

The CSR Agenda of a Family Holding in Oil Extraction and Mining: An analysis of Turkey's Pet Holding

Pet Holding Örnek Olay İncelemesi: Türkiye'de Bir Petrol Arama ve Madencilik Aile Şirketinin Kurumsal Sosyal Sorumluluk Gündemi

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Institutional Theory, Corporate Social Responsibility, Petroleum And Gas Exploration And Extraction, Mining, Family Holdings, Turkey.

Abstract

This case study focuses on the identity construction process and corporate social responsibility (CSR) efforts of Pet Holding, a Turkish family holding company working in petroleum and gas exploration and extraction as well as in mining, tourism and construction. This study aims to understand how companies determine context and content of their CSR initiatives, the role of CSR in organizational identity construction through qualitative semi-structured interviews with the firm's managers and a quantitative analysis of secondary data. The findings revealed that CSR contributes deeply to organizational identity construction and tends to be influenced by the founder's personal history and values. The founder's personality and priorities were found to be critical for any organization's identity construction, but especially important for family holdings.

Anahtar Kelimeler:

Kurumsal Kuram, Kurumsal Sosyal Sorumluluk, Petrol Arama, Madencilik, Aile Holdingleri, Türkiye.

Öz

Bu örnek olay analizi petrol arama, madencilik, turizm ve inşaat sektöründe faaliyet gösteren bir aile holdingi olan Pet Holding'in kimlik inşa sürecini ve kurumsal sosyal sorumluluk faaliyetlerini incelemektedir. Çalışmanın amacı, yarı yapılandırılmış görüşmeler ve ikincil verilerin niteliksel incelemesi aracılığıyla, şirketlerin kurumsal sosyal sorumluluk faaliyetlerinin kapsam ve içeriğini belirlemek ve kurumsal sosyal sorumluluğun kurum kimliği inşasındaki rolünü anlayabilmektir. İncelenen örnek olay kapsamında çalışma sonuçları kurumsal sosyal sorumluluğun kurumsal kimlik inşasında önemli bir rolü olduğunu ve kurumsal sosyal sorumluluk faaliyetlerinin seçiminde şirket kurucusunun geçmişinden ve değerlerinden etkilendiğini göstermiştir. Buna ilaveten kurucunun kişiliğinin ve önceliklerinin özellikle aile holdingleri için kurumsal kimlik inşasında kritik bir rolü olduğunu ortaya koymuştur.

Introduction

This case study focuses on the identity construction process and corporate social responsibility (CSR) efforts of a family holding in Turkey. Pet Holding, based in Turkey but mainly operating elsewhere (especially when controversial operations considered such as; petroleum and gas exploration and extraction), works in the areas of petroleum and gas exploration and extraction, as well as in mining, tourism and construction. The authors chose to study this family holding because of its robust growth over the last 40 years and its strong CSR agenda, especially in the areas of education, culture and the arts. Pet Holding is an interesting case as the company does not operate in Turkey, however implements an outstanding a CSR agenda in Turkey which creates a unique position for the company. The researchers followed the suggestion of Wert-Gray, Center, Brashers and Meyers (1991) to conduct research in actual organizations, and that of Egri and Ralston (2008) to widen the geographic and cultural scope of international research on corporate responsibility. The researchers believe that focusing on one organization provides in-depth information about a specific sector and organization type in relation to CSR, in addition to enhancing the theoretical understanding of the discipline and of organizational identification, as well as providing ideas for future research.

Some companies with affiliated firms under a centralized management structure have adopted the family holding organization form in Turkey during 1960s (Yildirim-Oktem & Usdiken 2010). As family firms, these holdings not only aim to increase their economic performance but also have non-economic goals (Klein & Kellermanns 2008). Pet Holding especially demonstrates the distinctive characteristics of family holdings because its robust CSR agenda reveals the importance of its non-economic agenda. Founders of family holdings are usually seen as institutional entrepreneurs (DiMaggio 1988) who have a family legacy (Zellweger et al. 2013) of realizing non-financial goals along with financial ones. Zellweger et al. (2013: 232) defined non-financial goals as those that “do not have a direct tangible monetary value,” while Gomez-Mejia and co-authors (2007: 229) referred to non-financial goals as “socioemotional wealth,” and listed such goals of family businesses as “identity, exercising family influence and perpetuation of the family dynasty.” Corporate social responsibility initiatives are one of the most visible forms of realizing a non-economic agenda, and Pet Holding engages in many CSR initiatives to establish socioemotional wealth.

As Gilberthorpe and Banks (2012: 185) stated, CSR initiatives are especially important for extraction industries because CSR provides a “framework for delivering sustainable development and addressing environmental, climate, alternative energy, and community development issues vis-à-vis commercial extraction”. Pet Holding is a striking case: although it operates in controversial industries such as petroleum and gas exploration/extraction and mining, and only engages in business-to-business (B2B) activities, its strong CSR agenda is not directly related to its core business functions. Therefore, the authors believe that this case study may reveal different motivations for CSR in controversial industries and may highlight contextual and cultural differences by presenting an example from the Turkish context.

On their website, Pet Holding defines itself as “(...) one of the respected companies of Turkey and the world with its international vision, business ethics, honesty, win-win approach and its respect for people. Pet Holding is a pioneer enterprise that takes risks”. This self-definition bears a close connection to Özen and Küskü’s notion of missionary organizations. The authors defined missionary organizations as the organizations that bear the responsibility of disseminating “modern production technologies, product designs, organizational structures and practices” (Özen & Küskü 2009: 306). On the other hand, the authors proposed that non-missionary organizations concentrate mostly on their core business functions (Özen & Küskü 2009). The *developmental state* tradition that promote economical development through supporting national entrepreneurship (Guillen 2000) contribute to the emergence of missionary organizations as a legitimizing instrument (Özen & Küskü 2009).

The strong CSR agenda of Pet Holding also strongly fits Powell and DiMaggio’s (1981) argument which suggested that when the legitimacy of a specific company or a whole industry is controversial, CSR activities tend to be multifaceted and diverse rather than only concentrating on the company’s main business function. A quick glimpse at the literature in this area reveals the scarcity of studies from Turkey, so one of the goals of this research is to focus on Turkey’s business sector and try to understand how a large family holding operating in a controversial industry in Turkey utilizes CSR initiatives to construct a legitimate identity.

In the following section the literature on family holdings, controversial industries, institutional theory, organizational identity and CSR are briefly introduced and discussed. The methodology section introduces the interview and survey methods used in the study and explains how the study was conducted. The results and discussion section introduces the findings, followed by a discussion of the implications of this research on organizational identity and CSR, especially in the context of family holdings. The conclusion section focuses on the significance of the results for CSR and identity construction, especially for companies that operate in controversial industries as well as developing countries. The paper ends with a discussion of study limitations and suggestions for future research.

Review of the Literature

This study brings together the literatures of corporate social responsibility, institutional theory, organizational identity, family holdings and controversial industries by analyzing Pet Holding’s CSR initiatives and understand the role of CSR in organizational identity construction, specifically in family holdings that operate in B2B and controversial industries such as petroleum and gas exploration and extraction.

Controversial Industries and Family Holdings

Petroleum/oil companies have recently been the subject of much research attention because their operations harm the environment and contribute to problems in the communities near the exploration/extraction sites. Du and Vieira (2012) call petroleum extraction companies controversial because of the nature of their goods and/or services and/or because of how they run their operations. As Corso (2009) argued, petroleum

companies are considered one of the least-trusted corporations and the public feels they need more regulation. O'Hara (2005) also stressed the high public scrutiny of petroleum businesses due to the complexity of operations, the environmental risk associated with extraction and the high profit margins. Petroleum companies try to eliminate these negative perceptions by engaging in CSR activities in different areas, which may be perceived by their stakeholders as acting strategically. However, although the petroleum industry has increased its "public rhetoric on CSR, the degree to which they actually implement CSR principles in their on-the-ground operations is questionable, particularly in developing countries" (Slack 2012: 179). In line with the studies in this area, it is believed that Pet Holding's robust and proactive CSR agenda may be linked to being a family holding and to the founder's principles.

Family holdings in Turkey have a concentrated family ownership, where a small number of owners share administrative positions in the holding, follow family interests and the family controls decision making (Özen & Yeloğlu 2006). Consequently, the level of professionalization tends to be limited because family members and/or individuals with a direct relationship to the family hold high-level managerial positions (Berkman & Özen 2007). Thus, one of the key features of family firms is the visibility of elements associated with the family (Zellweger & Nason 2008), in addition to the founder's personal agenda. Founders as institutional entrepreneurs (DiMaggio 1988) are the main actors behind institutional identity construction in family holdings. As Dyer and Whetten (2006) suggested, founders of family businesses see their firms as a continuation of their and their families' identities, which causes them to focus more on non-financial goals (Zellweger & Nason 2008). By emphasizing non-financial goals, family businesses aim to strengthen individual and family reputations and perpetuate family intentions through generations (Zellweger & Nason 2008; Zellweger et al. 2013). Therefore, founders are willing to invest in CSR initiatives to establish a strong corporate reputation that is associated with the organizational and family identity.

Institutional Theory and Corporate Social Responsibility

Institutional theory is instrumental in understanding the motivations behind CSR initiatives. The institutional perspective suggests that organizations may engage in activities that do not improve their financial performance but result from external pressures such as industrial norms and regulations and the business network in general (Westphal et al. 1997; Young et al. 2001; Parast & Adams 2012). Legitimacy, as one of the main constructs of institutional theory, is crucial for an organization's survival because it secures stakeholder support and helps sustain resources (Pfeffer & Salancik 1978; Suchman 1995). Suchman (1995) defined legitimacy as "a generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions" (574). Therefore, companies operating in controversial industries utilize CSR initiatives to obtain legitimacy (Du & Vieira, 2012). The authors of this paper acknowledge that as engaging in CSR initiatives becomes an institutional norm, one of Pet Holding's motivations for implementing CSR initiatives might be to gain legitimacy.

Hilson (2012: 133) referred to the extractive sector as “a sector without a face”, and argued that the role of CSR activities in such industries are not very clear, especially because they often have no direct connections with consumers or the general public and thus are not under public pressure to change, particularly with their operations in developing countries. As a B2B company, Pet Holding is not under any specific institutional pressure from the outside, yet the authors believe that the company engages in many CSR activities as a result of the founder’s agenda to gain legitimacy in the business world and the community. The researchers believe that Pet Holding is worth studying because it is a unique B2B family holding: it has no direct links to consumers and it operates in a controversial industry, but it actively engages in CSR initiatives, as many business-to-consumer (B2C) companies do.

McWilliams, Siegel and Wright (2006) provided three different approaches to CSR initiatives: strategic, coercive and altruistic. While the strategic approach to CSR aims to utilize CSR to gain stakeholder support, establish a strong reputation and most importantly, improve financial performance, the coercive approach tries to respond to pressures from various external publics. The altruistic perspective focuses on the doing-good aspect of CSR, and can be linked to the personal characteristics of an organization’s key decision makers rather than to improved financial performance or stakeholder interests (Donaldson & Preston 1995). The authors believe that Pet Holding’s CSR initiatives are parallel to the founder’s agenda and follow a similar pattern to the altruistic perspective discussed in the literature.

Based on the literature review above, the study’s first research question (RQ1) aims to *understand the role of CSR practices in the identity construction of a family holding in Turkey*, whose main operations are in mining and petroleum and gas exploration and production. The study’s second research question (RQ2) aims to understand why a company that mainly operates in different countries implements a comprehensive CSR agenda in the country it was established in.

Methodology

CSR initiatives might contribute to organizational identification because they highlight organizations’ moral aspects. Organizational identification with a firm’s unique norms and values, such as CSR initiatives, might help create a sense of belonging. The focus of this paper is to understand the role of CSR in organizational identity construction through qualitative semi-structured interviews with Pet Holding’s founder and managers and through a quantitative content analysis of secondary data such as organizational reports and the corporate website.

This work aims to reveal the use of CSR initiatives by Pet Holding through a case study analysis. As Patton (2002: 46) argued, qualitative research focuses on relatively small samples “selected purposefully to permit inquiry into and understanding of a phenomenon in-depth”. The goal of the study is to find out detailed information about the selected case, Pet Holding, and the motives behind its CSR initiatives, rather than to come up with generalizations applicable to other cases.

Egri and Ralston (2008), in their research to understand the extent of the mainstreaming of corporate responsibility research in the international management literature, found a significant number of case studies that focus on CSR and management. A case study is a common qualitative research method, mainly used to explain a certain phenomenon or phenomena by collecting descriptive data from as many sources as possible to achieve an in-depth understanding of an issue (Wimmer & Dominick 2003; Creswell 2007). Following Yin's (2003) suggestion, multiple resources were used in the current study to achieve an in-depth understanding of the Pet Holding case.

Sample Selection

Pet Holding was selected as the sample for this case study because of its unique identity and various operations in many different business areas. In addition, the Holding is mostly famous for its CSR initiatives and is not subject to much public scrutiny despite operating in a controversial industry. Pet Holding was founded in 1974 and since then operates in petroleum exploration, production and mining in Middle East, Middle Asia, Europe, Africa and in Turkey through local and international partnerships. Pet Holding's main operating areas include petroleum and natural gas exploration and production, as well as mining and marble quarry management, which are considered controversial by researchers (Du & Vieira, 2012; Corso, 2009). The Holding mostly carried out these controversial operations in countries outside of its home country Turkey such as; Azerbaijan, Northern Iraq, Kazakhstan, and Yemen. The marble quarry of the Holding in Turkey started to be operational in 2011. Along with these controversial businesses, The Holding engages in construction of residence, office and industrial facilities, land investments and tourism again both abroad and in Turkey.

Pet Holding values and supports a variety of CSR initiatives since the Holding aims to contribute to the social, artistic and cultural development of the society. CSR initiatives undertaken by the Holding may be grouped as; arts and culture, education, sports, collaborations with associations and organizations, and sponsorships. Among these CSR initiatives, the main focus of the Holding in terms of scope and budget are supporting arts and culture, and also education. Within the 14 years from year 2000, Pet Holding contributed to more than 40 arts and culture initiatives; including art exhibitions of photography, painting, sculpture and ceramic, theaters, concerts, art festivals and other various organizational sponsorships, and lastly music album sponsorships.

Another important CSR initiative the Holding values is education. In order to support students who are in need and help them continue their education, the Köksal Education Foundation (KEV) was founded in 1992. Since its establishment in 1992 the Foundation has given scholarships and social aid to hundreds of students. Under the scope of education initiative, the Holding also provides certificate programs (such as, technical training given in METU to Northern Iraqi engineering candidates), education grants other than those given by the Foundation (such as, grants given to the successful students of Ankara University Veterinary Faculty), book aids and material support to schools in small towns and villages around Anatolia.

In addition to the initiatives focusing on education and arts and culture,, the Holding supports several other initiatives through collaborations with associations and organizations. As an example, Pet Holding accommodated thirty families (nearly a hundred guests) who were dialysis patients after the Gölcük earthquake in 1999. The Holding also provides support to prisons around Ankara at various times. OZ-GE-DER, Mogan Lions Club, Sevda Cenap And Foundation, Turkey Charity Association, National Council of Turkish Women, METU, Ankara University, and Turkish Japanese Foundation are the examples of associations, foundations and organizations that Pet Holding cooperates with and supports. Last but not least, Pet Holding engages in CSR initiatives focusing on sports through building soccer pitches and recreational areas, sports event sponsorships, and providing support to the Disabled Sports Support and Education Foundation of Turkey.

Secondary Data Analysis

To determine an answer to RQ1 (understanding the role of CSR practices in identity construction), the authors used secondary resources, including the official company website, corporate reports and news articles as data sources. A total of 219 documents were analyzed including 195 news releases and 8 CSR releases published between 2005 and September 2014, and other informative documents provided by the company. Corporate-social-responsibility–related documents were identified online and additional documents such as list of CSR initiatives were requested from corporate managers to content analyze Pet Holding’s various CSR initiatives over the years.

One of the researchers first identified CSR categories independently via source readings. Later, CSR categories were finalized by focusing on the categorization used by the company on its website. Later researchers independently coded the secondary data to ensure inter-coder reliability. Having multiple researchers may lead to subjective interpretations depending of varying mental schemes of coders (Potter and Levine-Donnerstein 1999). Coding discrepancies were agreed through several discussions between researchers.

This qualitative content analysis method allowed the researchers to understand which CSR areas the company emphasized more heavily. This process also afforded a crosscheck of the consistency of the interview results and provided direction for the research. The study also utilized primary data sources such as employee surveys and qualitative semi-structured interviews with the founder and seven managers to address the research questions presented above.

Interviews

Semi-structured interviews with individuals holding managerial positions at Pet Holding were conducted to allow a mutual understanding of phenomena, gather detailed data and elaborate on identified concepts or issues as a result of respondent-researcher exchanges (Spangler & Pompper 2011). Because semi-structured interviews are not limited to a strict set of questions, this method allows researchers to understand a participant’s point of view (Kvale 1996) in addition to allowing researchers more opportunities to acquire a deeper understanding of participants’ experiences and opinions. Interview findings provide a detailed outlook of a specific issue(s)/organization(s), which is the goal of this study.

To provide further insights for understanding RQ1, an interview guide including 10 probes were developed and tested for accuracy with one of the Pet Holding executives, who was the key informant for the study. After the interview guide was finalized, it was shared with the firm's organizational managers via email, together with an explanation of the purpose of the interviews and the overall study. Interviews were conducted only with eight managers because of their lead role in decision-making processes. The researchers conducted eight face-to-face interviews during July 2014, and each interview lasted around 40 minutes. The interviews began by asking respondents what institutional identity meant to them and how they defined Pet Holding's identity. Second, the researchers asked respondents about the factors that influence the firm's organizational identity, including the founder's role, and finally, the interviews focused on Pet Holding's CSR projects, querying the most concrete projects the interviewees could remember, motivations behind the implementation of these projects and the projects' roles in organizational identity construction.

The interviews were audiotaped with the participants' permission. After each interview, the authors discussed their impressions, observations, and notes. The interviews were transcribed word for word and listened to by both authors to check for consistency of interpretation. Before the authors began the data analysis, they provided the respondents with copies of the transcripts to ensure accuracy. Then, the authors performed a textual analysis on the interview transcripts in accordance with the research questions. The authors coded the data by re-reading the interviews to identify concepts, ideas and major themes. Rubin and Rubin (1995) stated that researchers identify themes to understand the theoretical implications of data by picking out commonly used or strange words and by paying attention to nouns or phrases repeated frequently in the interviews. This method helps identify, code and categorize major patterns (Patton 2002). In addition to the qualitative coding of data, the interview data was also coded quantitatively to come up with a pattern for repetitions.

To ensure that the results accurately reflected the comments and points emphasized by respondents, the authors employed member checking by sharing a draft of the study with Pet Holding's upper management. Creswell (2007: 209) highlighted the importance of soliciting participants' feedback to ensure the credibility of findings and interpretations by taking "data, analyses, interpretation, and conclusion back to the participants so that they can judge the accuracy and credibility of the account". This approach helps ensure the accuracy of interpretations in addition to solidifying rapport, and thus allowed the researchers to receive full support of the Pet Holding family for the study.

Findings and Discussions

This section analyzes and discusses the findings from the qualitative interviews with the managers, with the aim of developing a deeper understanding of the motivations behind CSR initiatives. In answering research question one, interviews with the firm's managers were conducted to provide a better picture of the role of CSR in Pet Holding's identity construction from a managerial perspective at the corporate level. Organizational identity is constructed through each person's self-definition of who 'he'

or ‘she’ is (Whetten 2006; Whetten & Mackey 2002). These self-definitions reproduce the organizational identity, which is also a part of individual identities. The most-emphasized corporate identity elements emerging from the managerial interviews were *honest, open, transparent and peaceful work environment; family and founder’s identity*. These results clearly show that the most dominant identity factors at Pet Holding are concepts such as ‘family’ and ‘being part of the family.’ Table 1 presents the identity elements most highlighted by the eight managers during the interviews.

Table 1. Identity Elements of Pet Holding Highlighted by Managers

Emergent Themes of Organizational Identity	Interviewees							
	I1	I2	I3	I4	I5	I6	I7	I8
Decentralization			2	1	2		4	1
Family	2	3	10	9	3	1	1	
Founder’s identity		5	8	5	5	6	14	4
Honest, open, transparent and peaceful work environment	3	3	1	2	5	1	7	3
Institutionalization		1	4	4	1			
Ethical, legal responsibility to stakeholders	3					6	3	2
Emergent Themes of Corporate Social Responsibility								
Culture and the arts	3	12	7	6	6	6	6	2
Education	8	2	3	1	4	3	5	4
Giving back to society & social aid	3	3	9		3	3	2	3
Random CSR	4	2	5	1	2	3		2
Sponsorship			2		5		2	

Interviewees: I1: Güntekin Köksal; I2: Ayşe Pınar Köksal; I3: Zeynep Köksal Yaykırın; I4: Ayşe Köksal Çetin; I5: Ali Ak; I6: Suphi Kabadayı; I7: Tekin Karageyik; I8: Yekta Türkcan.

As demonstrated in Table 1, the main CSR themes that emerged from the interviews were *culture and the arts, education, giving back to society and social aid and random CSR*. The numbers in the Table 1 represents how many times each theme was mentioned by each interviewee. Culture and arts, education initiatives, and having an honest, open, transparent and peaceful work environment was mentioned several times during the interviews by all interviewees, which reveal the significance of these identity components for the organization. Pet Holding has a tradition of supporting culture, the arts and education initiatives in Turkey as a corporate CSR agenda; these activities have been family priorities since the holding’s establishment. Ayşe Köksal Çetin, a member of the board of directors, emphasized the role of family priorities in determining Pet Holding’s CSR initiatives: “Our CSR activities and work areas are completely unrelated. We implement these activities solely because of our fondness for art and my mother’s (Ayşe Pınar Köksal) artistic personality.” Random CSR initiatives include projects that the organization supports at the request of external stakeholders such as concert or conference sponsorships. Güntekin Köksal, chair of the board of directors, also highlighted the random nature of CSR initiatives, stating, “We never implemented these activities thinking, ‘How can we benefit from these?’ ‘How will they contribute to our advancement?’ They all developed coincidentally.”

An analysis of secondary data, such as organizational reports, also revealed that culture, the arts and education are the firm's most-frequently mentioned CSR initiatives. Zeynep Köksal Yaykırın, a member of the board of directors, emphasized the importance of art for the family and the holding by referring to their CSR initiatives as "a service to art lovers." Güntekin Köksal indicated that their CSR activities are not strategic but are their way of "improving the knowledge level and supporting good manners in this country." Table 2 presents the frequencies of various CSR initiatives based on information from Pet Holding's CSR focused documents.

Table 2. Frequency of CSR Initiatives as per CSR Focused Organizational Documents

CSR Initiatives	F	%
Culture and the arts	35	47.95
Education	26	35.62
Giving back to society & social aids	7	9.59
Inclusiveness (disabled and women)	4	5.48
Public Health	1	1.37
Total	73	100

Study findings demonstrate that 'being part of the family' is the dominant identity factor in Pet Holding's identity construction, and this factor has been internalized by the firm's members. During the interviews, managers underlined the importance of this concept and exhibited strong organizational identification. Managers also identified CSR as an important identity factor. Zeynep Köksal Yaykırın explained that "We are a group who grows by sharing, and we feel obligated to share more as we grow," a statement that clearly demonstrates this finding. An overview of all CSR initiatives implemented by Pet Holding reveals a non-strategic approach to CSR. None of the CSR initiatives seems to relate to the company's core business function. Even CSR initiatives implemented at the local level in exploration areas, such as organizing concerts and renovating old school buildings, do not tend to have a strategic focus but result from the family's altruism. Petoil's general manager Ali Ak explained the reasons for these activities in the following way: These are things we do because we feel we owe something to the locals." Board member Ayşe Pınar Köksal said, "We don't talk so much about these things. They say both worship and guilt is secret. One shouldn't advertise these too much." This feeling could be a contextual characteristic of the Turkish culture, where promoting yourself and/or how you help others is frowned upon.

However, although Pet Holding is a B2B organization, its CSR initiatives mimic a B2C organization and help build a positive reputation as well as achieve media visibility for the company. As Ayşe Köksal Çetin put it, "Although we don't need PR for our corporate operations, our CSR activities increase our media visibility and reputation." Results revealed that controversial industries implement various CSR activities in an aim to gain legitimacy in the eyes of their stakeholders on all fronts as organizations need to act responsibly towards their stakeholders (O'Donovan 2002; Wartick & Cochran 1985; Long & Driscoll 2008), and to communicate their CSR efforts to stakeholders, especially if they want to be perceived more positively than competitors (Smith & Alexander 2013).

In addressing research questions two, findings revealed that although Pet Holding has operations in many different countries other than its country of establishment, it engages in many CSR initiatives in Turkey in order to construct a legitimate moral family identity. The authors believe that this may be related more to discretionary reasons such as contributing to national development as part of a missionary identity and implementing the entrepreneur’s own personal agenda to contribute to his own perceptions regarding the country’s needs.

Conclusion

The study findings reveal that CSR contributes deeply to organizational identity construction among Pet Holding managers. Answering research question one, which sought to understand the role of CSR practices in the identity construction of a family holding, the authors found that CSR is highly influential in Pet Holding’s identity construction. The study also provides information on the source and motivations behind organizational CSR initiatives: they tend to be family driven and influenced by the founder’s history and values which answers the second research question. As argued by Zellweger et al. (2013) and Zellweger and Nason (2008), a founder’s history and imprint influences organizational characteristics, and these factors positively strengthen individual and family reputation if an organization focuses on non-financial goals. The founder’s personality and priorities are critical for any organization’s identity construction, but especially important for family holdings. As Stinchcombe (1965) argued, an organization’s distinctive characteristics are determined during its establishment, and these characteristics tend to be shaped by the founder’s identity. An organization’s CSR approach is also directly linked to the founder’s personality rather than to financial performance (Donaldson & Preston 1995), and the authors believe that Pet Holding clearly exhibits this characteristic.

Organizational identity is not only shaped by the mutual interaction of its members but also by the institutional pressures of the organizational context that defines what are the legitimate business practices (Misangyi et al. 2008; Gioia et al. 2010). In this bidirectional identity construction process, institutional context is as equally important as organizational context and helps shape organizational identity (Foreman & Parent 2008). Although Pet Holding does not operate in Turkey and is thus not subject to context-dependent institutional pressures, the company engages in several CSR initiatives based on the founder’s personal agenda and that are solely altruistic and discretionary. Consequently, those entirely philanthropic CSR initiatives indirectly contribute to constructing Pet Holding’s legitimate identity (Du et al. 2007; Du & Vieira 2012), and ensures that the company receives the support of various stakeholders and sustains resources (Pfeffer & Salancik 1978; Suchman 1995). In fact, engaging in CSR to help gain legitimacy is even more important for companies operating in controversial industries to gain legitimacy (Du & Vieira, 2012), whether they do so intentionally or not.

Although Pet Holding operates in the highly controversial petroleum exploration and extraction industry, they do not engage in CSR activities directly related to their core business functions, such as protecting the environment or sustainability initiatives. The authors believe that this fact leads to another important argument: the family’s CSR

agenda may be more influential than the firm's corporate agenda in determining which CSR initiatives to engage in. Therefore, rather than developing and implementing CSR initiatives closely related to operating in a controversial industry or being a B2B company, Pet Holding engages in CSR activities based on the founder's agenda, which admittedly helps the company gain legitimacy even though that aspect of it may not be their main concern.

The question of why a B2B company not operating in Turkey engages in an extensive amount of CSR initiatives may also be explained by the firm's culturally acquired belief that 'the more we give, the more we will earn.' Although many companies engage in CSR initiatives such as education, culture and the arts, this statement reveals the context-dependent nature of the motivations behind determining which CSR initiatives Pet Holding will engage in. A statement by one of the general manager's, Suphi Kabadayı highlights the relevance of the organizational culture of and context for CSR: "We don't have to do these CSR initiatives like other companies. We don't look for any gain either. These are things we do as a result of our sincere feelings." Similarly, founder Güntekin Köksal underlines the contextual elements exemplified in the Pet Holding case, "We don't talk too much about our CSR initiatives.... We do it silently and sincerely. Only those who benefit from what we do recognize and appreciate it. We don't seek appreciation in any way."

One of the limitations of this paper arises from it being a case study of a specific family holding in Turkey that operates in the highly controversial petroleum exploration and extraction industry. Future studies could focus on different types of organizations operating in different sectors, which might provide different perspectives on organizational characteristics and CSR. In addition, this study focuses only on the Turkish context; contextual characteristics related to CSR implementation and legitimacy could be further tested via a multi-country comparison. Another limitation is the relatively small scale of Pet Holding, which might contribute heavily to the feeling of family that was identified during this research. A focus on larger organizations could provide some interesting results related to the influence of scale in family holdings. The authors have also identified that the strong family identification of Pet Holding employees could be related to the organization's founder being the current leader. Future studies could examine organizations managed by second- or third-generation leaders to see whether this factor influences family holdings in different ways in terms of organizational identity.

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