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Research Article

The comparison of the corporate governance maturity levels and financial performances of companies listed in the ISE tourism index

BİST turizm endeksinde yer alan şirketlerin kurumsal yönetim olgunluk düzeyleri ile finansal performanslarının karşılaştırılması

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Abstract

The tourism sector is one of the primary drivers of economic development and employment worldwide. The multi-stakeholder structure of the industry makes the efficiency of management processes in enterprises highly significant. In this context, corporate governance practices are critical in ensuring sustainable growth and competitive advantage for companies operating in the sector. This study compares the corporate governance maturity levels and financial performance of companies listed in the BIST Tourism Index between 2018 and 2023. This study was conducted due to the lack of prior evaluations regarding the corporate governance maturity levels of the firms in question and the absence of empirical research on the relationship between these levels and financial performance. The fact that the corporate governance maturity levels of these firms had not been previously measured and their relationship with economic performance had not been examined constitutes the starting point of this research. The corporate governance maturity levels were determined using data from the Public Disclosure Platform, and financial performance rankings were measured through the TOPSIS method. The findings reveal that companies with high levels of corporate governance maturity do not necessarily exhibit high economic performance.

Keywords: Corporate Governance Maturity Level, Financial Performance, ISE (Istanbul Stock Exchange) Tourism, Tourism Establishments

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Öz

Turizm sektörü, küresel düzeyde ekonomik kalkınma ve istihdamın temel aktörlerinden biridir. Bu sektördeki çok paydaşlı yapı, işletmelerde yönetim süreçlerinin etkinliğini önemli kılmaktadır. Bu bağlamda, kurumsal yönetim uygulamaları, sektörde faaliyet gösteren şirketler için sürdürülebilir büyüme ve rekabet avantajı sağlamada kritik bir rol oynamaktadır. Bu çalışmada, BİST Turizm Endeksi'nde yer alan şirketlerin 2018-2023 yılları arasındaki kurumsal yönetim olgunluk düzeyleri ile finansal performansları karşılaştırılmıştır. Bu firmaların kurumsal yönetim düzeylerinin daha önce ölçülmemiş olması ve finansal performans ile ilişkisinin incelenmemiş olması çalışmanın çıkış noktasını oluşturmuştur. Kurumsal yönetim olgunluk düzeylerinin belirlenmesinde Kamu Aydınlatma Platformu verilerinden yararlanılmış, finansal performans ise TOPSİS yöntemiyle hesaplanmıştır. Araştırma sonucunda, yüksek kurumsal yönetim olgunluğuna sahip firmaların her zaman yüksek finansal performans sergilemediği görülmüştür.

Anahtar Kelimeler: Kurumsal Yönetim Olgunluk Düzeyi, Finansal Performans, BİST Turizm, Turizm İşletmeleri

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Introduction

Since the 20th century, corporate governance has emerged as a significant research topic in academia and the business world. The principles and legal regulations developed by governments concerning corporate governance stem from the necessity to protect stakeholders adversely affected by corporate bankruptcies. Cadbury (1992) defined corporate governance as "a set of rules and procedures that ensure the governing bodies of a company adhere to the principles of accountability and transparency in their management processes." Similarly, Shleifer and Vishny (1997) explained that the primary purpose of corporate governance is to ensure that corporate managers make decisions in the best interests of shareholders. Moreover, corporate governance plays a crucial role in promoting corporate sustainability and fostering trust-based relationships among stakeholders (Fama and Jensen, 1983).

The successful implementation of corporate governance principles—primarily relevant for publicly traded companies (Rezaee, 2012) —is significant for preventing arbitrary use of power and authority by the board, building trust-based relationships with investors, protecting the rights of investors, stakeholders, and minorities, and informing the public about company operations and financial conditions (Aktan, 2013). From a broader economic perspective, achieving financial stability, fostering economic growth, and ensuring market stability are essential (Al-Zwyalif, 2015).

The success of companies in developing and implementing corporate governance standards and principles, as well as the effectiveness of their management capabilities, is evaluated using corporate governance maturity measurement models (Deloitte, 2010). Measuring corporate governance maturity aims to determine the extent to which companies adhere to the principles of accountability, maturity, fair treatment, transparency, and vision (Fung, 2014). Furthermore, assessing and evaluating good corporate governance provides a systematic roadmap for achieving corporate goals and objectives by identifying existing governance gaps and how to address them (Massie, 2012). Corporate governance maturity serves as a critical instrument for stakeholders, analysts, and investors to evaluate whether a company is managed in alignment with corporate governance principles (Kılıçarslan, 2024).

Corporate governance practices enable tourism companies to achieve their sustainability goals. A systematic review conducted by Deng and Zhou (2022) reveals that firms operating in the tourism and hospitality sector can effectively utilise corporate governance mechanisms to support economic and environmental sustainability. Moreover, corporate governance practices contribute significantly to organisational resilience during times of crisis. Global disruptions, such as the COVID-19 pandemic, have tested companies' flexibility and adaptive capacities. In this context, companies with well-established corporate governance frameworks have demonstrated greater resilience to crises and exhibited superior performance during recovery processes. For instance, in a study conducted by Sijabat et al. (2024), which examined the relationship between corporate governance practices and resilience and growth among companies operating in the food and beverage sector in Indonesia during the COVID-19 pandemic, it was concluded that firms with a fair and equitable corporate governance framework demonstrated greater resilience to crises. Therefore, strengthening corporate governance practices in tourism companies is essential for navigating current challenges and enhancing preparedness for future emergencies.

This study aims to compare the corporate governance maturity levels and financial performances of companies listed on the ISE Tourism Index using the TOPSIS method. A literature review reveals numerous studies that measure the financial performance of tourism companies listed on Borsa Istanbul using various methods. For instance, Karakaş and Öztel (2020) estimated the financial performance of tourism companies using the entropy method; Özçelik and Kandemir (2015) employed the TOPSIS method; Paça and Karabulut (2019) analysed financial performance using financial ratios for the period 2013-2017; Süslü et al. (2019) assessed companies traded on the ISE Tourism Index between 2015-2016 using the Analytical Hierarchy Process (AHP); Altın and Süslü (2018) evaluated the financial performance of restaurants and hotels listed on ISE through FMOLS and ratio analysis methods; Medetoğlu et al. (2023) used COPRAS and WASPAS methods to assess the financial performance of hospitality companies for 2017-2021; Erdem and Yel (2023) applied Data Envelopment Analysis to measure the financial performance of ISE Tourism companies for the period 2009-2020; Coşkun and Çetiner (2022) performed performance analysis of tourism companies listed on Borsa Istanbul using entropy and MOORA-Ratio methods; Gezen and Özcan (2022) investigated the impact of COVID-19 on financial distress in tourism companies listed on the Tourism Index using a four-variable discriminant model with a Z-score; Mammadlı and Helhel (2022) employed the Mann-Whitney U test to analyse financial failures of tourism companies registered on Borsa Istanbul; and İtik (2021) used vertical percentage methods to assess the financial statements of companies in the ISE Tourism sector.

However, no study has yet measured the corporate governance maturity levels of tourism companies listed on Borsa Istanbul and evaluated these levels in conjunction with their financial performance. Numerous studies conducted since 2022—and continuing to the present—have examined the impact of corporate governance on financial performance in the tourism sector from various perspectives. For instance, Tunçel (2025) found no significant relationship between corporate governance ratings and financial performance in a study on firms listed on Borsa Istanbul. In contrast, Erener and Yenice (2022) identified a relationship between corporate governance ratings and the risk of financial distress. Aldırmaz Akkaya (2024) demonstrated that investments in ESG (Environmental, Social, and Governance) criteria contribute to improved financial performance in the long term. Furthermore, several international studies have shown that strong corporate governance practices have a positive impact on profitability and brand value. Overall, while the effect of corporate governance structures on financial performance may vary depending on the context, the findings suggest that such practices tend to yield positive long-term results. Against this backdrop, the current research analyses the corporate governance maturity levels and financial performances of tourism companies. The Corporate Governance Maturity Level (CGML) methodology was used to measure corporate governance maturity, while the TOPSIS method was employed to evaluate financial performance. The findings are presented in tabular form and analysed comprehensively.

Literature review

Corporate governance, corporate governance maturity, and the importance of corporate governance for tourism enterprises

Corporate governance is a management approach that regulates the relationships between the board of directors responsible for company management and its stakeholders, primarily shareholders. It also outlines the strategies a company should follow to achieve its objectives and goals. The Organisation for Economic Cooperation and Development (OECD) emphasises that corporate governance requires companies to adopt long-term investments, maintain financial stability, and establish stable collaborations with stakeholders, fostering trust, transparency, and accountability (OECD, 2016).

Good corporate governance practices fulfil critical functions, such as enhancing investor confidence, ensuring the efficient use of corporate resources, improving board and company performance, preventing conflicts of interest among stakeholders, establishing sustainable relationships with them, effectively managing mergers and acquisitions, and enabling effective communication with both stakeholders and beneficiaries. The ability of companies to perform well in corporate governance and measure this performance is paramount. Improvements in corporate governance mechanisms and practices (Vinita et al, 2008) reveal the development levels of a company's governance structures, policies, and activities. Grill (2021) suggests that as companies grow and adapt to external environments, they tend to achieve positive changes in their maturity levels.

The tourism sector is a strategic industry characterised by its dynamic structure and substantial contribution to the global economy. Corporate governance practices are critical for enterprises operating in this sector to ensure sustainable growth and maintain competitive advantage. Corporate governance is a comprehensive system that aims to manage enterprises effectively within the framework of transparency, accountability, fairness, and responsibility. The institutional implementation of these principles not only contributes to improving financial performance but also plays a key role in fostering stakeholder trust. In this context, an empirical study conducted by Al-Najjar (2014) revealed that independent board members significantly enhance the overall corporate performance and market valuation of tourism companies.

Contemporary approaches to corporate governance emphasise a stakeholder-oriented perspective, highlighting the interactions of tourism enterprises with employees, customers, suppliers, local communities, and public institutions. Camilleri (2021) discusses stakeholder relationships within the corporate responsibility framework, stating that tourism businesses should establish long-term relationships with their stakeholders based on mutual trust and collaboration. Such relationships are crucial in enhancing corporate reputation and ensuring long-term success, particularly in achieving environmental and social sustainability objectives (Deng and Zhou, 2022).

Corporate governance maturity focuses on measuring and sustaining the complex process that evolves from essential compliance with regulatory requirements to achieving corporate excellence. In the early stages of maturity, organisations concentrate on meeting minimum legal standards, such as adhering to financial reporting requirements and forming a board of directors. Over time, they progress towards integrating governance as a strategic tool that supports decision-making and enhances value creation for all stakeholders (Tricker, 2015). Companies with high corporate governance maturity are better positioned to manage risks effectively and respond to crises. The presence of robust internal controls and a culture of accountability ensures that risks are identified and addressed promptly.

Corporate governance maturity also contributes to improving companies' financial performance. Research by Tricker (2015) demonstrates that firms with higher levels of corporate governance maturity are perceived as more reliable and stable, resulting in more robust financial performance and greater attractiveness to investors. The Corporate Governance Maturity Level (CGML) serves as a vital indicator for assessing corporate governance performance and compliance with governance principles (Arıkan and Yetgin, 2023). Companies listed on the Stock Exchange Istanbul are obligated to adhere to corporate governance principles by the Corporate Governance Communiqué. For any principles they fail to comply with, they are required to provide explanations (VAP, 2024).

Table 1: Key Themes in Corporate Governance in the Tourism Sector

Theme	*Explanation*	*Key Findings / Emphasis*	*Reference*
Definition and Scope of Corporate Governance	Regulates relationships between the board and stakeholders, defining company strategies.	Ensures long-term investment, financial stability, and stakeholder cooperation.	OECD (2016)
Functions of Good Corporate Governance	Investor confidence, resource efficiency, performance enhancement, stakeholder conflict prevention.	Facilitates M&A management, stakeholder communication, and sustainable relations.	Vinita et al.(2008), Grill (2021)
Governance Maturity and Organizational Development	Maturity improves with adaptation to external factors and internal growth.	Reflects the development of governance structures, policies, and practices.	Grill (2021)
Sector-Specific Relevance: Tourism	Dynamic and strategic sectors contributing to the economy.	Corporate governance ensures competitive advantage and sustainable growth.	General Context
Empirical Evidence from the Tourism Sector	Importance of independent boards.	Independent board members improve performance and market valuation.	Al-Najjar (2014)
Stakeholder Perspective on Tourism	Stakeholder engagement in line with corporate responsibility.	In the long term, trust-based stakeholder relationships enhance a corporation's reputation and sustainability.	Camilleri (2021), Deng and Zhou (2022)
Governance Maturity Stages	From legal compliance to strategic integration.	Supports decision-making and stakeholder value creation.	Tricker (2015)
Risk Management and Resilience	Internal controls and accountability.	High maturity enhances risk management and crisis response.	Tricker (2015)
Impact on Financial Performance	Governance maturity as a performance driver.	High-maturity firms are more financially attractive and stable.	Tricker (2015)
Measurement: CGML Approach	CGML measures performance and compliance.	Essential for governance evaluation in Borsa Istanbul companies.	Arıkan and Yetgin (2023), VAP (2024)

Table 2: Methods and Rules for Calculating Corporate Governance Maturity Levels

Section		Number of Principles	Weight (%)
Shareholders		17	25
Public Disclosure		5	25
Stakeholders		21	15
Board of Directors		25	35

Source: MKK, https://www.vap.org.tr/bist-sirketleri-kurumsal-yonetim-olgunluk-duzeyi

These regulations do not apply to companies with the status of foreign capital market instrument issuers or those with special accounting periods (VAP, 2024). Through KYOD, the corporate governance maturity levels of companies listed on the Stock Exchange Istanbul (ISE) and submitting their Corporate Governance Compliance Reports to the Public Disclosure Platform (PDP) are measured, excluding "companies classified as foreign capital market instrument issuers under CMB regulations, those with special accounting periods, and companies for which KYOD values cannot be calculated due to incomplete data publication" (Veri Analiz Platformu, 2025) After companies submit their financial statements to the Public Disclosure Platform (PDP) by the final submission deadline, these statements are generally published by the PDP by the end of April. The principles (68 in total) and their respective section weightings, included under the scope of corporate governance ratings shared by the Capital Markets Board (CMB) on February 1, 2013, are presented above.

Financial performance

The measurement of financial performance holds significant importance alongside assessing the maturity of companies' corporate governance. Companies seek to evaluate their performance to ensure the continuity of their operations and align with their growth and/or expansion strategies. Assessing the financial performance of all businesses, including tourism enterprises, is essential for enhancing profitability and ensuring business sustainability. This is particularly critical for tourism enterprises, where fixed costs are high, and investment payback periods are long (on average, 10 years), making the profitability of investments even more crucial (Özçelik and Kandemir, 2015).

Financial ratios are widely utilised to measure economic performance. These ratios serve as tools to identify the strengths and weaknesses of companies in areas such as growth, profitability, and liquidity (Hitchner, 2003). They are also used by business partners, managers, investors, and various financial institutions to determine the value of a company (Sevim, 2016).

For board directors, financial performance is a crucial criterion for long-term strategic management and creating shareholder value. It provides a fundamental tool for assessing a company's capacity for sustainable growth, risk level, and financial strategies (Jensen, 2001). According to Elkington and Rowlands (1999), a company's ability to achieve sustainable performance depends on the board's effective oversight and strategic guidance. Brigham and Houston (2019) emphasise that boards should analyse profitability ratios to maximise shareholder value, while Ross et al. (2016) highlight that liquidity management enables boards to maintain financial stability during crises. Furthermore, boards are active in optimising a company's debt structure and devising cost-effective debt strategies by analysing economic indicators such as the debt-to-equity ratio (Jensen, 2001). Freeman and Reed (1983) argue that "a strong financial performance fosters trust among employees and other stakeholders and enhances the company's reputation." They also suggest that boards can strengthen investor relations by fostering strategic partnerships.

Financial performance is equally critical for stakeholders. Investors and other stakeholders require valuable insights into a company's financial status (Günay and Ecer, 2020). Stakeholders use the cash flow statement to evaluate a company's ability to generate future net cash flows, meet obligations, and pay dividends, as well as its need for external financing (FASB, 1987). They primarily focus on profitability, liquidity, and debt repayment capacity when assessing a company's financial performance (Brigham and Houston, 2019). These performance indicators enable investors and other interested parties to understand a company's future income potential and associated financial risks. For instance, high profitability ratios increase investors' expectations of potential returns. Conversely, creditors evaluate a company's financial performance to assess its creditworthiness (Damodaran, 2012).

Beyond financial results, financial performance also carries importance in terms of corporate social responsibility and environmental sustainability. Stakeholders today recognise that social and environmental factors directly influence a company's long-term economic performance (Freeman and Reed, 1983). Consequently, stakeholders shape financial decisions by considering a company's social responsibility and environmental sustainability performance. Incorporating these factors supports stakeholders' strategic decisions (Elkington and Rowlands, 1999).

Evaluating a company's financial performance is crucial for shareholders, particularly in terms of investment returns, growth potential, and sustainability (Ross, Westerfield and Jaffe, 2016). Shareholders aim to achieve high returns on their investments and increase the value of their capital. Thus, profitability is a key performance measure for shareholders. Damodaran (2012) underscores that analysing profitability ratios is fundamental for investors in determining a company's value. High profitability ratios typically signal robust financial performance and positively influence shareholders' investment decisions. Additionally, strong cash flows assure shareholders by ensuring the company can meet its debt obligations and make necessary investments.

Public disclosure involves providing transparent information about a company's financial condition, operational results, and future strategies. Economic performance is a cornerstone of the public disclosure process. Transparent financial information enhances market efficiency and builds investor confidence (Healy and Palepu, 2001). This process benefits not only investors but also other stakeholders, government agencies, and regulatory bodies by providing critical insights. Accurate and transparent disclosure of financial performance helps companies gain market trust, enables informed investor decision-making, and enhances overall economic efficiency. Particularly during crises, accurate reporting of financial health is vital for both markets and investors (Li, 2020).

In many countries, capital market regulators require publicly traded companies to disclose their financial information to the public on a regular basis. These legal requirements aim to reduce manipulation risks and eliminate information asymmetry in the market. For instance, in the European Union and the United States, companies are required to present their financial reports by specific standards.

Purpose and scope of the study

Compliance with corporate governance principles is crucial, particularly for publicly traded companies with a substantial base of investors and stakeholders. This study aims to compare the corporate governance maturity levels of companies in the tourism sector (ISE Tourism) listed on the Istanbul Stock Exchange with their financial performance. The TOPSIS method is preferred in financial performance analysis because it ranks alternatives based on their relative closeness to the ideal solution in multi-criteria decision-making processes. This method minimises subjective judgments while allowing for an objective comparison among companies based on financial ratios. Furthermore, its frequent application in previous studies analysing the economic performance of tourism companies supports the methodological appropriateness of its use in this context. The study does not require approval from an ethics committee.

One of the primary limitations of this study is the relatively small number of companies included in the analysis. Although thirteen companies are listed under the BIST Tourism Index, only five were incorporated into the study due to the availability of complete and consistent Corporate Governance Compliance Reports and financial performance data for the 2018–2023 period. The limited number of observations is not a result of sampling preference but rather a consequence of data availability constraints. This situation inherently restricts the generalizability of the findings across the entire tourism sector. However, it also presents methodological advantages. Focusing on a smaller, homogenous sample enhances internal validity by ensuring that the companies are subject to similar regulatory frameworks and market conditions. On the other hand, the small sample size limits the potential for robust statistical inference and reduces the scope for cross-sectional comparisons. Future research could overcome this limitation by expanding the scope to include additional sectors or by incorporating data from more recent disclosures as they become available.

Research methodology

The research began by analysing the responses provided by companies listed in the ISE Tourism sector in their Corporate Governance Compliance Reports published on the Public Disclosure Platform (PDP). In line with this, the Corporate Governance Maturity Level methodology was employed in the study. In this methodology, companies' responses were scored as "*Yes*," "*No,*" "*Partially,*" "*Exempt*," and "*Irrelevant*." The "*Exempt*" and "*Irrelevant*" responses were excluded from the evaluation (VAP, 2024). Below is a table showing the score equivalents of the responses provided in the Corporate Governance Compliance Reports developed by Arıkan (2020).

Table 3: Scoring Weight of CGC Responses in The Calculation of CGM

Response |	Score Equivalent
No	33,33
Partially	66,66
Yes	100

Source: www.vap.org.tr

The scoring methodology titled "*Scoring Weight of CGC Responses in the Calculation of CGM*", presented in Table 3, is adapted from the Corporate Governance Maturity Level (CGML) Calculation Rules. According to the Data Analysis Platform (VAP), a three-point Likert scale is employed to evaluate the responses provided in the Corporate Governance Compliance Reports (CGCR) for CGML calculation. Within this framework, responses to each principle are scored as follows (MKK,2023):

- “Yes” = **100 points**
- “Partially” = **66.66 points**
- “No” = **33.33 points**
  Responses marked as "Exempt" or "Irrelevant" are **not scored**.

In the second part of the study, the financial performance of companies listed in the ISE Tourism sector between 2018 and 2023 was calculated using the TOPSIS method. Financial performance data for the companies was obtained from the Fintables database (Fintables, t.y.).Based on the resulting data, the company's performance rankings were compared.

After the responses provided by the companies in the ISE Tourism Index were converted into scores, the Corporate Governance section scores for each company were calculated using the following formulas from the data analysis platform.

$$BN_{(k)} = \left(\frac{\sum_{i=1}^{n} \dot{I}N_{(i)}}{n}\right)$$

$BN_{(k)}$ **:** k Section Score

$\dot{I}N_{i}$: i Principle Score

n : Number of Principles Rated in the Section

k : Relevant Section

The scores for the Corporate Governance section were weighted and summed using the coefficients established by the Capital Markets Board (CMB), and then the Corporate Governance Maturity Level was calculated.

$KYOD_{(i)}$: (i) company's Corporate Governance Maturity Levels

$BN_{(1,i)}$: (i) company's Shareholders Section Score

$BN_{(2,i)}$: (i) company's Public Disclosure Section Score

$BN_{(3,i)}$: (i) company's Stakeholders Section Score

$BN_{(4,i)}$: (i) company's Board of Directors Section Score

After the calculation above, the average Corporate Governance Maturity Levels (KYOD) were computed, and the yearly level values for ISE Tourism companies were determined.

$$KYOD_{(t)} = \left(\frac{\sum_{i=1}^{n} KYOD_{(i,t)}}{n}\right)$$

$KYOD_{(t)}$: Corporate Governance Maturity Level for the general or relevant sector in year t

$KYOD_{(i,t)}$: (i) company's Corporate Governance Maturity Level in year

t : Year of the Corporate Governance Maturity Level calculation

n : Number of companies included in the Corporate Governance Maturity Level calculation

The following formula was used to calculate the Corporate Governance Principle Sections in the Corporate Governance Compliance Reports of companies listed in ISE Tourism:

$$KYOD_{(t,k)} \left(\frac{\sum_{i=1}^{n} BN_{(i,t,k)}}{n}\right)$$

$KYOD_{(t,k)}$: Corporate Governance Maturity Level for the relevant section in year t

$KYOD_{(i,t,k)}$: (i) company's k Section Score in year t

t : Year of the Corporate Governance Maturity Level calculation

n : Number of companies included in the calculation of the Corporate Governance Maturity Level for the section

k : Relevant section

TOPSIS method

The TOPSIS method (Technique for Order Preference by Similarity to Ideal Solution), developed by Hwang and Yoon (1981), was proposed as an alternative to the ELECTRE method. It is one of the most widely used methods among accepted approaches (Dumanoğlu, 2015). This method provides an effective multi-criteria decision-making (MCDM) tool by considering multiple data points to evaluate and compare the performance of businesses (Akyüz et al., 2011). The core of the TOPSIS method involves identifying the options that are closest to the positive ideal solution and, conversely, those that are farthest from the negative ideal solution (Ünlü et al., 2017). This method consists of a six-stage solution process. The following formulas and processes are used in the calculation of the TOPSIS method (Esendemirli Saygili and Acar, 2016):

Step 1: Creation of the Decision Matrix

The decision matrix is a tool created by the decision maker that aids in evaluating alternatives during the decision-making process. This matrix typically contains *n* evaluation criteria and *m* decision points. Each criterion and decision point enables the decision maker to assess the options objectively (Ömürbek and Kınay, 2013). The formula for creating the decision matrix is provided in equation (1).

$$A_{ij} = \begin{bmatrix} a_{11} & a_{12} & \cdots & a_{1n} \\ a_{21} & a_{212} & \cdots & a_{2n} \\ . & . & . & . \\ . & . & . & . \\ . & . & . & . \\ a_{m1} & a_{m2} & \cdots & a_{mn} \end{bmatrix} \tag{1}$$

Step 2: Creation of the Normalised Decision Matrix

In this process, the relative values for each criterion are calculated by taking the square root of the sum of the squares of the requirements. Then, these relative values are used to normalise the criteria, thus creating a standardised decision matrix (Esendemirli Saygili and Acar, 2016). The normalised decision matrix is created using the formula provided in equation (2).

$$r_{ij} = \frac{a_{ij}}{\sqrt{\sum_{i=1}^{m} a_{ij}^2}}, i = 1,2 \ldots\ldots m;\ j = 1,2 \ldots\ldots\ldots n. \tag{2}$$

Step 3: Weighted Normalisation Matrix

Each criterion in the normalised decision matrix should be weighted by a value such as w_i where w_i represents the weight assigned to each criterion. As indicated in the formula ($\sum_{i=1}^{n} w_i = 1$), the sum of the weight values must equal 1. The weighted normalisation matrix is obtained by multiplying the normalised values by the weight values, as shown in equation (3) (Işıldak, 2018).

$$V_{ij} = r_{ij} * w_{ij}$$

Step 4: Creation of the Ideal (A*) and Negative Ideal (A-) Solutions

The Positive Ideal Solution set (A*) is a method used to determine the best alternatives in a decision-making problem. In this method, the most significant values in the V matrix are selected for each evaluation factor using the formula in equation 4; if the factor is in the direction of minimisation, the smallest values are preferred (Orçun and Eren, 2017). Conversely, in the Negative Ideal Solution (A-) set, the smallest values in the V matrix are selected for each evaluation factor using the formula in equation 5; if the factor is in the direction of maximisation, the smallest values are preferred (Orçun and Eren, 2017).

$$V_{ij} = r_{ij} * w_{ij} \tag{3}$$

$$A^* = \left\{ (\max_i v_{ij} \middle| j \in J), \min_i v_{ij} \middle| j \in J' \right\} \tag{4}$$

$$A^* = \left\{ (\min_i v_{ij} \middle| j \in J), \max_i v_{ij} \middle| j \in J' \right\} \tag{5}$$

Step 5: Calculation of Distances to the Positive (Si*) and Negative (Si-) Ideal Solutions: In the TOPSIS method, the Euclidean Distance Approach determines the alternative closest to the ideal solution. In this approach, the distances of each alternative to the positive ideal solutions are calculated using the formula in equation (6), and the distances to the negative ideal solutions are calculated using the formula in equation (7). The distance to the positive ideal solution is denoted as (Si*), and the distance to the negative ideal solution is denoted as (Si-) (Türkmen and Çağıl, 2012).

$$S_i^* = \sqrt{\sum_{j=1}^{n} \left(av_{ij} - v_j^*\right)^2} \quad (6)$$

$$S_i^- = \sqrt{\sum_{j=1}^{n} \left(av_{ij} - v_j^-\right)^2} \quad (7)$$

Step 6: Calculation of the Relative Closeness to the Ideal Solution:

In this stage of the method, the distances of each alternative to the ideal solution are ranked. The distances to the perfect solution are calculated using equation (8) (Esendemirli Saygili and Acar, 2016). The value in this section takes a value between 0 and 1. As these values approach 1, it indicates proximity to the positive ideal solution, and as they approach 0, it indicates proximity to the negative ideal solution (Ünlü et al., 2017).

$$C_i^* = \frac{S_i^-}{S_i^- + S_i^*}$$

Analysis and findings

It can be observed that a total of 13 companies are listed in the ISE Tourism Index. As a result of the evaluations, it was found that five companies have published their Corporate Governance Compliance Reports and Financial Performance data in total. Therefore, these five companies have been included in the analysis. The companies included in the study are shown below in bold and with a star symbol.

Table 4: ISE Tourism Companies

Rank	Component Code	Company Name	Sector
1	TABGD.E	TAB GIDA SANAYİ VE TİCARET A.Ş.	F&B Services
2*	**MAALT.E**	**MARMARİS ALTINYUNUS TURİSTİK TESİSLER A.Ş.**	**Accommodation**
3	MERIT.E	MERİT TURİZM YATIRIM VE İŞLETME A.Ş.	Accommodation
4	DOCO.E	DO & CO AKTIENGESELLSCHAFT	F&B Services
5*	**PKENT.E**	**PETROKENT TURIZM A.Ş.**	**Accommodation**
6	MARTI.E	MARTI OTEL İŞLETMELERİ A.Ş.	Accommodation
7	BIGCH.E	BÜYÜK ŞEFLER GIDA TURİZM TEKSTİL DANIŞMANLIK ORGANİZASYON EĞİTİM SANAYİ VE TİCARET A.Ş.	F&B Services
8*	**AYCES.E**	**ALTIN YUNUS ÇEŞME TURİSTİK TESİSLER A.Ş.**	**Accommodation**
9	ETILR.E	ETİLER GIDA VE TİCARİ YATIRIMLAR SANAYİ VE TİCARET A.Ş.	F&B Services
10*	**TEKTU.E**	**TEK-ART İNŞAAT TİCARET TURİZM SANAYİ VE YATIRIMLAR A.Ş.**	**Accommodation**
11*	**AVTUR**	**AVRASYA PETROL VE TURİSTİK TESİSLER YATIRIMLAR A.Ş.**	**Accommodation**
12	BYDNR	BAYDÖNER RESTORANLARI A.Ş.	F&B Services
13	ULAS	ULAŞLAR TURİZM ENERJİ TARIM GIDA VE İNŞAAT YATIRIMLARI A.Ş.	Accommodation

Source: Istanbul Stock Exchange, 2024 (Access Date 10.10.2024)

The tourism companies in the Borsa Istanbul ISE TOURISM (XTRZM) Index are listed above. It can be observed that five of these companies are in the Food and Beverage Services sector, while eight are in the accommodation sector. Since the Corporate Governance Compliance Reports and Financial Performance data of Altın Yunus Çeşme Turistik Tesisler A.Ş., Avrasya Petrol ve Turistik Tesisler Yatırımlar A.Ş., Marmaris Altın Yunus Turistik Tesisler A.Ş., Petrokent Turizm A.Ş., and Tek-Art İnşaat Ticaret Turizm Sanayi ve Yatırımlar A.Ş. are complete, these companies were included in the research and the analysis continued. Upon examining Table 3, it is observed that all of these companies are in the accommodation sector.

ISE tourism companies' maturity level evaluation results

The corporate governance maturity level is calculated for companies listed on the ISE, and scores range from 33.33 to 100 points. A high CGML score indicates the company has a robust corporate governance structure, while a low CGML score highlights areas where the company needs improvement (Kılıçarslan, 2024).

Table 5: Corporate Governance Principles (CGP) Corporate Governance Maturity Levels in The Tourism Sector (2018-2023)

Number of Companies	Shareholders	Public Disclosure	Stakeholders	Board of Directors
2018	85,48988	89,3324	85,07867	78,13224
2019	85,48988	89,3324	86,34876	78,93224
2020	86,27424	89,3324	87,61829	78,39896
2021	88,23494	85,3324	86,34876	78,39904
2022	87,84271	89,3328	88,25352	78,93224
2023	85,09776	89,3328	90,15829	77,06552
Company Aver. Scores	86,40	88,66	87,30	78,30

Average CGM Level Score: 85,165

When examining the Corporate Governance Maturity Level scores for the Tourism sector from 2018 to 2023, based on the Corporate Governance Principles calculation methodology, it can be observed that the best performance for the Shareholders principle was achieved in 2022 with a score of 87.84271 points, the Public Disclosure principle reached 89.3328 points in both 2022 and 2023, the Stakeholders principle achieved 90.15829 points in 2023, and the Board of Directors principle scored 78.93224 points in both 2019 and 2022. The years with the lowest performance and their corresponding scores for the Tourism sector are as follows: Shareholders 85.09776 points in 2023, Public Disclosure 85.3324 points in 2021, Stakeholders 85.07867 points in 2018, and Board of Directors 77.06552 points in 2023.

When examining the table above, it can be seen that the Corporate Governance Maturity Level (CGML) scores for the Tourism Sector are as follows:

- The Shareholder's principle has an average score of 86.40 across all years.
- The Public Disclosure principle has an average score of 88.66.
- The Stakeholders principle has an average score of 87.30.
- The Board of Directors principle has an average score of 78.30 across all years.

Reviewing the average scores, it is evident that between 2018 and 2023, the highest score achieved by tourism companies was in Public Disclosure (87.30), while the lowest score was in Board of Directors (78.30). The average CGML score for tourism companies between 2018 and 2023 is relatively high, at 85.165 points.

The table below presents the maturity level scores for each company listed in ISE Tourism from 2018 to 2023, spanning six years.

Table 6: Corporate Governance Maturity Level Scores (CGML) From 2018 To 2023

RANK	2018	CGML SCORE	ORDER	2019	CGML SCORE	ORDER	2020	CGML SCORE
2	AYCES	89,7872	2	AYCES	89,7872	2	AYCES	89,7872
5	AVTUR	79,12004	5	AVTUR	79,3584	5	AVTUR	77,02039
4	MAALT	79,40161	4	MAALT	79,40161	4	MAALT	82,73895
1	PKENT	90,03872	1	PKENT	90,03872	1	PKENT	90,03872
3	TEKTU	80,72071	3	TEKTU	82,83492	3	TEKTU	82,83492

RANK	2021	CGML SCORE	ORDER	2022	CGML SCORE	ORDER	2023	CGML SCORE
2	AYCES	89,7872	2	AYCES	89,7872	2	AYCES	89,7872
5	AVTUR	75,83935	5	AVTUR	75,83935	5	AVTUR	78,22027
3	MAALT	83,64866	4	MAALT	82,64469	3	MAALT	82,20161
1	PKENT	90,03872	1	PKENT	90,03872	1	PKENT	90,03872
4	TEKTU	79,60514	3	TEKTU	87,48099	4	TEKTU	80,27378

When the findings in Table 6 are examined in conjunction with the relevant literature, several insights emerge regarding the evolution of corporate governance maturity levels among tourism companies. Petrokent Turizm A.Ş. (PKENT) and Altın Yunus Çeşme Turistik Tesisler A.Ş. (AYCES) consistently maintained the highest scores across the 2018–2023 period. This stability suggests a sustained institutional commitment to the principles of transparency, accountability, and board efficiency, which are emphasised by the OECD (2016) and reinforced in studies by Tricker (2015), who highlights that organisations with high governance maturity tend to build strong internal control mechanisms and resilient stakeholder relations.

For PKENT, the consistently top-ranking position (around 90 points annually) reflects a mature and well-established governance infrastructure. This may indicate that the company not only complies with legal requirements but also integrates governance practices as a strategic management tool, aligning with Grill's (2021) assertion that maturity strengthens a firm's adaptability and stability. Similarly, AYCES's stable score (around 89.78) demonstrates reliability and indicates that the company maintains a systematic approach to compliance and internal governance controls.

Avrasya Petrol ve Turistik Tesisler Yatırımlar A.Ş. (AVTUR), which consistently ranked fifth, shows more fluctuation in its maturity scores. The decline in 2020, followed by a modest recovery, may be attributed to temporary setbacks in compliance or structural adjustments. According to Akkaya (2024), ESG and governance investments often face disruptions during crises, which may explain AVTUR's lower but gradually improving scores.

Marmaris Altın Yunus Turistik Tesisler A.Ş. (MAALT.E) exhibited moderate governance maturity scores with slight upward trends between 2018 and 2021, followed by minor declines. These fluctuations may reflect cyclical policy changes or board restructuring, which can temporarily affect compliance documentation and disclosure quality. Camilleri (2021) emphasises that shifts in stakeholder relations or reporting obligations can impact governance ratings in the short term, even when long-term strategy remains intact.

Tek-Art İnşaat Ticaret Turizm Sanayi ve Yatırımlar A.Ş. (TEKTU.E), meanwhile, showed significant variability, particularly with notable increases and decreases between 2021 and 2023. These swings suggest a dynamic governance environment, possibly driven by internal restructuring or policy reforms. Tricker (2015) posits that such changes can either reflect progress toward governance integration or challenges in sustaining mature practices during organisational transitions.

Overall, while some companies exhibit stable and mature governance profiles, others show signs of fluctuation and development. These findings are consistent with the literature, which suggests that governance maturity is not static but evolves based on internal capacity, external pressures, and regulatory alignment (Vinita et al, 2008; Arıkan and Yetgin, 2023). The company-specific analysis presented here helps contextualise these scores not merely as numerical trends but as indicators of institutional behaviour, commitment to governance principles, and organisational resilience over time.

TOPSIS method financial ratio evaluation results

In the study, five decision criteria (companies) and eight evaluation criteria (financial ratios) were considered for the years 2018-2023. In other words, the economic performance analysis of the companies includes the use of the following financial ratios: return on assets, return on equity, current ratio, asset turnover ratio, equity turnover ratio, net profit margin, earnings per share, and leverage ratio. The financial performance data for the companies were obtained from the Fintables database (Fintables, t.y.)and subsequently, the companies' rankings based on their performance were compared.

For example, the steps of the TOPSIS method for 2018 are presented in the study. In their research covering the years 2013-2015, Sakarya and Aksu (2016) only included the procedures for the TOPSIS and MOORA methods for the year 2013. On the other hand, Orçun and Eren (2017) employed the TOPSIS method to evaluate performance for the years 2010-2015, specifically for the year 2010.

When applying the TOPSIS (Technique for Order Preference by Similarity to Ideal Solution) method, it is essential to specify whether each criterion is a benefit criterion to be maximised or a cost criterion to be minimised. The direction of the requirements used below is indicated.

Financial Criterion (Ratio)	*Definition / Explanation*	*Criterion Direction*
Return on Equity (ROE)	Measures profitability relative to shareholders' equity. Higher values are preferred.	**Benefit**
Return on Assets (ROA)	Measures profitability relative to total assets. Higher values are desirable.	**Benefit**
Current Ratio	Indicates short-term liquidity. Higher values are generally interpreted positively.	**Benefit**
Asset Turnover Ratio	Measures how efficiently assets are used to generate revenue. Higher is better.	**Benefit**
Equity Turnover Ratio	Shows how efficiently equity is used to generate revenue. Higher values are preferred.	**Benefit**
Net Profit Margin	Indicates net profitability relative to revenue. Higher values are desirable.	**Benefit**
Earnings Per Share (EPS)	Indicates earnings allocated to each outstanding share. Higher is better for investors.	**Benefit**
Leverage Ratio	Measures financial leverage. Higher values indicate higher financial risk.	**Cost**

In the first step of the TOPSIS method, the decision matrix is created with the help of equation (1), shown in Table 7.

Tablo 7: 2018 Decision Matrix

	Return on Equity (ROE)	**Return on Assets (ROA)**	**Current Ratio**	**Asset Turnover Ratio**	**Equity Turnover Ratio**	**Net Profit Margin**	**Earnings Per Share (EPS)**	**Leverag e Ratio**
AYC ES	0,00260	0,00340	0,00220	0,00190	0,00250	0,01320	0,00020	0,23730
AVT UR	0,02700	0,03310	0,04960	0,00050	0,00060	0,51930	0,00060	0,15910
MA ALT	0,12170	0,20720	0,15610	0,00040	0,00070	2,94610	0,01910	0,53130
PKE NT	0,27490	0,77490	0,00970	0,01280	0,03600	0,21530	0,00660	0,60100
TEK TU	-0,06290	-0,09150	0,01140	0,00040	0,00050	-1,66760	-0,00180	0,26570

The normalisation of the decision matrix in the second stage of the TOPSIS method was performed using the formula in Equation 2. The normalised decision matrix is presented in Table 8.

Table 8: 2018 Normalised Decision Matrix

	Return on Equity (ROE)	**Return on Assets (ROA)**	**Current Ratio**	**Asset Turnover Ratio**	**Equity Turnover Ratio**	**Net Profit Margin**	**Earnings Per Share (EPS)**	**Leverage Ratio**
AYC ES	0,00843	0,00421	0,01338	0,14818	0,06941	0,00385	0,00985	0,27597
AVT UR	0,08757	0,04097	0,30157	0,03899	0,01666	0,15133	0,02956	0,18503
MA ALT	0,39471	0,25643	0,94909	0,03120	0,01944	0,85850	0,94102	0,61788
PKE NT	0,89158	0,95903	0,05898	0,99827	0,99958	0,06274	0,32517	0,69894
TEK TU	-0,20400	-0,11324	0,06931	0,03120	0,01388	-0,48594	-0,08868	0,30900

Next, the evaluation criteria in the normalised decision matrix were weighted. In this study, the equal weighting method was employed, assuming that each evaluation criterion holds equal importance in the decision-making process. When there is insufficient information available to make a judgment, or when the decision maker is not providing any information at all, the equal weight (same priority) approach is typically taken in MCDM [Shannon (1951)]. The Equal Weight approach assigns identical importance to all indicators, disregarding the inherent variability and structural differences within the data. This method assumes that all criteria are of equal importance. It is the most straightforward method of assigning weights to criteria, as it divides the weights equally among all the requirements. It assumes that every criterion is similarly essential (Aggarwal et al.: 2024). The weight values were set equally at 0.125. In the next step, the weighted normalised decision matrix was obtained by multiplying the values in the normalised decision matrix by the corresponding weight values, using the formula in Equation (3). The weighted normalisation matrix for the year 2018 is shown in Table 8. In the table, the values for the evaluation criteria were determined to identify the maximum and minimum values, which were used to create the positive and negative ideal solution sets.

Table 9: 2018 Weighted Normalised Matrix

	Return on Equity (ROE)	Return on Assets (ROA)	Current Ratio	Asset Turnover Ratio	Equity Turnover Ratio	Net Profit Margin	Earnings Per Share (EPS)	Leverage Ratio
AYCES	0,00105	0,00053	0,00167	0,01852	0,00868	0,00048	0,00123	0,03450
AVTUR	0,01095	0,00512	0,03770	0,00487	0,00208	0,01892	0,00370	0,02313
MAALT	0,04934	0,03205	0,11864	0,00390	0,00243	0,10731	0,11763	0,07723
PKENT	0,11145	0,11988	0,00737	0,12478	0,12495	0,00784	0,04065	0,08737
TEKTU	-0,02550	-0,01416	0,00866	0,00390	0,00174	-0,06074	-0,01109	0,03862
a*	0,11145	0,11988	0,11864	0,12478	0,12495	0,10731	0,11763	0,02313
a-	-0,02550	-0,01416	0,00167	0,00390	0,00174	-0,06074	-0,01109	0,08737

In the next step of the method, the distances to the positive and negative ideal solutions were calculated using equations (6) and (7). The distances to the positive and negative ideal solutions are presented in Table 9. In the final step of the TOPSIS method, the relative closeness to the perfect solution was calculated using equation (8). This process determined the TOPSIS performance rankings of the companies based on their financial ratios. In this context, Table 9 shows the TOPSIS performance rankings, the corporate governance maturity levels of the companies, and their respective rankings.

Table 10:2018 Financial Performance Ranking and Corporate Governance Maturity Level Ranking of Tourism Companies

	Si+	Si-	Ci*	Order	CGML	Order
AYCES	0,30002	0,08876	0,22830	4	89,7872037	2
AVTUR	0,28300	0,11700	0,29250	3	79,12003798	5
MAALT	0,21005	0,25755	0,55079	2	79,40160521	4
PKENT	0,17980	0,27189	0,60195	1	90,03871765	1
TEKTU	0,35165	0,04924	0,12283	5	80,7207084	3

Table 10 presents the financial performance rankings for tourism companies in 2018, along with their Corporate Governance Maturity Level (CGML) rankings. According to the data, Petrokent Turizm A.Ş. (PKENT) has the highest financial performance and the most mature corporate governance level. Marmaris Altın Yunus Turistik Tesisler A.Ş. (MAALT.E) ranks second in financial performance and fourth in CGML. Avrasya Petrol ve Turistik Tesisler Yatırımlar A.Ş. (AVTUR) is ranked third in financial performance but fifth in CGML. Altın Yunus Çeşme Turistik Tesisler A.Ş. (AYCES) is ranked fourth in financial performance and second in CGML. Lastly, Tek-Art İnşaat Ticaret Turizm Sanayi ve Yatırımlar A.Ş. (TEKTU.E) ranks fifth in financial performance and third in CGML. Based on these results, it can be concluded that, except for Petrokent Turizm A.Ş. (PKENT), which ranks first in both categories, consistent results could not be obtained between the financial performance rankings and the corporate governance maturity rankings. The financial performance rankings of the companies do not align with their corporate governance maturity rankings.

Table 11: Financial Performance CI Values, Scores, And Rankings of Tourism Companies (2018-2023)

2018			2019		
COMPANIES	**CI VALUE**	**RANK**	**COMPANIES**	**CI VALUE**	**RANK**
AYCES	0,22830	4	AYCES	0,18920	4
AVTUR	0,29250	3	AVTUR	0,31857	3
MAALT	0,55079	2	MAALT	0,56410	2
PKENT	0,60195	1	PKENT	0,56650	1
TEKTU	0,12283	5	TEKTU	0,08381	5
2020			**2021**		
COMPANIES	**CI VALUE**	**RANK**	**COMPANIES**	**CI VALUE**	**RANK**
AYCES	0,17237	4	AYCES	0,24489	4
AVTUR	0,34638	3	AVTUR	0,34006	3
MAALT	0,72974	1	MAALT	0,57860	2
PKENT	0,40223	2	PKENT	0,61276	1
TEKTU	0,11720	5	TEKTU	0,00000	5
2022			**2023**		
COMPANIES	**CI VALUE**	**RANK**	**COMPANIES**	**CI VALUE**	**RANK**
AYCES	0,26256	3	AYCES	0,26856	3
AVTUR	0,29893	2	AVTUR	0,45326	2
MAALT	0,03201	5	MAALT	0,22272	4
PKENT	0,82010	1	PKENT	0,69564	1
TEKTU	0,23961	4	TEKTU	0,14305	5

According to the evaluation results, the top two companies with the best performance in the years 2018, 2019, 2020, and 2021 were PKENT and MAALT. In contrast, the top two companies with the best performance in 2022 and 2023 were PKENT and AVTUR.

Table 12: Financial Performance Rankings of Tourism Companies

Rank	2018	2019	2020	2021	2022	2023
1	PKENT	PKENT	MAALT	PKENT	PKENT	PKENT
2	MAALT	MAALT	PKENT	MAALT	AVTUR	AVTUR
3	AVTUR	AVTUR	AVTUR	AVTUR	AYCES	AYCES
4	AYCES	AYCES	AYCES	AYCES	TEKTU	MAALT
5	TEKTU	TEKTU	TEKTU	TEKTU	MAALT	TEKTU

When examining the financial performance rankings and TOPSIS method success scores by year, it is evident that PKENT is the most successful company in all years, with an average score of 1.17. Although MAALT shares an average score of 2.67 with AVTUR, it can be concluded that MAALT is the second most successful company due to its higher scores. AYCES, with an average score of 3.5, demonstrates relatively low performance, while TEKTU has the lowest performance across all years, with an average score of 4.8.

Table 13: TOPSIS Method Success Score Rankings of Tourism Companies

Year / Company	PKENT	MAALT	AVTUR	AYCES	TEKTU
2018	1	2	3	4	5
2019	1	2	3	4	5
2020	2	1	3	4	5
2021	1	2	3	4	5
2022	1	5	2	3	4
2023	1	4	2	3	5
ORT.	1,17	2,67	2,67	3,5	4,8

When Tables 13 and 14 are examined, it is observed that PKENT company ranked first in all years, indicating its overall solid performance (average score: 1), while AYCES company consistently ranked second, demonstrating good performance (average score: 2). TEKTU company performed in third place during the first four years but dropped to fourth place in the last two years, showing a downward trend (average score: 3.33).

Table 14: Corporate Governance Maturity Level Success Rankings of Tourism Companies

Rank	2018	2019	2020	2021	2022	2023
1	PKENT	PKENT	PKENT	PKENT	PKENT	PKENT
2	AYCES	AYCES	AYCES	AYCES	AYCES	AYCES
3	TEKTU	TEKTU	TEKTU	TEKTU	MAALT	MAALT
4	MAALT	MAALT	MAALT	MAALT	TEKTU	TEKTU
5	AVTUR	AVTUR	AVTUR	AVTUR	AVTUR	AVTUR

The MAALT company ranked fourth in the first four years and third in the last two years, demonstrating a moderate to below-average performance (average score: 3.5). Finally, the AVTUR company ranked last in overall performance across all years, indicating poor performance (average score: 5).

Table 15: Corporate Governance Maturity Level (CGML) Success Score Rankings of Tourism Companies

Year / Company	PKENT	MAALT	AVTUR	AYCES	TEKTU
2018	1	4	5	2	3
2019	1	4	5	2	3
2020	1	4	5	2	3
2021	1	4	5	2	3
2022	1	3	5	2	4
2023	1	3	5	2	4
Average	**1**	**3,5**	**5**	**2**	**3,33**

Conclusion and recommendations

Corporate governance refers to the structures, processes, and practices that enhance a company's accountability, ensuring it is managed and controlled in accordance with ethical standards (OECD, 2015). The maturity level, on the other hand, is concerned with the development of an organisation's management practices and strategies and directly impacts the overall performance of the organisation. Companies with a high maturity level are expected to achieve better financial results, manage risks more effectively, and ensure stakeholder satisfaction (Aebi et al., 2012). Corporate governance maturity is critical for the sustainable success of organisations. Increasing the maturity level will enable companies to be managed more efficiently, resulting in improved long-term performance.

Corporate governance maturity is evaluated through a multidimensional framework comprising strategic management, internal control mechanisms, information sharing, transparency, accountability, and stakeholder relations. Strategic management refers to the company's establishment of long-term objectives, while internal control systems encompass effective risk management and audit processes. Moreover, the openness of information flow and the accountability of executives form the foundation of the principle of corporate transparency. Building sustainable and trust-based relationships with stakeholders represents the social dimension of corporate governance. In this context, previous studies have demonstrated that stakeholder engagement has a direct impact on corporate performance. Camilleri (2021) emphasises that tourism enterprises should cultivate long-term relationships with their stakeholders from both a financial perspective and a social responsibility standpoint, as doing so enhances their competitive advantage.

The tourism sector is one of the industries with high fixed investment costs, and the payback period for these investments is long (at least 10 years). Therefore, assessing the financial performance of companies operating in the tourism sector is crucial. In the first part of the study, the Corporate Governance Compliance Reports published by five companies listed on the ISE Tourism index for the period 2018-2023 were analysed using the Corporate Governance Maturity Assessment (CGMA) methodology. Subsequently, the financial performance of these companies listed on the ISE Tourism index was calculated using the TOPSIS method, with economic performance data obtained from the Fintables database.

Considering these results, companies ranked higher in the corporate governance maturity ranking may lag in financial performance rankings. In other words, Altın Yunus Çeşme Turistik Tesisler A.Ş. (AYCES), which does not perform well in the economic performance rankings, manages to rank high in the corporate governance maturity rankings.

In summary, PKENT stands out in terms of financial performance and corporate governance maturity, whereas MAALT demonstrates strong economic performance but exhibits a more balanced trajectory in its governance practices. In contrast, although AYCES receives lower scores in financial performance, it ranks highly in corporate governance maturity. This suggests that corporate governance is not always directly associated with immediate financial outcomes; however, a well-established governance infrastructure may lay the foundation for long-term economic success. Similar findings are also evident in the literature. For instance, Tricker (2019) emphasises that "corporate governance mechanisms influence long-term value creation rather than short-term market reactions.

Corporate governance should be regarded not merely as a regulatory compliance mechanism for tourism enterprises but as a comprehensive governance approach essential for achieving long-term strategic objectives. In this regard, corporate governance practices must be integrated with the financial performance goals of tourism businesses in a coherent and strategic manner. Enhancing the effectiveness of managerial processes requires more than the formal existence of boards of directors; it demands that these boards operate actively, transparently, and accountable (Deng and Zhou, 2022). Policy and institutional support are crucial for enhancing governance capacity, particularly among small and medium-sized tourism enterprises. Such support should focus on establishing internal audit systems, structuring risk management mechanisms, and adopting corporate standards in stakeholder communication (Camilleri, 2021). Moreover, tourism enterprises should avoid framing corporate governance solely in terms of short-term financial targets; instead, they should approach it from the perspective of long-term resilience, reputational capital accumulation, and sustainable competitive advantage. Otherwise, core governance principles will remain superficial and fail to be internalised effectively (Roberts et al., 2005). In conclusion, the development of corporate governance maturity should be recognised as a strategic imperative that not only shapes the operational performance of tourism enterprises today but also determines their resilience to crises and overall sustainability capacity.

Theoretical implications

This study makes a unique contribution to the literature by systematically evaluating the corporate governance maturity levels of tourism companies listed on Borsa Istanbul. Furthermore, by conducting a comparative analysis of Corporate Governance Maturity Scores (CGMS) and financial performance indicators, the research addresses a gap that has not been thoroughly explored in the existing body of knowledge. This approach enables a deeper understanding of the relationship between governance practices and financial outcomes. In this respect, the study offers theoretical enrichment to both the corporate governance literature and the field of tourism finance.

Limitations and future research

A literature review reveals numerous studies examining the financial performance of tourism companies using various techniques. However, it has been identified that more studies are needed to measure the maturity levels of corporate governance in companies in the tourism sector and other industries. In this context, it is essential to compare the corporate governance maturity levels of companies across different sectors using various financial methods. To understand how the management processes of companies have evolved and at what level of maturity they have reached, various maturity models such as the Corporate Governance Maturity Model (CGMM), The Governance Maturity Model (GMM), ISO 26000, ESG (Environmental, Social, and Governance) Maturity Models, and The Baldrige Excellence Framework can be utilised to conclude the companies' corporate governance maturity levels.

Considering the increasing importance of integrating corporate governance with sustainability and social responsibility principles in recent years, there is a need for more research on measuring corporate governance maturity levels and performance based on ISO 26000 and ESG criteria for companies listed on Borsa Istanbul. Furthermore, using the Baldrige Excellence Framework, which enables the measurement of organisational performance in tourism companies, evaluations of corporate governance can be conducted in terms of leadership, strategy, customer focus, business processes, and outcomes to assess the maturity levels of companies in these areas.

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