

## CSR AND THE HUNGARIAN REALITY

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### **ABSTRACT**

*Nowadays corporate social responsibility (CSR) is of greater importance than it was ten years ago. It has become an integral part of corporations' business strategies. Companies assume more responsibility for the social and environmental consequences of their operation. Big and well known companies have a share in setting a good example in the area of responsibility. This paper contains a comparison of companies' conscious and unconscious behavior. The base of the research is a former survey issued by CSR Hungary Atlantis Press. Our survey also includes the opinions of concerned persons. Two types of questionnaires were applied: one for companies who have declared a CSR policy and one for those who have not. As we expected, in the former CSR has been applied to different areas: protection of environment, voluntary work, equalities, employee-friendly environment, teaching, supporting indigents etc. In the second part of our paper, we compare companies operating in the region of Central Hungary and in the Southern Transdanubia region. The survey was not representative; its results illustrate big differences between the regions regarding the application of CSR. In some cases we found unclear opinions about the concept. But the attitudes of questioned persons were generally positive and open-minded.*

Keywords: CSR policy, companies' behaviour, questionnaires, conscious

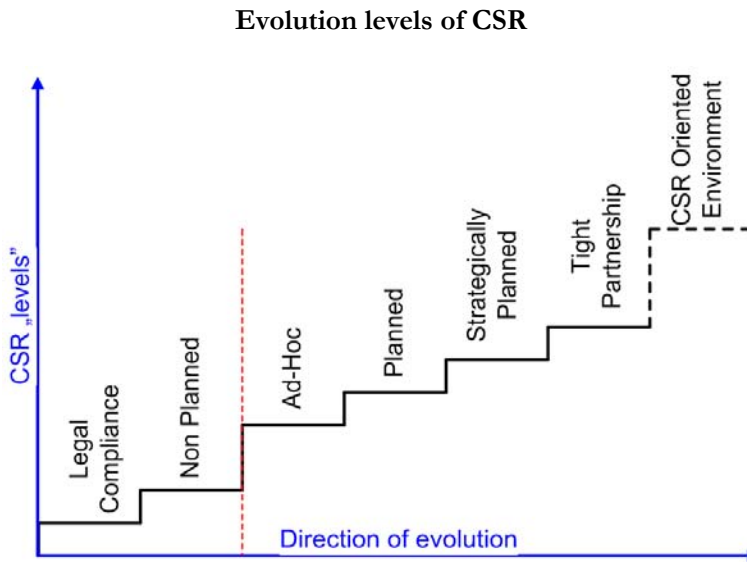
*Motto: What directly  
affects either,  
indirectly affects all*

### **INTRODUCTION**

Ten years ago we did not know much about CSR, today we have met with this term in the media, conferences and in the higher education too. Mostly we do not identify the responsibility of an activity, but we take these processes for granted increasingly. Nowadays responsible thinking is getting to be typical instead of conferment, enterprises offering their competences support the nongovernmental and other organizations. CSR does not a "thing" exists near or over the business, even more the integral part of it. CSR is often regarded as an approach to combine, ecological social and economic concerns within a coherent business strategy. Increasing CSR activities may reflect different motives of the enterprises: altruism, strategic choices to maximize profits, and attempts to enhance the image without changing business attitude significantly. The spreading of CSR was given a great momentum by a decreasing confidence to the companies after 1970s. In Hungary this was postponed after the change of regime.

In 2001 the *European Commission* issued a Green Paper (2001), with the aim to launch a debate about the concept of CSR, moreover to identify how to build a partnership for the development of a European framework for the promotion of CSR. The potential of CSR policies to strengthen the symbiotic relationship between enterprises and society has already been demonstrated in areas such as sustainable growth, education and social cohesion. CSR can support the creation of an atmosphere of trust within companies, which leads to a stronger commitment of employees and higher innovation performance (CSR, 2002). The evolution levels of CSR (Figure 1) were constructed considering the work of *Swift and Zadek* (2002).

Figure 1



The first level is the following of rules, at the second level companies do not realize the incidental CSR activity. The “ad-hoc” level can be characterized by charity, and the short term risk handling. At the planned level the management recognize the significance of CSR, identify the stakeholders. At the next stage CSR is built in the business, the long term thinking, strategic planning and risk handling are typified. The tight partnership with the stakeholders, mutual accepted standards and the supporting environment appears in the next level. The CSR oriented environment can be the future, here the good intent of individuals separately are insufficient, companies have to act together.

## MATERIALS AND METHODS

Assuming that reputation of CSR by Hungarian enterprises is strongly divergent, two questionnaires were compiled. One for those who has CSR activities (A), and one for those who did not get in touch with this area (B). Both questionnaires were sent to the companies, they could decide which form suits them. Our

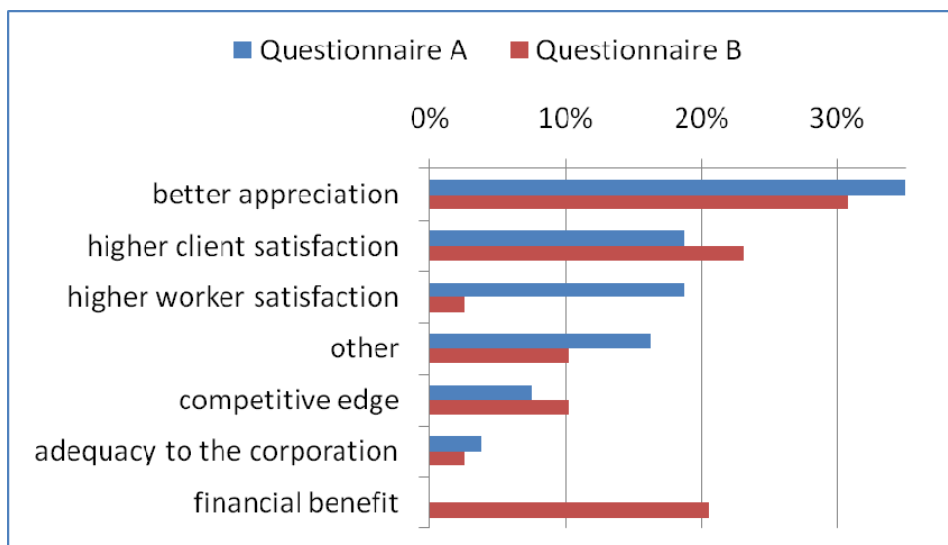
questionnaires partly corresponded with that was constructed by Nézőpont Inézet and CSR Hungary Atlantis Press. In our paper facilities were provided to explain own opinions. At the evaluation these deliverances denoted the most remarkable results. In the first round 150 companies were selected in the Middle-Hungary region, the questionnaires were sent directly and the rate of return was 20%. In the second round the format was developed and was sent again, moreover to 28 companies in the South-Hungary region. This region is economically behind from the other. Questionnaire A contained 22, and B 17 questions. The research was performed in summer 2010, the survey cannot be considered representative, rather descriptive and illustrative. Finally 85 questionnaires were available for evaluation, 46 of A, and 39 of B. The data were prepared and depicted in Excel program.

## RESULTS

The content of questionnaires A and B is implicitly different, thus comparison can not be done in all cases. The following question was common: What motivate your company on the area of CSR? The all companies accented the better appreciation and client satisfaction (*Figure 2*), but in the B case the financial benefit has a great and the worker satisfaction has a low importance. The other category contained the followings: sustainability, even chance, aid, guide, accuracy, confession.

**Figure 2**

### What motivate your company on the area of CSR?



#### Results of questionnaire A

The location of CSR in the company structure is different, in the most cases connects to the directory (37%), than to the marketing and communication (30%),

the separate CSR division or office were depicted by the large companies (14%). In the other cases more answers were indicated e.g. HSE, HR, or more unit in the company. Only 24% of the asked made responsibility or sustainability report more times, but 63% none.

The opinions about CSR and competitiveness were different. 37% sad competitive edge, according 26% this is business ethics, 22% answered this is the premise of the staying in the competition. In the other category more answered that nowadays in Hungary there is no relevant connection between CSR and competitiveness.

How do you interpret the economical responsibility within CSR? The 70% of people sad this is the responsibility beyond the legal prescriptions, according 22% this means fair salaries, tax-paying, and adherence of law. The others indicated the following aspects: fulfilling the assumed contracts, contributing to the enhancement of local, regional competitiveness, giving job, and stimulating the innovation.

Ranking the activities of sustainability gave that environmental consciousness, and employee-friendly surroundings are the most important factors. The social aiming communication is less important, and the opinions about patronizing were strongly divided.

How your partners approve your CSR activity? According 63% the partners approve informally but irrelevant in the business, 35% approve in both cases. Unfortunately the domestic legal environment does not support the CSR activities on the merits (46%), the support is campaign-like (30%), or non-regular (20%).

The most important message is that companies believe in CSR, according to 80% CSR will change for the better, and nobody sad decay.

### **Results of questionnaire B**

Contrary to the “group A” the size of companies was smaller, in 51% the number of employees were less than 20. Since these firms did not hear about CSR in general, the questions referred not to CSR directly, but to the responsibility, public activity or quality mind. One third of asked companies had quality thinking, and this is organic part of the operation, at one third this is not continuous, and the rest had no this activity at all. Although 51% of companies measure partner satisfaction, but 79% had no data about employee satisfaction. Only 56% sad that the appreciation of CSR will grow in the business culture, according 36% it has not changed. For the open question: what means CSR the following answers were obtained: positive attitude; responsibility for economy, society and environment; selective salvage; social commitment of business area; validation voluntary social and environmental aspects in the business activity.

## **CONCLUSIONS**

Two regions of Hungary were involved to our survey. Companies belong to “group A” mostly deal with CSR, but their activities differ from each other. Although they are on higher matured level than companies in “group B”, positive attitude appeared at both groups. On the base of individual opinions, personal equations

came to know, and this is the main issue of this survey. They want to build up their enterprises on common human values, they believe in responsible behavior. We have strengthen the system approaches, namely there is no economy without society and environment. The ethical and fair attitude can be the base of the dialog between partners, but support and concentration of forces also need for success.

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