

CORPORATE SOCIAL RESPONSIBILITY IN THE SUPPLY CHAIN MANAGEMENT: THE CASE OF TURKISH AIRLINES

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Abstract

Corporate social responsibility (CSR) has many meanings in today's diverse world (Freeman & Hasnaoui, 2010). But the many definitions have some similarities in that CSR includes the initiatives taken by a corporation or business to take responsibility for its impact on the environment and community. That is, CSR looks to facilitating the development and sustaining people, planet, and profit (Elkington, 1999). With the increasing consciousness of today's society concerning environmental and human rights issues, CSR is emerging as an increasingly important element of business operations.

With the ease of access of the internet, greenwashing and window-dressing are becoming more noticeable in every industry and in many countries (Madsen, 2009). For example, the Arab Spring in Egypt and Tunisia would not have succeeded in making changes if the internet was not a truly global force.

One area where CSR is starting to emerge as a central focus is in the supply chains. This is a logical outgrowth of CSR as a corporation cannot claim to practice CSR if its suppliers do not similarly practice this. In the airline industry, the website Airline Trends (2016) frequently discusses CSR and Sustainability issues, thus informing the public of CSR and sustainability initiatives taken by the airline industry and providing feedback to the airline industry of the public's perception of these initiatives.

With the airline industry operating in a highly competitive environment, corporate social responsibility has not yet emerged as can be seen as an instrument utilized to gain a competitive advantage. While CSR practices within the airline industry include companies installing free book vending machines in low literacy neighborhood, providing bicycles for public use to slow air pollution, recycling or "upcycling" interior airline material into useful products, ensuring eco-friendly vehicles have premium access to airports, changing airline fuel to biofuel, and others are detailed on the Airline Trends (2016) website, little academic attention has been given to these changes. The airline industry is quietly giving back to the community and sharpening their competitive edge, with little attention being paid to this by the press or researchers.

The airline industry is certainly aware of the negative consequences of their operations such as noise pollution (Ozkurt, 2014), air pollution (Martini, Mamello, & Scotti, 2013), marine pollution (Hassan, 2012), difficulty with the use of land around airports (Federal Aviation Administration, 2009), and others including land use. Airline companies bear a certain degree of responsibility for air pollution, carbon dioxide emissions, noise pollution, and other consequences of their operations (Chang et al., 2015). Other negative areas of operations within the airline industry are the wages and working hours of their employees (Hirsch, 2000).

PriceWaterhouse Coopers published a report on the airline industry in 2011, at which time they found only 30 of the 46 global airlines they examined filed a corporate sustainability report (p.5), which only partially includes CSR. This found the average quality scoring for airlines in their sample was 38 percent, substantially less than ideal (PriceWaterhouse Coopers, 2011). This also indicates Sustainability and Social Responsibility reporting is in its infancy in the airline industry. However, when the lack of reporting is coupled with the growing use of the internet and the ease of access by the public of information, airlines are under increasing pressure to initiate CSR policies throughout their supply chains.

Examination of corporate social responsibility within the supply chain management is relatively new and a growing area and is in search of a more thorough application and research (Cruz, 2011). Supply chains play an integral part in the airline operations management and achieving sustainability as it is where people and technology come together to facilitate the flow of goods and services between suppliers and end users (Sen, 2011). Thus, the adherence to CSR mandates by the individual members of the supply chain has become an increasingly important for the airline industry. CSR is being applied in the airline maintenance repair and overhaul supply chain (Palma-Mendoza & Neailey, 2015), service areas (Javalgi, Martin, & Todd, 2004), among others to relieve some of the pressures on pricing of fares (Zhou & Zhong, 2010).

Turkish Airlines, Turkey's leading aircraft carrier, is making considerable efforts to conduct business in a socially responsible manner and creating sustainability for its consumers and suppliers ("Turkish Airlines Sustainability Report", 2014). For example, to encourage sustainability, Turkish Airlines is minimizing the adverse environmental impacts of its operations and is dedicated to creating sustainable conditions for its employees, customers and business partners ("Turkish Airlines Sustainability Report", 2014).

The purpose of the paper is to unravel theories about corporate social responsibility in the airline industry; examine the overall situation of the airline industry in Turkey, and to investigate what steps could be taken to implement or improve corporate social responsibility initiatives in the Turkish Airlines business sector.

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