting the nature and paid fee in the return of this illegal behavior. In addition, began to do some natural programs, like planting trees and clearing rivers and etc. which began to give the company's reputation back.

This is an evidence that show how the Corporate Social Responsibility influences companies and their activity process and directly the people who are related with the company, like shareholders, managers, investors and most important one of course consumers. So the company always has to pay attention to such kind of things when doing something wrong.

Now let us have a look at local companies and their Corporate Social Responsibility programs. First, I should inform you that as Turkey companies, Turkcell and Vodafone, in Azerbaijan also we will have a look at two mobile companies, Azercell and Bakcell.

Azercell had a Corporate Social Responsibility about old people. The company had built a conference room in the boarding house for disabled people from labor and war. In this conference, room people can watch movies or listen to music. For making, it real there are all kinds of equipment, new DVD players, some movie disks and so on. However, this is not the only thing that Azercell had done for people. “Mobile Eye” and “Mobile Tooth” programs and gave them to the children in orphanages and to the children in poor families. Azercell pays attention mostly to children, the old people and people who need care, like disabled people or solitary people to make them feel they are valuable for society and are not lonely.

The next company is Bakcell. This company had signed an agreement, which leded children from our country to have trains in football by the trainers from Manchester United. In addition, in Baku, the Manchester United Football School was created and the lessons here are free. So al the talented children could take part here no matter if they have money or not. The main purpose of this Corporate Social Responsibility program is to support the talented children for being successful in sport and also besides that, this brought a great brand reputation to the company as well.

Therefore, in the compare of these two companies we will see that both of them pay attention to people who are under life standards to be different from the Turkish companies. It shows that culture differences show itself in the business life too. When companies do Corporate Social Responsibility, programs they pay attention to this factor mostly. But it doesn't mean that these programs which are done by local companies are met good reactions by people. I had a survey about it and will attach its results in the following pages. But now lets' have a look at our last local company and its Corporate Social Responsibility program.

This company is “ASAN Service” and its program is called “Green ASAN”.

The purpose of the program is to protect the nature, environment and specially to make a wide usage of recycling system. For this “Green ASAN” had made a company. At universities and some organizations and also schools there are specials boxes where you can put the plastic and paper rubbishes. By this, you don't waste these materials and they go to recycling so people use it again and in this method we are able to save more trees and forests. It brings us fresh weather, clean water, less damaged nature and a bright future for next generations. Therefore, this company takes care of nature to be different from the 2 others.

2.2 Organizing mechanisms of Corporate Social Responsibility in business

After discussing and finding out all these factors that influence CSR, and also knowing the issues that consumers, employees or shareholders pay attention, we-as a manager have to decide the method of organizing it. We looked through the history of CSR, whose methods have been used until now. Moreover, we saw the good sides and at the same time mistakes that are made during the organizing process of it. That was also a good experience because we learned that how to manage in case one of these issues happens. In addition, that made today's corporations stronger. Therefore, we have a list how to organize Corporate Social Responsibility. I have already listed one of them, which I have founded during my research. And now I am going to list the one, which I thought is more useful and effective. Now let us list and discuss them.

- ✓ Be exact when you choose your Corporative Social Responsibility project: it means you should exactly decide the area you want to enter about CSR. And that would make your work and programs easier. In this way, both the company and the project will get success.
- ✓ Begin from small things: you might be anew in these kinds of projects and it is normal that you wish to be successful in as soon time as possible, but wait. You are new in this sector and have zero experience so that you have a great risk of making any risks that can damage and harm your both brand reputation and your financial statements and even it can give you lose of consumers. So begin from the little things, make small projects and learn what the reactions of your consumers' are and then get experience by this way at the end you can beginning to have a bigger project.
- ✓ Show your desire about your project: let your business environment know about your feelings and desire about your project. In this way they will think much more good things about your company and that will make your organization more reliable.
- ✓ Keep under the control your project and follow the reactions of the society: after having, this project do not lose touch. Follow the consumers and people, hear, and see what they think about it, what they consider that are bad and what things they liked most about your organization and so on. This will help you to both have more detailed information and also have stronger system in your strategy.
- ✓ Have a contingency planning: each company should have a contingency planning in case of any risk happens. Because as we mentioned above in case

any risk happens, this might damage the reputation of the company. To be aware of this and to be able to stop this companies should have this planning.

- ✓ Decide whether you continue your strategy or change it: according to the factors and reactions and the results you got on your pilot project you can decide what to do at last.

All these factors lead the company to have a well-organized and effective CSR project. And a company which has a good CSR project can be successful in its sector and its image, reputation would also increase.

2.3 How to Control the Corporative Social Responsibility projects?

According to the shareholder of the Sdialogue LLC, Perry Goldschein to have relationship between consumers and shareholders there are some rules to be followed:

1. Put some targets which can be measured:

Making some huge changes for the beginning can be harmful for both finance and the image of the company. So begin from small things like doing some activities to keep your employees at work for long term and showing your rivals your strength. This would sound more real and also more honest instead of doing something bigger than the company's power. It would make a sense as if the company wants to have an advertisement, but not a Corporative Social Responsibility program. So save some commercial wastes, use more attentively and you will find out that this is a better beginning for first step.

2. Get the commitments of the shareholders:

Hiding the Corporative Social Responsibility projects from your shareholders would be a big mistake. You have to talk about you plans in this sector, your strategies, mission, and purpose and apply to everyone related with the company, specially your shareholders, investors, managers, stakeholders and even workers, your employees. Because if you do something so big, you have to know that, everyone is on the same way with you. In another way, it would not be successful. If you know that your shareholders support you, it would be easier and safer to continue this project. Because in case of risk or an issue you will not be alone and act on your own. There will be the number of support and help that will make you get out of the situation. And also at the result every person will feel proud of the

good, because they will know that this labor was not only for getting money but also for helping someone else out there who needs it.

3. Be honest, have a report:

As the time goes by, there appear many programs in Corporate Social Responsibility sector, so it is good to list them in a report so that everyone can find them easily and also this method will let see who had done what. Therefore, it will make everything in discipline and clear for all.

So this is what we find out from the research but it is not an obligation of course. This list can change to be depended on the company and can be individual for each companies as well. So every company should have his own strategy of CSR in order to make right decisions.

2.4 Survey and Its Responses

So if you remember I have mentioned about a little survey related with my topic. Because I consider that Corporate Social Responsibility is something about people and their wants and needs, so I had to ask for their opinions in three categories of questions. I did this survey via internet, if we are more exact via Google Form program among nearly 50 people and after the survey finished I asked from them(who I knew in real) about their opinions and responses more detailed to find out more exact result at last. Now I write the questions first then attach the responses and at last, I will write down the answers I got from some of the participants of the survey individually. Nevertheless, before that I should mention that my survey was in Azerbaijani language, because in another way I would not be able to give it to many people.

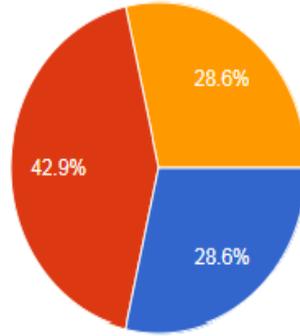
2.4.1 Questions of the Survey

1. Do you believe in the honesty that the companies make Corporate Social Responsibility projects in real job or do you think it is just a tool to earn financial income?
2. Which CSR program has attracted you till now, local or foreign and please briefly write the reason.
3. Do you pay attention to the Corporate Social Responsibility programs of the companies that you are the consumer, and how important is it for you?

Now let us see the answers. Answer of the first question:

Sual 1. Firmaların Korporativ Məsuliyyət proqramlarının səmimiliyinə inanırsınız mı, yoxsa sizcə bu sadəcə maliyyə qazancı əldə etmək üçün vasitədir?

7 responses

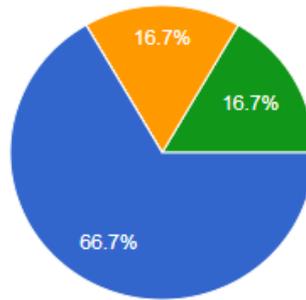


- Güvəndiyim və daimi üz tutduğum firmaların inanıram, çünki düşünürəm ki, onların bu cür reklama ehtiyacı yoxdur
- Xeyir, heç birinə inanmıram. Bir firma niyə öz gəlirindən qarşılıqsız istifadə edib başqalarını düşünsün ki,
- Bəli, inanıram mənə firmaların idarəçiləri də insanı duyğuları səbəbilə bu cür tədbirlər yerinə yetirirlər

Answer of the second question:

Sual 2. İndiyədək olan hansı yerli və ya xarici KSM proqramı diqqətinizi çəkib və zəhmət olmasa, qıscaca səbəbini qeyd edin

6 responses

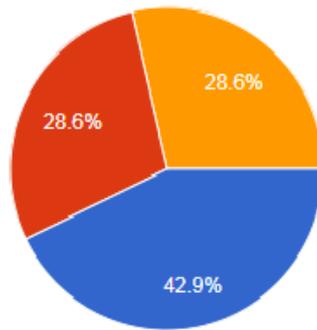


- Yerli şirkətlər KSM bacarmır
- KSM Sadəcə ucuz reklam vasitəsidir
- Öz variantınız...
- hhbjgjbjkj

Answer of the third question:

Sual 3. Müştərisi olduğunuz şirkət və firmaların Korporativ Sosial Məsuliyyət proqramlarına diqqət edirsiniz mi, sizcə bu nə qədər önəmlidir?

7 responses



- Beli edirəm. Bu mənim üçün çox vacibdir. Düşünürəm ki, hər bir uğurlu şirkət həm də başqalarına qarşı diqqətli olmalıdır
- Xeyir, mənim üçün sadəcə önəmli olan şirkətin təqdim etdiyi məhsul və ya xidmətin keyfiyyətidir.
- Şirkətin fəaliyyət sahəsindən asılı olaraq dəyişir

Now let us look at the diagrams above and see which result we have at the end of the survey. According to the first diagram, we can easily understand that in our culture people don't believe in Corporate Social Responsibility programs or the organizations that make them. When I about it from some people one by one, their answer was similar to one another's. They nearly said the same things: "The companies don't seem honest, because the people they help are not happy, or don't seem happy. So this event is neither fake, nor for just short time period for advertisements. When we look at foreigners and their people, we can see the real charity happiness on the leaders' faces or the real smiles on the people's faces. But these ones are obviously for advertisements". The major answer for this question and the main explanation is so; I wonder what you think as well about this. If I briefly tell my opinion, it would be so; I think it depends on the company actually. My answer would be the first answer. Because I consider that the companies that are already have their strength, power, consumers, finance they would like to take part in real Corporate Social Responsibility programs, and I would believe in their honesty.

Nevertheless, unfortunately not many people think as I do.

Second question and its answer what a pity that is worse than first one. In this part, it maybe sounds much more aggressive, but people think that local companies are not in the capacity of doing any Corporative Social Responsibility project. The explanation for this answer was again in the direction that local companies do not think about what they do, they think about what they want-finance! People consider that these companies do not work hard while doing this program, they only think about the end and getting income from it and that makes these projects seem like advertisement much more than a charity project. My answer would be Vodafone and its Farmer supporting project as I have mentioned above. Because in my view it required a huge research in market and also consumers' needs, a long and hard, work and time period. Therefore, after all these labor they got a really beneficial project for both economy of the country and also for people and their life standards.

And at last, third question shows us that all though people think that local companies are bad at doing CSR, it doesn't mean that it is not an important factor for them, opposite most of them pay attention to this while he/she chooses his/her good or product or service. So it means that the companies should take care of their Corporative Social Responsibility strategies again and deeply in order to get success in the market. Because demand is in this direction.

The result that we learn from this survey is this that, 42.9% of people(nearly half) don't believe the honesty of the companies because of the personal feeling, emotions and reactions, 66.7% of people consider that local companies can't organize and control the Corporative Social Responsibility projects because they don't really want to do this by heart, but at the same time again 42.9% of people pays attention to these kinds of programs and projects while choosing both a brand and good. These numbers show us that it is time to do something new and different in order to both be beneficial, useful to environment, society and ecology and besides these also for the

company itself, its financial issues and brand reputation. If companies have a good market research and at the same time learn their consumers more detailed they will find out that what changes they should do in order to be more successful. And also they have to take this diagrams into consideration, as I guess it is an important matter.

It is the period that everything develops by technology and business organizations develop in the direction of being useful to society. Nowadays people are interested in these kinds of companies too. So that is one of the biggest factors why companies should be more careful about it.

Conclusion

My topic was about one of the major factors in business, Corporate Social Responsibility. I had investigation about its developing and establishing history, the factors that influenced it during this time of period, the difficulties that the companies faced and some still face like our local companies and so on. So the things that I learned from this research is the importance of the Corporate Social Responsibility and the major thing that the companies should pay attention mostly. From this research, I got a thing that no matter how well-improved the company is or how well-known its reputation is, in case that they don't have Corporate Social Responsibility programs or projects they won't be able to continue this stable progress. Because to be different from previous times, the business ethic has changed, actually the ethic of business has been created in the compare of before. Moreover, that let the new rules, new laws began. This was a new start for both business life and society. Because that was a new bridge between society and business. Corporate Social Responsibility was protecting people's, society's, ecology's environment's, nature's rights while making the best in business to get maximum profit. Corporate Social Responsibility just makes the limits to the organizations to keep them in control to be able to protect all other factor while working process. Because we all know that companies or organizations or any business staff try to get the highest profit while working. Therefore, for the reason they can do all possible things like those that they used to do in the past. Like closing their eyes to employees' rights or keeping silence in front of the pollution of the nature and we can write much more about this list. Therefore, this new understanding had to be created in order to stop all these illegal and anti-humanity things. It was necessary and it is necessary to have this understanding in our modern life too. Because nowadays people care about feelings, emotions in every sector of the work. It does not matter if it is a kind of financial work or something else.

Therefore, the result of my research is this. We as managers, leader, and owners of

the companies have to pay attention to the Corporate Social Responsibility mostly in order to get consumers' attract and respects. Because in modern business life that is the most common and best way of getting good reputation. Business leader should have some strategic and marketing plan in the direction to make Corporate Social Responsibility strategy and projects. By this way it can make its both image and reputation increase and also its financial statement.

Here is a graph that shows about new generation and their requirements about business life, their demands from companies and the numbers that show this demands more detailed. According to this graph 83% of the people, care about CSR as we mentioned above widely. 82% of them believe that business have the ability to make a change for those who need this change in real and companies can be a great help for them. 79% of the new generation, people want to know all the programs and the projects and also events that the organizations take part, so that they feel informed about the companies.

In addition, the last 69% of the people want the consumers to be involved in social issues. It means in general meaning that people want the companies to take care of people in need mostly more than the environmental and ecological or economic issues.

So from this graph also we can see that as well as the old people, new generation people want the companies to take part in Corporate Social Responsibility programs as often as possible. Even I would say that new generation-millennials are more eager and attentive about these kind of matters.

➤ What Millennials care about



And the next and last graph of my research is mainly about the main 7 objects that should be given attention while making Corporate Social Responsibility.

According to the graph first of them is human rights and we talked about its importance and how it improved from past till now. Second, one is labor practices, which means in order to have a well developed CSR strategy you have to have experience, because you will surely make mistakes but they will return to you in form of experience. Third of them is the environment. Fourth of them is fair operating environment. That means that if you are a kind of company who makes CSR it means you have to be fair in order to show that you really care about others and you are honest. It is a rule of business ethic. The following two are consumer issues, community involving, and development, which we already talked about somewhere above.

Social responsibility : 7 core subjects



* The figures denote the corresponding clause numbers in ISO 26000.

And at last, my recommendations how the companies should have this strategies are listed below according to the results of the research.

Recommendations

According to my research, I find out some solutions and ideas about how the companies can improve their Corporate Social Responsibility strategies. In order to do this;

- I suppose that first of all they have to be able to get a reliable reserve to gain information about both their consumers and the market. If they want to be successful in their programs, if they want to organize this project, event according to their consumers' needs and wants they have to know them well. They have to investigate their taste, needs and at the same time demand and wants and their capacity to pay for all these things. In addition, the organizations and companies should find out the things that the consumers and environmental, social and other organizations wait from the business owners, leaders or managers. If we consider that according to the result of the survey, many people think that local companies are not able to have a Corporate Social Responsibility programs, as it should be, so this suggestion will be very suitable for our local ones.
- Secondly, I would suggest that after having this research, the companies should have strategies about both Corporate Social Responsibility and Contingency Planning. If you looked through carefully my research, you will see that I have explained the importance of the contingency planning and the relationship between contingency planning and Corporate Social Responsibility. To organize only this project is not enough; the companies also should take care of their safety issues. Because if they do not pay attention to their security other rival companies may damage their plans or can be some threat for them. For protecting these companies better have contingency planning which helps to be aware of the risks, prepare against those risks and get a strategy in case one of these risks happen and decide what to do. By this,

they can be more ready, even any case happens companies and their leader, and their financial statements and their brand reputation will not be hurt anymore. And even damage is so big and damage one of these factors because of the Corporate Social Responsibility at least organizations will not lose their consumers, as the buyers will give value to the companies they will not leave them in the first bad situation according to some other issues but not social or environmental. The reason of this is that people again suppose all these factors much more important than issues related to finance economy or anything else.

- My third suggestion is about directly organizing these projects. Let me explain this idea in example on my own. If I was a manager who will make this strategy and programs about Corporate Social Responsibility, I would do again survey to look for the real ideas and beneficial, useful ones which are really good for my consumers and also important for me, my company. By this, we will not spend too much time and it will not bring us waste of time or waste of money. When you go and just ask what you expect from our company about social life as a participant of society, (in a simple example) they will be eager to tell their wants and needs, so that you will not have to do too many researches. And besides this you also will have more exact information.

By this, we will not spend too much time and it will not bring us waste of time or waste of money. When you go and just ask what you expect from our company about social life as a participant of society, (in a simple example) they will be eager to tell their wants and needs, so that you will not have to do too many researches. And besides this you also will have more exact information. Alternatively, another example, instead of making surveys, companies also may divide their consumers into groups or different categories and can learn their demands in this way. Then they can make their Corporate Social Responsibility projects according to these needs and in different types. For instance if they find out that they have several types of consumers, such as

old people, children, women, disabled people or people who are interested in nature or historical monuments or just human rights or poor people then they also should make their projects according to these factors. Like, they can do some projects to be helpful to old people, like making some easy technological programs, which can be easy understood by them. Another example for children, let's say that you are the manager of a bank business and you want to do Corporate Responsibility project for children. All you can do is in my opinion to have a special rooms inside the bank and while the parents solve their issues, someone else can take care of their children, so that the parents will not feel in a hurry and this will not make them feel nervous and angry and will feel more satisfied about the organization. This may sound absurd. Nevertheless, why not? I think this might be a new and creative beginning in bank sector and at first steps it might be a Corporate Social Responsibility program but as time goes by it would become a part of the organization.

As a conclusion, my recommendations about this topic and research are all these. I could write as many as possible but they are all related with each other. So the thing I wanted to pin more was about giving some advice to correct the mistakes that the local companies do. And correcting them would bring more satisfaction from consumers against organizations and companies and all other types of business places.

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