## Drivers behind Business Contributions to Public Education in Turkey\*

# Özel İşletmelerin Kamusal Eğitime Katkı Yapma Nedenleri\*\*

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Abstract

This study aims to reveal key drivers behind corporate contributions to public education in Turkey. Semistructured interviews were conducted with senior executives of 13 private firms, which have been contributing to public education. Results indicated that the firms' contributions are not aligned with their strategic orientations or dominant business values. Rather, these contributions are driven by their altruistic orientations, which are shaped by cultural values. These orientations are totally different from the dominant Western orientations and they are mainly based on the belief that contributing to public education will contribute to social development, which in the long run will serve corporate interest as well.

Keywords: Corporate Social Responsibility, Educational Administration, Educational Finance, Business Philanthropy, Public Education

Öz

Bu çalışmanın amacı özel işletmelerin kamusal eğitime yaptıkları katkıların nedenlerini ortaya çıkarmaktır. Bu amaca yönelik olarak, kamusal eğitime katkı yapmış 13 özel işletmenin üst düzey yöneticileri ile yarı yapılandırılmış görüşmeler yapılmıştır. Sonuçlar özel işletmelerin yaptıkları katkıların örgütsel stratejik yönelimler ya da ticari değerler çerçevesinde şekillenmediğini göstermiştir. İncelenen özel işletmelerin yaptıkları katkıların temelinde Batı'da hâkim olan yönelimlerden farklı olarak, daha çok kültürel değerlerle şekillenen hayırseverlik yönelimlerinin olduğu görülmüştür. Çalışma sonuçlarına göre eğitimin toplumsal gelişime katkı sağlayacağı, bunun da uzun vadede kendi kurumlarına bir katkı getireceği inancı çalışmaya katılan özel işletmeleri eğitime katkı yapmaya yönelten temel etmendir.

Anahtar Sözcükler: Özel Sektör Sosyal Sorumluluğu, Eğitim Yönetimi, Eğitim Finansmanı, Hayırseverlik, Devlet Tarafından Verilen Eğitim

<sup>\*</sup> This study was funded by the Middle East Technical University Scientific Research Project-2 (METU-SRP) program and executed with the code of BAP-05-02-2009-01

<sup>\*\*</sup> Bu çalışma Orta Doğu Teknik Üniversitesi Bilimsel Araştırma Projeleri-2 (ODTÜ-BAP-2) programı kapsamında desteklenmiş ve BAP-05-02-2009-01 kodu ile yürütülmüştür.

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#### Introduction

In Turkey, education is described as one of the basic public services and the central government is assigned the responsibility of developing and delivering education to every segment of the society. Although the state has been trying to 'share' this basic public service with some private agents, the share of private agents remains very small, which makes education *de facto* a public enterprise. However, the magnitude of demand for public education creates a two-fold problem. First, despite the increase in the budget allocated for public education, it still remains insufficient to respond to demand for quantity and quality of public education. Second, the allocated monies are spent on non-investment items, which do not contribute to capacity building (MONE Fiscal Report, 2010). Hence, not only for Turkey but for many other countries, different sources have become highly valuable for building capacity, improving quality, and ensuring inclusion in public education.

Moreover, economic pressures are forcing governments and individual educational organizations to generate monies since there is always a need for supplements to capital and operating expenses and special activities (Jenkins & Glass, 1999). More importantly, educational organizations constantly face with the issue of increasing the cost, if not decreasing, in the face of the same public allocations. For last three decades, like all other public institutions, public education at all levels have entered into an era of constant financial challenges, in which public funding is not sufficient to meet the capital, program, and student needs (Simşek, 1999). Hence, enriching and diversifying other financial tools in addition to public resources seem to be essential for responding to demand and retaining the quality of the educational provisions (Gershberg & Meade, 2005). Therefore, discretionary contributions of private enterprises to public education have increasingly been gaining importance in the finance of public education and corporate contributions have been emerging as one of the items in financing public education. In many countries, they form an important item in finance of public education. For example, in the USA 10% of total higher education expenditures in 2006 were covered by such contributions (Caboni & Proper, 2007). Considering the increasing popularity of such contributions, recent developments in the field of business ethics make it essential to re-examine discretionary contributions of private enterprises to the finance of public education. Within this respect, corporate social responsibility (CSR) forms a comprehensive theoretical framework for examining the nature of corporate contributions and motivations of the firms behind their contributions to education.

Corporate Contributions, CSR, and Finance of Public Education

Originally, the concept of CSR was introduced as a mechanism of compensating for the harm caused by the actions of the firms. Portney (2005) describes the CSR as: "a consistent pattern, at the very least, of private firms doing more than they are required to do" (p. 108). However, a more comprehensive understanding of CSR requires a full definition of the responsibilities of the firms in society. According to Epstein (1987), CSR refers to the total performance of the firm, which is "normatively correct" according to stakeholders of the firm. Naturally, the firms' CSR represents an expense on the firms' balanced scorecard. However, Miller and Guthrie (2007) indicated that CSR is a cost without a direct or clear gain for the firm. Hence, a solid economic focus may not be helpful to clarify the meaning of CSR. Although corporate social responsibilities are claimed to have benefits on the firms' societal image and profit growth in the long term, modern economical approaches emphasize the necessity of taking social responsibilities for the benefits of the society (Top & Öner, 2008).

Carroll (1979) indicated that the corporations have four responsibilities to fulfill in the society, which are economic, legal, ethical and discretionary. In other words, society expects companies to generate profit, obey the law, operate in harmony with the unwritten social rules, and voluntarily support social programs even if the society does not expect such support (Dentchev, 2005). Although Aguinis and Glavas' (2012) review on CSR proves that firms mainly carry on CSR activities due to *instrumental reasons* such as financial benefits, or widening their visibility and dominance, the existence of competing responsibilities indicates that firms or companies are not simple economic agents but also moral agents in the society. In Dentchev's (2005) perspective, CSR attributes a moral role to the firms in addition to their traditional role of making economic progress. Hence, firms are expected to base their decisions on legal,

moral, social responsibility principles as well as economic ones. Evidently, this definition of responsibilities invites firms to go beyond the traditional roles of economic or profit making function and embrace legal ethical and more importantly discretionary roles. Given the fact that discretionary giving to public education does not guarantee direct return to the firm, why firms involve in discretionary giving to public education has become an important concern. Several scholars argued that socially responsible behavior of a firm requires decisions made by this particular firm based on different responsibility principles (Wartick & Cochron, 1985; Wood, 1991). Parallel to this understanding, Dentchev (2005) contented that there are multiple bottom-lines shaping the decisions of the firms instead of simple economic bottom-line approach in decision making. Hence, understanding why corporations or companies contribute to public education becomes a complex issue. Different scholars advanced competing theories and approaches in order to answer the question of why business or private firms contribute to their society, and consequently to public education.

Miller and Gutrie (2007) indicated that several structural characteristics, which are closely related to the benefits of stakeholders (e.g., organizational size, profit levels, industry concentration and directness of industry-to-customer links) are believed to be determining factors in firms' giving programs. Furthermore, pertaining to the review of 690 articles and books on CSR, Aguinis and Glavas (2012) mention that getting involved in CSR activities not only has impact on public benefits but also positively affects employee's performance, behaviors, and attitudes. Moreover, lower capital constraints and superior stakeholder engagement are among the other benefits (Cheng, Ioannou & Serafeim, 2013; Choi & Wang, 2009). Galaskiewicz (1997) advanced a more comprehensive typology with three basic perspectives in order to explain the complex drivers behind firms' discretionary behaviors. First, resource dependency theory suggests that corporate contributions primarily serve communicating a favorable corporate image in the eyes of those, on who firms depend or stakeholders in general (Dentchev, 2005; Haley, 1991). These actions, on the other hand, may serve as tools of communicating the company's message, mission, intentions, values, and ideologies to the society for the purpose of building and maintaining a good image to the society. Viewing the firms as principally concerned with reducing uncertainty and stabilizing relationships with stakeholders on whom they depend for resources, it can be argued that firms which depend more on stakeholders will give more. In this respect, contributions can be viewed as ways to reduce taxes or enhance the company reputation, as executive perquisites, or as premiums that firms pay for being located in communities that have a strong giving ethos (Galaskiewicz, 1997).

The second perspective on the drivers behind corporate contributions in Galaskiewicz's (1997) typology is the agency theory, which calls to pay close attention to individual managers' ethical considerations. According to Dentchev (2005) personal values and ethics determine the individual principles of CSR and shape the organization related decision-making of corporate agents. In this perspective, corporate giving decisions are viewed as executive perquisites, serving managerial utility rather than shareholder interests or the society in general (Haley, 1991). Basic to this understanding is the fact that economic bottom line is not a basic motivation behind the giving decision. Rather, the giving decision is determined by the managers' intentions to gain access to elite social circles and perpetuate their power and influence in and out of their business context. Hence, the nature of the relationships between the managers and powerful owning interest groups (i.e., families, individuals, shareholders or corporate investors) determine the giving decision. When the managers feel themselves independent of or less accountable to these groups their contributions are likely to be broad and *vice versa*.

The third perspective in Galaskiewicz's (1997) typology is the institutional theory. According to this perspective, discretionary actions of the firm are driven by normative processes because the firm and its key constituencies (i.e., managers, directors, and employees) are embedded in social systems that exercise considerable social pressure on them to give. The norms pushing firms to involve in discretionary action may not always be for the best interest of the firm. Rather, the nature of the relationship between the firm (including its constituencies) and surrounding network determines the size and the type of the contributions. Hence, corporate giving driven with this understanding can totally be independent of its performance targets or economic bottom-lines. Rather, peer pressure functions as a vehicle through which

business people communicate expectations about CSR to one another (Galaskiewicz, 1997). The decision to give and the amount of corporate giving are closely related to the strength of the relationships between the firm and the local business networks. Networked businesses provide more leadership and support for their communities than non-networked businesses. Such networks have ability to encourage business operators to support and get involved in community betterment through informal occasions, personal communications and sharing values or expectations that encourage members to get involved in the community (Besser, Miller & Perkins, 2006).

In Turkey, as Akgeyik (2007) mentioned, businesses have been traditionally carrying on projects for corporate social responsibility with the aim of charity. These contributions emerged in 1990s simultaneously with the no-governmental organizations (NGOs). NGOs have encouraged private businesses for undertaking collaborative social responsibility projects. In recent years, many firms have been receiving out-sourced professional support regarding their corporate social responsibility programs (Akgeyik, 2007). Today, there are many good examples of CSR projects of the firms on education, history, environment, health, and etc. (Aktan, 2007) and many others are being currently undertaken.

CSR (literature in Turkey has focused mainly on human resources management perspective in CSR (Akgeyik, 2007), firms' approaches to social responsibility (Top & Öner, 2008), certain examples of corporate social responsibility in Turkey (Aktan, 2007), examination of CSR phenomenon in small industrial areas (Aydemir & Ateş, 2011), commercialization of education through CSR activities (Aksoy, 2011), and the role of professional organizations for the development of CSR (Ersöz, 2009). Despite extensive research on CSR in Turkey, Turkish CSR literature does not provide empirical analyses on the type and rationales of CSR practices in education. It is important to note that in the international literature studies examining the type and rationales behind private contributions to public education are also seldom.

Based on the framework drawn, this study aims at investigating the drivers of corporate contributions to the public education in Turkey. Moreover documenting the drivers will provide multifold contributions to theory and practice: First, the study will contribute to understand the operating motivations behind the firms' discretionary responsibilities in a developing economy. Second, it will contribute to CSR literature in Turkey. While the issue of CSR has been studied abroad nowadays and there is a growing body of international literature (Scherer & Palazzo, 2011), the Turkish literature does not present enough studies on CSR in relation to public education. Third, considering the important contributions of business contributions to public education, studying this issue might take the attentions of interested parties on the vitality of such contribution. Taking the opinions of representatives in the contributing firms on why they contribute to education might help educators reveal if these contributions serve the general aims of public education or just the benefits of contributors. Moreover, inviting firms to such studies might also give them a chance to review their motives for their donations and to adopt a more systematic manner for such actions. As a result, the findings are likely to contribute to approach corporate contributions more strategically both for the donors (firms) and receivers (public education).

The following research questions guide the study:

- 1- What are the CSR activities and projects of the contributing firms?
- 2- What are the target educational institutions/organizations for CSR activities of the contributing firms?
- 3- What are the CSR strategies that contributing firms adopt?
- 4- What are the drivers of firms' corporate contributions to the public education?
- 5- What are the perceived benefits of corporate contributions to the firms?
- 6- What are the general philosophies behind CSR activities of firms?

#### Method

### Design of the Study

This study was designed as a qualitative case study. Case study design is effective in studying social phenomena with its different dimensions and the interconnectedness of these dimensions in its natural context (Creswell, 1998), in our case contributing to the finance of public education. In this study, the purpose was to investigate the underlying reasons behind giving decisions of firms to public education. Hence, the design choice needs to facilitate revealing contextual conditions are pertinent to the phenomenon under inquiry. Multiple case design is believed to serve well this purpose. Yin (1984) suggested that case study can involve single as well as multiple cases. Multiple case study helps to reveal case-specific findings as well as cross-case patterns. In this study, different firms contributing particularly to public education were analyzed as multiple cases.

The cases: Firms Contributing to Public Education

Cases of this study were private companies who have been contributing to public education in different forms (e.g., direct monetary contributions, improving physical capacity of the schools, contributing to school of the disadvantaged groups and the like) in Ankara, Turkey. In Table 1, different characteristics of these firms were presented. For the selection of the companies, first of all, the firms in the Fortune 500 list were reviewed; their websites and current news about these companies were analyzed thoroughly. Afterwards, the list of Fortune 500 companies located in Ankara (together with the ones which have administrative branches in Ankara) were contacted and invited to contribute to the study. Considering the intensive work schedules of the companies, they were given two options to contribute to the study as either filling a structured interview guide which consists of a list of open ended questions or giving an appointment for a real time face-to-face interview with senior executives of the company. As a result, 13 companies contributed to the study.

Table 1. *General Information about the Contributors* 

Firms	Headquarter	Production Center	Foundation Year	Sectors	Personnel Number
Firm A	Istanbul		1996	Banking	4500
Firm B	Ankara	Ankara	1946	Civil engineering	200
Firm C	Ankara	Turkey & Abroad	1982	Civil engineering	7300
Firm D	Ankara	Ankara & Saudi Arabia	1989	Defense industry	379
Firm E	Ankara	Ankara	1996	Education & counseling	123
Firm F	Ankara	Ankara	1997	Metal industry	133
Firm G	Ankara		2005	International transportation	4
Firm H	Ankara	Iskendurun & Adapazari	1987	Iron & steel industry	650
Firm I	Ankara	Ankara	1927	Military textile	1200
Firm J	Ankara	Ankara & other cities	1963	Contractorship	10482
Firm K	Ankara	Kirsehir	1970	Auto industry	2100
Firm L	Ankara	Ankara	1950	Food Industry	460
Firm M	Ankara	Ankara	1966	Civil engineering	11238
				& Defense &	
				Finance	

#### Data Collection Instruments

Considering the conceptual and empirical discussions in the literature on CSR, an interview guide was developed by the researchers. The semi-structured interview guide consisted of 16 questions on the target educational institutions/organizations of firms' contributions, the type and the amount of the contributions, and firms' social responsibility understanding and formal policy formed within the framework of this understanding.

#### Data Collection Procedure

Firms were contacted and informed about the study via phone and/or e-mails. The ones which accepted face-to-face interviews were visited in their headquarters and interviews were conducted with senior executives. Each interview lasted approximately between 45 to 60 minutes. All interviews were audio recorded.

## Data Analysis Procedure

Data analysis was conducted in three steps. First step included listening to interviews and transcribing them. Interviews were transcribed verbatim and transcriptions were read a few times to increase the familiarity with the data. Second step included coding. Inductive content analysis was conducted through qualitative data analysis software NVivo.8. A computer assisted qualitative data analysis approach was adopted as computer software programs "facilitate data storage, coding, retrieval, comparing, and linking" (Patton, 2002, p. 422). NVivo.8 provided a platform to do inductive data analysis to discover codes, patterns, themes and categories in our data. In the third step, themes and categories were formed based on the codes. To ensure reliability, the coded themes and categories were crosschecked by four researchers.

#### Results

Data analysis yielded three main themes: nature of CSR contributions to public education, determinants of CSR contributions to public education, and general philosophy of CSR. Each theme and issues under the themes can be seen in Table 2.

Table 2. Common Themes Pertaining to CSR

Common Themes Pertaining to CSR	
Themes	Issues
Nature of CSR contributions to public education	CSR activities
	Areas of CSR
	Geographical areas
	Target institutions
	Target institutions for CSR
	Relations with target institutions
	CSR strategy
	Decision making process in CSR
	Release to the public
	<b>Evaluation of CSR activities</b>
	General CSR policy
Determinants of CSR contributions to public	Drivers behind CSR
education	Perceived benefits of CSR
General philosophy of CSR	Philosophy of CSR
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#### The CSR Activities

During the interviews the firms were asked to describe the CSR activities and projects they were involved in. Results showed that the participating firms contribute to public education through increasing the physical capacity of the public education (e.g., building public schools and dormitories for students), and rehabilitation or restoration of the school buildings. In addition to contributions targeting

development/enhancement of physical capacity of public schools, some of the firms made direct monetary contributions as well as material donations. One of the firms provided financial donation to a public university's grant (or scholarship) pool and another one gave monetary donation to an NGO in education (Turkish Education Association). These donations suggest that the firms show concern for sustainability of their contributions and they contribute to public education on a regular basis through such donations. This can be seen as direct manifestation of the concern for improving the state of public education. In addition to these, some of the firms donated materials (e.g., computers, equipment for vocational high schools, setting up libraries). Finally, developing and delivering scholarship forms another type of contribution to public education. These scholarships programs usually target students studying in public schools.

The firms participated in the study indicated that in addition to public education, they contributed to other domains of social life through activities in relation to art and culture, sport, and environment, such as building a center for teaching religion, an art and culture house, an art gallery, a condolence house, a local health care center, a public kitchen, and even museums. Besides, the firms indicated their interest and contribution to protect the environment and to deal with global warming. Finally, the participating firms stated that they sponsor a variety of activities such as archeological excavations, athletics, classical music concerts, local festivals, scientific research, and organizations of university clubs. Contributing to various institutions in different sectors or domains suggests that the participating firms show a genuine concern for enhancing the physical capacity of the firm as well as contributing to the social and cultural life. In other words, the firms showed concerns for quality and quantity in public education as well as other domains of social life.

When asked about the location of their CSR actions, the participating firms commonly indicated neighborhoods surrounding management center or production centers as the geographical targets for their CSR contributions. One of the senior executives explained that while they were constructing roads, they were also building schools around the road. However, findings also showed that contributions to developing and enhancing physical capacity were not only limited to the regions where the defined primary stakeholders take place, but also to schools in different locations. In some cases; the firms preferred to contribute to schools in the eastern part of the country, where educational services are relatively underdeveloped. Hence, examining the locations of the CSR actions, it becomes clear that most of the contributions were done in the Central and Eastern part of Turkey. In Central Anatolia, the contributions were made in cities such as Ankara (n=4), Kayseri (n=1) and Kırşehir (n=1). In the eastern part, Ardahan, Batman, Bitlis, Diyarbakır, Mardin, and Tunceli were the cities that CSR activities were located in. In the West, Adapazarı, Istanbul (n=2), and Kocaeli were the cities contributed by the firms. Lastly, in the Mediterranean region, Iskenderun is the city chosen for CSR activities. In terms of the target population, the firms contributed to their immediate environment. However, the fact that the firms contributed to cities away from their management center or production centers is an interesting finding. When the interviewees are asked about the underlying reason of this practice, they suggested these cities are the hometowns of their founders or current CEOs.

#### *The Target Institutions for CSR Activities*

Concerning the institutions participating firms contributed to, among the others, public schools (n=9), public universities (n=5), and NGOs with the mission of enhancing public education (n=5) were the mostly contributed institutions. Besides, the data suggest that the firms in some cases preferred to submit their contribution directly to the Ministry of National Education. These results suggest that contributing to public education is the main concern of the firms participated in the study. In addition to public education some other firms indicated their contributions to universities (n=2), and private schools. Prisons, social services and child protection agencies, and sport clubs were among the target institutions for different CSR actions of the firms analyzed in this study.

Data yielded different interaction patterns regarding the interaction pattern between the firm and the beneficiary institution (i.e., schools). Three of the firms indicated that they had constant relationships with the target institutions. They stated that they regularly visited the sites where their contributions were realized. On the other hand, three of the firms indicated relatively weaker ties with the beneficiary firms. They stated that their interaction with the beneficiary firm was limited with the time period in which CSR project was completed.

## *CSR Strategy of the Contributors*

Data analysis yielded four main issues related to CSR strategy of the firms. These issues are decision-making process for CSR activities, public announcement, follow-up of the activities, and the policy behind the activities. First of all, the results displayed that, in seven firms, there existed no separate department for CSR activities. The others carried out their CSR activities through human resources, marketing, or institutional communication departments. The decisions for contributions were formed by grassroot demands (n=8) or executives (n=7). Furthermore, the decisions were also made through involvement of the staff (n=5). Other than these, the Board of Trustees, the CEO, or the marketing and human resources department might make the decisions in relation to CSR activities in the firms.

Secondly, the results pointed out that firms emphasize the confidentiality of CSR activities. Ten of the firms indicated that they did not release the CSR contributions publicly. At this point, one of the firms stated: "there is no advertisement or self-praise in any way. We don't announce. This is like a prayer." Another one said: "It is totally out of our institutional principles to regard these donations as a way of communication." The other firm's reason was different. The firm claimed: "We don't want to give way to other demands by announcing or we can call this as being modest."

Furthermore, the firms were asked whether they evaluated or conducted follow-up activities for the results of their projects. Six of the contributors made no evaluation for their contributions while two of them only evaluated the projects throughout the process. The evaluation of the contribution was made by three of the firms through development reports or post-seminars.

Lastly, general policies underlying the firms CSR activities were revealed in the study. Regarding the policy of contributing in education and other areas, the responses of the firms varied. Most of these policies were gathered around the institutional desire to help for improvement and betterment. The policies were explained as "Anatolian-style help," "corporate values," "awareness of corporate citizenship," "improving the quality of life," "ensuring equal educational opportunities," "institutionalized CSR" or "volunteerism." To deepen the results, one of the contributors explained their CSR policy as: "Now, mostly we work for philanthropy and incorporation for the society.... In time, there will be more strategic use of the resources for the aims." Another contributor stated: "The contributions are mostly done, as they say, for the aim of getting the content of the God and the blessing of the people." Lastly, one of the firms explained their policy as: "We are a firm dealing with knowledge and we believe that the knowledge also has its alms."

## Determinants of CSR Contributions to Public Education

Two main determinants that affect CSR contributions of the companies emerged from data analysis. These are drivers behind CSR and perceived benefits of CSR activities. Interviewees stated various motives that trigger their contributions to education and through the content analysis these motives were classified under five main drives as "altruistic motives," "corporate culture-values," "importance of education," "improving qualified human resources," and "religious motives."

Altruistic motives were highlighted as the strongest driver behind the contributions. These motives include "to alleviate public welfare deficiencies," "to enhance society's welfare," "to invest in local-hometown" and "patriotism." Interviewees indicated flaws in education as one of the most important motives. They contributed to education to compensate the deficiencies in public education both financially and by providing a variety of support such as building schools, training interns and donating computers. They believed government could not reach everywhere in the system and they felt responsible for the areas where government is missing. Second issue that firms emphasized was "enhancing society's general welfare." Building community capacity and educated citizens were issues touched upon by the firms as motives for CSR contributions. Contributing to development of the country was mentioned by four firms. They want to do something for the welfare of the society.

Under this theme, contributing to society's level of education, and doing something for a better Turkey and better future were the other reasons for firms. Building educated citizens or healthy generations was another important motive. Five firms stated that their concern was to contribute to

healthy development of Turkish youth. To invest in home town of the CEO or the local environment of companies' production centers was mentioned by four interviewees. One of the interviewees stated that "We believe that one should start helping to society from the family, and then should move to neighborhood and to local community and then to city and then to the nation." Patriotism appeared as another motive under altruistic motives. One interviewee commented as "Patriotism is the most general drive behind our social responsibility efforts."

Another main motivation for companies is the importance of education. One firm indicated that they see education as the *basic right*. Two other companies reported their belief in education to *change future for better Turkey*. Personal views and ideas of the managers' or CEO's on education emerged as another issue. Two interviewees underlined the personal views, perspectives and background of their bosses on education and added that due to these personal values of the managers, their firm put a special emphasis on education and contribute to education.

Third main driver behind firms' contributions to education was to develop a well-educated human resource. Five companies mentioned that their main aim was to contribute to education to prepare a well-educated human work force for future. An interviewee indicated that "Qualified human resource will create added value to everyone." Another issue emerged under this theme was implementing CSR projects to increase recruitment. One firm mentioned this particularly in relation to providing internships programs to vocational training students.

Religious reasons emerged as another strong driver for CSR activities. It was indicated by three companies. One interviewee stated that "Our boss conducts all these activities and contributions just for the sake of God and the blessings of the people."

The last motive for firms was corporate culture and corporate values. Two companies indicated the vision and values of their company as their main motive to contribute to education.

Perceived Benefits of CSR Contributions

The respondents listed many benefits and returns of CSR activities to the firms. These benefits fell under four titles: "strategic benefits," "social benefits," "intangible returns" and "financial benefits."

Strategic benefits are not perceived as directly increasing profit but they are indirect gains of corporate which increase power and legitimacy of the firm in the society and increase competitive advantage. In our case, maintaining a positive corporate image in the society (n=5), increased corporate visibility (n=3), building corporate branding (n=3), increased corporate trust (n=2), increased staff loyalty and motivation (n=2) and qualified human resources (n=1) were the strategic returns of CSR contributions. Firms indicated that they did not expect a financial return but creating and maintaining a positive image in the society was the greatest return of their contributions to education. Along with the positive image of the firm, increased corporate visibility was also considered as an important return. A firm from banking sector indicated "They (CSR activities) make people follow our bank's services and operations." Another benefit highlighted was increased corporate trust in the society. Two firms mentioned that their CSR contributions increased public trust to their firm. Another strategic return was increased staff loyalty and motivation. A respondent stated "When the workers and their families or their local people benefit from our investments and CSR contributions done in their hometown, we believe it increases their loyalty to our company."

Second perceived benefit of CSR contributions to education was identified as "social benefits" which include increased relations with public institutions, other firms, NGOs and the society. Four respondents touched upon these increased relations. Increased cooperation with NGOs and public sector (n=2), being example to other companies and building healthy relations with the society were listed as social returns of CSR contributions.

In our case, intangible returns emerged as the third issue under perceived benefits. Four respondents stated that they did not expect any kinds of gains out of these contributions and they just felt happy and content when they provided any kind of support to education and to students. So what they

had as a return was a spiritual satisfaction. This benefit is related to religious motives. Firms contributed to education with religious motives do not expect any kind of return as they do it just for the sake of God and blessings of the people. This issue is also closely related to confidentiality of the contributions.

The last benefit of the CSR activities was financial benefits which were indicated by just one firm. This firm utilized tax reduction as a result of CSR contributions. What is important to note in this dimension is that firms benefited mainly from strategic gains such as positive corporate image or increased trust in the society, whereas financial gains was not important at all.

## General Philosophy of CSR

Respondents were asked to choose between two expressions on the general philosophy of CSR which were extracted from the literature. First philosophy proposes that companies' contributions can be spent to increase the human resource and work force of the country and to help society have better public welfare services. Thus, the main objective of a firm is to contribute to create a healthy society. Eight out of 13 firms indicated that this reflects their philosophy. This philosophy is also supported by the main motives of the firms which indicated their "concerns as to alleviate public welfare deficiencies," "to enhance society's welfare," "to invest in local-hometown." Their main goal in contributing to education is to promote social good.

On the other hand, second philosophy suggests that firms should use their resources to strengthen and to improve the firm itself. Their main concern should be creating organizations which function well, recruit, and pay the taxes. Thus, they should invest in themselves first. Only two respondents chose this philosophy. One respondent expressed that "When the realities of the social and economic life are considered, as a firm we need to keep our organization strong. We can only contribute to society if we are a strong firm. So our priority is to enhance our firm."

Moreover, two other firms indicated that none of these philosophies reflect their firm's view on CSR. They believe it is a combination of two philosophies. One respondent suggested that "No company can be founded with the expectation of zero profit and just for the goodness of the society (except non-governmental organizations and public institutions). Thus, a company should improve itself and should contribute to society at the same time as it was mentioned in the first philosophy."

## Discussion and Conclusions

The basic purpose of this study was to reveal the drivers behind private firms' contributions to public education in Turkey. Based on the results, the study aimed at revealing the dominant theoretical approach shaping these contributions.

The contributions of the firms range from direct financial contribution to capacity building or enhancement (e.g., repairment, material contribution, scholarship programs etc.). In other words, the contributions of the firms are not necessarily aligned with the sector of the firm, although some firms on civil engineering deal with the construction works for the schools. However, generally, firms functioning in different sectors tend to contribute to public education. Although this approach to contribution suggests that the contributions do not result from the strategic alignment of the firm with public education, the results of the study revealed that the firms might exhibit a true altruistic concern for development of the society. This is supported by another result of the study. The firms indicated that their societal contributions are not limited to public education. They contribute to a variety of social domains including arts, culture, environmental protection programs and even sports. Considering the firms participating to this study, this approach might suggest that they are also concerned with the development of the society in which they function besides other economic concerns.

One of the other concerns of the study was to reveal the strategic orientation, if there is such an orientation, behind corporate contributions. In order to assess this, the firms were asked whether there is an independent unit managing these contributions. Most of the firms do not possess a separate unit managing these contributions. Furthermore, the decisions of giving to public education are not related to corporate strategy. Rather, grassroot demands, the CEO or other members of the executive committee,

and other personnel are determining the giving decisions. Another supporting finding that these contributions are not aligned with the firms' strategy is that they do not publicly disclose the giving of the firm. This might indicate that a firm operating for-profit purposes is involved in discretionary giving without any direct expectation. More importantly, the firms do not conduct follow up activities to examine the impact of their contributions. The participants expressed a simple desire of contributing for the betterment of the society without any expectation for direct or indirect return to the firm. At this point, it should be kept in mind that these are the self-expressed results and there is always the factor of social desirability. In another study (Akgeyik, 2007), the firms mentioned improving their societal image and public opinion as the main reason for participating social responsibility projects. Moreover, the tendency to divorce firms' strategy from CSR, or conceptualizing CSR in generic ways rather than thinking of it as a part of the firms strategy is also a problem pertinent to the dominant thinking CSR. Porter and Kramer (2006, p. 80) stated "the fact is, the prevailing approaches to CSR are so fragmented and so disconnected from business and strategy as to obscure many of the greatest opportunities for companies to benefit society." This statement suggests that inability to connect the CSR with the strategy of the firm causes loss of mutual benefits between the society and the firm. Hence, it can be suggested to both the firms and the primary beneficiary of the firms' contributions, MONE, to cooperate to maximize mutual benefits of corporate contributions.

If the contributions do not result from a strategic decision, then the question of 'what drives the firms to contribute to public education' becomes an interesting one to answer. As the study revealed, altruistic motives are the strongest drivers behind the giving decision of the firms. The policy of keeping the contributions private but not sharing them publicly and not stating such contributions on the balanced scorecard to get a tax advantage might indicate a true concern for improving the welfare of the society and decreases the possibility of social desirability. In general, the contributing firms indicated that they do not expect any direct return for their contributions to public education. However, it is also notable that these firms choose public education as the domain to contribute to the society. This can be explained with their perception of the public education. As expressed through interviews, they perceive public education basic to enhance the welfare of the society and ensure social justice in the society. They perceive education as a basic right which should be delivered to every segment of the society.

These findings suggest that the participating firms' contributions to public education can be explained by resource dependency theory. Although resource dependency is associated with self interest, it does not convey a homogeneous perspective to corporate giving. Resource dependency implies that the firms want to contribute to the environment which breeds them, because they are dependent on the resources in its environment. Hence, they involve in a broad array of CSR actions such as dealing with social inequalities, sustain the current welfare, protect the environment, and reduce poverty (Aguirre, 2002). In other words, the firms may hold true altruistic interests. Corporate giving motivated by benefiting the long term interests of the firm, and consequently the stakeholders, is referred to as serving an enlightened self-interest (Galaskiewicz, 1997). In our cases, the firms do not have codified obligations to contribute to public education. Almost all of the firms stated that they do not have any expectation for direct return from these contributions. They implied that it is in their self interest to contribute to the society because when the firms support the community, in the long run; this contribution will turn into a self-investment for the firms in the form of well-developed human resources and improve the tax base to build the infrastructure in their marketplace and prosperous customers to buy their products. Besser, Miller and Perkins (2006, p. 326) summarized this perspective with the "what is good for the community will be good for business in the long run."

Although CSR actions represent cost without apparent opportunity for direct economic gain from the organizations, *economic justifications* are not totally out of consideration for the organizations. Conveying the basic understanding of resource dependency, that is building and maintaining a positive image in the society, CSR practices help management to align the firm with its environment while protecting its economic position (Haley, 1991). However, for the cases investigated in this study, this is not the prominent aim behind contributions to public education. In other words, the growth machine perspective, which prioritizes the business advantage over society's, is not an evident motivation behind the contributions of our cases. This can be related to the state of business and society relationships in

Turkey. However, some dominant values in national culture might motivate firms to consider discretionary contributions as part of their mission. This can be evident, for example, in one of the firm's representative statement of "Anatolian-style help." This result is congruent with Robertson's (2009) study as "CSR is responsive to country differences" (p. 617); it is highly influenced by cultural, social, political, and economic factors specific to Turkey, and "thus subject to cultural adaptation" (p. 631).

Considering the findings of this study, business contributions of these firms to public education in Turkey are not aligned with strategic orientations of the participating firms. Based on the views of the firms, it can be suggested that the values adopted from national culture, which carries collectivist orientations (Hofstede, 2001), might be influential in giving decisions. Firms, in this study, stated that they make contribution without any expectation for direct return. However, critics of CSR in education remained skeptical about the real intent of private sector behind their contributions to public sector. For example, Aksoy (2006) indicated that contributions of private sectors might have indirect effects on the commercialization of public education. Likewise, many other educational scholars worried that such contributions may lead to dominance of private sector in public education. As a result, they may shape curriculum and instructional practices, which indicates a shift in the sociology of public education from purely serving public benefit into opening public education for the dominance of interest groups, in this case the owners of the capital. Although these criticisms have some valid grounds, it is important to note that access of interest groups, in our case private firms is relatively limited because of the centralized nature of Turkish Public Education. Therefore, private contributions may carry the genuine intent to improving educational services rather than affecting instructional practices.

On the other hand, MONE, the primary beneficiary of private contributions in Turkey, does not possess a concrete policy for managing these contributions. Hence, it seems essential to bring these two parts together for both advancement of the contributions and creating mutual benefits for two parties. The results inform the authorities in the field of education for inviting the firms for more organized CSR activities. Although the firms' philosophy for discretionary help may not be changed, as it is personal and based-on their belief system, benefits of more systematic and regular contributions for the improvement of public education can be more expressed and announced by authorities in the field. The mutual benefits expressed in the literature (Aguinis & Glavas, 2012; Cheng, Ioannou & Serafeim, 2013; Choi & Wang, 2009) can also be more emphasized and these benefits can be directed towards creating an *affectio societatis* for Turkish education. In a weak and ambiguous CSR literature in Turkey, this study endeavors to bridge the gap between business contributions to public education and their underlying motives and theories by exploring CSR understanding and implementation strategies of firms. Therefore, the current study is believed to form a basis as an initial step for future actions by identifying the existing drivers on educational contributions besides proposing such a critical issue for the agenda of educators and contributing to Turkish literature.

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