

Corporate Sustainability: A Research on Firms That Issue Sustainability Reports in Turkey

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Abstract: *In recent years, because of stakeholders' transparency demand from enterprises and want information about financial performance as well as environmental and social performance, sustainability reporting attracts more attention of stakeholders. In this study, a survey was conducted on firms that issue sustainability reports in Turkey. The purpose of this study is to examine the issues that lead enterprises to sustainable activities, enterprises' priorities, barriers, training and technical support requirements. According to the results of the research, sustainability practices have been seen as an important element of corporate reputation; areas that are regulated by law are among priorities of enterprises; areas that bring additional cost are not among priorities of enterprises. It is identified that lack of incentives for sustainability performance has been seen as an obstacle for sustainability practices.*

Keywords: Sustainable development, corporate sustainability, corporate social responsibility, accountability, sustainability reporting.

JEL Classification: M10, M14, Q01

1. Introduction

Considering the consumption of natural resources at a pace quicker than their regeneration, the rising awareness on the limits of growth, and the recently growing concerns regarding the social and environmental impacts of organisational activities, the enterprises are held responsible not only for creating economic value, but also for environmental and social issues. Due to legislative regulations and the pressure of public opinion and investors, enterprises gravitate towards sustainability activities and pay regard to sustainability in their operations, supply chains and investment decisions. Thus, sustainability has become one of the agenda items of enterprises, and they have started to look at the big picture and examining closer their impacts on the environment and inform their stakeholders of this matter.

The concept of sustainability introduced by Brundtland report is defined as meeting the needs of current generations without compromising the ability of future generations to meet their own needs (WCED Report, 1987: 8). The equivalent of the notion of sustainability at corporate level is corporate sustainability (Signitzer and Prexl, 2008: 2; Christofi, Christofi and Sisaye, 2012: 160). Sustainable development, corporate social responsibility, stakeholder theory and accountability constitute the four legs of corporate sustainability (Christofi et al., 2012: 160). Today, the triple bottom line responsibility approach (sustainability reporting), which focuses on economic, environmental and social performance, plays an important role

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in the achievement of corporate sustainability. An increasing number of enterprises have begun reporting sustainability activities such as achieving economic goals, keeping the environment clean and treating people humanely. Although the number of enterprises publishing sustainability reports in Turkey has been growing, it is still inadequate.

In recent years, stock exchanges have made some attempts, such as the calculation of sustainability index, in order to enhance transparency, raise awareness on sustainability, and make regulations requiring enterprises whose stocks are traded in those stock exchanges to announce to the public their practices concerning sustainability. With a view to encourage enterprises to improve their skills on the management of risks and opportunities concerning sustainability, Borsa Istanbul (BIST) seeks to contribute to developments relating to sustainability through BIST Sustainability Index Project initiated with the Turkish Business World and Sustainable Development Association in 2010.

This study will primarily explain and deal with corporate sustainability as well as sustainable development, corporate social responsibility, stakeholder theory and accountability, which form the basis of corporate sustainability. Information will be given on sustainability report, ISO 26000 Social Responsibility Guidance Standard and on the standards established by the United Nations Global Compact (UNGC), Global Reporting Initiative (GRI) and OECD, which have been presenting guiding principles for sustainability reporting. Then, the questionnaire survey conducted on enterprises publishing sustainability report according to UNGC and GRI in Turkey will be mentioned. The relevant literature contains studies based on Corporate Governance Compliance Reports (CGCR) of enterprises relating to corporate governance and corporate social responsibility as well as studies focused on the approaches of publicly-held companies to sustainability. However, no study has been found on enterprises publishing sustainability reports. This study aims to research the elements that direct enterprises publishing sustainability reports towards sustainability activities, priorities of enterprises regarding this matter, obstacles they encounter, issues on which they need training and technical support. There are few firms that issue sustainability report in Turkey constitutes the limitations of this study.

2. Corporate Sustainability

Corporate sustainability emerged as a new and developing approach of corporate management. Alternative to the conventional growth and profit maximization, corporate sustainability acknowledges that growth and profit are important but, at the same time, requires that enterprises follow social goals such as environmental protection, social justice, equality and economic development, which are particularly related to sustainable development (Wilson, 2003: 1; Sarikaya and Kara, 2007: 225; Signitzer and Prexl, 2008: 2). Corporate sustainability may be defined as meeting the needs of the direct and indirect stakeholders of an enterprise (shareholders, employees, customers, pressure groups, communities, etc.) without compromising the ability of future stakeholders to meet their own needs. In line with this goal, enterprises are required to protect and grow their economic, social and environmental capital by being active in the political field and contributing to sustainability (Dyllick and Hockerts, 2002: 131).

Successful execution of corporate sustainability efforts will trigger three important developments (Kusat, 2012: 30):

- **Economic Welfare:** An increase will be achieved in the value of existing and new products by providing effectiveness in their production.
- **Environmental Integrity:** Owing to the new perspective of enterprises, they will opt for the development and use of environment-friendly production technologies and minimize the damage done to the environment during the production process.
- **Social Equality:** With the importance attached by enterprises to the implementation of social responsibility projects, individuals will be enabled to access resources equally.
- The concept of corporate sustainability is claimed to consist of the following four concepts (Wilson, 2003: 1):
 - Sustainable development
 - Corporate social responsibility
 - Stakeholder theory
 - Corporate accountability theory

2.1. Sustainable Development

Sustainable development is a broad concept that balances the need for economic growth with environmental protection and social justice. It was introduced by the Brundtland Report published by the World Commission on Environment and Development in 1987 (Wilson, 2003: 1). Sustainable development deals with the ways of achieving economic growth while upholding biodiversity, eliminating poverty and avoiding use of natural capital in the short-term to attain long-term development (Aras and Crowther, 2009: 282).

Sustainable development contributes to the development of corporate sustainability in two aspects (Wilson, 2003: 2):

- It shows enterprises on which areas they need to focus to achieve sustainable development.
- It provides a common social goal for enterprises, the government and the civil society to collaborate on sustainable development.

2.2. Corporate Social Responsibility (CSR)

CSR, in the most general sense, deals with the role of enterprises on the society. It is simply based on the notion that managers of enterprises must not act merely for the shareholders' and their own best interests and that it is an ethical responsibility to be sensitive to the needs and demands of the society (Wilson, 2003: 2). CSR requires enterprises to act ethically and responsibly towards internal and external stakeholders, and adopt and implement their decisions accordingly (Aktan, 2007: 13). CSR covers the relationships of enterprises with all of their stakeholders, and is a commitment of enterprises to act responsibly in environmental and social terms when striving for their economic goals (Isaksson and Steimle, 2009: 170; Büchner, 2012: 45). CSR contributes to corporate

sustainability by providing ethical opinions on why corporate managers need to make efforts for and work on sustainable development (Wilson, 2003: 3).

2.3. Stakeholder Theory

Stakeholder Theory was first made widely known by R. Edward Freeman in his book titled *Strategic Management: A Stakeholder Approach*, published in 1984. Freeman defines stakeholder as the group or individual affecting, or affected by, the achievement of organizational goals (Wilson, 2003: 4). It is possible to classify stakeholders in two groups: internal stakeholders consisting of founding owners, shareholders, managers and employees, and external stakeholders consisting of the society, government, customers, suppliers, rivals, etc. (Aktan, 2007: 14). Stakeholder theory states that enterprises have responsibilities towards the individuals and groups within and outside the organization, and assist organizations in strengthening their relationships with external groups to develop their competitive advantage (Searcy, 2012: 239).

Stakeholder theory contributes to corporate sustainability by promoting the efforts to persuade the business world concerning the reasons for which enterprises should work for sustainable development. Corporate sustainability entails that economic, social and environmental aspects are considered together; whereas stakeholder theory requires enterprises to act in such manner that due regard is paid to all internal and external stakeholders (Wilson, 2003: 4).

2.4. Accountability

While, according to the traditional understanding, enterprises were accountable only to their shareholders, the corporate sustainability broadened the scope of this accountability. Enterprises are expected to be accountable not only for their financial performance, but also for their economic, environmental and social performances (Tokgöz and Önce, 2009: 258). Accountability is the liability of an enterprise for giving and disclosing information about its activities for legal or ethical reasons (Kavut, 2010: 9).

Accountability theory contributes to corporate sustainability by helping corporate managers, define the relationships with the remaining part of the society. It explains why enterprises must report not only their financial performance, but also their economic, environmental and social performance (Wilson, 2003: 5).

3. Sustainability Reporting

Stakeholders demand transparency from enterprises and want to be informed of their social and environmental performance in addition to their financial performance. Sustainability reports present to stakeholders an assessment on the strategy, management approach and promises of enterprises, and contain economic, environmental and social indicators that assist in monitoring the progress of sustainable practices. Sustainability reports are considered a means of accountability and provide transparency. Sustainability reports are also known as triple performance reporting, triple reporting, triple bottom line reporting and corporate social responsibility reporting (BIST Summary Information on Sustainability, 2013; Herzig and Schaltegger, 2006: 303). In the late 1990s, John Elkington developed the concept of triple bottom line to measure sustainability. Triple bottom line (3P- People, Planet, Profit) reporting is a method used to expand the information held by

stakeholders regarding the enterprise. This report goes beyond the conventional financial aspect and presents the impacts of the enterprise on the environment it is associated with. Such type of reporting focuses on the aggregate impact (negative or positive) of the activities of enterprises and determines principles regarding how they should carry out their activities. Thus, such reports demonstrate that stakeholders have diminishing concerns relating to concealed information and a growing intention towards transparency and that enterprise adopt accountability towards their stakeholders at senior levels (Jackson, Boswell and Davis, 2011: 56-57).

Stakeholders can compare the performance of their enterprise with that of other enterprises by means of sustainability reports. Benefits of sustainability reporting for enterprises can be listed as follows (Herzig and Schaltegger, 2006: 302):

- It enhances the corporate reputation and brand equity.
- It provides competitive advantage.
- It allows for comparisons with rivals.
- It enhances transparency and accountability within the enterprise.
- It creates and promotes employee motivation, inside information and control processes.
- It legitimates the corporate activities, products and services that create environmental and social impacts.

The standards developed by GRI, UNGC and OECD, and “ISO 26000 Social Responsibility Guidance Standard” provide enterprises with guiding principles to be complied with in preparing their sustainability reports (BIST Summary Information on Sustainability, 2013).

3.1. Global Reporting Initiative (GRI)

Various recommendations and guidelines on sustainability reporting have been published recently, and GRI is one of the most prominent and most commonly used one. GRI was established by the Coalition for Economically Responsible Economies (CERES) and the United Nations Environmental Programme in 1997 (Isaksson and Steimle, 2009: 175). GRI is a worldwide, non-profit and multistakeholder organisation that operates in close cooperation with the United Nations programmes such as UNEP and UNGC. Its mission is to develop a globally viable sustainability reporting guide and make triple reporting routine and comparable and popularize it like financial reporting (GRI Application Levels, 2013).

GRI developed the Sustainability Reporting Framework, which is used widely to report the performance on human rights, labour force, fight against corruption, and other corporate citizenship issues (Verschoor, 2011: 12). Sustainability reporting guidelines were first set out in 2000. G4, the most up-to-date version, was published in 2013. To indicate that a report is GRI-based, report makers should declare the level to which they have applied the GRI Reporting Framework via the “Application Levels” system. To meet the needs of beginners, advanced reporters, and those somewhere in between, there are three levels in the system. They are titled C, B, and A.

The reporting criteria at each level reflect a measure of the extent of application or coverage of the GRI Reporting Framework. A “plus” (+) is available at each level (ex., C+, B+, A+) if external assurance was utilized for the report (GRI Application Levels, 2013).

3.2. United Nations Global Compact (UNGC)

Established in 2000, the United Nations Global Compact is a comprehensive platform built to formulate and implement policies within the framework of the notions of sustainability and corporate responsibility. The initiative addresses not only the United Nations’ bodies and the civil society, but also all private and public sector enterprises. It is based on globally accepted ten principles in the areas of human rights, labour standards, environment and fight against corruption, and aims to develop those principles. In line with such principles, common goals are set. All organisations that adopt such goals must participate voluntarily, paying due regard to transparency at strategy formulation and implementation stages. The members are expected to report their activities concerning fundamental universal principles and share their performance in this area with the public. Enterprises that participate in the UNGC have to prepare a Communication on Progress (COP) report for their stakeholders. This communication should contain the progresses made in the implementation of the ten principles of the UNGC. The UNGC office considers that the indicators in GRI guidelines are suitable for monitoring and assessing the progresses made in the implementation of the ten principles, and recommends enterprises to use those indicators (UNGC Participation Guide, 2013).

3.3. OECD standards for Multinational Enterprises

OECD standards for multinational enterprises operating and located in OECD countries are globally recognised standards adopted jointly by governments. They serve as reference for business ethics, employment, industrial relations, human rights, environment, information, fight against bribery, competition, consumer interests, science, technology and taxation (Büchner, 2012: 46).

3.4. ISO 26000 Social Responsibility Guidance Standard

ISO 26000 provides social responsibility guidance for any organisation, including multinational enterprises, small and medium size enterprises, non-governmental organisations and public organisations. ISO 26000 is a guide that helps such organisations comprehend what social responsibility is and what they should do to operate in a socially responsible manner. It presents guidelines on all areas relating to corporate sustainable management from stakeholder participation to reporting to any organisation that wishes to manage its corporate responsibilities (BIST Summary Information on Sustainability, 2013).

Developments in the field of sustainability reporting are assessed in international conferences held biennially by GRI. To ensure the comparability of reports, it is emphasized in these conferences that the standards developed by GRI, UNGC and OECD, and ISO 26000 need to be integrated (BIST Summary Information on Sustainability, 2013).

4. Literature Review

No study has been found in the Turkish literature that is conducted on enterprises issuing sustainability reports. However, there are some studies researching CSR activities and

dealing with the examination of the Corporate Governance Principles Compliance Reports (CGPCR) and annual reports of enterprises. Başar and Başar (2006) examined the 2003 annual reports of the enterprises listed in ISE-100¹ index in the first quarter of 2005 to check for the presence of social responsibility criteria. Özgüç (2009) conducted a study taking into account the statements associated with the notion of CSR in the CGPCRs and annual reports of 2006 and 2007 in an attempt to determine the scope of CSR activities of the enterprises listed in ISE-30 index, how the CSR practices are carried out, which aspects of CSR are prominent and which aspects remain in the background in such practices, and whether the statements given are at an ideal level or not. Ulsan (2009) examined the information required to be given in the environmental reports of enterprises according to the GRI Guidelines, Public Environmental Reporting Framework – Australian Approach Guide, and Environmental Reporting Forum’s Preparation Guide for Corporate Environmental Reports. Torum and Küçük Yılmaz (2009) interviewed with aerodrome managers and researched the sustainability practices of aerodromes in Turkey, attempting to identify the importance of sustainability management in aviation by means of a questionnaire. Kavut (2010) examined the nature and scope of the environmental statements made in the CGPCRs and annual reports of enterprises listed in ISE-100 index in 2003 and 2004 through the method of content analysis. Akdoğan Küskü and Bay (2012) sought an answer to the question of whether the activities within the scope of CSR in Turkey are carried out in anticipation of profit and higher profitability or have other elements in the background. Çalışkan (2012) attempted to present what the roles and responsibilities of accountants could be in corporate sustainability and in which areas they may make contributions. With the support of SKD (Sustainable Development Association) and PwC (PricewaterhouseCoopers Audit and Consultancy Company) Turkey (2010), BIST conducted, prior to the BIST sustainability index project, a questionnaire survey that covered the publicly-held enterprises and aimed to present the Turkish business world’s view of sustainability, current sustainability practices, and future expectations and orientations of enterprises regarding sustainability.

5. Method and Findings of the Research

5.1. Scope of Research and Collection of Data

The scope of the research includes the enterprises in Turkey that issue sustainability reports according to GRI and UNGC. Making use of the websites of the Corporate Sustainability Communication Platform, GRI and UNGC and conducting searches on Google, it attempts to make a list of enterprises issuing sustainability reports in Turkey. Among international companies, those that have not published any report specific to Turkey are not included in the list and are excluded from the scope of research. Among the enterprises operating in Turkey and publishing sustainability reports for Turkey, the number of those that publish their reports according to, and based on, GRI is 57. However, note that this number includes the enterprises that publish a report and cease publishing in the next years as well as those that do not publish reports regularly and that publish approved reports at the level A. In Turkey, 247 enterprises signed the Global Compact, and UNGC-COP reports of 80 enterprises have been accessed. In the research, the information was collected by means of a questionnaire. The questions were compiled from the studies of McKinsey (2010 and 2011), Rao and Holt (2005), Hileman, Besly and Savitz (2006) and from the questionnaire surveys conducted by the cooperation of PwC and BIST. The survey form was prepared online using Google Spreadsheet, which is a web-based spreadsheet tool. The questionnaire, along with

¹Istanbul Stock Exchange (ISE): All stock exchanges in Turkey were gathered under the name Borsa Istanbul as from April 2013.

an explanatory text, was sent to the e-mail addresses of contact persons given in the sustainability reports of enterprises, and in cases where the contact persons were not specified, to the e-mail addresses of the enterprises used for general communication purposes. The questionnaire was sent to 137 (80+57) enterprises in total. One week after the e-mail transmission, the contact persons given in the sustainability reports of enterprises and persons responsible for corporate communication were accessed by phone, informed, and asked for assistance regarding the questionnaire. The number of questionnaires received for consideration is 55.

The questionnaire form is composed of closed-end questions that are either two-choice or multiple-choice questions as well as 5-point scale (Very Important – Very Unimportant / Strongly Agree – Strongly Disagree). Furthermore, the option ‘other’ was included into the choices of some questions to allow the respondents to add some extra opinions. Descriptive statistical methods, including percentage, frequency and average were used in the analysis of the data obtained from the questionnaire survey conducted on the enterprises issuing sustainability reports. The collected data were assessed using SPSS 13.0 (Statistical Package for Social Sciences).

5.2. Findings of the Research

In Turkey, sustainability reporting is most commonly practiced by the enterprises operating in the field of health products, which are followed by holdings and enterprises operating in the energy sector. 16% of the enterprises that responded to the questionnaire operate in the energy sector, 13% in the health/drug sector, and 9% are holdings. The distribution of the enterprises by field of activity is as follows: 7% in the textile sector, 5% in the financial institutions sector, 5% in the construction sector, 5% in the food sector, 5% in the chemistry sector, 4% in the automotive sector, 4% in the machinery/metal sector, 4% in the transportation/logistics sector, 4% in the telecommunication sector, 4% in public organisations, and 2% in the IT sector. The enterprises that marked the “other” choice (13%) operate in communication consultancy, promotion services, and domestic appliances and furniture sectors. 33% of the enterprises that responded to the questionnaire have more than 1,500 employees, 7% have 901 to 1500 employees, 15% have 601 to 900 employees, 9% have 401 to 600 employees, 5% have 251 to 400 employees, and 31% have less than 250 employees. The questionnaire was answered by senior managers such as general manager, vice manager, auditor, corporate communication manager, investor relations expert as well as by mid-level managers.

5.2.1. Meaning and Importance of Sustainability for Enterprises

One of the questions in the survey was as follows: “Which of the following concepts best describes the meaning of sustainability for your enterprise: economic responsibility, environmental management, social equality, all of them?”. 87% of the enterprises chose the option “all of them”, whereas 13% chose merely economic responsibility and environmental management. Only 13% of the enterprises publishing sustainability reports in Turkey consider sustainability an economic and environmental responsibility, whereas a large portion of the enterprises regard it as a responsibility that covers all of the three aspects given. In response to the question of how important sustainability for your enterprise is, 67% of the enterprises chose the option “very important”, 26% chose the option “important” and 7% remained indecisive. A large majority of the enterprises (93%) consider sustainability very important or important to their enterprises.

5.2.2. Factors Driving Enterprises to Carry Out Sustainability Practices

The factors driving enterprises to carry out sustainability practices and their degrees of importance are given in Table 1.

Table 1. Importance of Factors Driving Enterprises to Carry Out Sustainability Practices

	Mean	Very Unimportant	Unimportant	Neutral	Important	Very Important
Corporate image/reputation/prominence	4.60			1.8%	36.4%	61.8%
Damage to environment	4.58		3.6%	3.6%	23.6%	69.1%
Cost saving/operational efficiency	4.33		3.6%	7.3%	40%	47.3%
Eco-efficiency	4.32			7.3%	52.7%	40%
Strengthen the competitive position	4.25		1.8%	9.1%	50.9%	38.2%
Risk management	4.23		9.1%	5.5%	38.2%	47.3%
Innovation opportunities	4.12		7.3%	16.4%	30.9%	43.6%
Legal arrangement	4.07		10.9%	14.5%	30.9%	43.6%
Customer expectations	4.05		9.1%	16.4%	34.5%	40%
Special interest of managers	3.96		7.3%	7.3%	65.5%	18.2%
Strategic partnerships and new business opportunities	3.92		9.1%	18.2%	43.6%	29.1%
Advertisement and public relations	3.88		10.9%	10.9%	54.5%	21.8%
Appropriate financing and incentives	3.85	3.6%	5.5%	18.2%	45.5%	25.5%
Increase in the market share and entering into new markets	3.85	1.8%	7.3%	20%	43.6%	25.5%
Drive by partners	3.80		12.7%	18.2%	45.5%	23.6%
Attracting and retaining investors	3.70	3.6%	12.7%	18.2%	38.2%	25.5%
Public pressure	3.44		21.8%	25.5%	36.4%	14.5%

*Cronbach Alpha: 0.894

According to the questionnaire results, the factors driving enterprises to carry out sustainability practices can be listed as follows: corporate image/reputation/prominence (4.60), damage to environment (4.58), and cost saving/operational efficiency (4.33). According to these results, it is thought that the adoption of sustainability policies enhances the corporate reputation of enterprises. Furthermore, the results indicate that the enterprises paying due regard to corporate sustainability in their decision-making processes expect that the damage to environment and the costs will decrease and their efficiency and profits will increase in the long term. It is seen that advertisements and public relations (3.88), appropriate financing and incentives (3.85), increase in the market share and entering into new markets (3.85), drive by partners (3.80), attracting and retaining investors (3.70) and public pressure (3.44) are not very effective factors in driving enterprises to carry out sustainability practices as they are at the bottom of the list. Contrary to common belief enterprises don't perceive the sustainability practices as a means of advertisement and public relations can be removed from the answers. The ranking of public pressure and attracting and retaining investments at the bottom of the list demonstrates that the awareness on sustainability issues is not sufficient and that the awareness of responsible investment, in which environmental, social and ethical concerns play role in investment decisions in addition to financial returns, has not developed in our country yet.

The research conducted by PwC (2010) found that reputation, legal regulations and competition were perceived as the most significant driving forces of sustainability practices

by the respondent enterprises. Furthermore, it concluded that enterprises did not perceive sustainability practices as a means of advertisement and public relations, and that public pressure was not considered an effective factor in driving enterprises to carry out sustainability practices. In the research conducted by the United Nations Global Compact on CEOs of 766 companies operating in various countries of the world in 2010, the most effective factors that drive enterprises to carry out sustainability practices were the brand equity, trust and reputation, cost saving and increase in profits (BIST Summary Information on Sustainability, 2013). According to the results of the research conducted by Hileman, Besly and Savitz (2006) on the chemistry companies in the U.S., the rising reputation and the cost saving/operational efficiency rank among the top three opportunities concerning sustainability. Findings of our research are in line with these researches.

5.2.3. Priorities of Enterprises

The enterprises were asked to rate the issues given below according to their priority. Results are shown in Table 2.

Table 2. Importance Attached to Issues Included among the Priorities of Enterprises

	Mean	Very Unimportant	Unimportant	Neutral	Important	Very important
Business ethics	4.69			3.6%	23.6%	72.7%
Occupational health and safety	4.61			7.3%	23.6%	67.3%
Transparency	4.61			5.5%	27.3%	65.5%
Decrease in energy consumption	4.60			1.8%	36.4%	61.8%
Environmental management system	4.59			3.6%	32.7%	61.8%
Innovativeness	4.56		1.8%	5.5%	27.3%	65.5%
Materials / waste recycling	4.54			3.6%	38.2%	58.2%
Production of good quality products/services	4.52			5.5%	36.4%	58.2%
Saving in water usage	4.49	1.8%		1.8%	40%	56.4%
Training of workers and employees	4.49			5.5%	40%	54.5%
Corporate strategic plan that includes sustainability goals	4.42			9.1%	38.2%	50.9%
Decrease in carbon emissions released to the nature	4.40		1.8%	5.5%	41.8%	49.1%
Delivery on time products/services	4.38	1.8%		7.3%	38.2%	50.9%
Increase in sales	4.37	1.8%		9.1%	36.4%	50.9%
Lower costs	4.31			14.5%	38.2%	45.5%
Providing support to social projects	4.27		3.6%	5.5%	50.9%	40%
Development of sustainability measures	4.16			14.5%	52.7%	30.9%
Native public and relationships	4.14		1.8%	14.5%	50.9%	32.7%
Providing support to educational institutions	4.11		3.6%	12.7%	47.3%	30.9%
Use of sustainability criteria in purchasing decisions	4.03		1.8%	12.7%	61.8%	20%
Construction of green facilities	3.87	1.8%	5.5%	18.2%	52.7%	21.8%
Redesign of products to improve environmental performance	3.77	1.8%	12.7%	16.4%	41.8%	25.5%
Product life cycle analysis	3.77	1.8%	1.8%	32.7%	40%	20%
Redesign of packaging to decrease the use of materials	3.39	7.3%	10.9%	29.1%	34.5%	14.5%

*Cronbach Alpha: 0.93

Among the specified issues, those that have the highest average are business ethics (4.69), occupational health and safety (4.61), transparency (4.61), and decrease in energy consumption (4.60). Construction of green facilities (3.77), redesign of products to improve environmental performance (3.77), product life cycle analysis (3.77), redesign of packaging to decrease the use of materials (3.39) are at the bottom of the list of priorities of enterprises. According to these results, one can say that enterprises do not include in their priorities the issues that are not regulated by law and will bring additional costs. Similar findings can be seen in the results of the questionnaire conducted by PwC, according to which due regard is paid by enterprises to issues such as transparency, accountability, worker and employee trainings, and occupational health and safety owing to associated risk, and enterprises have written or unwritten policies regarding such issues.

5.2.4. Obstacles to Sustainability Initiatives (or to Potential Benefits From Sustainability)

Enterprises were asked to answer what were the obstacles to sustainability initiatives or to potential benefits from sustainability, and they were allowed to mark more than one choice. Table 3 shows the issues enterprises regard as obstacles to sustainability initiatives.

Table 3. Obstacles to Sustainability Initiatives

	F	%
Lack of incentives relating to sustainability performance	25	45.5
Too few people are accountable for sustainability	23	41.8
Lack of sufficient resources for sustainable initiatives	18	32.7
The contradiction of focusing on performance for short-term gains with the long-term nature of sustainability	18	32.7
Sustainability is not integrated into the existing performance management system	16	29.1
The absence or improper use of the key performance indicators (KPI)	15	27.3
Lack of sufficient data or information to apply sustainability initiatives	11	20
The loose ties between business units to implement sustainability initiatives	11	20
The failure of the existing organisational structure to promote accountability for sustainability activities	8	14.5
Lack of suitable and proper skills in the enterprise	8	14.5
The loose ties of the sustainability department with the rest of the organisation or insufficiency of the sustainability departments in terms of size	8	14.5

Among the top-listed obstacles to sustainability initiatives are the lack of incentives relating to sustainability performance (45.5%), the fact that very few people are responsible for sustainability (41.8%), the lack of sufficient resources for sustainable initiatives (32.7%), and the contradiction of focusing on performance for short-term gains with the long-term nature of sustainability (32.7%). The failure of the existing organisational structure to promote accountability for sustainability activities (14.5%), the lack of suitable and proper skills in the enterprise (14.5%), the loose ties of the sustainability department with the rest of the organisation or insufficiency of the sustainability departments in terms of size (14.5%) are at the bottom of the list and regarded as less of an obstacle. In the research conducted by PwC, the perception of sustainability reporting as unnecessary, cost and the lack of information were stated as the obstacles to developing sustainability practices. The low number of enterprises publishing sustainability reports regularly in Turkey is a consequence of the perception of sustainability reporting as unnecessary, and the lack of information. This indicates that the awareness of the society has not developed adequately, legal regulations are insufficient, and initiatives on this matter are insufficient as well since enterprises do not feel the pressure of external groups regarding sustainability issues.

5.2.5. Opinions of Enterprises on Sustainability Activities

The enterprises were given certain issues relating to sustainability and asked whether they agreed with such issues or not. The agreement of the enterprises with the given statements, and the calculated averages are shown in Table 4.

Table 4. Agreement of Enterprises with Opinions on Sustainability Activities

	Mean	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Investment in sustainability activities help our enterprise build a reputation	4.37		3.6%	5.5%	40%	49.1%
Sustainability is integrated into the business practices of our enterprise	4.05		9.1%	7.3%	52.7%	30.9%
Sustainability activities has provided an increase in the efficiency of our enterprise	3.92		3.6%	18.2%	60%	18.2%
Sustainability activities provide cost savings of our enterprise	3.92		7.3%	16.4%	50.9%	23.6%
Investment in sustainability activities help our enterprise risk management	3.92		3.6%	18.2%	58.2%	18.2%
Suppliers sustainability activities are important to us	3.92	1.8%	5.5%	9.1%	61.8%	18.2%
Our enterprise actively seeks opportunities to invest in sustainability	3.89		10.9%	10.9%	56.4%	21.8%
Sustainability activities has improved the quality of our products and services	3.85		9.1%	18.2%	49.1%	21.8%
Our enterprise actively shapes sustainability regulations.	3.81		9.1%	21.8%	45.5%	21.8%
Sustainability activities provide our enterprise with new market opportunities.	3.79		9.1%	25.5%	38.2%	23.6%
Our enterprise actively researches it's image regarding sustainability activities.	3.68		9.1%	25.5%	50.9%	12.7%

*Cronbach Alpha: 0.88

Among the answers given to this question, the statements that have the highest average are as follows: "Investment in sustainability activities help our enterprise build a reputation" (4.37), "Sustainability is integrated into the business practices of our enterprise" (4.05). The statements that have the lowest average are as follows: "Our enterprise actively shapes sustainability regulations" (3.81), "Sustainability activities provide our enterprise with new market opportunities" (3.79), and "Our enterprise actively researches it's image regarding sustainability activities." (3.68). The failure of enterprises to actively shape their regulations pertaining to sustainability and research their image regarding this matter confirms that the awareness of the society is not fully developed and it's consciousness on this matter is not sufficient. Investment in sustainability activities help enterprise's build a reputation is a common belief and seen again from the answers given to these questions. The enterprise's that issue sustainability reports stated that sustainability is integrated into the business practices. This is a favourable development towards the sustainable development.

5.2.6. Areas of Sustainability for Which Training and Technical Support Are Needed

The enterprises were asked on which of the issues given in Table 5 they needed training and technical support, and they were allowed to mark more than one choice.

Table 5. Issues on Which Training and Technical Support are Needed

	F	%
Carbon emission analyses	25	45.5
Energy efficiency	24	43.6
Branding through green identity	20	36.4
Alternative renewable energy	20	36.4
Development of sustainable measures	20	36.4
Sustainable supply chain	19	34.5
Green purchasing criteria	19	34.5
Corporate sustainability strategy	19	34.5
Sustainability reporting	17	30.9
Water usage/management	14	25.5
Life cycle evaluation	11	20
Green package design	10	18.2
Relations with the society	9	16.4

Approximately 46% of the enterprises stated that they needed training and technical support on carbon emission analyses, 43.6% on energy efficiency, 36.4% on branding through green identity, 36.4% on alternative renewable energy, and 36.4% on development of sustainable measures. Life cycle evaluation, green package design, and relations with the society are the areas on which enterprises need training and technical support the least. Redesign of packages to decrease the use of materials is on the bottom of the priorities of the enterprises, and the answer given to the question of green packaging design confirms that enterprises do not care about that issue very much. The reasons why the enterprises do not include this issue into their priorities and do not need training and technical support are that the society does not have sufficient awareness on this matter and that the enterprises are not exposed to any pressure through legal regulations or by the society.

In the research conducted by PwC, relations with the local community and relations with the civil society were found to be the areas on which enterprises do not deliver any training at all. Similarly, the issue of relations with the society was found to be the area on which training and technical supports are needed the least among the enterprises reporting sustainability.

6. Conclusion

The damage done to the natural resources, the danger of exhaustion of resources together with the concern for the deterioration of social developments have all made sustainable development an often-mentioned, well-thought and written about concept. The responsibility of enterprises in the new world order is not only to manufacture and provide services, but also continue manufacturing, providing services and being transparent and accountable without compromising the ability of future generations to meet their own needs. These circumstances have brought sustainability reporting, which is the reporting of performances in terms of the positive and negative effects of sustainability in three dimensions, to the agenda of enterprises. Although sustainability reporting is not prevalent

in Turkey, there has been a steady increase over the years; however, this is not sufficient. It was found that reporting was done the most by the enterprises such as health products, holdings and energy sector respectively. While only 13% of the enterprises that publish sustainability reports in Turkey consider sustainability as an economic and environmental responsibility, the rest of the 87% of them regard sustainability as a responsibility comprising all the three dimensions. Great majority of the enterprises (93%) think that sustainability is important. The enterprises that publish sustainability reports in Turkey are of the opinion that the adoption of sustainability policies will increase their corporate reputation, that enterprises will cause less damage in their immediate surrounding and reduce the costs in the long run by taking the corporate sustainability approach into consideration during the decision-making process and that productivity and profits will increase. The idea that sustainability activities give corporate reputation to the enterprises is a prevalent idea, and this study and the studies in the relevant literature have produced similar results. Issues such as public pressure, attracting investors and hanging onto them have come at the bottom of the list in guiding the enterprises into the sustainability activities and this shows that there is a lack of sensitivity about sustainability in our country. While the priorities of companies include business ethics, occupational health and safety, and transparency at the top of their lists, building green facilities, re-designing products in order to improve their environmental performance, doing the life cycle analysis of the product, re-designing the packaging in order to reduce the material use have come at the bottom of the list. It was observed that while the areas designated by laws were on the top of the priority list of enterprises, they were subsequently followed by areas such as reduction in energy consumption, recycling of materials/wastes and savings in water consumption by which the firms can reduce negative effects on nature and also provide cost savings.

Moreover, it was also seen that the enterprises did not include among their priorities the areas that would incur additional costs with radical changes such as building green facilities, re-designing the products in order to improve environmental performance and re-designing the packaging in order to reduce the material use as well as the areas not designated by laws. This result is consistent with the result that focusing on short-term profits contradicts with the long-term nature of sustainability. The great majority of the enterprises publishing sustainability reports consider that the lack of incentives regarding the sustainability performances in our country constitute the biggest obstacle for the sustainability attempts. Based on this finding, it is possible to conclude that the provision of incentives regarding the sustainability performance will get the enterprises to take sustainability into more consideration and this will motivate the enterprises to publish sustainability performance reports. Enterprises do not agree on the idea that sustainability activities present new market opportunities and the majority of enterprises state that they have not actively examined the external appearance of sustainability activities.

The enterprises that have taken part in the survey indicated that they needed training and technical support on issues such as the analyses of the amount of carbon released to the nature, energy productivity, branding through green identity, alternative renewable energy and improving the sustainable measures. Issues such as life cycle evaluation, green packaging designs and relationships with the society were those that the enterprises required the least assistance.

The annual reports used in assessing the performances of the enterprises are no longer sufficient. In this context, the sustainability reports seen as tools that are prepared on economic, environmental and social parameters and that make the enterprises more

accountable and reliable to the internal and external stakeholders come into prominence. The sustainability reports communicate how enterprises affect the expectations of sustainable development and how they are affected by them to their internal and external stakeholders.

In this way, thanks to the sustainability reports, enterprises will be very well aware of their weaknesses and strengths and be able to focus on the aspects that need improvement. Therefore, in order to support sustainable development and increase transparency in Turkey, sustainability reports have to be popularized.

The findings of this study can be useful as it outlines the major priorities and barriers, also training and technical support requirements for sustainable practices of firms. In Turkey, firms are very slow in adopting sustainable practices. Because of this, firms that issue sustainability reports are so few and this is one of the limitations of this study. This research can be extended by including other developing countries and sub-sectors after the number of firms that issue sustainability reports increase. Also it can be suggested that future studies may examine both the current situation in developing countries and the comparison of their attitudes towards sustainability practices and sustainability reports.

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