

Corporate Citizenship and Corporate Social Responsibility on Web Sites: Evaluation of World's Most Innovative Companies

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Abstract

Nowadays, corporate social responsibility and also corporate citizenship have become very important subjects for organizations. Both concepts are management of a business which are concerned with their local, national and international societies.

This paper aim to evaluate the corporate social responsibility and corporate citizenship expressions of world's most innovative companies' web sites. The companies determined with the Forbes The World's Most Innovative Companies List at 2016. As a result the most of analyzed companies express corporate social responsibility and corporate citizenship in their web sites and give importance to these subjects.

Keywords: *Corporate social responsibility, corporate citizenship, web sites.*

1. Introduction

During the last two decades of the twentieth century, global trade and capital mobility has exchanged dramatically. The behaviors on the world have re-shaped by the effects of globalization and information technologies. Increased flow of trade and capital, as well as the improvements in information, communication, and transportation technologies exposed the information society. This transformation leads persons, institutions and businesses to think about the society in the developing world and to solve problems. Because interactive computer based networks growing exponentially by shaping the life at the same while they are creating new communication format and channels (Castells, 2005: 3). These processes and developments also changed expectations of people from the organizations. Today's information age people want more transparency, accessible, ethic, responsible for environment, society and world.

As a natural result of this transformation, the importance of corporate social responsibility increased for organization to give answer to public expectations and to gain competitive advantages in their sectors. Corporate social responsibility is a business model that is integrated into corporate self-regulation. Corporate social responsibility described as acting "ethics" and "responsible" for all internal and external stakeholders for an organization.

Institutionalization of corporate social responsibility has become an indispensable element of corporate citizenship. Corporate citizenship refers to awareness of an organization about the many issues as customers and employees in and out of institutions, societies and the natural environment. In this content corporate citizenship means that the studies of organizations demonstrate full compliance with human rights and social values as part of a society in which all the laws and regulations.

In daily, individual citizens also have responsibilities and rights to themselves and to society. Together with corporate citizens have same responsibilities and rights to shareholders, employees, governments, media, environment and society. Corporate citizenship includes all ethics, legal and voluntary activities of an organization to whole stakeholders. It helps to perform organization's respective roles in harmony with the wider community, for mutual benefit. In the information era, most of the services and applications moved to internet with web pages. According to this web sites have become the most important tool for announcing the corporate responsibility and sharing corporate information.

This study discusses the evaluation of the corporate social responsibility and corporate citizenship expressions of world's most innovative companies' web sites. The companies determined with the Forbes "The World's Most Innovative Companies List" at 2016. This report is used for study because innovation is become very popular and important for companies and countries. So Forbes began to select world's most innovative companies.

Forbes' selection criteria for its World's Most Innovative Companies list is based almost entirely on quantification and stock market popularity. Forbes editors explained the ranking style as

“Our method relies on investors' ability to identify firms they expect to be innovative now and in the future. Companies are ranked by their innovation premium: the difference between their market capitalization and the net present value of cash flows from existing businesses. The difference between them is the bonus given by equity investors on the educated hunch that the company will continue to come up with profitable new growth. We include only industries that are known to invest in innovation, excluding industries that have no measurable investment in R&D, so banks and other financial services don't make the list. Nor do energy and mining firms, whose market value is tied more to commodity prices than innovation. Big caveat: Our picks do not correlate with subsequent investor returns. To the extent that today's share price embeds high-growth expectations, one might even anticipate low returns to investors, as these expectations may be difficult to meet.” (Dyer and Gregersen, 2016)

2. Corporate Social Responsibility

Today, organizations forced to be sensitive for the society's demands and needs, environmental protection, and moral forces acting by the social expectations. As a result of this, organizations get away the Friedman's (1962: 1) understanding that says “Organizations have only one responsibility. It is maximizing their profits”. For this reason, the concept of corporate social responsibility has become a phenomenon the today's business world.

Corporate social responsibility is the important concept for universal and regional official organizations and academicians. So there are a lot of definition of CSR in the literacy. Formal definitions was done by academicians at 1970's about CSR. For example, Dahl (1972: 18) states that every large corporation should be thought of as a social enterprise; that is an entity whose existence and decisions can be justified insofar as they serve public or social purposes (Crowther and Aras, 2008: 12). Ackerman (1973) and Murray (1976) argued that what was really important was not that companies were 'assuming a responsibility', but that companies were responding to the social environment (Carroll and Shabana, 2010: 87). Corporate social responsibility captures the most important concerns of the public regarding business and society relationships (Carroll, 1999: 292) and states that businesses carry out social programs to add profits to their organization (Johnson, 1971: 54).

As Frederick (1994: 152), organization's social responsibility is the necessity of accountability to individuals affected by the activities of the enterprise, interest groups and environment (Dalyan, 2007: 45). Corporate social responsibility encompasses the economic, legal, ethical, and philanthropic expectations placed on organizations by society at a given point in time (Carroll and Buchholtzi 2000: 35).

At the beginning of 2000 official organizations began pronunciation about CSR and also made definitions. International Organization for Standardization (ISO) emphasizes the concept of CSR that there are problems such as human rights, including occupational health and safety, workplace and workers' issues, unfair practices in the workplace, environmental approaches, market and consumer issues (ISO Advisory Group, 2004; Leonard and McAdam, 2003).

The European Commission's CSR definition is: "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis." (Commission of the European Communities, 2001: 6).

The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. Most of organization's social responsibility activities focus to address specific societal issues, such as the environment, community economic development, education, health, literacy, language and culture.

CSR is an obligation, beyond that required by the law and economics, for a firm to pursue long term goals that are good for society and a continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as that of the local community and society at large

As a result corporate social responsibility means:

- Acting business in an ethical way in the wider community
- Responding to emerging societal priorities and expectations
- A willingness to act ahead of regulatory confrontation
- Balancing shareholder interests against the interests of the wider community
- Being a good citizen in the community

3. Corporate Citizenship

In the late 1990s, corporate citizenship (CC) term has been coined by practitioners and it became an integral part of business strategy. Companies are taking steps to move citizenship from the margins to the mainstream of their business management. Corporate citizenship term is used to “connect business activity to broader social accountability and service for mutual benefits reinforcing the view that a corporation is an entity with status equivalent to a person” (Waddell, 2000: 109).

As Crane and Matten, Corporate Citizenship has emerged more recently, as a result of globalization, recognition of the need for sustainable development and a renewed discussion about the meaning of citizenship (Dooris, 2006: 332). Today a range of developments— from financial scandals and human rights issues in global supply chains to the emergence of social and environmental issues as strategic considerations — have helped generate new definitions and approaches to corporate citizenship (Kinnicutt and Mirvis, 2010: 4).

Corporate citizenship creates important social capital that helps communities adjust to the harsh realities of global change and enables business to interact with government and non-profit organizations for the purpose of assisting people and building constructive community relationships (Darigan and Post, 2009:40). Corporate citizenship recognizes that businesses have a responsibility to respect the individuals, the community and the environment in a way that when devising or implementing any rightful business strategy they will abide by laws and regulations, and adhere to high ethical standards. Corporate citizenship is to obey all of the social, legal, ethical rules and satisfying to the social contract between society and itself while performing the requirements of commercial activities of enterprises (Aktan, 2007: 60). It represents the portfolio of activities that was assumed by organizations to perform tasks as members of community (Gardberg and Fombrun, 2006: 329-330). For Sarikaya and Kaya (2007: 8), corporate citizenship highlights the strategic focus on that based on long-term relationships with primary and wider stakeholders.

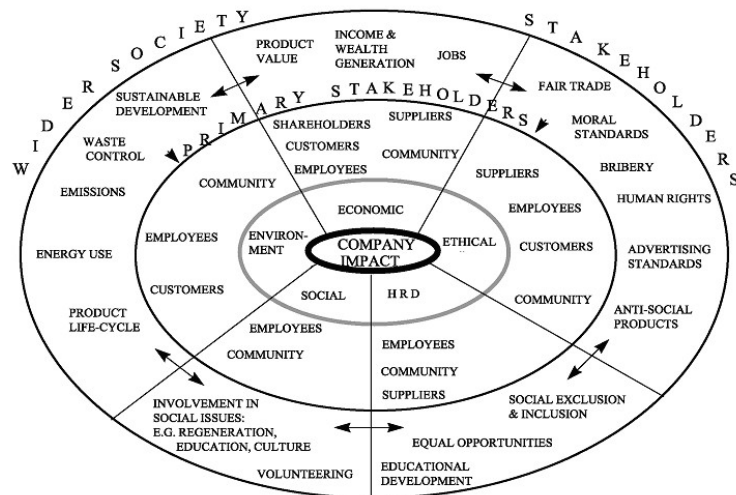


Figure 1: Corporate Citizenship and Stakeholders

Reference: Zappalà, G. (2003). Corporate Citizenship and the Role of Government: the Public Policy Case. Parliament of Australia. Research Paper no.4 2003–04.

As seen Figure 1 corporate citizenship isn't only social projects. It is also a citizenship portfolio that thinks product and employees' security embraces to use organizational values and aims for society, give importance for social and environmental quality.

Corporate citizenship coexists with and draws on existing literature on stakeholders. According to Waddock (2004: 10), corporate citizenship has acquired relevance in the past decades to incorporate a global focus and the concrete approach of the stakeholder theory within corporate social responsibility. He explains corporate citizenship as "the strategies and operating practices a company develops in operationalizing its relationships with and impacts on stakeholders and the natural environment."

As a result corporate citizenship is a management of organizations' influences on and the relations with the stakeholders. In addition to these definitions concept contribute to the social and psychological environment of the organization and includes all voluntaries behaviors that helps to realize organizational aims (Kaygisiz, 2011:190). Good corporate citizenship is realizing the activities that are expected by society and beyond the law requires by organizations (Goddard, 2005: 275). The extent to which businesses are socially responsible for meeting legal, ethical and economic responsibilities placed on society.

4. Web sites in the Regard of Corporate Social Responsibility and Corporate Citizenship

Today's the Internet has become a very important communication tool for persons, organizations and societies. By supplying continuously knowledge exchange WWW has changed all processes in life with computer-network-based technologies and defines as the universe of network information. Web sites are the most important device for all types of organization to reflect the corporate identity and also responsibilities. Corporate identity reflects what a company really is, rather than what a company might advocate

Web sites are the most important mechanism for exchanging largely information; quickly communication. Web sites of individual/ organizational or formal/private organizations provide rich information about themselves or their organizations by using text, audio and visual instruments, communication interfaces and by using links for going other web pages. Irgat and Kurubacak (2002) note that a web page may provide multifarious interaction among individuals and organizations, eliminate the place and time boundaries, and support the spread and share of knowledge (Kutluca et.al., 2009: 83). Web sites reflect the organizational identity and culture. They are used to make bidirectional communication easier, build relationships by allowing dialogue and interaction between the organization and its different kinds of publics (Capriotti and Moreno, 2007:85).

Web pages are important tools to inform stakeholders as a requirement corporate citizenship and corporate social responsibility. So that web sites must have included all information about the organization. All corporate information must give in a different category from other information. Every visitor and stakeholders are able to access this information in every time in day and every point of world. So that we can say web sites in the regard of Corporate Citizenship and Corporate Social Responsibility supply public relation tools for communicating and share all organizational information with stakeholders.

This paper analyses the importance given by companies to issues concerning CSR and CC on their corporate websites and the degree of accessibility in the two organization in the civil aviation sector.

5. Research Methodology

In this study a content analysis methodology was used and applied to the world's most innovative companies' corporate websites. The presentation of corporate information categories was analyzed in this web sites.

Corporate information includes information about organization, and their perception of CSR and CC. Corporate profile, human resources policies, economic, social and environmental actions, corporate ethics, relationship with public and corporate governance were analyzed in this section. Corporate information category used to identify the issues and activities about corporate social responsibility and corporate citizenship.

As reference points the most popular Global Reporting Indexes used in the study.

- Global Reporting Initiative; is a network-based organization with UNEP, UN and UN Global Impact and it is pioneered the world's most widely used sustainability reporting framework. Its goals are the mainstreaming of disclosure on environmental, social and governance performance. (www.globalreporting.org, 2006: 4).
- United Nations Global Compact; is a contact between representatives of UN, employees and civil society to create a global market by supporting and protecting social and environmental principles. It has ten universally accepted principles in the areas of human rights, labors, environment and anti-corruption.
- European Commission Green Paper aims to launch a wide debate on how the European Union could promote corporate social responsibility at both the European and international level to encourage the development of innovative practices, to bring greater transparency and to increase the reliability of evaluation and validation. It also It suggests an approach based on the deepening of partnerships in which all actors have an active role to play and how to make the most of existing experiences (www. eur-lex.europa.eu, 2001: 3).
- Business Impact Review Group Report is contact more than 850 companies from different sectors. It advises support and challenges its members to create a sustainable future for people and the planet and to improve business performance. The members work with BITC to define what the responsibility means in the workplace, marketplace, community and the environment (http://www.bitc.org.uk, 2003: 3).

With using these reports 9 topics determined for analyzing the corporate web sites of companies in the theoretical framework. The topics that are given in Table-1 used for comprising Web sites.

Table 12 The Topics of Corporate Social Responsibility and Corporate Citizenship

Topics of CSR and CC	Definition	References
Corporate Profile	- Explanation of the enterprise's views, identity, values, and corporate strategy, - Presentation of the company's property, legal form, structure, stakeholders; divisions and countries with which the enterprise and operates, - Explanation of their results.	Global Reporting Initiative (2002)
Employment and Human Resources	- Declarations and explanations of organizational systems of contract, promotion, evaluation, and dismissal, -Declarations and explanations about human rights in the enterprise in workplace, sector and world.	Global Reporting Initiative (2002); UN Global Compact (2000); Business Impact Review Group (2003); European Commission Green Paper (2001)
Economic Action	-Declarations and actions related to the economic impact of the enterprise in its local, regional, national, and supranational environment.	Global Reporting Initiative (2002); Business Impact Review Group (2003)
Social Action	-Declarations and actions related to the enterprise's involvement in social issues	Global Reporting Initiative (2002); European Commission Green Paper (2001); Business Impact Review Group (2003)
Environmental Action	- Declarations and actions related to the enterprise's involvement in environmental issues	Global Reporting Initiative (2002); European Commission Green Paper (2001); UN Global Compact (2000); Business Impact Review Group (2003).
Corporate Governance	-Declarations and explanations of the enterprise's transparency, compromises in the governance of the company, -Explanation of the structure of power, remunerations, responsibilities, government, departments, etc.	Global Reporting Initiative (2002).
Corporate Ethics	-Declarations and explanations about the enterprise's ethical compromises in relation with the business and its groups of public	Global Reporting Initiative (2002).
Relationship With Publics	- Declarations and explanations about the interests, importance, and linking of the groups of public with the enterprise	Global Reporting Initiative (2002).
External Criteria	-Declarations, explanations, and linking with the national and international criteria on aspects of CSR and CC	Global Reporting Initiative (2002).

Source: Capriotti, Paul and Moreno Angeles (2007). Corporate Citizenship and Public Relations: The Importance and Interactivity of Social Responsibility Issues on Corporate Websites. Public Relations Review 33 (2007) 84-91

In the study 25 web sites analyzed with these criteria and the results given in the next section.

6. Findings

The report include only industries that are known to invest in innovation, excluding industries that have no measurable investment in R&D, so banks and other financial services don't make the list. The number of companies by sectors is seen on Table-2.

Table 13 Sectoral distribution

Sector	Innovative Companies
Automobiles & Components	Tesla Motors
Commercial & Professional Services	Verisk Analytics
Consumer Durables & Apparel	Under Armour
Consumer Services	Marriott International
Food, Beverage & Tobacco	Monster Beverage
Health Care Equipment & Services	Coloplast
Household & Personal Products	Unilever Indonesia, LG Household & Health Care, Amorepacific
Materials	Asian Paints
Pharmaceuticals, Biotechnology & Life Sciences	Regeneron Pharmaceuticals, Incyte, Alexion Pharmaceuticals, Vertex Pharmaceuticals, BioMarin Pharmaceutical, Illumina Shanghai RAAS Blood Products,
Retailing	Amazon.com, Netflix, Rakuten
Semiconductors & Semiconductor Equipment	ARM Holdings
Software & Services	Salesforce.com, Naver, FleetCor Technologies, Red Hat

According to the Table-2, there are more companies at Pharmaceuticals, Biotechnology & Life Sciences sector than the other sectors. There are more companies at software and services sector. This sector is related most of the other sectors and also it includes development, maintenance and publication of software and services such as training, documentation, consulting and data recovery. Rakuten human resources policy is a very successful example for this meaning. They have a lot of opportunities for employees, they also think married and infant employees, arrange permissions and places for them.

The web sites of these companies were analyzed about corporate social responsibility and corporate citizenship expressions.

Table 14 Expressions about CSR and CC

Issues	Presence (in %)
Corporate profile	100 %
Economic action	92 %
Relationship with publics	68 %
Employment and human resources	64 %
Environmental action	56 %
Social action	52 %
External criteria	40 %
Corporate ethics	36 %
Corporate governance	32 %

The 25 web sites analyzed in detail. As seen from Table-3 all of corporate web sites includes information about their corporate profiles. Generally, “about us” section is about mission, vision, history, ceo’s message etc. on web sites and also reflect organizations’ corporate profile. Most of web sites include financial reports and explanations for investors but these reports haven’t been related with the impact of local, regional and national environment. More than half of companies have corporate social responsibility programme and actions such as educations for disadvantaged groups, supplying water, medicine, education for underdeveloped countries; sustainability environmental actions as decreasing ratio of waste materials, usage of electricity and water, cleaning water resources etc.

%64 of companies give importance to human resources and also they perceive that as a part of corporate social responsibility and corporate citizenship. Most of them have vocational training for employees as empowering of them, they have diversity policies and internalize working together despite of all the differences, education facilities for development of employees ‘careers.

7.Results and Discussion

The web sites of world’s most innovative 25 companies include a lot of information about criteria of CSR and CC. Most of them (almost 75%) have a special section or link for CSR. Also their corporate information contents are appropriate for Global Reports and they use global reporting indexes. Recycling and sustainability policy, processes, protect projects and environmental reports are accessible on the web sites. For example Amazon web site includes a lot of information about different corporate social responsibility actions.

It can be said that for the majority of the companies, the issues related to CSR and CC are of great importance. Also these most innovative companies aware of CSR and CC. The another interesting result is about companies’ employment and human resources policies. All of web sites have “Career” section and the candidates are able to see career opportunities and apply online. The pleasing subject is that companies have perceive human resources as a component of CSR and CC. 64% of them express human resources policies and approach. They also aware, human resources is the most important source of companies for development, keeping alive and innovation. The list in this study focused innovative companies so it can be said that innovative companies give importance to human and employment development and happiness as a subject of corporate social responsibility and corporate citizenship.

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