




Internet-based CSR communication of Hungary's top

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Since the publication of the Bruntland Report (1987) the concept of sustainable development has been widely known, and increasingly becoming the core of all time media, political and scientific discussion. More and more say in connection with sustainable development that this goal can not be achieved without the approval of the business sphere or corporate social responsibility.

In the first part of our essay we introduce the definition of CSR, and in the upcoming chapters we present the summary of CSR connected articles published in the inland and scientific periodicals. In our opinion the way and quantity a scientific topic is displayed in the written press is determining for the scientific sphere. Corporate social responsibility has gone through a great change in the last few years in Hungary. More and more related articles, books, conferences, trainings, tender opportunities are available that supports the fact that today this topic is actual and relevant in Hungary. Furthermore we provide a short summary about the articles in connection with communication, namely who has written what in this issue so far. Finally in the fourth chapter we present our empirical research, where the main research question is whether there is difference in the communication through the internet among the TOP 1-50, TOP 51-100 and TOP 101-200 companies.

Keywords: corporate social responsibility, sustainability, communication

JEL Code: M

1 Introduction

Since the publication of the Brundtland Report (1987) the concept of sustainable development has been widely known, and increasingly becoming the core of all time media, political and scientific discussion. More and more say in connection with sustainable development that this goal can not be achieved without the approval of the business sphere or corporate social responsibility. Although CSR (corporate social responsibility) contrary to sustainable development is a micro level conception, which on the level of practical materialization does not necessarily point at the direction of sustainable development, many say (1) CSR has to be defined in connection with the aims of sustainability. Besides it is demonstrable, that more and more companies commit themselves to socially responsible working (at least on the level of announcement) and to the aims of sustainable development. In consideration of the fact that well communicated CSR activities contribute to business success and that bigger size of the company allows more professional CSR is becoming more and more accepted among multinational companies (2).

In the first part of our essay we introduce the definition of CSR, and in the upcoming chapters we present the summary of CSR connected articles published in the inland and scientific periodicals. In our opinion the way and quantity a scientific topic is displayed in the written press is determining for the scientific sphere. Corporate social responsibility has gone through a great change in the last few years in Hungary. More and more related articles, books, conferences, trainings, tender opportunities are available that supports the fact that today this topic is actual and relevant in Hungary. Furthermore we provide a short summary about the articles in connection with communication, namely who has written what in this issue so far.

In the fourth chapter we present our empirical research, where the main research question is whether there is difference in the communication through the internet among the TOP 1-50, TOP 51-100 and TOP 101-200 companies.

Thus our hypothesis is that differences in the CSR web communication do exist, so bigger size means profitable functioning and more conscious CSR communication. Nowadays the Internet is quickest way to get information, thus we chose the analysis of the web pages of the companies.

We analyzed the companies on the grounds of the extent and tools of the CSR communication on their web pages. This research does not analyze the real activity behind the communication.

2 Definition of CSR

The debate on corporate responsibility originated from the United States and dates back to the seventies, when the Nobel-prize laureate Milton Friedman published his article "The Social Responsibility of Business Is to Increase Its Profit". Friedman concluded that the principal goal of business leaders is to maximize profits, i.e. operate the company in the most profitable way possible (3). Any other kind of

activity was declined. Similar attitudes are fading away these days and many companies agree that there has to be a purpose for their existence beyond the maximization of gains. It can't be disregarded, that there were investigations into corporate ethics and responsibility in the seventies in the US, which were followed closely by studies in Western Europe (4).

The most basic and still accepted definition of CSR was established by the EU in 2001, when the Green Book was published. This definition treats CSR as the concept of companies voluntarily integrating social and ecological aspects into their operations and relationships with business partners (5). As per another definition, "corporate social responsibility is a business company's commitment to ethical behavior and economic evolution while improving living conditions of its employees and their families, as well as the local community and society." (6).

CSR definitions also depend on company size. A Hungarian study among small enterprises resulted in these CSR-related keywords: protection of domestic products, fair pricing, consumer protection, fair wages, sensitivity towards social issues, compliance with the law, protection of the environment, survival, innovation, profitability. Corporations think of CSR in terms of reliable products, lifestyle maintaining wages, sensitivity towards social issues, compliance with laws, protection of the environment and acceptable profits (7). The next table presents the differences in CSR theory between small and large organizations.

Table 1.
Differences in CSR theory between small and large organizations

Corporate CSR	SME CSR
WHO?	
✓ Broad range of stakeholders	✓ Less or different stakeholders
✓ Perceived responsibility towards the society	✓ Perceived responsibility towards the local community
✓ Importance of shareholders	✓ Often there are no shareholders
WHY?	
✓ To preserve image and reputation	✓ To protect client relations
✓ Pressure originating from consumers and shareholders	✓ Pressure in the supply chain
✓ Business interest	✓ Business interest not confirmed
HOW?	
✓ Based on corporate values	✓ Based on the principles of the owner-manager
✓ Formal CSR strategy planning	✓ Informal CSR strategy planning
✓ Standards and indexes are stressed	✓ Nobody specifically responsible for CSR
✓ CSR professionals are involved	
WHAT?	
✓ Noticeable campaigns, publicity for CSR activities	✓ Small steps, like supporting a local football team
	✓ CSR attributes of activities are seldom communicated

Source: Jenkins, 2004. referred to by Málóvics (8)

It's obvious that there is no generally accepted definition, multiple approaches can be found in related literature, but there seems to be a common platform in regards of basic principles.

In the next section we are giving a summary of our analysis performed on domestic CSR-related scientific literature.

3 Analysis of domestic scientific publications

It has been our goal to gather and analyze CSR related articles in the main inland periodicals, so that we can tell in which periodicals, editions, distributions, themes are the articles published. Based on this research we try to provide an overall picture of the CSR situation in Hungary.

Our research, lasting from April until September 2009 was based on the homepage of MATARKA, found at www.matarka.hu. The database of the homepage can be searched by author, additional author, author - keywords, article title - keywords and article title - details. We only chose to do our research by article title - keywords since only this appeared relevant to us. Our keywords were „csr”, „corporate social responsibility”, etc. During our work we analyzed all of the articles by content. We wrote 5-10 row summaries, too.

Our research resulted in 59 matches after filtering repetitions, non-Hungarian or non-Hungarian authored studies. During our analysis, scientific journals were in 95 % of the cases (1 article being from *Kreatív*, 1 from *Tranzit* and 1 from *Piac&Profit*), thus 25 items were removed from our database, leaving about 35 analyzable articles.

As the next phase of our study, another search was performed on the MATARKA database to find articles of predominant authors. 159 matches were registered. After a title-based selection, approximately 15 further articles could be added to our database, raising our number of articles to about 50.

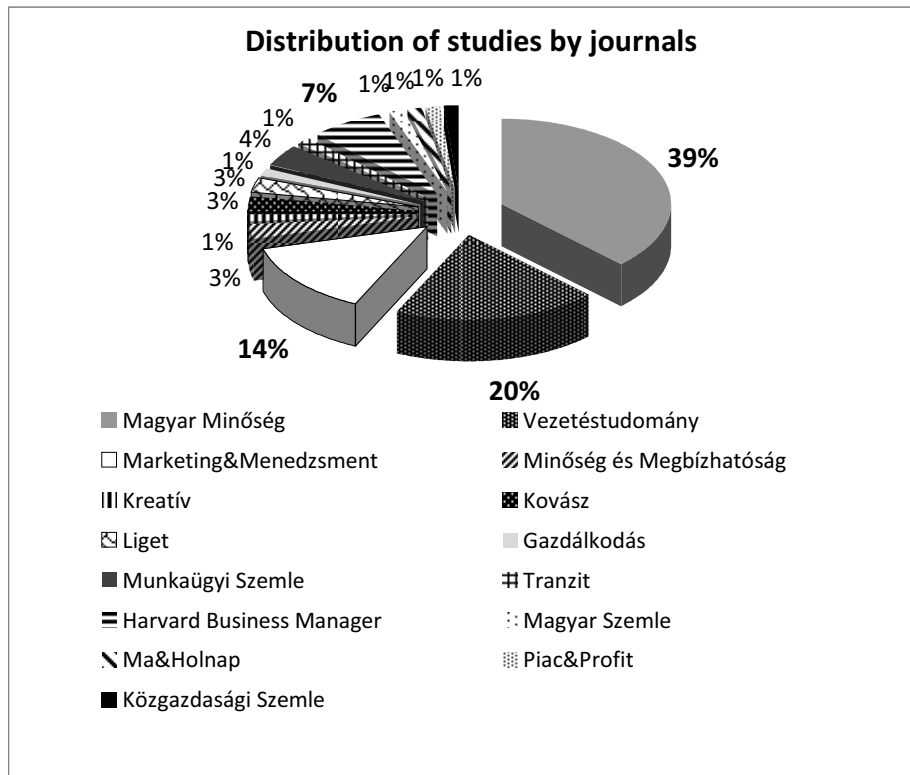
In the third phase, the PhD database of the Ministry of Education was reviewed. The subjects ecological economics, environmental conscious management and sustainability yielded 8 dissertations, while on the theme CSR/ethics only 1 match could be found.

The next phase of our research was comprised of an in-depth analysis of the last five volumes, from 2004 to 2008 of the journals *Magyar Minőség*, *Marketing és Menedzsment*, *Minőség és Megbízhatóság*, *Munkaügyi Szemle* and *Vezetéstudomány* which resulted in approximately 30 further matches (beyond the MATARKA database). We were able to find several articles about CSR and corporate environmental management and environment-consciousness.

This database of about 80 articles was filtered again by article titles, thus a database of 72 articles was established.

The number of articles from various journals can be seen in Figure 1.

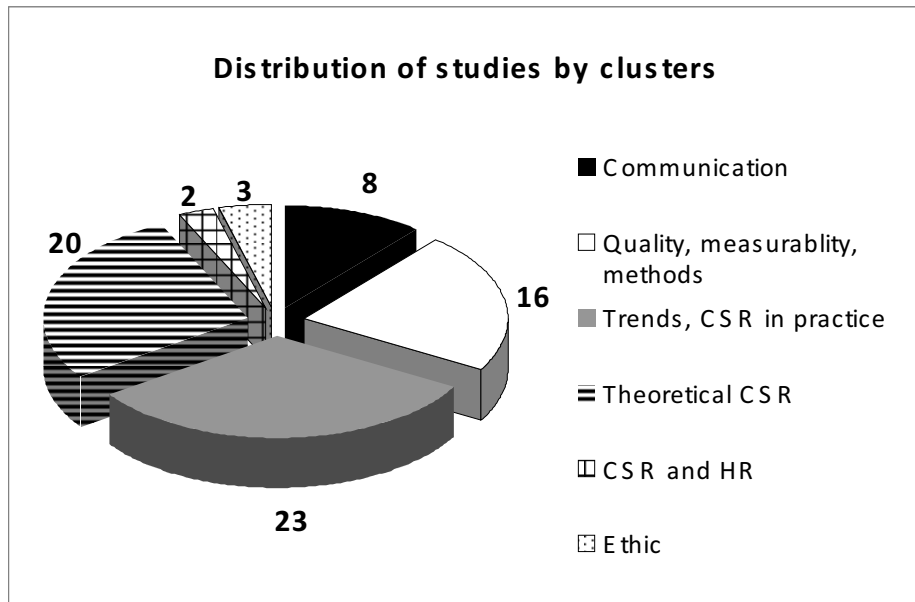
Figure 1.
Distribution of studies by journals (own editing)



As it can be well seen in Figure 1, most articles, (40%) originated from the journal Magyar Minőség, which is followed by Vezetéstudomány with a share of 20% and Marketing és Menedzsment with 15%.

Subsequently these papers were classified into clusters: Trends, CSR in practice; CSR and HR; Theoretical CSR Theory; Ethics; Communication; Quality, Measurability and Systems, methods. The distribution among these clusters is presented in Figure 2.

Figure 2.
Distribution of studies by clusters (own editing)



Interpretation of these clusters:

- ✓ **“Trend, CSR in practice”** contains all articles that are related to implementation of CSR; we have 23 papers in this cluster.
- ✓ **“CSR and HR”** contains articles related to human resource management implications, for which only 2 articles were available.
- ✓ Articles headed by a title pointing into the direction of a theoretical approach were classified as **“Theoretical CSR”** articles; a total of 20 items was found.
- ✓ **“Ethics”** contains papers related to social responsibility and ethics; 3 articles were found.
- ✓ **“Communication”** cluster included those articles which were related to some sort of CSR-related communication activity; 8 articles were found.
- ✓ **“Quality, measurability, methods/systems”** was the category for articles that were related to the measuring possibilities of CSR, its systems and quality issues, and included 16 articles.

Beatrix Ransburg deals with sustainable reports in her article named „The success of a company can not only be counted in money” published in April 2006 in the Marketing & Menedzsment (9) periodical. She exposes the main reasons why companies make reports, who the target groups are, what the criticism of these reports are, in addition the writer displays the GRI – structure, standard, principle, etc., and finally she compares two reports of two companies from 2004 and draws the inference.

According to Lukács (10) when a company dedicates itself to CSR it is likely that it has profit raising and image building aims as well. He reviews three main goals that companies dedicated to sustainable development have to achieve:

1. economical efficiency
2. protection and sparing of the environment
3. corporate responsibility

According to Lukács there is no standard definition for CSR. He states that in the last few years the expression “CSR” has been more widely used than “sustainability”.

Further he writes that according to Kohtes Klewes consultancy firm the communication of CSR is equal with “corporate PR improvement” and both responsibility and communication is part of the strategy of a company.

Lukács shows that according to Cottmann the communication of sustainability is a cycle that consists of six steps. First companies identify the problem to be settled and the concerned groups [1]. Then they set up a strategy which helps to suit the challenge [2]. The third step is to communicate the decision in order to create the acceptance and motivate the employees [3]. After this, comes the realization when they identify the competences [4]. Then comes the outer communication, where the duplex communication is important [5]. The last step is the feedback, they analyze the accomplishment of the measurable communication aims, they size up the results, and step forward to solve further problems [6].

In Cottmann’s (referred to by Lukács) opinion the communication of sustainability has three tools.

1. sustainability report
2. Organizing events
3. Conversation with the concerned

Apropos of the reports he writes about the need for focusing the matter, and that displaying on the Internet is very useful, since all the concerned can pick the relevant parts.

As a result of our research we came to the conclusion that scientific journals showed enormous coverage on social responsibility, ethics and environmental conscious management during the last five years, so the first hypothesis is right (the number of the CSR related articles were grown). The second hypothesis is also right (the practical CSR articles number is larger than the theoretical publications), because more than 60% of the articles related to practical theme.

In additional to this we found the subjects of the papers classified in clusters showed great variability and it was also determined that only very few papers, only 7-8 % present relevant methods of research, most articles only have a descriptive character.

The next chapter is going to present the empirical research results obtained during our investigation of Internet-based communication of major Hungarian enterprises.

4 Internet-based CSR communication of Hungary's top enterprises

4.1 Research goals

After reviewing the professional literature, the aim of our empirical research is to analyze the communication of the 150 Hungary-based companies from the Figyelő Magazine's TOP 200 companies in connection with corporate responsibility. When communicating CSR, some state that publicizing on the Internet has a particular significance, since all the concerned can pick the parts that are important for him. (11)

4.2 Research hypothesis

The main question of our empirical research whether there is any difference in the communication of CSR on the company's websites among the TOP 1-50, TOP 51-100, TOP 101-200 companies. In consideration of the fact that well communicated CSR activities contribute to business success (12) and that bigger size of the company allows more professional CSR is becoming more and more accepted among multinational companies (13). Thus our hypothesis is that differences in the CSR web communication do exist, so bigger size means profitable functioning and more conscious CSR communication.

4.3 Methods

Ours is a quantitative research, the data found on the websites are recorded in Excel. This research was being made from April to September in 2009. At first we analyzed whether the given website contains CSR link on the first page. If there was no CSR link on the first page, we looked for submenus through the further pages. We recorded the exact names of these links. We started searches in the „search” menu to these names and to „CSR” expression and we recorded the found numbers. In addition we analyzed whether there are reports on the webpage, whether they are available, downloadable, and if yes what there names are. Additionally our research included search for any relevant contact person. We looked for non-governmental organizations, actual news and programs as well.

4.4 Sampling, numbers

The base of the research was the list of the TOP 200 companies that have „the highest net income in 2007” from Figyelő magazine. We kept the TOP 100 companies in the same order, and from the TOP 101-200 we chose further 50 companies randomly. The selection was a simple hand made one.

We recorded the data in Excel, in one workbook and three work pages with the following expressions:

- | | |
|----------------|--------------|
| 1. TOP 1-50 | 50 companies |
| 2. TOP 51-100 | 50 companies |
| 3. TOP 101-200 | 50 companies |

The false data (e.g. the website is under construction, there is no website) from the aspect of research were filtered out due to the proper results. This way 20 out of the 150 companies were taken out. In the order of the work pages 5,10,5 loss was recorded.

The analysis was made with the help of the SPSS statistical program. Since 3 data tables were formed in Excel (50, TOP 51-100, TOP 101- 200), the data were first converted and after adopted in the proper format. After the forming, we made crosstabs test.

4.5 Results

The first question was “**is there any CSR link on the main webpage**”. The results are shown by the Table 2. and Figure 3.

Table 2.
CSR link on the main page (own editing)

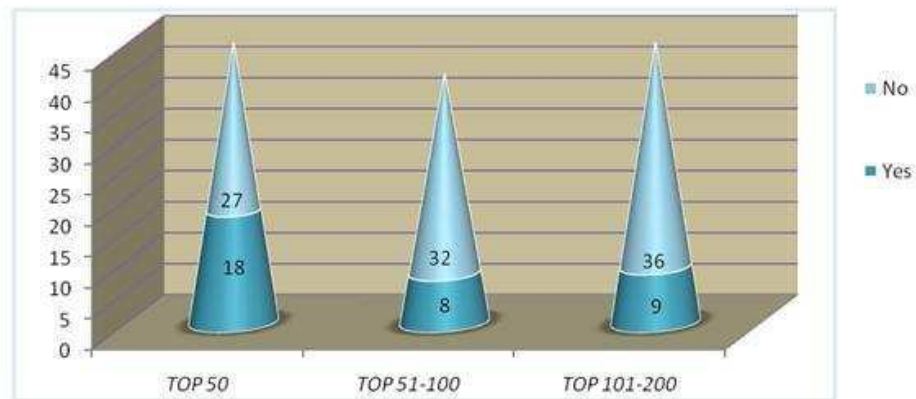
Is there any CSR link on the main webpage?				
Category		yes	no	Total
	TOP 50		18	27
		40,00%	60,00%	100,00%
TOP 51-100		8	32	40
		20,00%	80,00%	100,00%
TOP 101-200		9	36	45
		20,00%	80,00%	100,00%
Total		35	95	130
		26,90%	73,10%	100,00%

The chart shows the compared variables on the left side and the question and possible answers on the top.

We have to state a hypothesis by single every test. The null hypothesis always means equality, so the variables are independent. The alternative hypothesis henceforth H1 means coherence, they depend on each other. The significance decides which of the hypothesis will be accepted. If we throw out the null hypothesis that means the result is significant, so the difference from the null hypothesis can not be attributable to accident.

This time according to the main CSR link there is no significant difference among the TOP 50, TOP 51-100, and TOP 101-200 categories.

Figure 3.
CSR link on the main page (own editing)



The upcoming chart shows **the place/level of the CSR link in the webpage**. While the numbers can range from 0 to any numbers, the first test was inappropriate so we had to form categories. We made „none”, „I. level”, „II. level”, „III. level-” for more than three levels. The level „none” was introduced for practical reasons thus we can indicate if there isn't any CSR link on the website.

Table 3.
Website map (own editing)

Website map						
Category		none	I. level	II. level	III. level-	Total
	TOP 50	13	18	12	2	45
		28,90%	40,00%	26,70%	4,40%	100,00%
	TOP 51-100	18	8	12	2	40
		45,00%	20,00%	30,00%	5,00%	100,00%
	TOP 101-200	22	9	13	1	45
		48,90%	20,00%	28,90%	2,20%	100,00%
	Total	53	35	36	5	130
	40,80%	27,70%	27,70%	3,80%	100,00%	

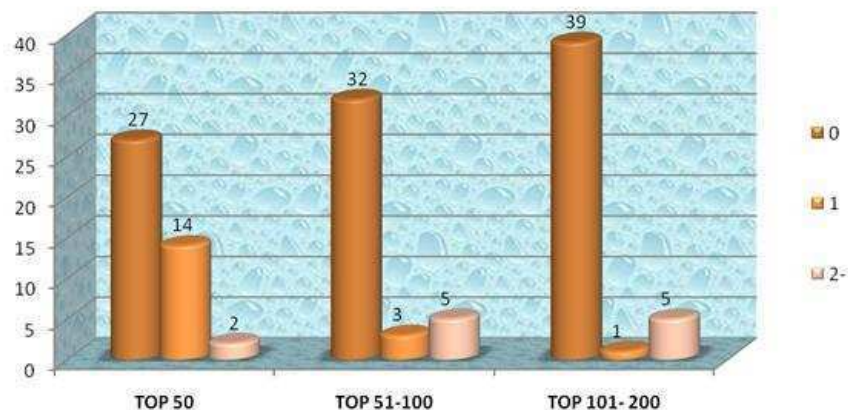
There is no significant difference among the TOP categories, and yet we can see it in the chart as well, the answers are similar; there is no huge difference among them, although the TOP 50 category has the best results. This made our assumption true, which stated that if there is any CSR link on the webpage, then most of the time, they can be found on the first or second level.

Two elements of the research could not be analyzed by SPSS program, they were hand made.

We wanted to find out **what the exact name of the „CSR link”** is. We formed 5 categories based on the results. The most common expressions -26 of them- stem from the word „environment” e.g. „environmental protection”. „for our environment”. One less result -25- was found according to the „corporate responsibility” expressions. The third group was made of expressions like „sustainable” or „responsible” we found 16 of them. In addition there is a „CSR” category with 6 results, and the rest -9- made the „other” category.

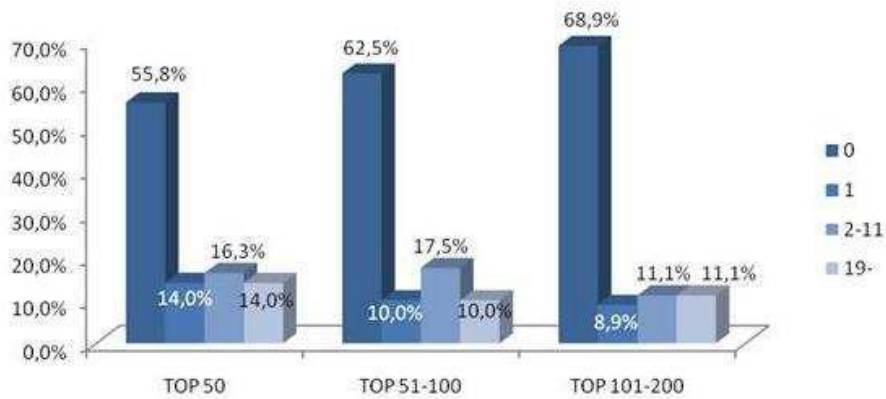
Our next research question was **the result found in the „search” menu**. On the given websites we started searches for two expressions: one was the word „CSR” and the other was the expression used on the website for the CSR link. Due to the low significance level the TOP 50 companies performed much better then the others in the search for „CSR” expression. They have the lowest number of 0 results and the highest number of positive results. This way our hypothesis which states that bigger company size means better CSR performance is true.

Figure 4.
Search for “CSR” expression (own editing)



The **search for the expression used on the website** (e.g. if it was „corporate responsibility, or „environmental protection” than for that specific expression) showed similar results, there is a strong dependence among the variables. Though with little difference, the TOP 50 companies performed better. Again the TOP 50 category has the lowest number of 0 results and the highest number of positive results.

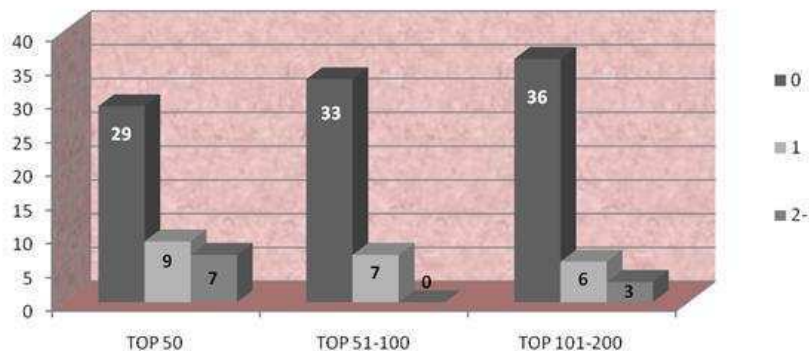
Figure 5.
Search for the expression used on the website (own editing)



Next step we analyzed **the reports found on the websites**. First we analyzed how many types

Next step we analyzed **the reports found on the websites**. First we analyzed how many types of reports can be found on the website. 0 indicated the case when there are no reports at all, 1 means one type of report and there were some companies who in the last few years publicized more then one type of report as well. Significant difference can not be found although the TOP 50 category „won” again.

Figure 6.
The types of the reports (own editing)



As the chart shows 22 out of 130 companies have 1 type of report, only 10 companies have more than 2 reports and 98 companies do not have any at all. Compare to each other the TOP 1-50 companies are the „winners” but if we look at them one by one the situation is not so good, since 29 out of 45 companies (65%) do not have any

reports at all. Naturally this does not mean that these companies do not perform well, or that they are not conscious, because having a report does not ensure conscious behavior, and it is an important expectation that if there are reports, they have to meet certain standards.

Next we analyzed how many **reports are available /downloadable**.

Table 4.
The available reports (own editing)

How many reports are available?					
Category		0	1	2-	Total
	TOP 50	29	6	10	45
		64,40%	13,30%	22,20%	100,00%
	TOP 51-100	33	7	0	40
		82,50%	17,50%	0,00%	100,00%
	TOP 101-200	36	5	3	45
		82,20%	11,10%	6,70%	100,00%
	Total	98	19	13	130
		75,4%	14,6%	10,00%	100,00%

0 indicated the case when there are no reports available at all, 1 means one available report and there were some companies who in the last few years publicized more than one reports as well. TOP 50 category has the highest number of available reports, altogether 16 companies have more than 1 or 2 ones, but if we look at the TOP companies as a whole, unfortunately more than 75% of them do not have any reports.

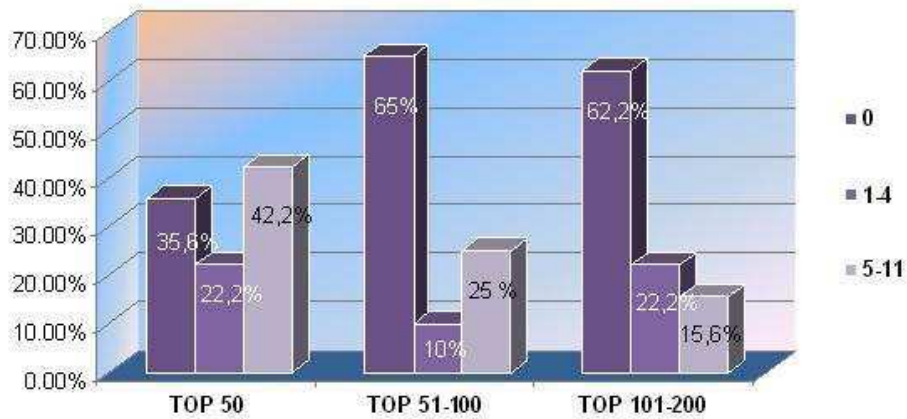
We recorded **the name of these reports** as well. We found expressions that have more meanings, and companies who mixed different expressions too. The most common expression was sustainable report, we gathered 18 of them, 15-15 environmental and corporate/CSR reports followed them. Further 3 names of the reports could be categorized evidently.

We looked for relevant **contact persons** on the web pages as well. The results show equality since 5-5 companies gave contact persons from TOP 1-50 and TOP 101-200 categories as well. Contrary to them, TOP 51-100 companies do not possess one single contact person. If we look at them as a whole, 7,7 % of them has any such persons. We assume this means that CSR can not yet be connected to persons, or departments.

We searched for **further links in connection with CSR** on the websites. TOP 1-50 category has the highest number of further links, and is also prominent on the field of 5-11 reports.

TOP 51-100 category has the worst results, 65% of them do not have any further links.

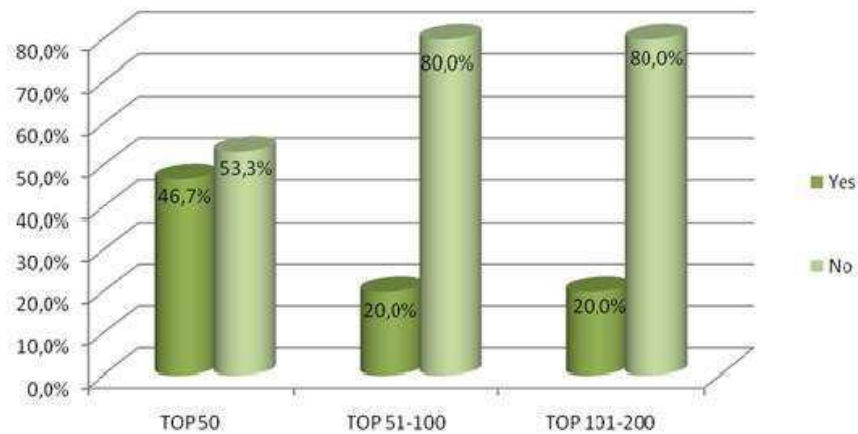
Figure 7.
The distribution of further link in connection with CSR (own editing)



In the case of **actual program** there is no significance difference among the categories. TOP 1-50 has the most of them, more than 40%.

We looked for **non-governmental organizations** on the websites too. Again, TOP 1-50 has the highest number of these organizations, 45% of them co-operate with them.

Figure 8.
The distribution of the NGOs (own editing)



5 Conclusions

To sum up of the results we can state that in all the 10 questions the TOP 1-50 performed “better”, so there is significant difference among our 3 variables. The hypothesis of ours came out to be true, so the bigger the company’s size is the more

CSR / more conscious CSR communication we can find. Naturally the way and extent a company communicates an activity is not a guarantee for doing it entirely and being the best at it. To analyze the real CSR activity another research and different methods are needed.

We think that it is hopefully that these companies communicate their CSR activities in a way like this, because it could be a “best practice” to others.

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