

Full Length Research Paper

Tracing the corporate governance and corporate social responsibility (CSR) activities of logistics sector in Turkey: An inquiry of company web site applications

Pınar Seden Meral

Beykoz Vocational School of Logistics Vatan cd. No: 69 Kavacık – Beykoz Istanbul – Turkey.
E-mail: pinarsedenmeral@beykoz.edu.tr

Accepted 8 August, 2011

The main objectives of this paper is to present the current status of logistics in Turkey; show that corporate social responsibility (CSR) is business strategy for both reputation and positioning; and how logistics companies conduct their CSR activities using their website pages. The theoretical framework of the paper is based on reputation management theories. Thirteen (13) fundamental social responsibility areas of 14 logistic companies' local websites were examined by a deep web page content analysis, according to Esrock and Leichty's analyses.

Key words: Turkey, corporate governance, corporate social responsibility (CSR), web site analysis

INTRODUCTION

A brief backdrop: Corporate social responsibility and corporate governance

Increasingly challenging competitive conditions force companies to become responsible businesses in order to keep both existing customers and win new ones. This force causes the businesses to adopt corporate management principles and to focus on social responsibility and prestige management activities. A responsible business is the one that produces high quality products and services, makes payments on time and operate properly from social and environmental perspective in regards to its positioning in the sector. In other words it means creating a proper image on internal and external target group as well as partners, achieve reliability, and preserve its economic success and competitive advantages.

Communicating the social responsibility activities to the target group and partners, transition to a corporate management style that requires informing the public and achieving transparency are among the prerequisites for prestige management of a business. In this part of the study, we have attempted to draw a theoretical framework of these significant parts of prestige management.

REVIEW ON CORPORATE SOCIAL RESPONSIBILITY

CSR is not a recent issue. Social responsibility has become an important interdisciplinary issue concerning business, law, politics and economics and communication since the early 1930s. Professor Merrick Dodd of Harvard Law School advocated that corporations served a social service as well as a profit-making function, a view that was rejected by Berle (Hopkins, 2003). In 1960, Keith Davis suggested that social responsibility refers to corporations' "decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest." The Committee for Economic Development (CED) used a "three concentric circles" approach to explain the concept of CSR in the 1970s. The inner circle includes basic economic functions: growth, products and jobs. The intermediate circle suggests that the economic functions must be exercised with a sensitive awareness of changing social values and priorities. The outer circle outlined newly emerging and still vague responsibilities that corporations should assume to become more actively involved in improving the social environment in which they operate. Later, the attention shifted from social responsibility by several authors and philosophers.

Their basic argument was that the emphasis on responsibility focused exclusively on the notion of business obligation and duties along with motivation, and that action or performance were ignored. The social responsiveness movement, however, stressed corporate action, employee rights and realization of a social role of both employers and employees (Karake and Zeinab, 1999).

CSR is closely linked with the principles of “sustainable development” which argue that enterprises should be obliged to make decisions based not only on financial/economic factors revolving around profit, but also on wider issues like the immediate and the long-term social, environmental and other consequences of their activities. Today, the role of business in society has been promoted by increased sensitivity to and awareness of environmental and ethical issues concerning stakeholders. Issues like environmental damage, improper treatment of workers, and faulty production that inconveniences or endangers customers are highlighted in the media. In some countries, government regulation regarding environmental and social issues has increased. Also, standards and laws are often set at a supranational/regional level like the European Union. For instance, finance sector is not only controlled by numerous legal reporting regulations, but also with a number of codes of conduct and ethical concerns. Consequently, some investors and investment fund managers have begun to take account of a corporation’s CSR policy in making investment decisions. Some consumers have become increasingly sensitive to the CSR performance of the companies from which they buy their goods and services. These trends have contributed to the pressure on companies to operate in an economically, socially, and environmentally sustainable way.

Corporate governance: A major actor of reputation management

Reputation is an intangible asset which enables the enactment of relationships among an enterprise and its public. It is a more significant, powerful and holistic predictor of corporate performance in the marketplace than either corporate image or identity. Reputation is of major significance particularly in markets where consumers cannot determine product quality through their own experience or comparative investigation; then they will make their choices by reputation which influences such consumers’ buying behavior (Dhir and Vinen, 2005).

Reputation is comprised of the attitudes and feelings to the specific qualities of the organization. It is an assessment of the performance of an organization’s products; services, activities as well as the performance of its employees. A corporate reputation is the total sum of the perception of an organization’s ability to meet the

expectations of its stakeholders. It describes the rational and emotional attachments that they form with the organization through this fulfillment (Hannington, 2004).

In marketing, communications and consumer behavior both deal with the factors that affect the purchase and use of goods such as availability, consumer characteristics and corporate reputation. In situations where consumers have a preference, their behavior is determined by many factors. The relationship between the consumer and consumer’s perception of firm’s reputation is the key to choosing that particular product or service. In addition, reputation is the most important mechanism for conveying information to consumers that is of special interest in emerging markets that is rapidly growing like Turkey.

With growing literature on corporate reputation, different perspectives are being employed on the concept of corporate reputation. The interest in economic effects of reputation on companies has been growing rapidly over the past decade. The consumer may judge the quality of a product not only by its cost but also in terms of reputation of the manufacturing or servicing company. There is a reciprocal relationship. Reputation enhances the attributes of product and service quality. The quality of product and service delivered is the ultimate determinant of reputation. Although, the modern consumer is increasingly demanding to buy a package which includes the company standing and image, their primary focus remains on the output of managing system-the products which are promised. Hence, reputation is only one of several factors in the environment in which a corporation operates; the others are social, political and economic in nature (Nakra, 2000). Nevertheless, reputation as a primary distinctive capability has differential value and can be a powerful source of competitive advantage in emerging markets. We may state that reputation is the most important commercial mechanism for marketing communication that is conveying information to consumers in the conventional sense and to stakeholders in the collective and broader sense. The management of the design, production, communication and delivery of value to the customer is often more significant to the consumers. In some circumstances, reputation has only marginal effect on an enterprise’s success; in other circumstances, reputation has a critical effect. It depends on the particular context of the countries, sectors and the target consumers.

Bradley (1995) fines reputation as a “reiterated high-quality strategy in a market for long-term experience goods”. The quality of a good or service is often judged not only on its cost but also with reference to the standing of the manufacturer or the service provider. Firms with a good reputation can charge a higher price for what is objectively an equivalent or inferior product. Reputation conveys public esteem and distinctiveness in competition for scarce resources. Reputation provides the legitimizing basis for business-the “license to operate”. Thus, the

concept of reputation covers the concerns of public relations, marketing, finance and human resource management. The corporate reputation is the perceptual representation of a particular company's past actions and future prospects that describes the firm's overall appeal to all of its key constituents in a longer term perspective and standing when compared with their leading rivals. (Varey, 2001)

The concept of corporate governance has become the focus of more and more attention. The term corporate governance structure refers to the legal structure that governed the configuration of rights and responsibilities between shareholders and managers in public corporations (Aoki, 2000). Corporate governance refers to the manner in which the power of a corporation is exercised in the stewardship of the corporation's total portfolio of assets and resources with the objective of maintaining and increasing shareholder value and satisfaction of other stakeholders in the context of its corporate mission. It is concerned with creating a balance between economic and social goals and between individual and communal goals while encouraging efficient use of resources, accountability in the use of power and as far as possible to align the interests of corporations and stakeholders (<http://www.tkyd.org/files/downloads/Introductiontocorporategovernance.doc>).

In broad sense, corporate governance is the organization and management of a modern institution established for a specific goal. A narrower definition comprises all rules, regulations, codes and practices enabling long term economic value creation for shareholders, while respecting social values and attracting human and financial capital. Corporate governance should be perceived as a holistic approach which intersects with several domains such as ethical rules, law abidance and environmental protection (Corporate Governance Code of Best Practice, 2002). Good Corporate Governance seeks to promote:

- Efficient, effective and sustainable corporations that contribute to the welfare of society by creating wealth, employment and solutions to emerging challenges.
- Responsive and accountable corporations.
- Legitimate corporations that are managed with integrity, probity and transparency.
- Recognition and protection of stakeholder rights and,
- An inclusive approach based on democratic ideals, legitimate representation and participation (<http://www.tkyd.org/files/Introductiontocorporategovernance.doc>).

The term corporate governance does not however appear in either the professional or academic literature before 1980. Some of the earliest considerations of corporate governance come from the United States. The Treadway Commission issued a report on fraudulent financial reporting in 1987, which confirmed the role and

status of audit committees. The Treadway report prompted the Securities and Exchange Commission (SEC) to incorporate in its listing requirements, from 1988, that all SEC-regulated companies should have an audit committee with a majority of non-executive directors. Further work by a subgroup of the Treadway Commission, Committee of Sponsoring Organizations (COSO), developed the framework for internal control, providing detailed criteria for management to access internal control systems and gave guidance for reporting publicly on internal control. In the United Kingdom, the corporate governance debate was stimulated by a series of corporate scandals and unexpected corporate collapses in the late 1980s and early 1990s (The Chartered Institute of Management Accountants, 1999). Good corporate governance has many benefits to the corporations. The benefits of good corporate governance are (The Chartered Institute of Management Accountants, 1999):

- Reduces risk: It helps to ensure that the personal objectives of the board and the company's strategic objectives are brought into line with those of stakeholders, which can help to reduce the risk of fraud. It can provide a mechanism to review risk and it can provide a framework for reviewing and assessing projects.
- Stimulates performance: It institutes clear accountability and effective links between performance and rewards, which can encourage the organization to improve its performance.
- Improve access to capital markets: It reduces the level of risk as perceived by outsiders, including investors. In particular, corporate governance can be seen as protecting shareholders' rights, and thus make it easier for companies to raise finance.
- Enhances the marketability of goods and services: It creates confidence among other stakeholders, including employees, customers, suppliers and partners in joint ventures.
- Improves leadership: It allows increased expertise to be brought to bear on strategic decision-making, through the influence of non-executive directors and because all board members are encouraged to examine board decisions critically. The wider pool of knowledge and experience available to the board, through the inclusion of external members, helps the board to identify opportunities more readily.
- Demonstrates transparency and social accountability: This in turn can foster political support for and public confidence in the organization.

In a nutshell, corporate governance is an evolving concept, shaped by governments, stock exchanges and the professions and by the disappointments and expectations of shareholders and other stakeholders. It is likely that there will be increasing attempts to formulate

international principles and possibly standards of corporate governance (The Chartered Institute of Management Accountants, 1999). Meanwhile, failure in corporate governance is a real threat to the future of every corporation. Corporate governance as a business ethics issue is more powerful than the internet or globalization and can destroy a business through word-of-mouth communication. To make matters worse, standards of corporate governance are changing rapidly in response to random events which capture public imagination. In business ethics, standards for corporate governance that have worked for decades are being transformed or totally changed (<http://www.globalchange.com/corporategovernance.htm>)

Corporate governance and reputation management in Turkey

The past five years have taken corporate governance and reputation management in Turkey out of management textbooks and into the agenda of businessmen. The Turkish Corporate Governance Association has played a particularly big role in the development of corporate governance in Turkey, where the interest of most businessmen focuses on the duties and liabilities of board members. The reputation management is mostly taken into account from the framework of the collective stakeholder perspective in a limited way; whereas, the marketing communication framework of public relations standpoint is employed more extensively.

In Turkey, board of directors is unitary in structure, comprised of at least three members appointed for a maximum period of three years in joint stock corporations. The Commercial Code provides that only individuals can be become members of a board, and directors must be elected from among the company's shareholders or be representatives of legal entity shareholders. The Commercial Code also allows foreign citizens to be elected as directors. Under the laws, board members are appointed and dismissed by the shareholders at the general assembly. The only exception to this are state commercial enterprises, where the state, province or municipality may be granted the right to delegate a representative to serve on the boards of directors of companies in which they hold shares in which case such board members may be removed only by the government agency that has appointed them the law also permits outside directors. Large companies often appoint one or two directors from academic, business, legal or former military personnel to their boards (<http://www.tkyd.org>).

Logistics sector in TURKEY

According to Ülengin and Uray, since the mid 80's, the increase in internal and external trade volumes resulted

in an increase in the importance of logistics activities (Ülengin and Uray, 1998) and now Turkey is expected to become a logistics center in the near future. The Turkish logistics sector consists of 200 transport commissioners, 600 road transport companies having their own fleet, 300 custom consultants and 20 inland distributors.

Structure and development of the sector

Being a junction point between two continents in addition to being one of the two routes to Eurasia along with Russia, Turkey has a unique advantage in the logistics sector. With industrial countries on West and large markets and raw material providers on East, Turkey has the best geographical position in this region. With increasing integration of developed countries, the logistics sector in Turkey has shaped its infrastructure in 1980s and 1990s by the investments in land, sea, and railway and combined transportation. And since 2000s, it has become a dynamic sector that keeps cooperating with national and international companies, opening branches overseas and improving its service quality constantly.

In our country, the development of logistics sector continues at a fast pace and some companies are able to provide service in world standards. Turkish logistics sector exhibits a heterogenic structure, and what draws attention are the companies with different structures from each other in terms of capital, profitability and endorsement size in addition to their understanding, working principles, values and organization culture. According to the classification made by Babacan and Eriş (2004), we can summarize the structures of the companies in the sector as follow:

Small companies: These companies generally engage in spot business and work in a conventional way far from modern understanding of work and carry on instant and daily business. First, aim of these companies is endorsement and profitability. They do not have permanent policies, principles and marketing strategies.

SMEs: Trying to be both conventional and global, these enterprises are established by domestic capital, have roots in transportation sector and are aware of the market conditions. In these companies, organizational understanding is conventional but commercial understanding is development-oriented. They have deep-rooted experiences and they strive to develop the market in order to develop themselves.

Large companies: These are the companies that are incorporated in a holding, have the chance and capacity to develop and undertake business at the international level and might have a global partner. In terms of organizational structure these companies do business with modern principles in mind, they struggle to be a

brand-name in the sector and treasure the added value they create.

Turkey branch offices of foreign companies: Using the advantage of being an international brand, these companies build up trust and believe that they both will contribute to the market's level of service by providing service in their own standards and at the same time aim at utilizing the advantage of being local.

Courier companies: These are the companies that are established as courier companies and then transformed into a logistics company keeping the same name, and take advantage of existing courier transportation net. Among the companies pursuing aims like being a leader in the sector, expanding the market share by new projects, attracting attention by new products and services, and creating a difference by perpetuating new investments and trainings, there are some have that won quality awards for the first time in their own fields.

Characteristics of the sector

The development of logistics depends on the logistics opportunities and abilities of countries. Logistics evaluations performed on the country and regional basis are significant since while some regions of the world have excellent logistics opportunities contributing to their success, other regions on the other hand lack these characteristics. In the logistics sector, regional assessments are made according to the geographical, physical and institutional infra-structure. These kinds of assessments shed a light on the investments and regulations required for the development of logistics. From the logistics perspective, Turkey's geographic position has important advantages. In geo-strategic terms, as a bridge between Asia and Europe, Black Sea and Mediterranean Sea, our country is the junction point of three continents. From this point of view, Turkey is at a very convenient location for international logistics as a distribution and collection (transfer) centre for the Europe, Balkans, Black Sea, Caucasus, Caspian Region, Central Asia, Middle East and North African Countries. But there are physical and institutional infrastructure inadequacies. Although, some academic based researches and studies about logistics sector have gained momentum, there is still no comprehensive study covering the whole sector and offering an explanation by figures. Beside the researches done in academic field, vocational organizations, associations and institutions are in a struggle for producing data on the sector. Due to the vast number of sub-branches within the sector and its complex structure, it is quite difficult to obtain and handle endorsement and profitability figures from sub-activity fields such as transportation, storage and customs clearance (www.patronturk.com). Turkey's major advantages in terms of logistics sector can be summarized as follows:

Location

- Southeastern Europe and Southwestern Asia bordering the Black Sea, the Aegean Sea and the Mediterranean Sea.
- 7,200 km Coastline
- 2,627 km Territorial Borders
- 72 Million People
- Important geo-economical position. Gate way from/to Europe
 - Central Asia
 - Black Sea
 - East Mediterranean
 - Gulf

Growing economy

- Among world's 10 big emerging markets
- Growing industries
 - Transport and logistics
 - Automotive
 - Textiles
 - Retailing
 - Tourism
 - Telecommunications - IT
 - Energy
 - Iron and Steel
 - Defense Industry
- Close Integration with International Community
 - UN
 - NATO
 - European Council
 - OECD
 - IMF
 - World Bank
 - World Trade Organization
 - EFTA
 - Black Sea E.C. Zone
 - EU Customs Union

General characteristics of Turkish logistics sector can be briefly summarized as follow (Babacan, 2003).

Geography of the market: Turkish market is in a location between continents and at a strategically important crossroads, and also provides suitable opportunities in terms of labor and land.

Market value: around 30 to 32 Billion USD.

Market potential: 10 to 12% of the Gross National Product

Growth rate: 10 to 15%

Intensive sectors: Industrial branches of export and import exhibit some differences. In export, the focus is on textile. Until the last couple of years, the main products exported were mostly textile and dry food products, but

recently, it is possible to mention some machinery components, white goods and small, cheap technologic devices. On the import side, industrial branches are of great variety. The main focus is on industrial raw materials, textile dyes and expensive textile machines, automotive and computers. In addition to the export products of conventional agriculture and textile, exports in advanced technological products, ceramic, marble and automotive has contributed to the rejuvenation of the logistics sector in the recent years.

Customer relations: It is observed that the trust between service customers and logistics service providers is not created sufficiently. Customer behaviours are generally price-sensitive and because of this, they tend to change the company based on price instead of quality of the service.

Contracted sales principle: In the market the general tendency is towards one-year contracts, and a long-term working relation is not an adopted principle. Even though the principle of the work is based on synergy and consolidation, many producer companies in the initial stage of establishing a business relation, impose that the customers do not work with rival companies.

Investments: Especially fixed investments are made on fleet renewal, training and computer technologies.

Outsourcing: In the sector, outsourcing is a concept that is becoming increasingly common. It is possible to state that 85% of the country's current production and product movement is met by the own units of the production and sales companies, and only 15% is outsourced and thus a reduction of 15 to 20% in cost is achieved. The opening up to global market has led to an increased logistics requirement for the companies. The fact that there is insufficient knowledge about the new markets and their regulations in addition to the lack of a suitable infra-structure has caused the companies to turn towards to the 3rd party logistic companies. The fluctuations in market and changes in demand, force companies to avoid high investments and reduce fixed cost, instead of investing for a future they cannot predict companies aim to use the resources of a 3rd party and turn the cost into flexible by only paying for what they use.

Fields expected to develop: These are the fields that are expected to develop by the acceleration of the 3rd party logistic service provider (3PL) and 4th party logistic service provider (4PL) companies' international operations. Especially companies, that do not hold any fixed asset and serve as a knowledgeable mediator between a 3rd party logistics company and the customer seeking the most suitable service, in other words virtual logistics companies (Ogan) can be regarded as a growth indicator (www.patronturk.org).

Logistic challenges of Turkey

A strong transportation and infrastructure sector is essen-

tial in Turkey. Given its location, Turkey is likely to continue this growth in transportation as the world economy becomes increasingly integrated (www.us-istanbul.com).

By sea

Turkey is surrounded by sea on three sides. The main ports are Istanbul, İzmir, İzmit, Samsun, Trabzon, Mersin and İskenderun, each of them has advance infrastructure and provide modern facilities. All of them are being operated by the state. The ports of İzmir, İzmit, İskenderun, Mersin and Samsun are included in Turkey's nationwide privatization program, in which foreign investors are quite interested. The privatization of Mersin Port was realized in 2007 as a result of the PSA (Singapore) – Akfen (Turkey) partnership. With the objective of becoming a center for transit cargo in the territory, new port projects are being prepared within the framework of the National Ports Master Plan.

Turkey has the world's 26th-largest maritime fleet in terms of the number of ships (1,429), 48.6% of which are registered with National Ship Registry and 51.4% of which are registered with the International Ship Registry. The capacity of the Turkish maritime fleet exceeds 7.2 million DWT as of 2006. The importance of roll-on/roll-off (ro-ro) transportation continues to increase. Existing ro-ro lines on which Turkish transportation companies operate are: Pendik (Istanbul) – Trieste (Italy); Ambarlı (Istanbul) – Trieste; Çeşme (İzmir) – Trieste; Zonguldak – Evpatoria (Ukraine); Samsun – Novorossisky (Russian Federation); Trabzon – Sochi (Russian Federation); Rize – Poti (Georgia) (www.us-istanbul.com).

By air

Turkey has 34 airports of different sizes open to civil air traffic. The major international terminals are Istanbul Atatürk Airport, Ankara Esenboğa Airport and İzmir Adnan Menderes Airport. The other major flight points are Adana, Trabzon, Nevşehir, Dalaman, Bodrum, Isparta and Antalya. Airports in Bursa, Tekirdağ, Erzurum, Gaziantep, Kars, Samsun, Van, Denizli and Kayseri are open to unscheduled and charter flights. Turkish Airlines is the largest airline company and capable of connecting all regions with its worldwide network. Though it is currently run by the state, Turkish Airlines is included nation's privatization program. With liberalization in the sector, many private airline companies have been established in recent years. Pegasus, Atlas Jet and Onur Air are the other leading airline companies among 17 companies operating in Turkey with a fleet of 239 aircrafts. In 2007, 70.3 million passengers flew to/from/via Turkey, and 1.5 million tons of cargo was transported by airway transportation (www.us-istanbul.com).

By land

Investments in the Turkish transportation system concentrate mainly on land transportation. Turkey significantly improved its network of highways and has a total highway length of almost 64,000 km, nearly 1,900 km of which belong to motorways. 95% of passenger transport and 90% of transportation of goods within the country are realized through highway transportation. The length of railways is close to 11,000 km, 2,300 of which are electrified. Seaports are connected to railways so that combined transportation options will be available. One of the biggest projects in Turkish transportation sector is the Ankara-Istanbul high-speed train project by Turkish Railways, which is expected to be completed by 2009. This project is expected to shorten the journey between the two cities to three hours and serve 17 million passengers. It is also hoped that a share of the 48 million tons of freight carried each year by road will shift to railways. The majority of work has now been completed by a consortium led by Spanish Company Obrascon-Huarte-Lain and Alsim-Alarako. New trains have also been procured from Spain. Another project consolidating Turkey's role in transportation and logistics is the Baku (Azerbaijan)- Tbilisi (Georgia)- Kars (Turkey) railway project, which is already under construction and is planned to connect Turkey to China via Central Asia (www.us-istanbul.com).

Problems of the Turkish logistics sector and solution suggestions

The problems of the sector are not the main issue of this paper. But just to frame the current situation, it is worth to say a few words. First, the sector problems can be briefly divided as national and international. National problems are basically resulted from the legal arrangements and bureaucracy. Company and vehicle excess and the time-limited legal arrangements intended to prevent the inequitable competition are the main national issues. But the principal problems are resulted from international arrangements, such as transition quotas and driver visa problems. These problems can be solved -at least EU countries related part- by revising the customs union arrangement. Both national and international problems can be solved only with the collaboration of the sector and the Ministry of Transportation and Communication.

Inquiry of company web site applications: Findings and concluding remarks

CRS activities of the companies are accepted as an important area in public relations. Organizations give importance to social responsibility activities to create and maintain a desirable public image. Because,

communicating the corporate social responsibility activities enables implementing corporate management principles in company management and thus allow managing the corporate prestige; the ability of the company to conduct its economic activities present a significance in terms of reinforcing its position in the market. The necessity for transparent and proactive communication is one of the key points in corporate social responsibility. Consequently, organizations use various techniques to publicize their social responsibility activities. One of these corporate communication techniques is organization's websites.

METHODOLOGY AND DATA COLLECTION

Organizations' owned websites are the main means to send their messages to target publics. It is not always possible for the target publics to hear about all the activities sponsored by organizations. So corporate websites are useful in these terms too and people can get information about the corporate social responsibility activities. In this sense, the messages of the organizations about activities on their own websites are worth researching. There are some principal questions of this study about the examination of corporate social responsibility messages on the websites of logistic corporations' organizations in Turkey. Such as:

- At what rate do the messages of the logistics companies about the corporate social responsibility activities take place on their websites?
- Is there a direct link with the name "corporate social responsibility" or "corporate governance" on the websites of logistics companies?
- Under which links do the messages about corporate social responsibility take place on the websites of logistics companies?

Among the research on the appearance of corporate social responsibility messages in organizations web pages, Esrock and Leichty (1998) analyzed the websites from the point of messages about 13 fundamental social responsibility areas. The areas are: honest work applications and policies (Table 2), health and security of employees (Table 3), safety of product use (Table 1), cultural facilities, environment, children, education, health, art sponsorship (Table 4), donations (Table 5), volunteerism, integration with society and city and quality in working life. And also, the other activities such as sport sponsorship, human rights etc. are under the category of "other". In another study where websites were analyzed, three categories of social responsibility were accepted (Chapple and Moon, 2005). Maignan and Ralston (2002) analyzed the websites of organizations in France, Netherlands, UK and USA (Bakan and Kalender, 2007).

In order to answer these questions above, content analysis method was generally used. According to McMillan (2000), content analysis method is a suitable method to examine messages about various areas on the websites. In this study, social responsibility activities of logistic firms as one of the key points in corporate and prestige management are analyzed through their websites. Considering the fact that content analysis is one of the most suitable methods of web site analysis, this study attempts to discover whether the websites contain 13 basic points identified by Esrock and Leichty. In the study, logistic firms operating in Turkey regardless of their origin as Turkish or foreign firms are taken as samples. All of these logistic firms provide services as third parties in the global scale and one of these firms (Arkas Denizcilik) operates as a single line operator. The sample of this study was

Table 1. Safety of product use.

		Frequency	%	Valid %	Cumulative %
Valid	No	12	27.3	85.7	85.7
	Yes	2	4.5	14.3	100.0
	Total	14	31.8	100.0	
Missing	System	30	68.2		
Total		44	100.0		

Table 2. Honest work applications and policies.

		Frequency	%	Valid %	Cumulative %
Valid	No	11	25.0	78.6	78.6
	Yes	3	6.8	21.4	100.0
	Total	14	31.8	100.0	
Missing	System	30	68.2		
Total		44	100.0		

Table 3. Health and security of employees.

		Frequency	%	Valid %	Cumulative %
Valid	No	9	20.5	64.3	64.3
	Yes	5	11.4	35.7	100.0
	Total	14	31.8	100.0	
Missing	System	30	68.2		
Total		44	100.0		

chosen by convenience sampling method. As mentioned above, global logistic firms included in this study were only examined based on their websites. Therefore, CSR activities these companies undertook in Turkey, in their own country or in another country that are not included in their websites were not taken into account. Information obtained from the websites are put into SPSS program; however, the program was only used to construct descriptive tables. Information obtained through inputting data to the program were used to identify whether the companies announced their social responsibility activities in their websites and to identify whether the companies undertook social responsibility activities in basic fields as defined by Esrock and Leichthy (1998). Since the SPSS program was used only to tabulate this information, no verification test is performed.

To the best of our knowledge, there are no other studies that attempts to analyze public relations activities of logistic sector through websites. In addition, this study has distinguished itself from others by indicating the significance and strategic positioning of Turkey as a country that aims to become the logistic center of the world in global logistics arena, and while indicating this, the study conducted an analysis based on individual firms.

Outcomes

- None of the logistics companies have a CSR or corporate governance/corporate citizen link. The CSR activities are classified under « about », « corporate » or « company » links.
- Three logistics companies (Arkas Shipping, Barsan Logistics and Türksped) do not have any link about their CSR activities.
- The messages about the CSR activities are very limited on the company websites.
- SPSS outcomes and brief examples to the fundamental CSR areas are as follows :
- 2 of the 14 companies give place to safety of product use (Table 1) in their CSR links (Kühne Nagel and Panalpina). For example, Kühne Nagel holds certifications according to the British OHSAS 18001 Standard for Occupational Health and Safety in more than 60

Table 4. Art sponsorship.

		Frequency	%	Valid %	Cumulative %
Valid	No	14	31.8	100.0	100.0
Missing	System	30	68.2		
Total		44	100.0		

Table 5. Donations.

		Frequency	%	Valid %	Cumulative %
Valid	No	13	29.5	92.9	92.9
	Yes	1	2.3	7.1	100.0
	Total	14	31.8	100.0	
Missing	System	30	68.2		
Total		44	100.0		

locations throughout the world. Additionally, a competent network of dangerous goods specialists documents Kühne Nagel's high commitment to the utmost levels of safety and health management (www.kn-portal.com).

- 3 of the 14 companies give place to honest work applications and policies (Table 2) in their CSR links (Reyşaş Logistics, Borusan Logistics and Horoz Logistics). For example, Horoz Logistics, aims at providing protection for the working environment and assumes environment consciousness for its employees (<http://www.horoz.com.tr>).

- 35.7% of the logistics companies have health and security policies (Borusan Logistics, Horoz Logistics, TNT, Kühne Nagel and Panalpina). For example, Panalpina is devoted to the promotion of health-preserving, safety-oriented and environmentally friendly attitudes within the company. For this devotion, it aims to mitigate health and safety risks in the workplace and runs five dedicated health and safety programs such as health control, safe transport, personal protective equipment (PPE), permission to work and emergency response program (ERP) (<http://www.panalpina.com>).

- Only two among the 14 logistics companies are concerned with cultural facilities (Balnak Logistics, Mars Logistics). For example, Mars Logistics organizes a variety of symposiums and congresses and also it publishes two magazines (one is for children) via internet (<http://www.marslogistics.com>).

- The logistics companies are mostly interested in environmental problems. 10 of the 14 companies have environmental CSR activities (Omsan Logistics, Reyşaş Logistics, Borusan Logistics, Mars Logistics, Horoz Logistics, DHL, TNT, Kühne Nagel, Schenker Arkas, Panalpina). The companies are certified with ISO 14001 Environmental Management Standards and they all aim to minimize the effect on the environment through improvement of their implementations with their existing

and new investments.

- The logistics companies are not concerned with the children issue. Only, 14.3% have children oriented CSR activities (Borusan Logistics, Mars Logistics). Mars Logistics is especially keen on children issue. Logilife Magazine for Kids, Logiclub for Kids and variety of contests are the companies' popular facilities' for children.

- Again, the logistics companies are not concerned with education issue. Only four companies have education activities (Omsan Logistics, Borusan Logistics, Balnak Logistics, Mars Logistics). For example, Balnak sponsored "Daddy send me to school" campaign which was founded by Milliyet newspaper. The aim of this campaign was to support girl students that have no economical power to complete the education (<http://www.balnak.com.tr>).

- Only one logistic company (TNT) has CSR activities on health. TNT has been an active partner of World Food Programme (WFP), the world's largest humanitarian aid agency, since 2002. TNT commits its knowledge, skills and resources to support WFP in fighting world hunger (<http://group.tnt.com>).

- None of the companies are interested in art sponsorship (Table 4).

- Only one logistic company (DHL) is concerned with donations (Table 5). The company strives to improve people's living conditions. With its partner United Nations, it aims to provide effective emergency aid in areas affected by natural disasters (<http://www.dhl.com.tr>).

- Two logistic companies (DHL, Balnak Logistics) have CSR activities on volunteerism. For example, DHL gives importance to local voluntary involvement. To bring three programs (GoGreen, GoHelp, GoTeach) to life, they rely on the voluntary commitment, the special abilities and the enthusiasm of our employees around the world.

- Two of the companies (TNT, Schenker Arkas) are

concerned with integration with society and city. For example, Schenker Arkas act in both a global and local manner and they take an active role in shaping the social and economic environment and create benefits even outside of their company (<http://www.schenkerarkas.com.tr>).

- Four of the logistics companies (Borusan Logistics, Balnak Logistics, Mars Logistics, Panalpina) give importance to other (sport) CSR activities. As an example Balnak was the sponsor of Darüşşafaka Basketball team in 2008 Play-offs and Formula G which is first organized in year 2005 at Istanbul Park Formula1 racing track (<http://www.balnak.com.tr>).

Conclusion remarks

According to a study conducted by Forrester Research, among the Fortune 500 companies, 78% outsources transportation, 54% outsources distribution services and 46% outsources production. As a result of this, third party logistic industry has reached a magnitude of USD 50 billion worldwide. Achieving an improvement in 3PL trade depends more on monitoring current customers and on the ability to integrate with them than a strategic choice. In this regard 3PL businesses form an important part of developing the existing business field. The customers of 3PL businesses and business partners and shareholders of these customers have an impact on expanding the volume of trade. The improvement of 3PL businesses, reducing and estimating the costs as well as reducing technological risks not only contributes to the business's finances but also to the national economy.

At this point, the developments in information technologies are one of the factors that contribute to the development of 3PL businesses. Especially, improvements in Internet and e-trade have had a major influence in promoting the cooperation of trading companies with logistic firms. In this regard, corporate websites of 3PL businesses present good sources of information and at the same time provide cost-related and competitive advantages.

On the whole, we can say that in Turkey, where most logistics companies are located in Istanbul, the CSR and reputation management are on their policy agenda and are being implemented mostly in a limited way. The emphasis is on their image rather than their reputation and on their communication aspect rather than on the internalization of values or on the sustainability of the CSR projects. However, the growing interest and demands of the stakeholders on the companies will pave the way for connective perspective first and then hopefully the holistic approach in reputation management along with an extended view of CSR in the long run.

REFERENCES

- Aoki M (2000). Information, Corporate Governance and Institutional Diversity, Oxford University Press, Oxford.
- Babacan M (2003). Lojistik Sektörünün Ülkemizdeki Gelişimi ve Rekabet Vizyonu, Ege Akademik Bakış Dergisi, 3(1-2): 8-15.
- Babacan M, Eriş ED (2004). Marketing Strategies of Logistics Firms in Turkey During Economic Crises, Dokuz Eylül Publications Volume, İzmir.
- Bradley F (1995). Marketing Management: Providing, Communicating and Delivering Value, Prentice Hall, London.
- Bakan Ö, Kalender A (2007). Sponsorship Messages In Industrial Organizations Web Pages In Turkey, 5th International Symposium Communication in the Millennium, A.B.D., 16-18 May.
- Corporate Governance Code of Best Practice: Composition and Functioning of the Board of Directors (2002). Turkish Industrialists and Businessmen's Association Publications, İstanbul.
- Corporate Governance, History, Practice and Future (1999). The Chartered Institute of Management Accountants, CIMA Publishing, London.
- Hannington T (2004). How to Measure and Manage Your Corporate Reputation, Gower Publishing Limited.
- Hopkins M (2003). Planetary Bargain: Corporate Social Responsibility Matters, Earthscan Publications, London.
- Karake S (1999). Organizational Downsizing, Discrimination & Corporate Social Responsibility, Greenwood Publishing Group, Westport.
- Nakra P (2000). Corporate Reputation Management: CRM with a strategic twist, Public Relations Quarterly, 1: 98-120.
- Ülengin F, Uray N (1998). Current Perspectives in Logistics : Turkey as a Case Study, Int. J. Phys. Distrib. Logist. Manage., 29(1): 22-49.
- Varey RJ (2001). Marketing Communication: A Critical Introduction, Routledge, London.
- <http://www.patronturk.com/turkiye-lojistik-sektoru-ve-karakteristik-ozellikleri>
- www.us-istanbul.com/pdfs/reports/turkey/turkey_transportation.pdf
- <http://www.tkyd.org> (Accessed on 5.11.2009)
- <http://www.globalchange.com/corporategovernance.htm> (Accessed on 21.10.2009)
- <http://www.balnak.com.tr>
- <http://www.dhl.com.tr>
- <http://group.tnt.com>
- <http://www.horoz.com.tr>
- <http://www.kn-portal.com>
- <http://www.marslogistics.com>
- <http://www.panalpina.com>
- <http://www.schenkerarkas.com.tr>

Appendix

Appendix a. Top 10 trade (export) partners of Turkey

41% to 7 countries, 6 of them EU countries (US\$ 000.000)

Germany	USD 12,949
United kingdom	USD 8,161
U.A.E	USD 7,975
Italy	USD 7,814
France	USD 6,615
Russia	USD 6,478
USA	USD 4,290
Spain	USD 4,044
Romania	USD 3,981
Iraq	USD 3,915

Appendix b. Top 10 Trade (Import) Partners of Turkey

41% to 7 countries, 6 of them EU Countries (US\$ 000.000)

Russia	USD 31,365
Germany	USD 18,687
China	USD 15,658
USA	USD 11,976
Italy	USD 11,012
France	USD 9,022
Iran	USD 8,200
Ukraine	USD 6,106
Switzerland	USD 5,589
United kingdom	USD 5,324
