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THE CONTRIBUTIONS OF CORPORATE SOCIAL RESPONSIBILITY PROJECTS TO CORPORATE REPUTATION

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Abstract

As a result of rapidly showing the impact of globalization, competition conditions has been intensified, the differences between businesses that produce goods or services has been reduced and have shorter life spans of the business accordingly. In such an environment, businesses have been forced to move away from the sense of selling what I produce within the logic of Fordist production and there has a new period commenced that the customers had begun to make their own choice. Naturally, the businesses which has been getting quite close to each other in terms of products and services quality taken shelter in corporate social responsibility harbor by looking for ways to make a difference. The effectiveness of the corporate social responsibility program has led to more recognition by the public of business and the project has been successful, then the door is open to corporations of a good corporate reputation.

Keywords: corporate social responsibility

1.INTRODUCTION

When the famous tag "I would rather lose money than trust" said by Robert Bosch, there were limited number of studies made on the corporate reputation. Therefore, it is not known what the effect on the reputation of product sales, achieving the right human resources and find solutions in the face of crises. Now, studies show that made today, the reputation of the organization as stated in Bosch's speech, makes a direct contribution to their social and economic performance (Budak, 2015: 9).

The corporate social responsibility projects plays a dominant role in the organization activities to be sustainable. Corporate social responsibility has become an important concept in terms of creating developing reputation and maintaining existing corporate reputation (Gümüş and Öksüz, 2009: 2130).

2.THE CONCEPT OF CORPORATE REPUTATION

Lately, both in our country in the world, with respect to various operating modes (private, public, non-profit institutions) scandals which emerging as reporting of corruption, nepotism have been more frequently heard (Ergun, 2012:226). With the expansion of such events, confidence that had the organization has a big scar and the concept of corporate reputation in the sustainable nature of corporate operations have gained a strategic importance. As is known, the assets of the company are divided into tangible and intangible assets.

As intangible assets are comprised of components such as corporate image, corporate culture, corporate reputation and brand, tangible assets are composed of elements such as tables, chairs, machine, buildings. The concepts such as to be intangible have become an important dimension as the day goes on. Corporate reputation which is one of these abstract concepts is a significant discrepancy between the book value and the market value of of the institution (Suher, 2012: 118).

According to Fombrun corporate reputation is defined as an emotional and impressive responses such as good or bad, weak or strong of customers, investors, the employees, the public shortly all stakeholder groups related to institutions (Ural, 2002: 85). According to another definition, Dowling defines corporate reputation as the sum of the values attributed to institutions such as honesty, reality, responsibility and integrity as evoking the image of the corporate for individuals (Sabuncuoğlu, 2010: 93). And finally, according to Deephouse who has told the reputation through visibility in media "corporate reputation is media visibility and level of familiarity of the corporate" (Akbulut, 2011: 104).

Reputation is focused on trust. Corporate reputation is formed as a result of a process. As the phrase goes, it is a result of the acquirements obtained by digging a well with a needle. But razing created reputation takes place quick and fast just as a domino effect.

For example, the popular debate nowadays that emerged as emission gas scandal in Volkswagen vehicle have given great cause harm to strong past brand reputation of many years, discredited institution's shares showed remarkable decrease and the scandal that has experienced perhaps has formed a basis for emergence of harms large as irrecoverable over the course of many years.

A high corporate reputation will enable the institutions to achieve more acquisitions (Graafland and Smid, 2004: 247-273). A good corporate reputation is an important factor in establishing successful organizational bond with customers engaged in decisive impact on the performance level of the organization (Ewing et.al, 1999: 121). Another acquisition is that corporation with reputation have become more attractive for job seekers (Sekiguchi, 2004: 133). It is stated that a good corporate reputation will attract the workforce with high productivity (Rose ve Thomsen, 2004: 201).

Finally, it is worth noting the following. With the corporate reputation has increasingly become important and has been accepted as a modern management technique, the discussion that which unit will require to be responsible on whose area of assignment has been initiated (Bozkurt, 2011: 155).

As such in the strategic management is at a level that it would not be reducible to a single unit and is a holistic activity; corporate reputation, just like as in strategic management, has a great importance as well as that not hand over to any unit like public relations, marketing which requires a holistic perspective is an important area of responsibility.

3.THE CONCEPT OF ORPORATE SOCIAL RESPONSIBILITY

The lack of a clear definition and definitive agreement situation as experienced in all social sciences definitions is also true for the concept of corporate social responsibility. Social responsibility, according to Bowen for the first time mentioned about this concept is defined as "making decisions and pursuing policies towards the society's values and goals and the obligation to carry out activities in this direction" (Yamak, 2007: 27-28). Another definition by the corporate social responsibility of organizations will emerge as a continuation of a process that provision of needs such as maintaining their lives, security and belonging. Social responsibility in the same direction when considered with Maslow's hierarchy of needs, located at the top of the hierarchy of needs in the organizational context, and has been defined as self-actualization stage of businesses (Kağnıcıoğlu, 2007:9).

When we define corporate social responsibility as the behavior of the corporate including responsibility, we can see that it has a fairly wide field of application. Corporate social responsibility domain, which ranging from raw material procurement stage to production conditions and from social investment projects to R & D activities towards the environmentally sensitive products and services, is developing by means of the managers who has quite broad perspective. Corporations should be able to give the impression that they are aware of their social responsibility to stakeholders at every stage of the production process of goods and services (Gürel, 2010: 111).

The history of social responsibility that origin based on philanthropy goes back to the Sumerian tablets. However, the concept of corporate social responsibility in the modern world has emerged in the US (Budak, 2015: 14). Post-World War 1 period can be considered as a starting point. The changes occurred in the management mentality in post-war period caused institutions to begin charity activities and to give weight to social problems (Öztürk, 2014: 4).

According to the views expressed as the classical view which is based on the basic approach of corporate social responsibility Milton Friedman argued that the businesses has no aim apart from making a profit. According to the classical approach; There is no such a mission to fulfill social objectives of the businesses, the businesses fulfilling legal and ethical responsibilities of the corporation is named as responsible businesses. Friedman has regarded the corporate social responsibility as an issue as power of attorney in organizations.

According to the agency theory; it is defined as the businesses spending their resources as unnecessary to corporate social responsibility projects instead of value-added creating in-house projects. Startin from this, it can be said that social responsibility of the managers was to maximize the interests of the institution (Budak, 2015: 24-25). However, nowadays the sense of "it was the responsibility of business to make profits" has lost its support (Alakavuklar vd., 2009: 106).

Also another aspect relating to corporate social responsibility is Freeman and his stakeholder theory. First half of the eighties, the stakeholder theory put forth by Edward Freeman today has become the main reference in terms of social responsibility olmuştur (Kartaltepe, 2010: 58). Freeman (1984) is defined stakeholders as "a group of persons affected by or affecting the success or achievement of organizational objectives" (Aktan ve Börü, 2007: 14). Later, Freeman (2004), has approached his recognition by another perspective and defined as "very important group for the survival and the success of the company" (Tokgöz, 2014: 52).

There is a strong bond among stakeholder theory and corporate social responsibility. Both approaches will strengthen the stakeholder relations of institutions and will contribute to an increase in corporate reputation (Budak, 2015: 28).

Application area of corporate social responsibility projects are quite different from each other. This situation also varies according to the social structure and needs of the countries in which the projects carried out (Gürel, 2010: 113). For example; natural environment issues in Northern European countries, social issues in Southern European countries and ethical issues in Anglo-Saxon countries have been prominent responsibility domains (Yamak, 2007: 101-116).

4. RESEARCH RESULTS AND INTERPRETATION

The data obtained as a result of survey method will be examined under the headings of reliability analysis, findings related to the demographic characteristics of the respondents, the findings for the hypothesis of the research and the findings for the averages of the variables used in the research.

4.1. Demographic Characteristics

In the view of such obtained data, male workers constituted 78.1 percent and female employees constituted 21.9 percent of the company employees who attend to research. The proportion of workers between the ages of 21-30 is 48.5%. This data shows us that almost half of employees are included in the younger age groups. When we analyzed the education levels of the employees, primary education is 11.8%, associate is 45%, licence is 36.1% and postgraduate level is 7.1% of the research attenders. The level of education of employees as it can be understood from the research results is high.

4.2. Reliability Analysis

The reliability of the likert-type survey data that developed by 55 variables (N of Items = 55) was measured using Cronbach's Alpha method. As a result of reliability analysis Cronbach's alpha value of "Corporate Social Responsibility" survey by 55 variables was found to be 0.965. Cronbach's alpha value takes values between 0 and 1 and it is desired that value was at least 0.7 to be considered as acceptable. The survey has accepted as reliable and has been deemed appropriate to use in practice in that 0,965 value is high reliability.

Table 1: Environmental-Organization Compliance of Corporate Social Responsibility Reliability Analysis Results

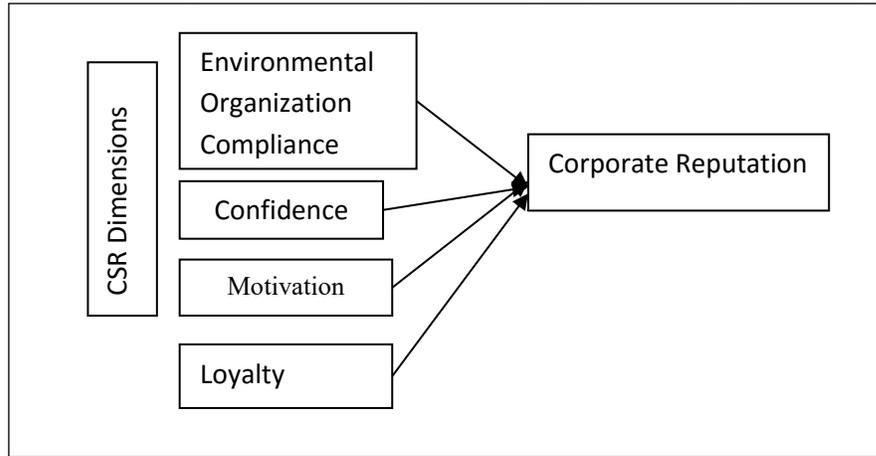
Reliability Analysis	
Cronbach's Alpha	Number of Expression
0,965	55

Table 2: Corporate Reputation Reliability Analysis results.

Reliability Analysis	
Cronbach's Alpha	Number of Expression
0,855	19

19 variable Likert-type survey data was measured using Cronbach's Alpha method in order to test the reliability of the Corporate Reputation survey. Cronbach's alpha value takes values between 0 and 1 and it is desired that value was at least 0.7 to be considered as acceptable. Reliability for corporate reputation scale is very high due to reliability analysis for Corporate reputation resulted as 0.855.

Figure 1: Model of Corporate Social Responsibility Impact on Corporate Reputation



Environmental compliance, confidence, motivation and loyalty have a positive impact on corporate reputation based on Figure 1.

Table 3: Correlation Analysis Between and Corporate Reputation Organization-Environmental Compliance Dimensions of Corporate Social Responsibility.

	csr_general	cr_general	csr_ethic	csr_environment_compliance	csr_motivation	csr_org_loyalty	csr_org_confidence
csr_general	1	0,62*	0,93*	0,72*	0,87*	0,81*	0,86*
cr_general		1	0,55*	0,52*	0,61*	0,36*	0,51*
csr_ethic			1	0,61*	0,76*	0,71*	0,77*
csr_environment_compliance				1	0,49*	0,48*	0,47*
csr_motivation					1	0,72*	0,7*
csr_org_loyalty						1	0,64*
csr_org_confidence							1

Table 4: Multiple Regression Model

Model		Standart Davation	Beta	t	sig.
Fixed Variable	0,15	0,22		5,27	0,0
csr_motivation	0,46	0,08	0,54	5,92	0,0
csr_environment_compliance	0,28	0,06	0,32	4,79	0,0
csr_motivation	0,23	0,07	-0,3	-3,48	0,0
csr_org_confidence	0,14	0,07	0,17	2,09	0,04
R = 0,69 R ² = 0,48 sig=0					

Also regression model which results from corporate reputation as dependent variable; motivation, environmental compliance, organizational loyalty and organizational confidence dimensions as independent variable was established in Table 4.

Model:

Corporate Reputation = 1.145 + 0.463*motivation + 0.282*compliance + 0.233*loyalty + 0.141*confidence.

5.CONCLUSIONS AND RECOMMENDATIONS

Continuous variability of environmental conditions can lead the results of environmental analysis, the strategic objectives laid down and implementation plans of these strategies to become invalid within a very short period of time. Today, businesses that are still effective in environments where uncertainty is high, are always obliged to be prepared to seize the opportunities confronted and to convert the unforeseen risks to advantage in their favor. Because now one of the ways to achieve the mission of the organization is the high corporate reputation. Social responsibility, according to Bowen for the first time mentioned about this concept is defined social responsibility as an obligation to make decisions and to pursue policies towards

the society's values and goals, and to carry out activities in this direction. The concept of corporate social responsibility expeditiously became one of the trend topics on the other hand the idea of sharing with community what organizations receive from them has become dominant. Corporate social responsibility has become a concept that bring the need of businesses considering the social benefits in addition to carrying on their activities into the forefront. Corporate social responsibility projects that provide various contributions to the organization. These are creating an increase in sales and market share, strengthening brand position, a strong corporate image, gain value in financial to create attraction, attracting and keep qualified employees in the organization and create a good corporate reputation. The purpose of this research is to identify the idea of organization members attended to survey study about contributions of corporate social responsibility projects to the organization's reputation. The aim of the study is research whether the impact of corporate social responsibility on corporate reputation varies according to sex, marital status, age, graduation, status and working hours or not. Corporate social responsibility subdimensions consist of five dimensions and these dimensions are ethics, compliance with environmental, organizational confidence, motivation and organizational loyalty. At the end of the research process, it was tested the hypothesis for the effect of corporate social responsibility on corporate reputation, demographic characteristics of the employees participating in the study are shown in the form of frequency distributions. Factor analysis and correlation test was applied in order to identify relationships between Corporate social responsibility and factors of organizational-environmental compliance and corporate reputation then the findings were considered to be adequate in terms of hypotheses to evaluate the impact on corporate reputation of the dimensions of corporate social responsibility. Limitations of this study are considered as characteristics of the survey method used, region of the research, the number of company employees participating in the research and reliability of the data that regarded as the sincerity of the answers given to questions from research participants. According to the research results there is contribution of corporate social responsibility projects to corporate reputation.

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