International Journal of Academic Research in Accounting, Finance and Management Sciences
Vol. 6, No. 4, October 2016, pp. 134–141
E-ISSN: 2225-8329, P-ISSN: 2308-0337

www.hrmars.com

The Role of Sustainability Disclosures for the Capital Market Participants: Evidence from Turkey

Banu DINCER

Faculty of Economic and Administrative Sciences, Department of Business Administration Galatasaray University, Turkey, E-mail: bdincer@gsu.edu.tr

Abstract *The business world weighs mostly the financial data and reports but sustainability disclosures and reports are increasingly on the agenda of investors, analysts and market specialists. The non-financial information such as the quality of risk management, corporate governance, strategic direction, and social performance included in the annual reports and especially the sustainability reports show the market participants a course of action by better understanding the company's business strategy, and growth perspective. Accordingly, the sustainability reports should have more places in the investor relations communication in order to explain clearly their commitment and future projects to the capital market participants. This paper investigates how the capital market participants value the sustainability reports, how they embed them in their analysis and which practices they prize. In order to investigate these points, semi-structured interviews are realized with professionals from the sector and the interviews showed the importance of the safety, innovation, environment protection and communication with stakeholders. The paper portrays the potential issues in the sustainability disclosures that can make them as important as financial reports and attract the capital market participants who generally have a long term perspective.*

Key words Sustainability disclosures, non-financial communication, financial community, stakeholders

DOI: 10.6007/IJARAFMS/v6-i4/2329 URL: http://dx.doi.org/10.6007/IJARAFMS/v6-i4/2329

1. Introduction

Corporate social responsibility (CSR) has always been an interesting issue, especially for financial community. The financial community considers CSR projects as a deviation of the company from its primary role in the market (Friedman, 1962), others as an effort to be politically correct. However, today, despite this ambiguous nature of the socially responsible behavior, CSR is increasingly on the agenda of companies and their stakeholders. Moreover, the justification of CSR as a significant boost for corporate financial performance is not enough; the social responsibility issues have become an important sign for all stakeholders who at the same time ask for a justification for these activities.

The capital market participants are the most powerful stakeholders as they provide the company with necessary funds and thus have an important role in determining strategic options. Accordingly, managements' CSR practices have to be approved by the capital markets especially if they plan to alter their businesses in a more responsible way. This change can also help them build long-term shareholder value if they determine well how these activities create value for the stakeholders, and contribute to the society while delivering profitable growth to the company.

Accordingly, CSR communication to the financial community is gaining recognition from investor relations professionals (Huang and Kung, 2010; Hockerts and Moir, 2004). However, it is still very important to understand professional capital market participants' views on CSR activities as their views may be in conflict with other stakeholders as they are mostly concentrated on financial data. So, this paper, using semi-structured interviews, investigates how these participants in the Turkish context perceive CSR communication which started taking a greater part in their analysis. In order to do this, first a literature review will examine the CSR concept in the context of capital markets, followed by the methodology used in collecting the necessary data for the study and the analysis of the interviews.

The paper concludes by suggesting that even the capital markets are asking the integration of CSR practices in the companies' policies, framed in a manner to bring the company in the foreground and to provide with substantial information and strategic diversification opportunities.

2. Literature review

In the financial environment, many studies investigated CSR related investments and the evaluation of companies according to these investments and activities, how companies are evaluated and how CSR became an investment philosophy for many investors (Sparkes and Cowton, 2004; Czarniewski, 2014). Especially, in recent years, there has been spectacular growth in the number of companies reporting non-financial data. Since 1995, the number of companies issuing CSR reports has increased from less than 50 to more than 6,000 (Serafeim 2015). Surely, this change in disclosure practices depends on the pressure from stakeholder groups on companies to disclose information about the environmental and social impact of their core activities (Dhaliwal *et al.*, 2012; Eccles *et al.*, 2011). The disclosure of nonfinancial information has economic effects. Prior research documents that firms with superior environmental and performance and issuing CSR reports have better access to lower capital constraints (El Ghoul *et al.*, 2011; Niculae, 2016). In the same line of research, the comparison of the financial ratios of companies that practice CSR with others, (Waddock, 2004; Orlitzky *et al.*, 2003; Cox *et al.*, 2004; King and Mackinnon 2001; Lys *et al*., 2015; Marfo *et al*., 2015), and the short-term effects of CSR practices on the market values of companies have mostly shown a positive correlation (Frooman 1997; Filbeck *et al.*, 1997; Griffin, 2000; Key and Popkin 1998; Roman *et al*., 1999; Altahmouni and Zaher Abdelfattah, 2014). These results of responsible companies also improve stakeholder relationships and decrease possible conflicts with NGOs (Monteiro and Aibar-Guzmán, 2010; Guay *et al.*, 2004) and reduce uncertainty about future cash flows (Bloxham, 2011; Walker and Wan, 2012; Richardson *et al*., 1999). Socially Responsible companies can reach more competitive resources (Deegan, 2002; Cochran and Wood, 1984; Hemingway and Maclagan, 2004), can attract higher quality employees better motivate them and have a higher retention rate (Greening and Turban, 2000; Albinger and Freeman, 2000; Butt *et al*., 2015). The CSR projects also contribute positively to the reputation of the company (Fombrun and Shanley, 1990; Fombrun *et al.*, 2000). Investor relations research has also largely investigated disclosure practices (Walker and Wan, 2012; Bloxham, 2011), visibility (Lehavy and Sloan, 2005) and attracting investors issues but the perception of financial community on environmental and social issues, has been the subject of limited number of studies (e.g. Palazzo and Scherer, 2006; Hockerts and Moir, 2004).

Consequently, extant research has examined socially responsible and ethical investments with the screening criteria, as well as investor relations. However, how financial community use information on CSR in decision making and how it is evaluated within the overall responsibilities of the companies is under investigated so in the next part of the paper the methodology used in obtaining the necessary data to shed light to these points is explained.

3. Methodology of research

In this research, a qualitative, grounded theory approach in which the interviewees are approached openly is used. All interviewees in the research were professionals from the financial community especially equity analysts (24 of 37 interviewees) of companies member of Turkish Capital Markets Association (TCMA). All interviews are conducted during October and December 2015. The interviewees were chosen from members of TCMA, the top fifteen percent (according to number of investors and assets under management) of four groups of member companies according to TCMA (brokerage houses, banks, investment trusts and portfolio management companies) are contacted.

The interviewees were finally recruited from brokerage houses (n=20), banks (n=10), and capital markets specialists from investment trusts (n=3) and portfolio management companies (n=4). As Istanbul is the largest city in Turkey, it’s also the financial capital of the country and all of the interviewees are from Istanbul. Concerning their positions, they were equity analysts (n=24), financial advisors (n=8) and financial directors (n=5) with minimum of 3 years of experience in their actual positions and 5 years of experience in the capital markets. The sectors covered by interviewees are shown in Table 1.

Table 1. Sectors covered by interviewees

Sectors	N
Telecom	8
industrials	11
Consumer goods	13
Financial industry	11
Automotive	8
Pharma/healthcare	7
Telecom	9
Information technologies	9
Tourism	8
Logistics	9
Utilities	10
Other	9
N = 37	
Note: multiple responses possible	

The subjects discussed during the semi-structured interviews were issues related to CSR related decision making processes, approaches to CSR, awareness of CSR issues and, information availability on CSR projects. All interviews were recorded and transcribed. The interviews lasted approximately 40min, on average. Before the interviews, participants were informed of the purpose and goals of this study, as well as the interview process (Creswell, 2009). After all the interviews were completed and transcribed, the transcriptions were used to identify the key words that were similar among the participants. Bogdan and Biklen (2006) explained that this evolving process is a system used to find similarities among all the participants. As the data analysis progressed, the comments related to perceptions, judgments regarding CSR and their relation to current conceptions are scrutinized using content analysis.

4. Results

4.1. Social perspective

Concerning social side of CSR projects, philanthropy has its roots in the Ottoman Empire times for the Turkish society and it is an embedded concept in the minds of managers so they tend to start their CSR projects by small contributions to the society and communicate it widely to serve managerial utility without real benefits. This large spectrum of social activities bothers the analysts as they are primarily worried by the economic side and profits. Accordingly, they prefer that companies focus their operations on their core responsibilities and generate wealth for shareholders. They are mostly worried that the philanthropic decisions and communication can easily waste company assets in order to empower the management's social standing. Accordingly, the interviewees affirm that philanthropic efforts should follow specific guidelines and be communicated transparently, in order to wipe the shareholders worries out about the causes to fund. *"I guess the most important part is to create value for shareholders otherwise the funds are wasted. The most appropriate way to fund causes in these circumstances is to realize the funding in CSR perspective or within CSR projects. I think the issues covering corporate social responsibility issues shouldn't be used as an excuse explaining inappropriate expenses because it's the shareholders' money in some way."*

Obviously, in spite of the cultural heritage, the interviewees disapprove of corporate spending on philanthropic activities as they are concerned with good corporate governance and the configuration of actual CSR activities. They affirm that these activities should be done in CSR frame and add value to the company at least by fostering good relationships with the stakeholders, ensuring their support and the sustainability of the firm as suggested in the literature by Campbell *et al*., (2002). This result also supports Martin and Moser (2016) who found that financial community's positive response to CSR disclosures are based in part on the societal benefits associated with the investments. This response explains the rapid increase by responsible companies to socially responsible projects. Accordingly, one of the interviewees mentioned: *"Social responsibility is very relevant when it is tied to company's activities and when it helps form a good opinion on our prospects minds."*

4.2 Economic perspective

Accordingly, the analysis showed that the economic responsibilities of the company were primary for the interviewees and the CSR related issues tied to a firm's economic responsibilities as some of the interviewees were considering these issues as a social investment. CSR activities providing the company with a return on investment were in the words of several interviewees the good CSR projects, good social investments. The interviewees try to forecast the market prices and rate companies using many factors other than financial data and making projections about the future of the business. Their evaluation is generally based on economic outlook, politics, developments in specific industries and the business environment. They also do not underestimate the importance of CSR issues which have an impact on the development and potential of any industry as they affirm that they form their opinions taking in consideration the businesses level of interaction with environmental, social and sustainability issues and prefer industries with lower impact to invest.

The interviewees prefer companies adopting CSR projects related to major trends in their industry as they argue that these projects can add to the competitiveness of the company by a possibility of creating value and strategic advantage if they are incorporated well by the company to the strategic decision making processes. Innovation and leadership in these major CSR areas show the markets forward-thinking strategic approach of the company and give the possibility to differ from competitors in the industry. One interviewee mentioned: *"I am mainly interested in financial performance that is irrefutable. Surely, corporate governance, good sustainability and environmentally friendly behavior add value in the longer term but it is hard to immediately measure their impact in financial terms. These can be interesting criteria to differ the company in the competition and to back up an investment decision."*

Accordingly, researchers have worked on CSR measurement but developing measures of corporate social activities is a challenge and there are many important differences to take into account according to sectors and countries. However, CSR projects are generally considered as a chance to enhance and establish a powerful company image against the competitors in the market resulting in customer loyalty (Sen and Bhattacharya, 2001), and generating more sales (Brown and Dacin, 1997), a better reputation (Palazzo and Scherer, 2006) or employee motivation (Greening and Turban, 2000; Fombrun and Shanley, 1990). The socially and environmentally responsible companies that benefit from such effects are also considered as long-term oriented sustainable companies. So, financial community expects net benefits from socially responsible investments and nonfinancial considerations have their place in investment decisions. For example, responsible companies have good employment practices; avoid industries such as tobacco and gambling. We expect that firms having higher SRI fund ownership will exhibit more positive stock price reactions, reflecting higher demand for nonfinancial information from such investors (Cheng *et al.*, 2014).

Consequently, through CSR activities and communication towards financial community, a company shows an increased sense of responsibility, level of prudence, and a long-term strategic view. Consistently, most analysts consider that a company can increase profitability by creating competitive advantage using this kind of communication and by improving its relations with the stakeholders and CSR is evidently a helpful tool in increasing shareholder.

However, these responsibilities that are not mostly obligatory according to related law are in the same time expected from companies by society and they help building trust with stakeholders if transparency and continuity, the key factors in these issues are respected. Because, one of the key issues mentioned by the interviewees among corporate tasks was to establish a trust-based relationship between the company and financial community who tend to judge all based on their estimation and trust level. In order to secure trust, the companies should make an effort to ensure a continuous, comprehensive communication not only with shareholders but also with the whole society. In this way, the company will also profit from a good reputation that will catch talented, high qualified employees and new customers, with better public relations and media coverage, and cooperation possibilities with suppliers (Walker and Wan, 2012). Accordingly, the literature shows that a good reputation strengthens customers trust and credibility. This is helpful to the company, especially in times of major crises reducing their impact (Bloxham, 2011; Fombrun *et al.*, 2000; Bhattacharya and Sen, 2004; Lewis, 2003) and with political authorities raising public acceptance and empowering the company against exposure to political pressures

(Fombrun *et al.*, 2000). Accordingly, the question of compliance with the law was already surpassed for our interviewees as they were affirming that the general behavior of companies in terms of CSR affecting their relationship with society and political authorities, were also effective in the planning process of new regulations, laws and taxation issues.

Thus, socially or environmentally responsible behavior is accepted as a factor decreasing a company's risks and costs. Moreover, to improve their communication in this area, companies try to provide detailed information on their obligatory duties while giving details about their voluntary contributions, benefits, and projects on the other. So, they would kindly like to show, with support from quantitative data, their commitment to social causes by emphasizing by stressing the part of their wealth they shared with the society. Consequently, financial community welcomes these companies as their CSR and social efforts will help them build trust, and reputation that can immediately or in the near future be profitable. So, these companies should continue their disclosure and CSR projects (Armitage and Marston, 2008). Accordingly, one of the interviewees mentioned that: *"If a company behaves in the most environmentally friendly and responsible way, then there will be fewer costs for the company to bear now and in the future. If you take environmental scandals for example, clearly it's better to put CSR projects in life and to behave responsibly, the costs will be much more less than a scandal."*

The issues emerging from the interviews are summarized in Table 2.

Table 2. Economic and social issues and goals for financial community

Economic issues and goals
Macroeconomic trends, industry outlook, environmental and social developments
Current and future environmental, social and governance regulations
To develop and implement measures for strategic differentiation
To manage risk deriving from sustainability issues
To minimise exposure to future environmental and social legislation
Effective internal and external control systems
To avoid litigation through social and environmental stewardship
To have a solid reputation, ensuring appreciation and support from stakeholders
Social issues and goals
To have charitable donations only for firm's societal standing
To avoid spending on philanthropic causes serving managers goals
To develop open and trusting relationships with political authorities, the media
To ensure legitimacy and protection from economic, legal or social sanctions
To treat all capital market participants fairly with timely, detailed and fact based communication
To build and retain reliable and sustainable relationships with key stakeholders

5. Implications

The results show that responsibility issues have already become an important factor in the investment decisions. Accordingly, CSR should be strategically addressed to the financial community showing its long-term advantages, opportunities, risk prevention abilities and market effectiveness. Accordingly, this communication should support the long-term perspective and focus on the strategic rationale to impress the investors. Because, companies can have the required stakeholder support if they disclose information emphasizing the long-term advantages of CSR projects highlighting the economic indicators such as low employee turn-over, readiness to comply with new environmental laws, better reputation. Companies have to integrate CSR activities in their processes and explain these activities to their stakeholders, displaying the related strategic exploitation and diversification opportunities in terms of specific modes of exploitation. The relations with stakeholders especially with financial community are strategically important. The companies need their support to create new sources of competitive advantage. So, they have to communicate relevant information impressing these key stakeholders. Accordingly, managers should include in the communication to the financial community the link between CSR related projects, social and environmental activities and profit maximization, economic advantages.

6. Conclusions

This research constitutes an overview of CSR communications' perception by the financial community in the Turkish context. The research also sheds light into changing investor relations with the growing interest in these issues. Today, non-financial communication is integral and undeniable part of the actual business world. Our analysis shows that financial community considers CSR as a part of corporate citizenship that should be tied in with all stakeholders (especially with shareholders), and these activities should especially meet the concerns of communities they operate in.

According to the analysis, it can be seen that financial analysts hold a pragmatic view, emphasizing economic rationale and shareholder value. Social, philanthropic and legal perspectives are also evaluated from an economic priorities perspective. Stakeholder relationships are an important success factor, if it supports the legitimacy of CSR investments. The general overview of financial community is clearly financial but with the support of stakeholders a company can behave more socially, and increase its responsible business practices to a level exceeding the legal requirements. Concern for profits is always present in the minds of all stakeholders especially shareholders but taking CSR into account does not always mean excluding their own interests because in the long-term or under certain conditions, CSR projects can contribute to maximizing profits and shareholder value (Mitchell *et al.*, 1997).

The problem with the financial community's opinion is the disapproval of charitable contributions that can waste corporate resources for managers own goals. Consequently, they prefer these contributions to be realized in CSR frame. This is in contrast with their favorable approach to measures that contribute positively to the reputation and to the value of the company ensuring its sustainability and showing its long-term view. However, this is due to the fact that the charitable contributions can be exaggerated by managers to sharpen their personal image and reputation.

However, long-term value creation should also include the immaterial aspects because shareholder wealth generation is embedded in responsible behavior, further business ethics and CSR research can investigate the appropriate communication style to protect the shareholder wealth, to create strategic advantage and to impress financial community and investors as CSR will undoubtedly have more important place in their investment plans in the near future. Hockerts and Moir (2004) have argued that financial community will have more impact in CSR practices, sustainability issues, environmental and regulatory developments and they'll keep the pressure on managers and public relations departments to communicate transparently their related efforts. This responsible communication can also attract and keep the socially responsible investors who generally have a long term perspective and are interested in sustainability.

7. Limitations and future research

Concerning the limitations, the analysis suffers from the characteristics of our sample which is limited to Turkish financial community so a multicultural approach is missing. Moreover, the general economic conditions, the latest legislations, culture and the Turkish governments constructive approach and support in the last decade plays an important role in the Turkish financial community's comprehension of the issue. The research can be improved by adding other emerging countries point of view for detailed recommendations.

Acknowledgement

This research is supported by Galatasaray University, Scientific Research Projects Commission under project number 15.102.005.

References

1. Albinger, H.S. and Freeman, S.J. (2000). Corporate social performance and attractiveness as an employer to different job seeking populations. *Journal of Business Ethics*, 28:3, 243–253.

2. Altahmouni F.R., Zaher Abdelfattah A. (2014), "The Impact of Accounting Indicators and Growth on the Market Value", International Journal of Academic Research in Accounting, Finance and Management Sciences Vol. 4, No.2, April 2014, pp. 9–18.

3. Armitage, S. and Marston, C. (2008). Corporate disclosure, cost of capital and reputation: evidence from finance directors. *British Accounting Review*, 40:4, 314–336.

4. Bhattacharya, C.B. and Sen, S. (2004). Doing better at doing good: when, why, and how consumers respond to corporate social initiatives. *California Management Review*, 47:1, 9–24.

5. Bloxham E. (2011). The knowledge gap between investors and companies. *Journal of Sustainable Finance and Investment,* 1(2): 156–158.

6. Brown, T. and Dacin, P. (1997). The company and the product: corporate associations and consumer product responses. *Journal of Marketing*, 61:1, 68–84.

7. Butt M. Bei HU, Khurram SHAFI, Babur Hayat MALIK (2015), "Study of Organizational Environment, Incentives and Promotion and its Effect on Employee`s Motivation", International Journal of Academic Research in Accounting, Finance and Management Sciences Vol. 5, No.3, July 2015, pp. 91–99.

8. Campbell, D., Moore, G. and Metzger, M. (2002). Corporate philanthropy in the UK 1985–2000: some empirical findings. *Journal of Business Ethics*, 39:1, 29–41.

9. Cheng, B., I. Ioannou, and G. Serafeim. (2014). Corporate social responsibility and access to finance. *Strategic Management Journal,* 35, 1: 1–23.

10. Cochran, P.L. and Wood, R.A. (1984). Corporate social responsibility and financial performance. *Academy of Management Journal*, 27:1, 42–56.

11. Cox, P., Brammer, S. and Millington, A.I. (2004). An empirical examination of institutional investor preferences for corporate social performance. *Journal of Business Ethics*, 52:1, 27–43.

12. Czarniewski S. (2014) "Corporate Social Responsibility as Value for the Customer", International Journal of Academic Research in Accounting, Finance and Management Sciences Vol. 4 (4), pp. 136–142.

13. Deegan, C. M. (2002). Introduction: The legitimizing effect of social and environmental disclosures: A theoretical foundation. *Accounting, Auditing and Accountability Journal* 15 (3): 282 – 311.

14. Dhaliwal, D., S. Radhakrishnan, A. Tsang, and Y. Yang. (2012). Nonfinancial disclosure and analyst forecast accuracy: international evidence on corporate social responsibility disclosure. *The Accounting Review,* 87 (3): 723-759.

15. Eccles, R., M. Krzus, and G. Serafeim. (2011). Market interest in nonfinancial information. *Journal of Applied Corporate Finance*, 23 (4): 113-127.

16. El Ghoul, S., O. Guedhami, C.C.Y. Kwok, and D.R. Mishra. (2011). Does corporate social responsibility affect the cost of capital? *Journal of Banking and Finance*, 35 (9): 2388- 2406

17. Filbeck, G., Gorman, R. and Vora, G. (1997). Stock price reaction to equity issues and regulatory climate: the case of public utilities. *Managerial and Decision Economics*, 18:7/8, 731–745.

18. Fombrun, C. and Shanley, M. (1990). What's in a name? Reputation-building and corporate strategy. *Academy of Management Journal*, 33:2, 233–258.

19. Fombrun, C., Gardberg, N.A. and Barnett, M.L. (2000). Opportunity platforms and safety nets: corporate citizenship and reputation risk. *Business and Society Review*, 105:1, 85–106.

20. Friedman, M. (1962). *Capitalism and Freedom*. Chicago, IL: University of Chicago Press.

21. Frooman, J. (1997). Socially irresponsible and illegal behavior and shareholder wealth: a meta-analysis of event studies. *Business and Society*, 36:3, 221–250.

22. Greening, D.W. and Turban, D.B. (2000). Corporate social performance as a competitive advantage in attracting a quality workforce. *Business and Society*, 39:3, 254–280.

23. Griffin, J.J. (2000). Corporate social performance: research directions for the 21st century. *Business and Society*, 39:4, 479–493.

24. Guay, T., Doh, J.P. and Sinclair, G. (2004). Nongovernmental organizations, shareholder activism, and socially responsible investments: ethical, strategic, and governance implications. *Journal of Business Ethics*, 52:1, 125–139.

25. Hemingway, C.A. and Maclagan, P.W. (2004). Managers' personal values as drivers of corporate social responsibility. *Journal of Business Ethics*, 50:1, 33–44.

26. Hockerts, K. and Moir, L. (2004). Communicating corporate responsibility to investors: the changing role of the investor relations function. *Journal of Business Ethics*, 52:1, 85–98.

27. Huang C-L, Kung F-H. (2010). Drivers of environmental disclosure and stakeholder expectation. *Journal of Business Ethics* 96(3): 435–451.

28. Key, S. and Popkin, S.J. (1998). Integrating ethics into the strategic management process: doing well by doing good. *Management Decision*, 36:5–6, 331–339.

29. King, D. and Mackinnon, A. (2001). Who cares? Community perceptions in the marketing of corporate citizenship. *Journal of Corporate Citizenship*, 3:1, 37–53.

30. Lehavy, R. and Sloan, R. (2005). Investor recognition and stock returns. *Review of Accounting Studies*, 13:2–3, 327–361.

31. Lewis, S. (2003). Reputation and corporate responsibility. *Journal of Communication Management*, 7:4, 356–364.

32. Lys T., Naughton, J. P., Wang C. (2015). Signaling through corporate accountability reporting. *Journal of Accounting and Economics*, 60:1, 56-72.

33. Marfo E. O., L. Chen, H. Xuhua, H.A. Antwi, E. Yiranbon (2015) "Corporate Social Responsibility: Driving Dynamics on Firm's Profitability in Ghana" International Journal of Academic Research in Accounting, Finance and Management Sciences Vol. 5, No.3, July 2015, pp. 116–132.

34. Martin, P. R., Moser D.V. (2016) Managers' green investment disclosures and investors' reaction. *Journal of Accounting and Economics*, 61:1, 239-254.

35. Mitchell, R.K., Agle, B.R. and Wood, D.J. (1997). Toward a theory of stakeholder identification and salience: defining the principle of who and what really counts. *Academy of Management Review*, 22:4, 853–886.

36. Monteiro SMS, Aibar-Guzmán B. (2010). Determinants of environmental disclosure in the annual reports of large companies operating in Portugal. *Corporate Social Responsibility and Environmental Management* 17(5): 185–204.

37. Niculae M. (2016), "Constructive Relationship between Accountancy and the Corporate Governance, Under the Context of Normalization", International Journal of Academic Research in Accounting, Finance and Management Sciences Vol. 6, No.1, January 2016, pp. 49–53

38. Orlitzky, M., Schmidt, F. and Rynes, S. (2003). Corporate social and financial performance: a meta analysis. *Organization Studies,* 24:3, 403–441.

39. Palazzo G, Scherer A. (2006). Corporative legitimacy as deliberation: A communicative framework. *Journal of Business Ethics,* 66(1): 71–88.

40. Richardson, A.J., Welker, M. and Hutchinson, I.R. (1999). Managing capital market reactions to corporate social responsibility. *International Journal of Management Reviews*, 1:1, 17–59.

41. Roman, R., Hayibor, S. and Agle, B.R. (1999). The relationship between social performance and financial performance. *Business and Society*, 38:1, 109–125.

42. Sen, S. and Bhattacharya, C.B. (2001). Does doing good always lead to doing better? Consumer reactions to corporate social responsibility. *Journal of Marketing Research*, 38:2, 225–243.

43. Serafeim, G. (2015). Integrated reporting and investor clientele. *Journal of Applied Corporate Finance*, 27, 2: 34-51.

44. Sparkes, R. and Cowton, C.J. (2004). The maturing of socially responsible investment: a review of the developing link with corporate social responsibility. *Journal of Business Ethics*, 52:1, 45–57.

45. Türkiye Sermaye Piyasaları Birliği. (2015). Data Set. Retrieved from https://www.tspb.org.tr/data_bank/?lang=tr

46. Waddock, S.A. (2004). Parallel universes: companies, academics, and the progress of corporate citizenship. *Business and Society Review*, 109:1, 5–42.

47. Walker K, Wan F. (2012). The harm of symbolic actions and green-washing: corporate actions and communications on environmental performance and their financial implications. *Journal of Business Ethics,* 109: 227–242.