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Innovation and Organizational Culture – Change Management Issues in a Financial Institution's Organizational Culture[1]

Keresztes Gábor, PhD student
University of West Hungary, Faculty of Economics, Sopron[2]
Pirger Tamás, PhD student
University of West Hungary, Faculty of Economics, Sopron

ABSTRACT Innovative organizations – besides achieving market success – permanently seek to develop their internal processes, such as the transformation of organizational culture. The purpose of changing the culture can be many, which in most cases aims at reaching projects set by the organization more efficiently and attaining a more successful operation. For this we need the employees to be satisfied with the corporate culture they work in every day. In our research we examined the organizational culture of a financial institution with the help of a questionnaire along the dimensions of Hofstede. We examined the internal culture mostly on the level of employees, in terms of employee satisfaction. The difference between the present and desired state, which was evaluated by statistical methods revealed the problems arising from the employee side regarding organizational culture. Knowing the existing problems, suggested solutions can be worked out concerning the transformation and development of corporate culture.

KEYWORDS Organizational culture, innovation, corporate culture, cultural problems, change management

Introduction and objectives

Culture is like learning; it is hard to acquire
and keep the quality, but it is easy to lose.
/Zoltán Kodály/

Organizational culture fundamentally determines those people's work environment and everyday lives who are working in the most diverse organizational

1 This research was supported by the European Union and the State of Hungary, co-financed by the European Social Fund in the framework of TÁMOP-4.2.4.A/ 2-11/1-2012-0001 'National Excellence Program'.

2 gabor.keresztes@ktk.nyme.hu

forms. During our lives we meet pleasant and unpleasant, as well as irritating workplace atmosphere. As we know, there is the kind of workplace where employees go with pleasure, they almost cannot wait to start work, while we also know the total counterexample of this. So, organizational culture is a particularly important part of our lives, therefore its examination is an emphasized and complicated task. Its measurement requires extremely big and complex expertise, especially if we try to improve an existing culture. Developing the culture unequivocally requires innovational processes, which are based on creative people and modern technologies. The subject of innovation is focusing on the questions of the improvement of organizations, consequently, on the building of organizational culture as well.

In this study we examine the corporate culture which is innovative, motivated, is capable of improvement and generates new organizational solutions. The examined company is a multinational, big financial institution operating in the international competitive sector, which name and other features – because of anonymity – at the company's request we do not reveal.

The purpose of the research after a primary data collection was to obtain information about the present culture of the company and the problems that come up in this field. From the information generated by statistical methods we can elaborate a suggested solution, which can be accomplished by change management techniques and methods so that the company and its employees are capable of better performance.

Organizational culture

In connection with our topic, we find it important to mention Daft's "Iceberg model" (Daft, 1992) first, which carries one of the several definitions of organizational culture as well. The essence of the model is that the organizational culture has visible and invisible, subsurface features. The visible elements are ceremonies, stories and symbols, which are of course important at every institution, but what is more important is the characteristics that cannot be seen at first, we really need to pay attention to these (the iceberg association derives from here). These are the following: values, assumptions, beliefs, attitudes, feelings. Organizational culture is made of visible and invisible elements; the bigger and more important part is given by the subsurface factors. In this study we will examine the latter features.

The other important model of the current research was created by Hofstede. Hofstede describes the organizational (and national) cultures with the help of four dimensions (later on Hofstede determined a fifth dimension, too but that was not part of this study):

- Power distance: to what extent power is divided between employees and employers,

- Uncertainty avoidance: degree of risk assumption, regulation and willingness to innovate of the employees/organization,
- Individualism or collectivism: whether the organization is individual or group centered,
- Masculinity or feminity: whether the organization is performance or human-oriented (Hofstede, 1980)

Along these dimensions the Hungarian organizational culture – compared to other countries – according to the Institute For Training Intercultural Management looks as follows:

- small power distance
- medium to strong individualism
- strongly masculine values
- high uncertainty avoidance index. (ITIM, 1996)

However, some researches confuted this statement or served with less unequivocal results. For example, the GLOBE study characterizes Hungary as a country with high power distance and strong collectivism. (Bakacsi – Takács – Karácsonyi – Imrek, 2002) The results identified here show the comparison between the countries. Nonetheless, of course the culture of Hungarian institutions is nearly not the same; individualism among others can be stronger or weaker depending on the institution or company.

The question may arise, why is it important to deal with organizational culture? Based on Kotter and Heskett's opinions a good performing organization has the following features:

- has a strong culture (value- and norm system accepted by everybody)
- flexible, is able to adapt
- adapts to the organization's strategy, goals
- mindful of the employers and employees as well (Kotter – Heskett, 1992)

According to Denison, strong culture helps to identify oneself with the aims of the organization, it can be motivating for the workers. The shared values help determine the aim of the organization and select the method of aim-reaching. Organizations that have strong organizational culture can use past experiences more effectively, so they have a high degree of learning ability. (Denison, 1990).

In the following we will show the relationship between innovation and organizational culture which can be observed mainly in organizational development processes.

Innovative culture

Innovation is the process of seeking a better, newer, more modern situation than the present one. From 21st century organizations mapping, applying and accomplishing reformative, innovative intentions is a fundamental expectation. According to the definition of the OECD (1997) organizations during the innovation can develop their products, procedures, technologies, marketing methods and in our case, most importantly the organization's own processes, human resources. Starting from Freemans thoughts, this organization-development can occur in gradual, modifying form, in small steps, by continuously developing or alongside the redefinition of the whole organizational process and culture. The OECD's exact phrasing is: "*Organizational innovation means the accomplishment of new organizational methods in the business practice of companies, in organizing the work or in external business relations.*" (Katona, 2006)

The attitude and cooperation of the employees and employers are fundamental parts of organizational culture. There are basically two approaches of the development of organizational culture: (1) either the structural, organizing procedures, communication, relationships, rules – as a complex system of the organization - are renewed (2) or we improve the individuals that are fundamental parts of the organization. The previous (1) approach is classically called organizational development by the technical literature. There is no commonly accepted definition of the notion, mainly Beckhard's (1974) definition is in general use, accordingly: organizational development is planned, organization-wide, and managed from the top, to increase the effectiveness of the organization. During organizational development – in optimum case – behavioral sciences are applied, which can give a stable basis to the success of the process. One of the tools is business process re-engineering (BPR). Its essence is to improve the working conditions, develop employees, improve the quality of learning and output processes, along with this reducing time and cost need. (Davenport-Short, 1990, announce: Iványi-Hoffer, 2010) During BPR the company's:

- future prospects and goals are redefined
- existing processes are estimated and understood
- reforming processes are identified
- possibilities are identified
- new processes are planned and created.

The focus to the latter (2) approach (level of individuals) was brought to light by the process of knowledge-revaluation. Under the term innovation, Gregersen and Johnson (1997) mean a system that creates and distributes knowledge, utilizes this knowledge by introducing it into the economy in the form of innovations, diffuses it and transforms it into something regarded as valuable. Innovation here appears as a process that is attained as a result of learning. Managing knowledge is a crucial area in today's world. In modern organizations employees can improve continuously by trainings and further education, their knowledge grows and is up-to-date. Some employees train themselves on their own by professional specializations, which they insert to the processes of the company; the classical example of this is the study contract. Löwe (2004) classifies innovation to three categories:

- technical innovation (revaluation of R&D results)
- non-technical innovation (design, marketing, management)
- social innovation (cultural role model, behavior of risk assumption, role of genders)

According to Chikán (2006) the object of innovation is to completely satisfy consumer needs on a new, higher and better quality level than the present one. Let's assume that in this study the employees of the examined company are the consumers, as in fact they are the consumers of organizational culture, and the higher quality level aims at their working conditions, the atmosphere and the corporate culture. It can be seen that companies with innovative culture pay stressed attention to improving internal processes of the company alongside the innovation of products and technologies. The definition of Carpenter (2010) also agrees with this, according to him innovation is *"a change in a product offering, service, business model or operations which meaningfully improves the experience of a large number of stakeholders."*

Henry Chesbrough (2003) worked out and introduced the definition of Open Innovation model to economic- and organizing sciences. The model fundamentally changes the previous innovational ideas. According to Chesbrough knowledge can come from anywhere (especially from outside) to work out a following innovation, therefore in his opinion the organization should not encrypt its processes, as in this way they lose the possibility of getting further impulses. According to Chesbrough knowledge-based economies are hidden in free spreading of ideas and their practical utilization, which have to be open to everybody to help constant development.

We consider this idea desirable in modern business processes as well. Employees must be involved in the elaboration of corporate processes likewise; the manifestation of their ideas and opinion has to be assured. An innovative company is characterized by openness and communal thinking in intern organizational processes. Returning to our previous assumption: the consumer i.e. the employee must be involved in the development of organizational culture in favor of the successful operation in the future. Employee dissatisfaction, overwhelming workplace atmosphere, weak corporate culture unequivocally causes effectiveness and performance reduction in organizations. An employee who is satisfied with his work and workplace and feels that is important to the company, through the synergy effect, means more than one employee for the company. Therefore it is important to build in the employees' opinion in the corporate culture's formation, as in fact they live their everyday lives in this environment. We also have to mention that applying and developing open organizational culture carries insignificant costs, so applying this model can be rational, naturally where the profile of the organization makes it possible. (exception to this rule for example an army or law enforcement body, etc.)

Even today, traditionally and typically human creativity can form the basis of innovative organizations. Csíkszentmihályi (1996, announce Székely-Keresztes, 2012) considers creativity as a mental activity, which leads to new solutions recognized in special people's minds. In connection with this he differentiates three, not exactly identical phenomenons. He calls talented people who are fascinating and inspiriting, with unusually agile mind-set brilliant. Others take the world in a modern, original way, their judgment is wise, and they are individually creative. However, those creative people who changed human culture in a significant respect are especially important, these kinds of people are creative without reservation. Csíkszentmihályi also finds further differences between the notions connected to creativity. He considers talent as an inherent ability with which some things can be done very well, so talent is essentially a good individual characteristic. Ingenuity, however, is brilliant and creative at the same time, which together carries negative characteristics as well (see: the problem of the unappreciated genius).

On the basis of the above mentioned, real creativity without reservation is something that changes certain aspects of human culture. This, however never exists in only one person's mind, it is not only a result of thinking but is actually a social phenomenon. When asked what creativity lies in, Csíkszentmihályi gave the following answer: "Creativity can be observed in a tripartite system's connections:

- range: system of symbolic rules and processes (e.g. math, biology),
- professional sphere: these experts may decide whether a given idea can get into the range,
- individual: a person has a new idea, or sees existing things in a new setting."

On the basis of the previous, the definition of creativity can be shaped as follows: "Creativity is an action, idea or product that changes or frames an existing range into a new one. … A person whose thoughts or actions change or frame a range into a new one is creative." (Csíkszentmihályi, 2009) The most important conclusion of the previous statements is that at a given place and time, the level of creativity does not only depend on individual creativity, but also on how suitable the ranges and professional spheres are for recognizing and spreading new thoughts. The society and in our case the companies must be mature enough to develop ranges that take the professional fields that assure improvement with themselves. In addition they have to have experts who are able to recognize the genuineness and the new value of the ideas. Moreover an infrastructure has to be formed, which helps the individuals, ranges and experts find each other. Such network system has to be created that assures the use of the results of creativity in innovational processes. (Székely - Keresztes, 2012)

We would like to note that innovation appears as a kind of "creative destruction" among classical thinkers. According to Schumpeter (1943) this means that new products and progressions, organizations make previous tools unnecessary, namely they destroy old methods and procedures and bring new ones to the surface instead. They fulfill inventions deliberately, building upon human creativity, especially the inventiveness of employees to a great extent. Schumpeter considers this as a natural process which can only result the disappearance of products and companies, but also industrial branches and workplaces. Along new possibilities new corporate processes emerge and new workplaces are created. As a matter of fact this is a periodically returning cycle, in which center innovation appears as a destructive and constructive power.

In our opinion, developing organizational culture is essential with the progress of time, because of the change of social and individual needs and attitudes. New, emergent cultures have to create value, however, innovative organizations must not forget about the previous useful values which might need to be transferred to the new corporate processes. This is especially true of organizations with long history and traditions that typically recognize the needs of culture-development more slowly and carry out changes more carefully.

The change of the culture

In this study we are definitely talking about cultural change driven by – through employee satisfaction – demand for a greater performance. The purpose of changing is the development of organizational abilities, during which the leadership should encourage those who participate in the change. In the focus of change, besides the formation of organizational culture there is behavior and attitude of the colleagues. A commitment to change, however, should be achieved by motivating employees. Considering these factors we clearly need a "type O" (Organizational capabilities approach) approach, which in contrast to "type E " (Economic value approach) (which puts economic rationalization forward) focuses on the development of the organization with a high degree of employee- and minimal counseling participation. (Beer-Nohria, 2001; Beer et al., 2003). We present the change process through Kotter's eight-step model, which involves the following:

1. Expressing the need for a change
2. Creating the team arranging the change
3. Developing conception and strategy
4. Communication in connection with the plan of change
5. Involvement, authorization of collaborators in favor of future prospects
6. Achieving early, short-term results
7. Strengthening objects and establishing more change
8. Introducing new aspects in cultures

The model is characterized by a change of cycles, so the eight steps practically form a circle. The first four steps aim to start the change, taking possible resistance into account. Steps 5-7 combine participatory and political practice to assure and maintain support. Point 8 is honored, its goal is to imprint changes into the organization's culture.

We have to mention that changing and developing organizational culture – as every process of innovation – may encounter resistance. Most people are basically afraid of new things, newness and treat these with a high degree of mistrust and often take them in very slowly. Developing corporate culture may also encounter these difficulties, it is difficult for employees to let the usual environment go, they stick to the established routines and organizational frames. In some cases they do not accept the new value of cultural development and its positive effects, they are interested in keeping the existing – even harmful – culture and they can be lead by professional and personal conflicts. The worst consequence of resistance is sabotage or strike. The employees of the organization are probably afraid of innovation to a smaller or larger extent before each change. We have to accept that there is a "healthy fear" in the people and this can be useful from the aspect of innovation, if it eliminates hurried, reckless changes in culture.

The process of culture change depends on the stage of development of the corporate culture as well. Schein differentiates the phases of foundation, early growth, medium development stage, maturity and decline. In our case the company is in the mature stage of development as it has had a series of market success and has a strong culture now. The stage of maturity does not primarily depend on the age of the company, but also on the deceleration or stagnation of corporate growth. (Schein, 1995). Strong culture is advantageous in case of stable economic environment but it can be harmful when the economic environment changes.

The phases of culture change are practically the same as the phases of most changing models, there are also three, consecutive steps.

1. Loosen firmly existing schemes and values (melt down)
2. Redefinition (transformation)
3. Strengthening (freeze) (Schein, 1995)

Schein distinguishes four basic types of strategies of culture change, which are: aggressive procedure, procedure based on participation, education and network procedure. (Schein, 1995) After presenting the problems emerging in the organizational culture of the financial institution, we will naturally return to the right strategy choice.

Methodology

The theoretical background of the research is based on the dimensions of Hofstede. On the score of the four dimensions a questionnaire[3] was elaborated

3 On the basis of Dr. Ákos Jarjabka's survey applied in his study: "Van nyoma a hazai vállalatok állami múltjának szervezeti kultúrájuk jelenében?"

which included 40 questions, thus each dimension had 10 questions. The 10 questions actually examined 5 aspects of each dimension so we can talk about altogether 20 examined areas (4 dimensions x 5 aspects). In every aspect there was a question that investigated what the examined area is like according to the respondent at his/her own organization and in his/her opinion what is should be like. Therefore they were detected and desired judgments. During the research these questions (detected and desired) were compared. These questions had to be answered by the employees in a 9 point Likert scale. I added a little explanation to the odd numbers on the questionnaire to make it easier to answer. The examined areas in more detail:

The examined aspects of power distance:
- power distance regarding decisions
- power distance in the variance of the incomes
- power distance in the attribution of success
- power distance in the limitation of the executive power
- power distance in the flow of information

The examined aspects of uncertainty avoidance:
- uncertainty avoidance in the motivation of innovations
- uncertainty avoidance in contrast with stress
- uncertainty avoidance in expected risk-taking
- uncertainty avoidance in the specification of rules
- uncertainty avoidance in the planning term

The examined aspects of collectivism vs. individualism:
- collectivism between the success of the group and the individual
- collectivism in the judgment of conflicts
- collectivism in the frequency of teamwork
- collectivism in the reach of group success
- collectivism in the attribution of success

The examined aspects of masculinity vs. feminity:
- masculinity on the basis of task-centeredness
- masculinity in the judgment of competition
- masculinity on the basis of the managers' empathy
- masculinity in the judgment of social sensitivity
- masculinity in the solution of conflicts

I do not wish to explain these features in more detail – because of its extent. However, later I will present the areas where significant and great differences appeared between the detected and desired values.

Altogether 104 people filled out the questionnaire for the financial institution. The evaluation was conducted using SPSS 19.0 (Statistical Package for the Social Sciences). The comparison of detected and desired judgments was carried out with paired sample T test. In order to establish a considerable difference between detected and desired values the following criteria system was used:

- The overall significance level had to be less than 0,05% (5% significance level)
- If the criterion above is true, there is a significant difference. However this difference in itself can be quite small and insignificant because of the method and the nature of the survey considering the relatively wide 9-point scale. For this reason we built in the criteria-system that the difference between the mean of the detected judgments and the mean of the desired judgments had to be at least 2.

After analyzing the questionnaire, a short interview was conducted with two employees of the company to better understand the root of the problems and the way leading to the solution.

The results of the research

In the following we present the problems arising on the employee side at the financial institution regarding organizational culture. After evaluating the questionnaires, 5 out of 20 examined areas met the requirements where we can state that there is a significant and meaningful difference between the existing and desired culture-judgment. There was a significant difference in case of 15 questions, however, because of an average difference determined as a requirement 10 more aspects dropped. The described 5 critical areas are the following:

Power distance in the flow of information

In this examined subfield the question regarding detected culture was the following: *"In your organization what is the flow of information like between the leaders and employees?"* The possible answers assigned to odd numbers were the following: 1. Minimal, 3. Preferably minimal, 5. Occasionally free, at times minimal, 7. Preferably free, 9. Free, information-rich. To reveal the required culture the additional question was the following: *"What would you consider a desirable flow of information?"* The possible answers were, of course correspondent with those described above.

It appeared from the answers that the employees of the financial institution would like a richer flow of information than the current one. In this regard employees would like smaller power distance than the current one. Small power distance organizations are characterized by free, information-rich communication.

Uncertainty avoidance in the stimulation of innovations

In the next examined subfield the question regarding detected culture was the following: *"In your organization how well are the innovative (novelty) ideas of the employees accepted?"* The possible answers assigned to odd numbers were the following: 1. Not at all, 3. Slightly 5. Moderately, 7. To a large extent, 9. Fully accepted and supported. To reveal the required culture the additional question was the following: "*What would you consider a desired degree of acceptance?*" The possible answers were, of course also correspondent with those described above.

It appeared from the answers that the employees of the financial institution would like their ideas to be supported better than the actual. In this regard the employees would deem slight uncertainty avoidance more advisable. The willingness to change characterizes low uncertainty avoidance organizations.

Uncertainty avoidance in contrast with stress

In this examined subfield the question regarding detected culture was the following: *"To what extent is your job tense, stressful?"* The possible answers assigned to odd numbers were the following: 1. Not at all, 3. Slightly, 5. Moderately, 7. To a large extent, 9. Fully. To reveal the required culture the additional question was the following: "*What level would be the most convenient/reasonable at your workplace?"* The possible answers were, of course also correspondent with those described above.

It appeared from the answers that the employees of the financial institution consider their workplace much more stressful than the reasonable/desired. So in this respect the employees would deem stronger uncertainty avoidance more advisable as the stress situation is caused by uncertainty.

Masculinity on the basis of task-centeredness

In this examined subfield the sentence to be completed regarding detected culture was the following: *"In your organization the employers during their directing activities:"* The possible options with which the sentence could be finished were the following (explanation was only given to odd numbers) 1. Concentrate on the satisfaction of the employees and the atmosphere of the workplace. 3. Preferably concentrate on the employees. 5. Sometimes focus on the employees, sometimes on performance. 7. Preferably concentrate on performance. 9. Concentrate on work, performance. To reveal the required culture, the additional question was the following: "*What level would be the most appropriate/reasonable at your workplace?"* The possible answers were, of course also correspondent with those described above.

The answers revealed that the workers of the company think that the management should concentrate much more on employees and less on performance. So, in this respect the employees would like a less masculine culture, i.e. task-centeredness and a high degree of performance-orientation is a masculine value.

Masculinity on the basis of the leaders' empathy

In this examined subfield the question regarding detected culture was the following: *"In your organization how well do the leaders put themselves into the place of the employees?"* The possible answers assigned to odd numbers were the following: 1. Not at all, 3. Slightly, 5. Moderately, 7. To a large extent, 9. Fully. To reveal the required culture the additional question was the following: *"What would you consider convenient?"* The possible answers were, of course also correspondent with those described above.

From the answers it appeared that the employees of the company would like their leaders to put themselves into the employees' place when accomplishing tasks to be more emphatic. Extreme empathy is a feminine value, so according to this aspect the employees would like a more feminine organizational culture.

There was a divergence that met the requirements in three out of four dimensions of Hofstede, except for the dimension of collectivism vs. individualism. In this dimension by the way in two out of the five dimensions there was not any significant divergence, the difference between the averages in two cases did not even reach one and in one case did not reach two. So in terms of this dimension, the company did well, the employees were actually satisfied.

Studying the other three dimensions it can be ascertained that there is a problem that meets the criteria in one spot in the power distance, while in the dimension of uncertainty avoidance and the masculine vs. feminine values there are equally two spots.

The root of the problems and solution

It turned out from the evaluation that the employees of the company do not find the received information from the leaders enough. In their opinion the exchange of information between employers and employees is much less and poorer than it should be. The interviews revealed that there is no forum – at present (!) – of sharing the information back and forth. Information spreads vertically and horizontally only through e-mails or private discussions. In case of e-mails the problem is that they do not have time to read the received letters because they have a lot of work. Earlier, however, this was not the case. Last year the half-hour morning meetings came to an end, which are missed by the workers very much. In these meetings the exchange of information went back and forth between the employers and the employees. Stopping meetings is due to reduced workforce, in spite of this the work has not been less, and it even increased in the past years. So the employees are forced to spend the time they would spend on meetings with work, too.

The second problem was that according to workers, employers do not listen to or accept new ideas of the employees as much as it would be required. We think that the solution can be the restoration of the morning meetings, and it would also be important for the company to pursue an "open door" policy, which means that the employees could reach their boss anytime, and critiques and suggestions are allowed. Our further suggestion is developing "idea-boxes or idea-walls" and rewarding the inventor of useful ideas.

The third problem – which the statistical analysis showed the strongest – was that in the employees' opinion, their workplace is much more stressful than it should be. 90 % of the questionnaire was filled out by the phone customer service at the financial institution. It is a fact that according to some researches, customer service – since it has to deal with people and their complaints – is one of those works in the world where the long-lasting stress is the highest. The employees are aware of this. When making a change, of course it cannot be assumed that later they will not have to deal with people and complaints, or that the stress arose from it can be thoroughly eased. The respondents put high stress down to the fact that they cannot complete the countless tasks, statistical indicators and expectations suitably after the 8 hour work. The earlier 8 hour working day increased due to the reduced workforce and increased amount of work. The expectations and norms (on which basis they get part of their salaries) however, remained the same. The employees of the company feel that in 10 hours per day they are not able to do their job with the same strength and concentration, and meet the requirements. This can cause stress.

The fourth problem was that according to employees, their leaders should concentrate more on workers and somewhat less on performance. Naturally, at a big company, where the firm is not only competing with similar profile companies but there is also a competition in the company between the units and groups operating in certain cities, performance expectation can hardly be reduced and the "easing" would affect the company's efficiency and competitiveness negatively. However, with some extra time and by listening to the critiques and suggestions of the employees (and we return here to the first two problems) according to the employees, the extreme performance oriented culture could be eased.

The last problem was that according to employees, their employers are not emphatic enough, they do not put themselves into the employees' shoes enough. We believe that the implementation of the previous points would bring a more emphatic image to the leaders.

After acknowledging the problems, the goal would be to approach expected culture to detected culture in any ways. In our opinion, in all five cases corporate culture could come closer to the expectations if the currently missing workforce was supplemented. This way, the time needed for morning meetings would be freed, which would solve the question of information flow and partly the audition/hearing of new ideas. By restoring the eight hour working day, stress would also be reduced. These modifications would generate the solution of the last two problems. Practically, the “old system” would be restored by this. We think that accomplishing this appropriately would be a procedure built on participation, if we wish to choose the right strategy. This would be an integrating, commonly creating, gradual and least radical solution.

The question, of course remains a question, whether it is worth for the company financially. Those who work in quality organizational culture are capable of better performance without a doubt, and by this more efficient operation, higher profit can be reached. This would be of course the main (if not the only) objective of the change. However, it is questionable whether the financial burdens and wage costs which are induced by higher workforce will return or not. However, this kind of calculation is not the point of this study and it does not fit in.

If the company commits itself concerning workforce enlargement, it will not encounter any resistance from the employee-side, as the demand has also arisen from their perspective. Accordingly, no supporters have to be persuaded in this case among the workers.

Leading through Kotter’s model, (1) measuring the need for a change was carried out by questionnaires. (2) Regarding the team arranging the change, actually nothing novel has to be done, the company’s HR staff will solve this issue. (3) When creating the strategy, on one hand the settlement of the previously described participation based procedure would be suitable, on the other hand the cost (wage cost) and expected rate of return of the change have to be considered. (4) The change and its reason have to be communicated towards employees. Therefore, the ceasing, or at least moderation of arisen questions is expected. (5) When participating the collaborators I find it suitable that the employees are initiated on group leader level, with this helping to restore the old culture and the communication of change. (6) The early results will arise from the positive effects of repetitive meetings and reduced working hours which can already be measured in the short run. (7) If the old system is restored, (8) a new survey would be suitable to know whether the changes were successful or further change is needed.

Conclusions

The research revealed that at the financial institution the problem regarding organizational culture arises on the employee-side. In three out of four dimensions of the model of Hofstede there was a significant and considerable difference between detected and desired culture perceptions. In our opinion, however, these may not be called severe, substantial or irreparable problems.

One of the biggest lessons and results of this research is that how many problems can changing a single factor (in this case the reduction of the labor force) cause in the organization and the corporate culture. Recognizing this, the company was planning on enlarging labor force by the end of the study. We think that this fact also supports the relevance of the study's results. In our opinion, by increasing the number of employees organizational culture will get better as well as the performance of the organization and as we indicated in Kotter's model, it would be worthwhile to repeat the survey later on.

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Competitiveness and Technological Readiness of Hungary in the Light of Foreign Direct Investment[4]

Balázs Nagy PhD Student[5]
University of West Hungary, Faculty of Economics

ABSTRACT The expansion of the single market in the European Union enabled free(er) movement of capital, goods, services and labour. Since the 1990's the increasing economic opening, the globalisation and the European integration have promoted the economic transformation, to which a significant rate of capital was necessary. To cover that capital requirement, foreign resources have been resorted to, Hungary, together with other countries, became a capital importer country. On the basis of the above, the purpose of the study is the survey of the competitiveness, technological readiness and the foreign direct investment interrelation.

KEYWORDS competitiveness, foreign direct investment, technological readiness

Introduction

One of the most significant fields of the increasingly freer and freer international capital movement is the foreign capital investment, which means that the capital is invested into the economy of another country in the form of such enterprises, which are managed or supervised by the equity holders (and their trustees) (Szentes 2005).

The accelerating privatisation wave along with the factors to facilitate capital import contributed to the increase in the rate of the foreign-owned companies. From the viewpoint of the world economy, the international movement of the direct investment capital has integral effects as it typically moves from capital-supplied countries to countries with capital scarcity. Its significance and features were recognized by Kaname Akamatsu as early as in the 1930's and then published the 'Flying Geese Model', his study was published in English as well in 1962 (Akamatsu 1962). According to the model the developed countries play an essential role in the closing up of the developing countries as the previous ones are followed by

4 The study was realized with the support of Pallas Athéné Domus Concordiae Foundation

5 nagybalazs0224@gmail.com

the developing ones in V-formation. In this process, the trade and foreign direct investments have significant impacts (Kojima 2000).

The products of the developing countries appear on the markets of the developed countries as well, where they generate competitive situation, as a result, it eventuates increase in the efficiency and productivity of the developed countries, which leads to the outflows of the new technology that appears on the market of the developing country (Artner 2013). When taking the working capital flow into consideration the intangible capital must be taken into account as well, which means either the flow of management knowledge or the flow of know-how (Magas 2005).

Definitions of the competitiveness of nations

The Institute of Management Development (IMD) gives two definitions to define the competitiveness of nations. According to the first condensed one „Competitiveness analyses how a nation manages the totality of its resources and competencies to increase the prosperity of its people" (IMD 2014 p. 502). According to the wider, academic definition 'A field of Economic knowledge, which analyses the facts and policies that shape the ability of a nation to create and maintain an environment that sustains more value creation for its enterprises and more prosperity for its people' (IMD 2014 p. 502). The IMD draws up the ten golden rules of competitiveness every year, the fifth of the golden rules in the report of 2005 says, 'Develop aggressiveness on the international markets as well as attractiveness for foreign direct investment' (IMD 2005). By comparison, the stimulation of foreign capital investments was omitted from the golden rules in 2014. An important field can be found in the 2014 yearbook 'Support medium sized enterprises, with home grown technology and export orientation' (IMD 2014). In the light of this concept medium sized enterprises and home grown technology come to the front instead of foreign capital.

The definition of competitiveness given by the World Economic Forum (2014) is broadly analogous to the previous ones, in their interpretation competitiveness is defined 'as the set of institutions, policies, and factors that determine the level of productivity of a country. The level of productivity, in turn, sets the level of prosperity that can be reached by an economy. The productivity level also determines the rates of return obtained by investments in an economy, which in turn are the fundamental drivers of its growth rates. In other words, a more competitive economy is one that is likely to grow faster over time.'

According to the European Commission (2000) 'an economy is competitive if its population can enjoy high and raising standards of living and high rates of employment on a sustainable basis. More precisely, the level of economic activity should not cause an unsustainable external balance of the economy nor should it compromise the welfare of future generations.'

Porter's definition (2005) is the following: 'competitiveness is defined by the productivity with which a nation utilizes its human, capital and natural resources. A country's standard of living is determined by the productivity of its economy, which is measured by the value of goods and services produced per unit of its resources. Productivity depends both on the value of a nation's products and services – measured by the prices they can command in open markets – and by the efficiency with which they can be produced. Productivity is also dependent on the ability of an economy to mobilize its available human resources.'

Methodology, data sources, objectives

In 1979 the World Economic Forum published its Global Competitiveness Report for the first time, which analyzes and presents the competitiveness of the countries through 12 pillars. After the aggregation of the indicators of the 12 pillars, a composite indicator comes into being called Global Competitiveness Index, on the basis of which the countries are ranked. The resource of data used to the analysis consists of the statistics data provided by different organizations with special reference to the World Bank, the International Monetary Fund (IMF), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Health Organization (WHO). In addition to these, the WEF, in the form of annual Executive Opinion Survey, collects further data and build them into the Global Competitiveness Index. In 2014 the Report covers 144 countries (WEF 2014).

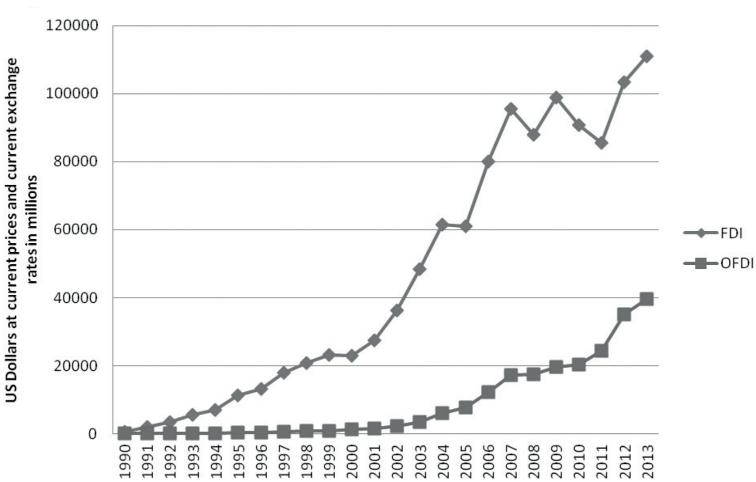
Another well-known researcher of competitiveness, the IMD presents the competitiveness of the nations' economy through four factor groups in their annual report, these four factor groups are the following: Economic Performance, Government Efficiency, Business Efficiency and Infrastructure. These factor groups include 338 criteria in 2014 (333 criteria in 2013), they are standardized and the ranking of the economies is created with reference to each criteria all and singular. The IMD analysis is based on the hard data provided by international organizations (such as OECD, World Bank, UN, WTO, and Partner Institutes worldwide), together with soft data provided by Executive Opinion Survey. The Yearbook assesses the competitiveness of 60 countries in 2014 (IMD 2014).

On the basis of the above, the objective of this study is to analyse the development of technological readiness and competitiveness of Hungary in the light of foreign direct investments. In the analysis, besides the data provided by the two competitiveness researchers above I also used the database of United Nations Conference on Trade and Development (UNCTAD).

Foreign Direct Investment and Export in Hungary

The capital inflow to Hungary began parallel with the democratic transformation, on the other hand, the capital outflow started to increase much later when Hungary joined the European Union, see Figure 1.

Figure 1: The FDI and OFDI in Hungary between 1990 and 2013[6]



Source: own construction based on database of UNCTAD

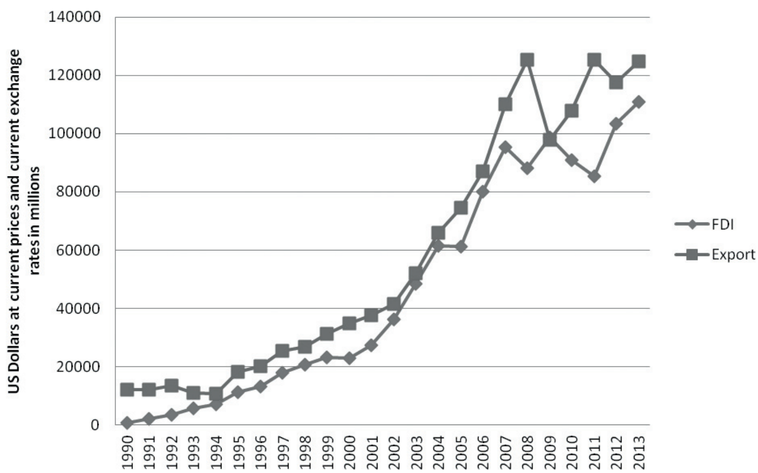
The trends justifies the former theories according to which the smaller countries are more dependent on the capital inflow in their early development and later they orientate themselves to outward investments in greater extent as well (Antalóczy & Éltető 2002).

The foreign-owned companies, established through greenfield investments, generate products almost exclusively for export and they use almost exclusively imported primary commodities and semi-finished products (Csengődi 2012). It follows that the correlation of foreign direct investments is clear; the development of these two variables in time is shown in *Figure 2*. After joining the European Union the resource of the further export growth was the increasing capital inflow, however, it was not the Hungarian companies, which took the advantage of the enormous export market, but the multi and transnational companies functioning in Hungary extended the export of products and services (Pogátsa 2009). It refers to the dependence of Hungary, that is, the integration

6 FDI – (Inward) Foreign Direct Investment, OFDI – Outward Foreign Direct Investment, both are „Stock”

elevated the level of interdependence (Palánkai 2004), as between the growing export and import is the added value provided by the domestic labour, a strong dependence on foreign capital developed on the labour market. The inflationary effects of the employment by the transnational companies shall be mentioned. In accordance with the Balassa-Samuelson effect the increase of the employees' wage at transnational companies also involves the growth of the productivity in the developing countries. Hence, the domestic companies are forced to increase their employees' wages, but there is not growth of productivity behind it. After all, it has inflation effects.

Figure 2: The development of FDI and export in Hungary between 1990 and 2013

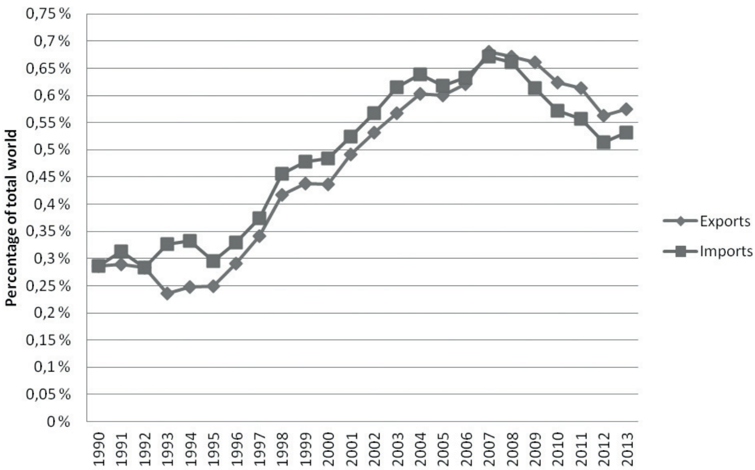


Source: own construction based on database of UNCTAD

The export of products and services has increased significantly along with the FDI Stock since 1990; these variables are closely related to each other (the „r" correlation coefficient is 0.9796). However, the world export share did not begin to increase in 1990 but only from 1995, it is presented in *Figure 3*.

The fundamental sign of growth in competitiveness by foreign direct investments is the world export share of a country (Csáki 2004). It is important because Hungary, since the democratic transformation, have pursued an economic policy attracting foreign capital; thereby they wished to improve the competitiveness on the world market and in the world economy. However, it can not be operated exclusively by attracting capital as in case its implementation is not appropriate, the opportunity to increase competitiveness gives a risk of developing an asymmetrically dependent relation.

Figure 3: Shares of merchandise exports and imports in Hungary



Source: own construction based on database of UNCTAD

On the basis of the previously referred Csengődy-study it shall be emphasized that the world market shares of Hungarian export and import are also closely related to each other (the „r" correlation coefficient is 0.97).

The relation between foreign direct investment and the stage of development

The World Economic Forum classifies the countries on the basis of their stage of development. The five stages are the following:

- 1 - Factor driven,
- Transition 1-2,
- 2 - Efficiency driven,
- Transition 2-3,
- 3 - Innovation driven.

Among the Member States of the European Union only the most developed three stages can be found, Hungary is a transitional country between stages 2 and 3 at present; it tends to move from efficiency driven to innovation driven. The stages of development are shown in *Table 1*, for the classification of each country see *Table 2*.

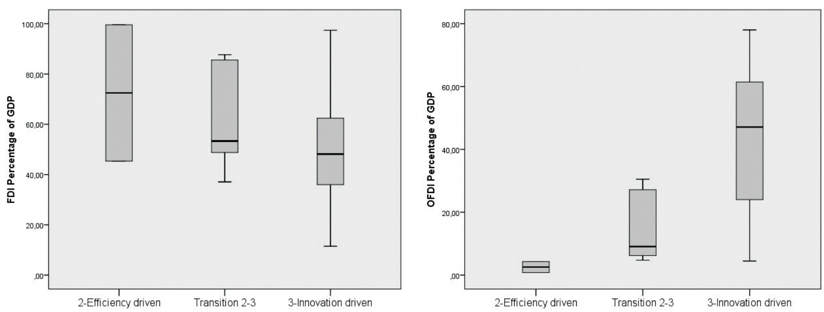
Table 1: Stages of Development in the Member States of the European Union

Stage of development	Frequency	Percent	Cumulative Percent
2 – Efficiency driven	2	7,1 %	7,1 %
Transition 2-3	7	25,0 %	32,1 %
3 – Innovation driven	19	67,9 %	100,0 %
Total	28	100,0 %	

Source: own calculation based on WEF (2014)

Analysing the inward and outward FDI as percentage of GDP, it can be stated that in the Innovation driven countries the GDP-rationed FDI inflow is at lower level than in the other countries, at the same time the capital outflow is the highest in these countries, it is supported by Figure 4.

Figure 4: GDP- Rationed Inward and Outward Foreign Direct Investment in the Member States of the European Union (2013)[7]



Source: own construction based on WEF (2014) and database of UNCTAD

As it can be seen the outward capital stock is quite low in the Efficiency driven countries, but it shall be added that only Romania and Bulgaria belongs to this category among the EU Member States. In 2013 Greece reached the lowest value of Inward FDI per capita (2.493 USD at current prices and exchange rates), as for the outward FDI Romania is at the lowest point (68 USD), but Bulgaria, Latvia, Lithuania and Slovakia have less outward FDI than the average.

In 2013 the value of the Inward Foreign Direct Investment per capita was 11.152 USD in Hungary, at the same time the value of the Outward FDI was 3.979 USD. This value is the highest among the Visegrad Four[8] it is almost twice as

7 Excluded (because of extreme data): Belgium, Ireland, Luxembourg, Malta and the Netherlands

8 Visegrad Four: Czech Republic, Hungary, Poland, Slovak Republic

much as in the Czech Republic. As for the Inward FDI, only the Czech Republic preceded Hungary with higher value among the primary competitors (Visegrad Four and Romania).

Table 2: Competitiveness, Inward & Outward FDI and Technological Readiness in EU-28[9]

Country	Stage of development	FDI / GDP	OFDI / GDP	WEF rank (out of 144)	IMD rank (out of 60)	Technological readiness (score 1-7)	WEF score (1-7)	IMD score (0-100)
Austria	3 - Innovation driven	44,18	57,3	21	22	5,74	5,16	73,699
Belgium	3 - Innovation driven	182,39	199,16	18	28	5,78	5,18	66,595
Bulgaria	2 - Efficiency driven	99,58	4,31	54	56	4,73	4,37	45,784
Croatia	Transition 2-3	56,08	7,53	77	59	4,56	4,13	38,974
Cyprus	3 - Innovation driven	97,37	38,15	58	-	4,56	4,31	-
Czech Republic	3 - Innovation driven	68,59	10,79	37	33	4,96	4,53	62,213
Denmark	3 - Innovation driven	48,15	77,56	13	9	6,10	5,29	84,04
Estonia	Transition 2-3	87,67	27,18	29	30	5,26	4,71	64,383
Finland	3 - Innovation driven	39,41	63,16	4	18	5,97	5,50	78,159
France	3 - Innovation driven	39,46	59,74	23	27	5,77	5,08	67,941
Germany	3 - Innovation driven	23,46	47,12	5	6	5,81	5,49	85,782
Greece	3 - Innovation driven	11,46	19,14	81	57	4,79	4,04	42,244
Hungary	Transition 2-3	85,56	30,53	60	48	4,43	4,28	52,505
Ireland	3 - Innovation driven	172,3	229,4	25	15	5,89	4,98	80,36
Italy	3 - Innovation driven	19,5	28,9	49	46	4,82	4,42	52,871
Latvia	Transition 2-3	50,58	4,74	42	35	5,12	4,50	61,848
Lithuania	Transition 2-3	37,1	6,21	41	34	5,37	4,51	62,014
Luxembourg	3 - Innovation driven	236,47	303,75	19	11	6,36	5,17	82,164
Malta	3 - Innovation driven	159,54	16,33	47	-	5,58	4,45	-
Netherlands	3 - Innovation driven	83,95	134,27	8	14	6,00	5,45	81,144
Poland	Transition 2-3	48,79	10,64	43	36	4,47	4,48	61,767
Portugal	3 - Innovation driven	58,46	37,26	36	43	5,42	4,54	54,403
Romania	2 - Efficiency driven	45,37	0,79	59	47	4,49	4,30	52,841
Slovak Republic	3 - Innovation driven	61,45	4,48	75	45	4,37	4,15	53,302
Slovenia	3 - Innovation driven	32,53	16,52	70	55	5,05	4,22	46,245
Spain	3 - Innovation driven	52,77	47,41	35	39	5,40	4,55	57,913
Sweden	3 - Innovation driven	67,67	78,03	10	5	6,19	5,41	85,833
United Kingdom	3 - Innovation driven	63,37	74,4	9	16	6,28	5,41	79,814

Source: own calculation based on WEF (2014), IMD (2014) and database of UNCTAD

9 The higher data (Inward or Outward) have been shaded in grey.

As shown above in Table 2, the amount of Inward FDI precedes the Outward FDI only in Spain and in Portugal among the EU-15 countries. There is not such a single new-joiner among the countries, where the OFDI is higher.

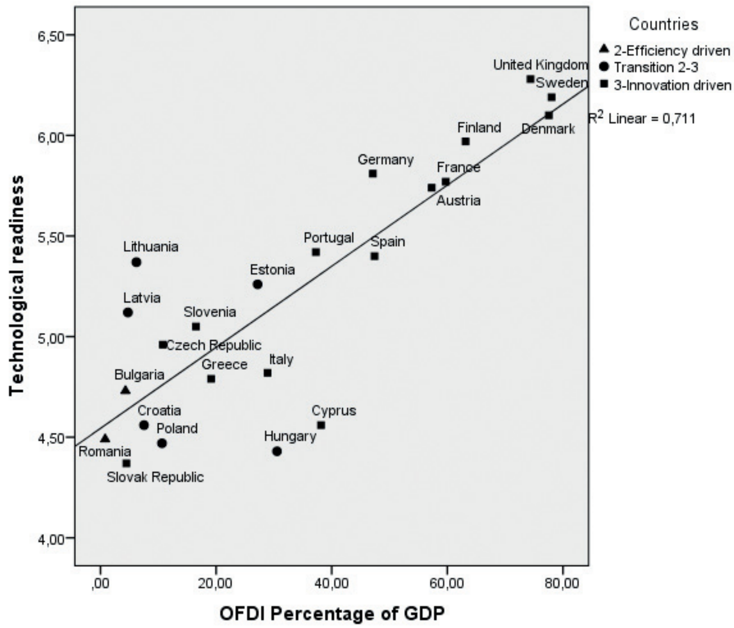
The effects of FDI on the technological readiness and the competitiveness

For the East-Central European countries transforming from planned economy to market economy the engine of modernization along with its technological development was the Working Capital Investment. The initiatives of foreign investors and choosing their location played an important part in it (Csáki 2004). The role of foreign capital in the modernization was essential in Hungary as well (Gillingham 2003).

From the analysis of Technological Readiness in the annual report of the World Economic Forum (2014-2015) it can be seen that Hungary was at the 50th place of the 144 countries, this pillar is a composite indicator which includes the following indexes: Availability of latest technologies, Firm-level technology absorption, FDI and technology transfer, Individuals using Internet, Fixed broadband Internet subscriptions, International Internet bandwidth, Mobile broadband subscriptions. Among these indexes Hungary received the worst result (75th) in the field of International Internet bandwidth (24.7 kb/s per user); the best position (19th) was achieved in the FDI and Technology Transfer index. The latter one is a soft indicator, generated form the Executive Opinion Survey. The question in the Survey is the following: To what extent does foreign direct investment (FDI) bring new technology into your country? [1 = not at all; 7 = to a great extent—FDI is a key source of new technology]. After the evaluation of this question the value of index in Hungary and in Slovakia was 5.1, the highest value among the Visegrad Four. It is not surprising that the role of GDP-rationed Inward Foreign Direct Investment in modernization in Ireland had the highest value, 6.4.

As the correlation analysis is very sensitive to excessive data (Sajtos & Mitev 2007), so they had been filtered and omitted from the analysis. The correlation coefficient between the Outward FDI Percentage of GDP and the Technological Readiness is 0.843 (Sig. 0.01), indicating a strong, positive relation. It can be seen in *Figure 5* that the analysis gave rising trendline results between the two latter variables, implying that the higher the value of the Technological readiness in the country is, the higher the amount of Outward Foreign Direct Investment is. Hungary, like Cyprus, in spite of the low Technological readiness from GDP-rationed point of view has high Outward Foreign Direct Investment, in case of Lithuania and Latvia it is just conversely.

Figure 5: Values of Technological readiness and OFDI percentage of GDP in EU-28[10]



Source: own construction based on WEF (2014) and database of UNCTAD

The analysis of the development of the competitiveness shows that in spite of the increasing Inward Foreign Direct Investment Hungary could not improve its competitiveness as it deteriorated its position comparing it to the countries of the region. It suggests that the appearance of transnational companies in itself is not enough to improve national competitiveness.

Table 3: Position of Hungary in the ranking of competitiveness between 2004 and 2014[11]

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
WEF	39/104	35/117	41/125	47/131	62/134	58/134	52/139	48/142	60/144	63/148	60/ 144
IMD	42/60	37/60	41/61	35/55	38/55	45/57	42/58	47/59	45/59	50/60	48/60

Source: own construction based on WEF (2014) and IMD (2014)

10 Excluded: Belgium, Ireland, Luxembourg, Malta and the Netherlands

11 Position of Hungary/analysed countries

Summary

The conversion to market economy and joining the European Union allowed freer flow of the working capital, but it led to the development of interdependence. For the capital importer countries, one of the most essential issues is the managing of this kind of dependence, and another question is if the state should improve the ability to raise foreign capital or should they develop the competitiveness of their own, domestic companies on the world market. The inequality and the asymmetry of interdependence are materialized not only in the case if the capital importer does not export capital to the country which invests in their country, but when the capital flow between the two parties becomes disproportionate (Szentes 2005).

Although thanks to the 'flying geese' the productivity and the export of capital importer countries increase but the employment provided by transnational companies has inflation effects, furthermore it affects the foreign currency exchange in the long term as well. The asymmetric interdependence shall be interpreted not only on macro level, but on corporate level too, as the smaller and medium-sized companies take the opportunity of cooperation, which can even be manifested in joining to the supply chain of a transnational company. The development of this interdependence shows a high level risks, as in case of disinvestment of transnational companies the formerly established supply chain loses its most important element, the suppliers are forced to find new opportunities, new scope of activities and this sort of elasticity is not present in these enterprises.

Theoretically, the problem of disinvestment can be solved by the Tobin-tax, so it would cover not only the deals of stocks and shares market or the trade of the derivatives alone. According to the extension protesters, however, levying tax on the working capital would restrict the free movement of capital and the opportunity of free entrepreneurship. The asymmetric situation shall be handled, but the way of treatment shall not be nationalization without compensation, the immediate restore of sovereignty as it confronts the legal concepts and it involves serious retaliation. Basically, the solution can be found in removing the asymmetry and in changing the situation into symmetry (Szentes 2005).

The investing motivation of transnational companies can be influenced by several economic policy incentives (for example tax relief, state aids), but these resources can be used in the development of domestic enterprises as well. Consequently, the optimal solution is to find the balance between the support and expansion of foreign and domestic companies as the Inward Foreign Direct Investment in itself does not guarantee the improvement of the competitiveness.

In the issue of attracting capital the government should decide if the technological readiness and the immaterial capital flow along with the increase of capital import or the improvement of competitiveness of domestic enterprises, the endeavours to expansion will involve long term advantages for the national

economy and the society. Such an R+D and innovation- based economy can be built by the improvement of education (it does not only mean the increase in the expenditure on education), by honouring the knowledge and by reducing the 'brain drain' phenomena, which reduces the asymmetric interdependence and increases the competitiveness of Hungary in the medium and long term.

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Quality Management in Public Administration

Barbara Katalin Buday[12] PhD Student
Széchenyi István Doctoral School
University of West Hungary, Faculty of Economics

ABSTRACT Nowadays in developed countries, the administrative reform appears in agenda, and also the globalization put a major competitive challenge on the administration. The paper is a combination of two areas: public administration and quality management. The research is going on to introduce the Common Assessment Framework, which is a result of a co-operation among EU Ministers responsible for Public Administration. CAF is a total quality management (TQM) tool which is designed for the public-sector organisations. Hungarian and European large cities, small towns and villages are representing the characteristic of the research, and that is compared to the results of the CAF self-assessment. The paper contains tables and graphs of CAF data and other given information about the qualities of the municipalities. The main questions of the research were: Where are the employees more satisfied? Is there a difference between the results achieved in the economical regions in the European Community? Can we suppose if there is any similarity of the Hungarian results to the others of Europe? With the benchmarking I have found out that policy and strategy and the key performance planning were the strongest part at the municipalities, while human resource management and employee relationships need to be developed.

KEYWORDS Quality management, public administration, self-assessment, CAF data

Introduction

In developed countries, the administrative reform appears in agenda. Our client's needs grow, the administrative problems are in the media, political scientists, experts also regularly deal with it, and even the profession itself is also dissatisfied with the level of its own. The previous ideas were less successful reform of internal management and focused on more efficient use of financial reserves. The globalization also posed a major competitive challenge on the administration of operating a high-quality public administration and it derives significant competitive advantage. On this basis, it became clear that the administrative reform

12 budaybk@gmail.com

needs new concept, needs to be better, faster and provides more services, the administration is facing a possible change of attitude (Pröhl, Heichlinger, 2009).

In recent years, the increasingly widespread perception that public authorities are no longer primarily public authority bodies, they also satisfy public needs, thus they are service providers. Citizens are now consumers of public services. The economic organizations have requirements that the introduction of public sector institutions also require. In the public administration reforms, effectiveness became more significant, and also the needs of modernization is essential (Pálné, 2008). The tendency is that the quality policy of administration is as the need appears. The quality management which is used in the economic sector is also needed in public administration.

The research is a combination of two areas: public administration and quality management. It is going to introduce the Common Assessment Framework, which is a result of a co-operation among EU Ministers responsible for Public Administration. CAF is a total quality management (TQM) tool which is designed for the public-sector organisations, taking into account their characteristics.

Hungarian and European large cities, small towns and villages represent the characteristic of the research, and that is compared to the results of the CAF self-assessment. The main questions of the research are the following: Have villages or cities achieved better results in self-assessment? Where are the employees more satisfied? Is there a difference between the results achieved in the economical regions in the European Community? Can we suppose if there is any similarity between the Hungarian results and the others of Europe? The paper contains tables and graphs of CAF data and other given information about the qualities of the local public administration (Buday, 2011).

Ouality of Public Administration

Quality is a complex concept, TQM is a definition of quality, which comes from consumer psychology and sets consumer expectations as the first goal of each activity in an organization. It requires the full and active involvement of all employees, and requires a willingness to invest substantially in training (Löffler, 2001).

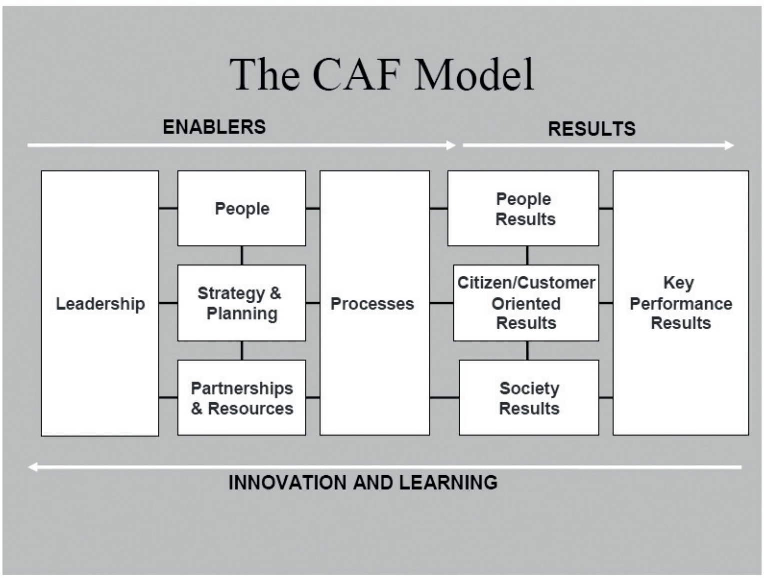
The Hungarian public administration characterized as a formalized and hierarchical body. Duties and powers were as a result of political deals. The modernization of the organizational roles and responsibilities, were case at issue for years but have not been successful. Within the different organizations, the level of vertical and horizontal cooperation, were extremely low (Menner, Bércesi, Jászberényi, 2004). One of the most important principles of modern government is the efficiency, that all services be available by the administration.

In Hungary, there are nearly three thousand public administration authorities, and more than two-thirds of them are self-government. In the three-quarters of the towns the population is less than two thousand inhabitants, and in one-third of the towns have joint administrative units. In our country the idea is spreading that public administration is no longer a public authority, but it also satisfies the public needs. This gradually developed in support of the standards that the private sector has proven modern organizational and operational methods and management techniques also useful in the public sector.

All these requirements were great amplified by the accession to European integration, which occurs in response to social, political and economic changes that are increasing the requirements for public administration as well. The modernization of public administration is required, and the current problem is needed to be solved as soon as possible.

It is important to note, that different countries have not the same level and type of public authorities, and the reason of this is the structure of the state. I also have to mention, that the name public administrative body attend to mean two different types of body functions: 1. it is an agency, which working in close collaboration with the political authorities; 2. is a government, which is not in a close collaboration with the representative bodies, and its functions are decision making and daily execution.

Table 1. The structure of CAF



The aim of creating the CAF was to take specific steps towards improving public service for citizens. The idea of Common Assessment Framework was born to provide public administration with a quality management tool. The CAF has four main purposes:

To introduce public administrations to the principles of TQM and gradually guide them, through the use and understanding of self-assessment, from the current "Plan-Do" sequence of activities to a full fledged "Plan-Do-Check-Act (PCDA)" cycle;

- To facilitate the self-assessment of a public organisation in order to arrive at a diagnosis and improvement actions;
- To act as a bridge across the various models used in quality management;
- To facilitate bench learning between public-sector organisations.

The involvement of staff is highly appreciated in the CAF implementation. CAF is a joint project for management and staff and very often CAF is the first occasion when management and staff meet to discuss the state of affairs of the organisation and the options for the future in order to improve efficiency and effectiveness[13]. The implementing of quality management is an interaction of three contents: product, client and use. After that the public sector became interested in providing effective services, with the increase of competition, the public administration was forced to pay attention to effectiveness to be able to deal with economic problems. (Ferreira, Diniz, 2004)

The original version of CAF in 2000 contained 9 criterions and 43 subcriterions, but in the new versions there are only 27 subcriterions to facilitate the use of the system. From the outside of Europe, like the Middle East, China, Dominican Republic and Brazil show an interest about the CAF in as well. The CAF self-assessment system is intended to provide a simple and easy to use framework for the public sector.

The Research

In the centre of the research is the role of quality of Hungarian and European EU administration. The project is an interdisciplinary combination of two areas - public administration and quality management – with comparative research, where foreign and domestic CAF data provide the basis for the comparison[14].

The research is based on the Common Assessment Framework (CAF) method which is an official self-assessment of public administration in the European Union with the intention to introduce more effective management of the organization devices. This is a model based on the EFQM (European Foundation for Quality Management) model to which administrative features were added. It is a TQM model created for the public sector.

In my research Hungarian CAF data were compared with the data of some cities of the European Union, and we should assume that the system of quality assessment in public administration in the EU is more effective, the numbers are

13 Read more: www.eipa.eu/en/topic/show/&tid=191

14 Similar in: (Matei, Lazar 2011.)

higher than the Hungarian values. In addition, my hypothesis is that in smaller towns results are higher than in the cities, and the more developed regions have achieved prominent results. The organizations are expected to achieve different goals because of the usage of CAF.

CAF users come from all sectors in public administration. It has to be noted though that the two most prominent sectors according to the EIPA CAF database are Education and Research (403 users) and Local Administration (542 users). As CAF spreads further – also in other sectors – it might occur that in the future more of these specialised CAF-sector versions will be developed.

From these CAF users the European Union countries were used in this examination (where there was a CAF self-assessment process at a local government) and they were divided into three groups. The names the following groups received are: 1 Dominant, 2 Trendy, 3 Follower. The allocation is based on today's economic and social level.

Table 2. Groups of countries of the European Union

DOMINANT	users	TRENDY	users	FOLLOWER	users
Austria	21	Cyprus	2	Czech Republic	44
Belgium	50	Greece	23	Estonia	1
Denmark	78	Italy	107	Lithuania	5
Finland	6	Portugal	14	Poland	85
France	5	Spain	7	Hungary	9
Germany	22	Slovenia	7	Romania	3
The Netherlands	1			Slovakia	2
				Bulgaria	3
Total	183		160		152

Furthermore there is no pattern that would suggest a geographical reason as to where most of the CAF users in public administration at municipalities are. At the top of the class are countries like Belgium, Italy, Denmark, and Poland.

Supposing that the results of CAF self-assessment levels in the dominant group of public administration sector are near to value 4, in the trendy group they are between 2.5-4, and in the follower group they are between 1-2.5. Which are the strengths and weaknesses at local governments? I suppose that the 'leadership and planning' could be strong, and the weak point in most areas is the human resource sector.

Results and conclusions

On the website of European Institute of Public Administration the CAF registered users can be viewed and almost all users are given the contact person's e-mail address. During the research, I sent an email to these addresses in which my purpose was described to gather comparative data analysis. I made a table, separated in the 2006's self-assessment summary, which has not 5 but 100 scale. I attached it to my e-mail to ease data sending.

The collection was difficult, as most of the contacts did not respond to my e-mail which I sent several times. Finally, some data were given from Jyvaskyla (Finland), Vienna 15th District (Austria), Krsko (Slovenia), Chomutov (Czech Republic), Budapest 1st District (Hungary), and Sopron (Hungary). The basic idea was to compare all three groups of villages, small towns and big cities, but this from the results were received was not possible. At each municipality the latest survey results of the CAF were investigated.

Table 3. Data were used in the research

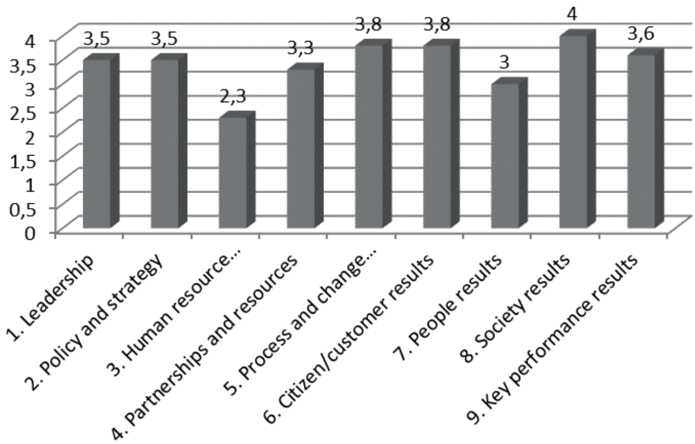
DOMINANT	TRENDY	FOLLOWER
Vienna 15th District (Austria)	Krsko (Slovenia)	Chomutov (Czech Republic)
Jyvaskyla (Finland)		Budapest 1st District (Hungary)
		Sopron (Hungary)

Comparing the two capitals

The 1st district of Budapest is a historic part of the city. That is why it is not surprising that in the social impact on the environment, and relation to citizen it provides the most acceptable results in the CAF assessment (8, 6 and 5 criterions). There is a must for improvement in human resources management and employee relations (criterion 3 and 7). The results of Budapest were better than what was expected from the country's overall socio-economic conditions of classification.

Table 4. Budapest 1st district

Criterions	Average
1. Leadership	3,50
2. Policy and strategy	3,50
3. Human resource management	2,30
4. Partnerships and resources	3,30
5. Process and change management	3,80
6. Citizen/customer results	3,80
7. People results	3,00
8. Society results	4,00
9. Key performance results	3,60
Average	3,4



The capital of Austria has 19 local administration units with are all the part of the local administration of Vienna. The 15th district of the city became a role model of all the municipalities in Vienna with its new concept of local government agencies in practice. The new conception was to collect in one place of all the often used important cases of citizens.

Table 5. Vienna 15th district

Criterions	Average
1. Leadership	4,30
2. Policy and strategy	4,70
3. Human resource management	3,30
4. Partnerships and resources	4,20
5. Process and change management	3,00
6. Citizen/customer results	4,50
7. People results	2,50
8. Society results	4,00
9. Key performance results	4,00
Average	3,8

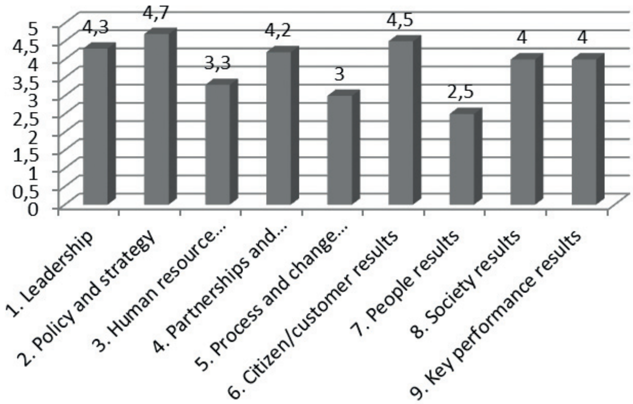
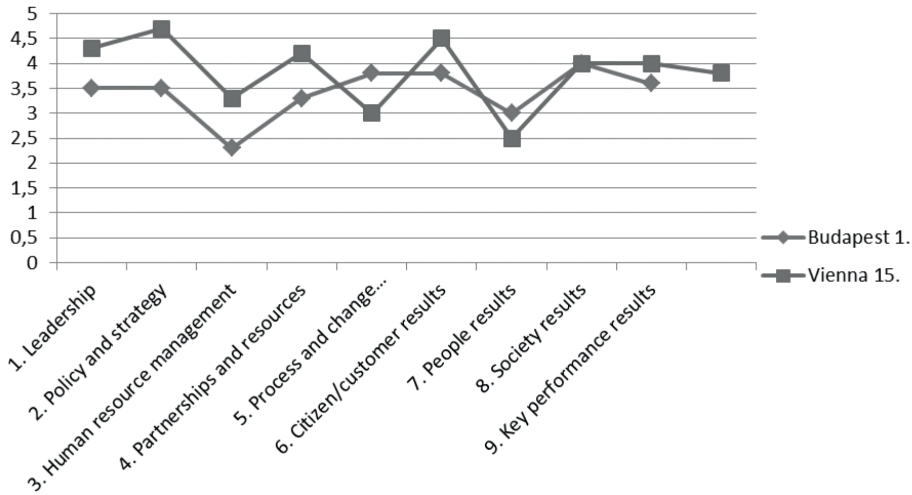


Table 6. Comparison of Budapest and Vienna



At the municipality of Vienna 15th district in the evaluation of leadership, organization and policy strategy the results were the best, however, criterions 5 and 7 are the worst. Austria was classified in the leader (Dominant) group, although it was close to the CAF 4.0 average, so this country is just going to be in the Trendy group.

As the upper chart shows, Vienna had better results - except in two cases - than Budapest. The two exceptions were Process and change management and People results criterions. The differences in the two largest municipalities were the strategy and human resources planning and management. In these criterions the differences were more than 1 point. Vienna's excellent result was in Strategy and planning criterion, which almost reaches the maximum value of 5. You can see that Vienna 15th district averages were 0.4 higher than the average of the Budapest 1st district. An important difference is that 30 people who work at Vienna 15th district's local administration office manage 70 thousands inhabitants, while in the 1st district of Budapest 120 administrators get 24,700 citizens.

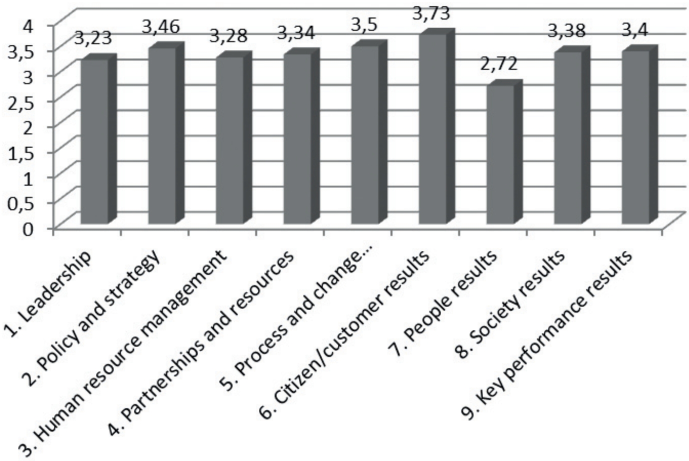
Comparison of other towns

In the case of Sopron we find that the results with one exception moved in a 0.5 lane, which shows a balance. The exception was the seventh criterion with people results that is a kind of brake of operation of the office. The difference is conspicuous (a complete unit) between the 6^{th} and 7th criterions which can show a strained relation between internal problems and to have a good impression for clients. In the research I put Hungary in the Follower group and Sopron definitely went beyond that level, and qualified at the Trendy level.

The basic strategic direction at the administrative unit Krsko is to make a legitimate and quality service. This local administration in Slovenia ranked among the medium sized units. Krsko's average results were around 4 as the upper diagram shows. Exception is the eighth criterion of social results on the environment of society, which in this case is not particularly needed, as Krsko is a small town. It may be thought this is a balanced imaged of a consolidated local government.

Table 7. Results of Sopron

Criterions	Average
1. Leadership	3,23
2. Policy and strategy	3,46
3. Human resource management	3,28
4. Partnerships and resources	3,34
5. Process and change management	3,50
6. Citizen/customer results	3,73
7. People results	2,72
8. Society results	3,38
9. Key performance results	3,40
Average	3,34

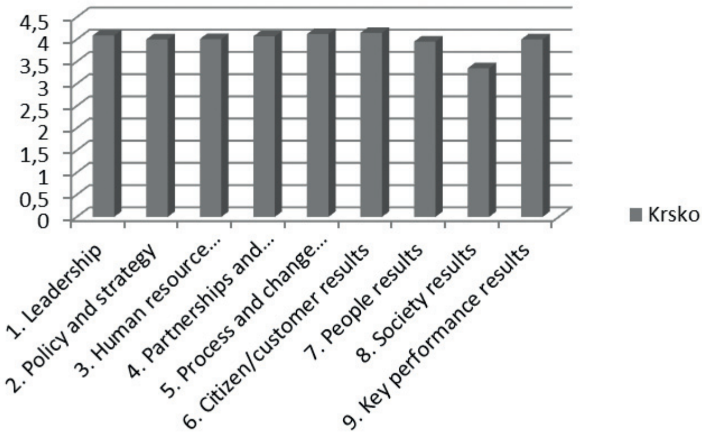


On the 1st of January of 2009 merged the rural town of Jyvaskyla and village Korpilahti merged, and became known as Jyvaskyla, which is now the seventh largest city in Finland with 130,000 inhabitants. It is now the business and cultural heart of Finland.

As the graph shows, there is a balanced line in the middle of the survey results, only the eighth criterion of social results were behind. This indicates that the local government follows rather than directs the results.

Table 8. Results of the town of Krsko

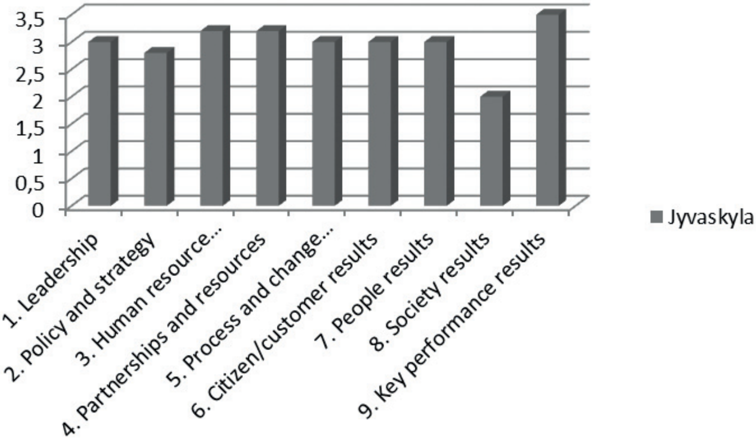
Criterions	Average
1. Leadership	4,09
2. Policy and strategy	4,00
3. Human resource management	4,01
4. Partnerships and resources	4,07
5. Process and change management	4,12
6. Citizen/customer results	4,15
7. People results	3,95
8. Society results	3,35
9. Key performance results	4,00
Average	3,93



From the 1st of July of 2006 Chomutov officially became a town, and turned into the 20th largest city in the Czech Republic. The municipality of Chomutov has identified four strategic objectives: 1 better service for citizens; 2 staff and educational policy; 3 cooperation with strategic partners; 4 clear policy and culture for the authority.

Table 9. The results of Jyvaskyla

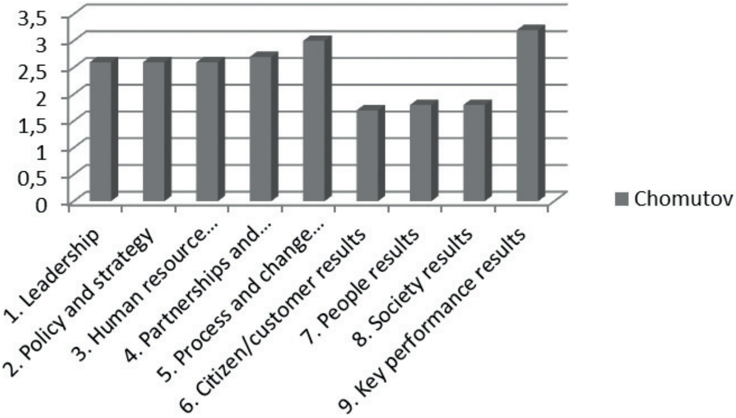
Criterions	Average
1. Leadership	3,00
2. Policy and strategy	2,80
3. Human resource management	3,20
4. Partnerships and resources	3,20
5. Process and change management	3,00
6. Citizen/customer results	3,00
7. People results	3,00
8. Society results	2,00
9. Key performance results	3,50
Average	3,0



The results suggest that the local government doesn't have a very strong side. It makes everything difficult that the strategy planning and social effect on surroundings are below average, which shows uncertainty in the management. Overall, the Czech Republic is in the Follower group, so the CAF self-assessment is the average of 2.4, although the categories 2 / 3 part has reached the advanced level.

Table 10. The results of Chomutov

Criterions	Average
1. Leadership	2,60
2. Policy and strategy	2,60
3. Human resource management	2,60
4. Partnerships and resources	2,70
5. Process and change management	3,00
6. Citizen/customer results	1,70
7. People results	1,80
8. Society results	1,80
9. Key performance results	3,20
Average	2,4

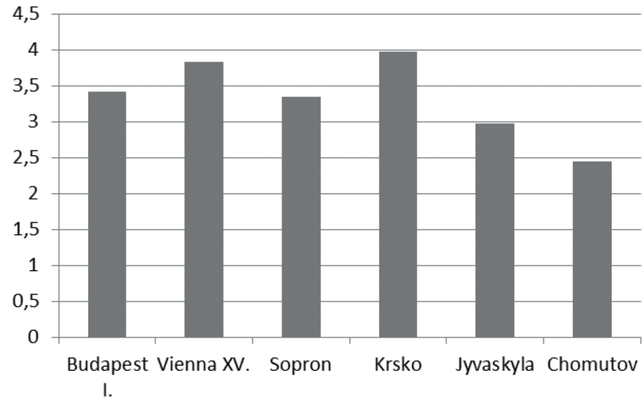


Summary

The aim was to examine what is the relationship between the output of local governments and their countries' socio-economic level. It was found that although Hungary in is the Follower zone, two municipalities (first district of Budapest and Sopron) were performed well 1 each municipalities in the Trendy (Slovenia) and Follower (Czech Republic) zone had adequate levels of CAF. From the Dominant group municipalities of Austria and Finland could show only one level lower, intermediate (trendy) CAF self-assessment results. On this basis, although without generalization, we can say that the research of the country's economic social level did not have a significant effect on the local CAF self-assessment results.

Table 11. Averages per towns

Municipality	Average of criterions
Budapest I.	3,42
Bécs XV.	3,83
Sopron	3,34
Krsko	3,97
Jyvaskyla	2,97
Chomutov	2,44

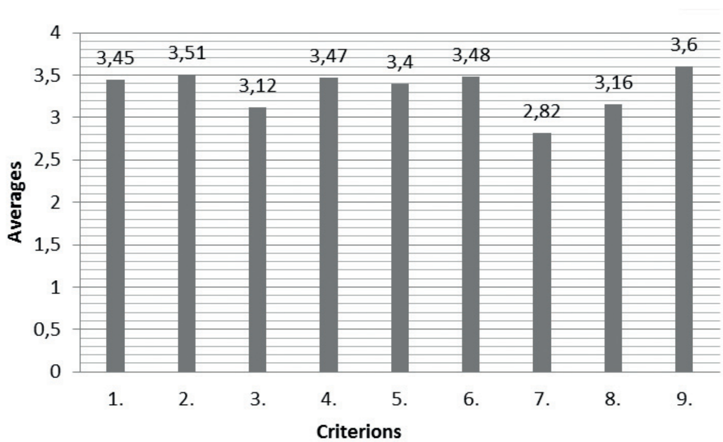


Which were the strengths and weaknesses at local governments? As the illustration above shows, the 2nd and 9th criterions are considered as strong points at municipalities, these are policy and strategy and key performance planning. In other words, the management has well-defined plans and the strategy as well as the machinery of government is implemented. The weaknesses are the human resource management and employee relationships. This is unusual, since the strength must be related to the weaknesses in this system. Such internal contradictions, the hidden faults must be brought out with the CAF self-assessment system, this is one of its functions and values.

Benchlearning, is one the main advantage of the CAF, with the use of the same scale in different countries local administration units can be compared.

The satisfaction of citizens, also take an important part in the development of administration units. Researches and everyday experiences confirm that the quality of public administration affect the efficiency of the country.

Table 12. Averages of criterions



The need for appropriate benchlearning partners in different fields of public administration is growing. The CAF has continued to spread all over Europe, and as the European Union became one of the most competitive economy of the world it is essential to the states hold effective governance structures. With the practice of CAF helps to have a clear idea of the current situation, and with the time of implementation it should show better results, and what actions should be undertaken by the government.

The CAF self-assessment tool helps to measure improvements and weak points at public authorities, and it is also brings new ideas how to modernise the management and the relationships between employees at a local administration unit.

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What can Tourism Destination Management do in Health Tourism Destinations? – An Empirical Analysis[15]

Zsuzsanna Bacsi PhD, associate professor[16]
University of Pannonia,
Ernő Kovács PhD, associate professor
University of Pannonia,
Zsuzsanna Lőke PhD, assistant professor
University of Pannonia,
Krisztián Horváth
H&H Minőség Tanácsadó Bt.

ABSTRACT The present paper summarises the outcomes of a research co-financed by the European Union through the Hungary-Croatia IPA Cross-border Co-operation Programme, within the project ’Health &Rural Tourism DM Model’ (project no.: HUHR/1101/2.1.3/0006). The research was aimed at analysing the management of health tourism destinations, the physical and human resources of such destinations, aspects of sustainability and competitiveness, the main factors of success, and the importance of efficient destinantion management organisations. The analysis was based on surveys and interviews carried out in six spa towns of Western Hungary. The main findings specified that the major natural natural endowment is medicinal water, the tourism infrastructure and superstructure are suffient, but the range of services should be expanded, and marketing of health tourism services need improvement. The tourism stakeholders in successful destinations do not see the advantage of joining a TDM organisation, while smaller, less successful destinations are more inclined to cooperate within the framework of such organisations.

KEYWORDS Rural tourism, destination management, health tourism

Introduction

The present paper describes some results of a larger research project which was is aimed at developing a tourism destination management model for health

15 The project was co-financed by the the European Union through the Hungary-Croatia IPA Cross-border Co-operation Programme, within the project ’Health &Rural Tourism DM Model’ (project no.: HUHR/1101/2.1.3/0006).

16 h5519bac@ella.hu

tourism destinations in general, and for such destinations in Western Hungary, in particular. The research project was co-financed by the European Union through the Hungary-Croatia IPA Cross-border Co-operation Programme (project title: Health &Rural Tourism DM Model, project no.: HUHR/1101/2.1.3/0006). Tourism destinations compete for tourists, and the 'product' they can offer to their visitors is a complex experience, which incorporates attractions and entertainment, accommodation and food, accessibility and means of moving around the area, as well as the hospitality and friendly attitude of local people. Such a complex supply requires the harmonised action of all contributors, not only the businesses working in the tourism industry and earning their income by receiving tourists, but the municipalities, public authorities and local inhabitants as well. The special attrations of the area must be treated with great care to guarantee sustainable utilisation, and development plans should concentrate on all the above aspects. Thus the success of these tourism destinations depend on many stakeholders, whose co-operation cannot be left to spontaneous initiatives, but requires conscious, target-oriented approach. The emergence of tourism destination management organisations is a process that tries to address this issue, and the results and experiences have been rather convincing so far. General aspects of tourism destination management organisations have been well established in the relevant literature but relatively little is known about specific aspects of special destinations.

The objective of the present paper is to describe the results of a research targeted at health tourism destinations, with the aim of identifying their specific resources (natural, physical and human alike), and of defining the key components of destination management organisations in such destinations.The paper summarises the main concepts of destination competitiveness and sustainability and the theory of destination management, then introduces the health tourism destinations of the project area, Zala, Somogy and Baranya counties. Then the findings of a research carried out in six health tourism destinationsy are presented and assessed. Finally, based on these findings, conclusions are drawn about the structure and efficient operation of tourism destination management organisations in such destinations.

Explaining the issue and relevant literature

Tourism destinations: concept, competitiveness, sustaibability

The system of tourism contains two key components: supply and demand. Supply is defined by the following items: the tourism products, the attractive component (e.g. natural endowments) behind the tourism product, the travel and transport system and other necessary infrastructure, the providers of accommodation, food and entertainments, and the presence of security, hygiene, and the hospitality of the local population. The destination is therefore the location that is capable of offering a complex tourism product, being able to attract the tourists, and to provide all the services tourists may require: accommodation, food and beverage services and the facilities to access the attractions, including travel and transport. A crucial component of success is the marketing activity of the destination towards the targeted tourist segments (Lengyel, 2008).

A location is required to provide a complex network of all the above facilities and services in order to offer a complex experience which the tourists of the present day look for (Pike, 2008).

As the UNWTO (2007, p.1) defines: ' A local tourism destination is a physical space in which a tourist spends at least one overnight. It includes tourism products such as support services and attractions and tourist resources within one day's return travel time. It has physical and administrative boundaries defining its management, and images and perceptions defining its market competitiveness. Local destinations incorporate various stakeholders often including a host community, and can nest and network to form larger destinations.'

Tourism industry is characterised by the strong competition among destinations. A destination can keep up its success if it can maintain or improve its competitiveness. Therefore competitiveness is one of the major areas of tourism research.

Pike (2008) summarises several approaches of tourism destination competitiveness, underlining its multidimensional character. This includes sustainability, prices, management, response to competition, the tourism product and its perception by tourists, accessibility and public transport, integrated quality management, regional positioning, and marketing the competitive destination for the future. Pike (2008) states that currently there is no generally accepted causal model for destination competitiveness, but there is general understanding that such a model should incorporate economic, social, cultural and environmental dimensions. To build such a causal model a general system of indicators is needed to measure the level of success for a destination, but currently no such system of indicators exists (Papp, 2012).

Ritchie and Crouch (2003) defines the competitive tourism destination as one with the ability to increase tourism expenditure, to increasingly attract visitors, to provide them with satisfying, memorable experiences in a profitable way, to enhance the well-being of destination residents and to preserve the natural capital of the destination for future generations.

Many attempts have been made to create models of tourism competitiveness. The majority of general models (Papp, 2012; Enright-Newton, 2004) are based on the model by Ritchie és Crouch (2003), which, on the other hand, builds on Porter's diamond model of competitiveness (Porter, 1990), identifying the following key components: core resources and attractions, supporting factors and resources, destination management, destination policy, planning and development, qualifying and amplifying determinants.

Besides the general purpose models other approaches focus on specific aspects of competitiveness. The model by Dwyer and Kim (2004) is aimed at measuring the price competition among destinations, underlining aspects less emphasised by the Ritchie&Crouch model: the distinction between primary natural, environmental endowments, and purpose-built tourism facilities and developments, as well as the importance of demand in destination competitiveness.

A destination is competitive if tourists regularly choose it as a place to visit, and recommend it to other tourists and return to it. Sustainability is crucial for the competitiveness of a destination, because a destination cannot be successful in the long run if the current success is based on the exploitation of its endowments. Recent tourism developments are rich in examples when the rapid growth of visitor numbers overloaded the capacities of the area, quickly destroying the attractions of the destination. And this is true not only for the ecologically sensitive destinations, because overcrowding, mass tourism and the overuse of infrastructural capacities may decrease the attractiveness of the place in the near future.

The core principle of sustainable tourism is to keep the visitors' impact on the destination within reasonable limits, so that it serves the true present and future interests of all stakeholders (local populaton and tourists (Climpson, 2008). Climpson summarises the aspects of sustainable development of tourism destinations in the well-known VICE model, as follows.

The model comprises four components: V is for visitors of the area, I stands for the service providers and businesses involved in the tourism industry, C (community) represents the local community, the population of the are who may or may not be directly related to tourism, but living in the area they experience the benefits or harms caused by tourism developments, and by their lifestyles influence the tourism experience offered to visitors. E (environment) includes the natural and the build environment that is available for the visitors, the industry and the local community, and this environment keeps changing in response to the activities of these groups (Climpson, 2008).

Tourism is sustainable only if its interests do not conflict with the interests of any of the above four components. To guarantee this, the management of tourism should make efforts to keep visitor flows beneficial to the present and future state of the destination community, economy, and environment (Lengyel, 2008). This means: satisfaction and fulfilling experiences for the tourist; growing economy and prospering tourism -businesses; enrichment of the community and its culture; protection for the natural and built environment.

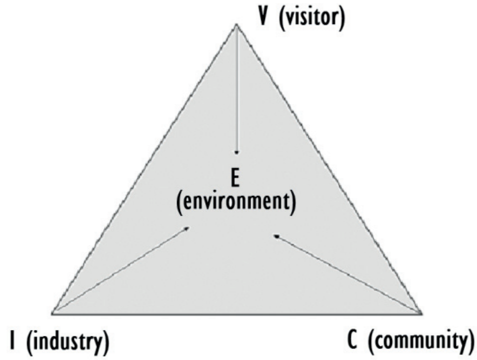

Figure 1: The VICE model (Source: Climpson, 2008.)

Tourism destination management: structure, tasks, management

Sustainability and competitiveness requires the cooperation of many stakeholders often having conflicting interests, and beside this the thorough knowledge of the system and governance of tourism is also needed. Therefore to achieve these aims, it is necessary to establish an organisation which will manage and coordinate the relevant tasks and involves all the stakeholders in the activities. The organisation will generate cooperation, and thus the decisions will be made together involving all the stakeholders. At the same time the organisation should have the freedom and independence, resources and instruments to implement these decisions. Therefore a bottom-up approach (involving the stakeholders) and professionalism, partnership, and financial resources for independent action are all needed (Lengyel, 2008). Permanent success cannot be hoped for without professional skills and knowledge, so while a TDM organisation may include all the stakeholders as members of the organisation, for managing the day-to-day practical work an operational working body of staff led by a professional manager is needed. This operational unit should professionally handle implementation of the organisations's decisions.

The bottom-up approach is justified by the fact, that it is only the local level, where all the actors and stakeholders of the tourism sector are present, so the components of the VICE model are present at the local level. In practice, the aspects of sustainable competitiveness are handled at the local level, by the conscious activities of local stakeholders: accommodation providers, owners of restaurants and pubs, providers of entertainments and programmes, and the local population. Therefore the key to successful TDM systems is the involvement of these local stakeholdes, and generate cooperation between them. This is the reason why the establishment of a TDM system should start from below, with direct participation of local actors. The process of building a TDM organisation should, however, be supported and encouraged from above, providing support from the national government (Lengyel, 2008).

Ritchie and Crouch (2003), when stressing the multidimensional character of tourism policy, consider destination management to be the key to sustainable competitiveness of a destination. Summarising the organisational issues and functions of destination management, the authors declare, that the most important components are:

- marketing, marketing, identification of targeted markets, the positioning of the destination, market segmentation, the design of logos and promotional material,
- building a destination image, branding the destination, evalulating brand efficiency,
- monitoring the activities, search for information and research,
- the attraction of private capital for financing tourism-related developments,
- human resource management, visitor management and the responsible stewardship over natural resources.

For efficient destination management the cyclical flow of a series of steps should be followed, which lead to permanent sustainable development in the destination. The process is divided into 8 separate steps, which are complementary and are closely related to each other (Nyírádi-Semsei, 2007): searching for attractions (values of the area), development of attractions towards creating tourism products, building tourism products and product group, embedding the developed tourism products into the destination, introducing the destinations and the embedded tourism products to the market, selling the products, providing perfect experience for visitors, and keeping the satisfied customers as visitors for the future.

Destination management organisations may be created by the public sector or solely by private actors, or they may be established as the result of joint action of public and private partners. As the approach, goal structure and operation logic of the public sector considerably differs from the private sector, it is recommended to include both sectors in destination management. However, careful considerations are needed to decide about the most suitable organisational form and involved actors at various destination management levels to ensure the most efficient operation and the interests of the destination community (Panyor et al, 2011).

According to the current legislation in Hungary the most suitable organisational form for the purpose is the non-profit company, or possibly the association. At the local level the association seems to be the best form because of the need for local organisation and the large number of potentially involved actors. Moving to higher levels the need for professional expertise becomes increasingly important in managing professionally and economically sound decisions, and this makes the running of the organisation more similar to the running of a business company, so the choice of the company structure seems reasonable. The company form is also better suited for destinations where the economic sizes and weights of the involved actors are very different (Panyor et. al, 2011).

Methodology

A questionnaire-based survey was carried out, in the project area – counties of Zala, Somogy and Baranya. The selection of the sample was done with the aim of involving the main actors and stakeholders of the tourism industry in the survey, who play decisive roles in the tourism supply of the destinations researched. Therefore the service providers of the tourism superstructure, the key actors of health and medical tourism decision makers of the public sector, and local inhabitans were questioned.

The destinations involved in the sample were selected in the following way: the Central Statistical Office of Hungary published the statistical data of settlements (towns and villages) involved in health tourism in Hungary (KSH, 2013). According to this, in the three counties of the project area altogether 19 settlements are involved in healthl tourism, 18 of which posess a spa with medicinal water as the healing resource, and one settlement (Abaliget in county Baranya) possesses a medical cave. Thus the key healing resource was assumed to be the medicinal water in the region (Table 1).

Table 1: Statistical data of health tourism destinations in counties Zala, Somogy and Baranya

	No. of settle-ments	Popu-lation	Number of com-mercial accom-modation places	Accom-modation per 1000 inhabit-ants	Number of guests in commercial accommo-dations	Guest nights in commercial accommo-dations	No. of accommo-dation and food service provider businesses	Accom-modation and food service providers, % of all businesses
Zala	5	16 976	12 880	759	378 157	1 581 625	1 254	30,0%
Somogy	9	130 911	16 421	125	252 596	688 199	2 991	13,1%
Baranya	5	180 845	7 897	44	158 338	384 565	1 731	5,8%
Total of 3 counties	**19**	**328 732**	**37 198**	**928**	**789 091**	**2 654 389**	**5 976.00**	**48.9%**

Source: KSH, 2013

The selection of the destinations was done by the indicators of tourism demand and tourism supply. The indicator for tourism supply was chosen to be the number of commercial accommodation places per 1000 inhabitants. The population sizes of the settlements involved in health tourism are strikingly different, 60 % of the total guest nights of the 3 counties belong to 5 small villages located in county Zala. Therefore the data of tourism service providers were adjusted to population, to reflect the importance of the tourism sector in the life of local people. The demand side was represented by the number of guest nights spent at commercial accommodation providers.

Table 2: Supply-side and demand-side indicators of settlements involved in medical tourism

	Number of involved towns, villages	Supply-side indicator: accommodation per 1000 inhabitants	Demand-side indicator: Guest nights in commercial accommodations	Mean of supply-side and demand-side indicators	**The share of the county in the survey sample**
Zala %	*26,3%*	*81,8%*	*59,6%*	70,7%	***70%***
Somogy %	*47,4%*	*13,5%*	*25,9%*	19,7%	***20%***
Baranya %	*26,3%*	*4,7%*	*14,5%*	9,6%	***10%***
Total, %	*100,0%*	*100,0%*	*100,0%*	*100,0%*	***100,0%***

Source:Authors' own construction based on KSH, 2013

The shares of the above two indicators give the respective weights of the three counties in the tourism demand and tourism supply of the project area. These shares were calculated as the means of the above two indicators. Based on these, 70 % of the questionnaires were surveyed in county Zala, 20 % in county Somogy, and 10 % in county Baranya. The destinations were selected by random sample, one-third, i.e. 6 destinations were chosen of the 19 settlements, 4 (67%) from county Zala, one in Somogy and one in Baranya (16,7% each), as we wanted to include at least one settlement from each county. Marcali in Somogy, and Siklós in Baranya were randomly selected, the 4 settlements in county Zala (Hévíz, Zalakaros, Kehidakustány, Lenti) were selected of the 5 settlements listed by KSH (2013), leaving out the least significant settlement, Alsópáhok.

Table 3 gives the main statistical data of the selected settlements as published by KSH (2013).

It is clear, that there are 10-fold differences in the population numbers (Marcali and Kehidakustány are the two extremes), while the tourism superstructure shows a completely different picture, the larger towns (with larger population) have considerably less accommodation and food service providers than the much smaller towns Hévíz and Zalakaros.

The composition of the sample was determined relying on a survey by Kontaktia (2011) that assessed the composition of 26 TDM organisations in Hungary. Their results show, that the greatest weight in TDM organisations is represented by accommodation and food service providers (they represent an approximate 75% of all businesses involved in TDM organisations). Therefore we constructed our sample having 3-times as many accommodation and food service providers as other enterprises. The number of accommodation and food service providers was altogether

1449 in the 6 sampled settlements by KSH (2013), and 3 % of these businesses were planned to be included in the sample, therefore 43 such enterprises were selected. Then the planned number of other businesses was to be one third of this number, i.e. 12. As the key tourism attraction in the destinations is the spa, we planned to involve all spas (6) in the sample (ultimately 5 remained, as one spa was unable to participate in the research). As the municipalities are important generators of TDM cooperation, naturally the municipalities of the 6 selected destinations were also involved in the survey (ultimately, Lenti was not able to participate, so we questioned only 5 municipalities). Representatives of TDM organisations, and Tourinform organisations were also included (1 or 2 participants, in each settlement). This left us with a sample of 75 respondents. The sample was complemented by 25 local inhabitants – they are not key actors of the TDM organisation, but their opinions and attitudes towards tourists are important factors in the image and appeal of the destination. Finally we decided to divide the sample into 6 groups, by the destinations: 20 questionnaires were taken to the more popular destinations in Zala: Hévíz, Kehidakustány, Zalakaros, and 10 to the least popular Lenti. The remaining 30 questionnaires were divided between Marcali (20) and Siklós (10) to keep the proportions of counties Somogy and Baranya in the sample.

The survey was made in September and October 2013. The data were processed by the MS-EXCEL 2010 package, and by the OpenStat statistics package (Miller, 2013). The analysis included simple descriptive statistics, frequencies, analysis of variance, correlations, and crosstabulation and contingency analysis with Chi^2-test, and Cramér's V.. Graphical representation of data and results was made by the graphics module of OpenStat and by MS-EXCEL 2010. The significance tests were done at 5% error probability.

Table 3: The statistical data of the surveyed towns and villages

	Population (person)	Population per 100 houses and second homes used permanently	Total places in commercial and noncommercial accommodations	Food service providers	Commercial accommodation places per 1000 inhabitants	Other accommodation places per 1000 inhabitants	Guest nights per inhabitants in all accommodations
Hévíz	4 715	224	9 181	151	1310	636.90	228.00
Kehida-kustány	1 189	265	1 952	22	650	991.59	41.74
Lenti	7 940	247	1 297	71	99	63.85	4.14
Zalakaros	1 756	245	7 596	84	2 312	2013.67	259.58
Marcali	11 736	242	180	44	5	10.22	0.30
Siklós	9 574	251	187	63	6	13.47	0.23

Source: KSH, 2013

Table 4: Respondents by settlements

Job status / Town, village	Total	Local in-habi-tants	Tourism service providers				Public sector		
			Accommo-dation and food service	Spa	Other servi-ces	Total	Munici-pality	Tour-inform, TDMO	Total
1:Hévíz	19	5	6	1	4	11	1	2	3
2:Kehidakustány	20	5	11	1	0	12	1	2	3
3:Lenti	10	5	2	1	2	5	0	1	1
4:Zalakaros	20	5	11	1	0	12	1	2	3
5:Marcali	20	5	7	1	4	12	1	2	3
6: Siklós	10	0	6	0	2	8	1	1	2
Total	***100***	***25***	***43***	***5***	***12***	***60***	***5***	***10***	***15***

Results

Attractions – the role of natural endowments

The respondents considered medicinal and thermal water the main natural attraction of their home town or village. The respondents also mentioned the pleasant natural environment, clear air, good climatic characteristics, and the rich flora of the region, but in much lower proportions. The attitude towards natural endowments was mainly positive, two-thirds of the responders said that the natural resource should be protected, and they were very proud of the resource, or stressed the aspect of sustainability in utilising the resource. Unfortunately one third of the respondents think that the resource is used without care, or even exploited excessively without appreciating its true value. All of the employees of the municipalities, and 90% of the employees of Tourinform bureaus an TDM organisations said that the natural endowments are protected, people are proud of them, and these are utilised sustainably. The tourism service providers and local inhabitants showed more scepticism about the question, only 58 % of the former and 48% of the latter group agreed to the above statements.

Components of attractions

Respondents assessed and ranked the tourism attractions and tourism resources of their locations. Medicinal water was found to be the most important and typical natural endowment in every researched settlement, and the popularity of the settlement was also highly valued. Among general tourism attractions and special health tourism characteristics the trait most highly ranked was hospitality, while the value-for-price for services was found to be the least satisfactory. The assessment was done on a 1-to-5 scale, where 1 indicated the worst value and

5 the best one. Generally, the respondents attributed higher values to the role, quality and value-for-price of health tourism services than those of the general tourism services. The traditional tourism endowments and services (cultural heritage, accommodation) were ranked lower than health tourism attractions and services (medicinal water, health tourism services). The only exception is hospitality, which was top-ranked.

Generally the scores given to preference for health tourism services were higher than scores to the quality and value-for-price of these services, so these services seem to be popular and appreciated, although their quality, and values may need some improvement.

The assessment was done on a scale of 1-to-5, 1 meaning very poor, or not acceptable, and 5 meaning excellent (Table 5).

Assessment of tourism infrastructure and superstructure

Respondents were asked to assess the availability of tourism infrastructure and tourism superstructure on a 1-to-5 scale (1 indicated the worst opinion and 5 the best one, as usual), evaluating food service, accommodation, transport and parking, shopping, entertainment and sports facilities.

Table 5: Assessment of attractions of the area on the 1- to- 5 scale

	Hévíz	Kehida-kustány	Lenti	Zala-karos	Marcali	Siklós	***Average of the attribute***	***Rank***
Hospitality	4.28	4.22	3.76	4.41	3.48	3.81	***3.99***	***1***
Medicinal water	4.58	3.70	3.18	4.10	3.00	3.60	***3.69***	***2***
Preference for health tourism services	4.43	3.64	2.96	4.11	3.27	3.52	***3.66***	***3***
Role of health tourism	4.51	3.44	3.31	4.36	2.78	3.22	***3.60***	***4***
Quality of health tourism services	4.36	3.22	3.00	4.09	3.09	3.37	***3.52***	***5***
Value-for-price for health tourism services	4.06	3.00	3.22	4.14	3.12	3.17	***3.45***	***6***
Popularity of settlement	3.94	3.30	2.82	4.10	2.50	3.4	***3.34***	***8***
Settlement AVERAGE	**3.99**	**3.31**	**2.93**	**3.82**	**2.66**	**3.28**	**3.33**	**-**
Accommodation	3.84	3.30	2.46	3.90	1.50	2.80	***2.97***	***9***
Service quality	3.64	3.00	2.64	3.40	1.70	2.80	***2.86***	***10***
Cultural heritage	3.22	2.80	2.64	2.30	2.60	3.40	***2.83***	***11***
Value-for-price generally	3.00	2.80	2.28	3.10	2.20	3.00	***2.73***	***12***

Altogether the respondents were most satisfied with food service facilities, and the worst opinions were given about shopping opportunities and entertainment and sports facilities. Lenti and Marcali were different from the average as shopping opportunities were found to be more satisfactory, but respondents were much less satisfied with the availability of accommodation, than elsewhere. All settlements gave similar (negative) opinions about entertainments and sports facilities, and similar (positive) scores for food service facilities. The responses of Kehidakustány were nearly always more negative, while responses from Marcali and Lenti more positive than of the other settlements.

Transport and parking facilities were considered good by repondents in Hévíz, Lenti, Zalakaros and Marcali (values above 4), respondents in Siklós and Kehidakustány gave medium values (values somewhat below 4). Accommodation facilities received the highest scores in Hévíz and Zalakaros (values above 4.5), the respondents in Siklós, Kehidakustány and Lenti considered this trait good (values between 3.6 and 4.5), respondents in Marcali gave only medium scores (3.42). Regarding food service facilities Kehidakustány is much weaker than the other five settlements. The respondents of Lenti, Marcali and Siklós are the most satisfied with shopping opportunities (values between 3.9 and 4.3), respondents in Hévíz are less satisfied, and the least satisfied are the respondents in Zalakaros and Kehidakustány. The facilities of entertainments and sports are very poor in Kehidakustány and Marcali (about 2.5), and of medium level (2.8 to 3.47) in the other four settlements (Figure 2).

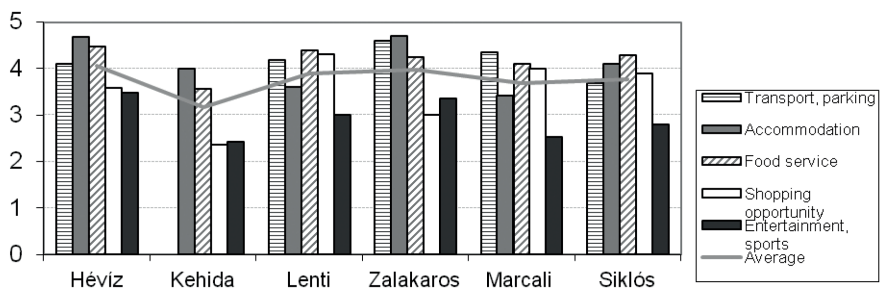

Figure 2: Assessment of tourism infrastructure and superstructure

Target groups, the expected visitor segments

Relying on the appeal of the destinations the respondents were asked to identify the targeted segments of tourists, for whom the conditions are most suitable.

Generally the main targeted segment is that of the families, followed by – not mentioning the non-specified group of „everyone" - the sick people coming for treatments, then the segment of elderly visitors, the foreigners, and the retired people, pensioners (Figure 3). With the exception of Hévíz all the other settlements focus on the target groups looking for recreation and relaxation, while for Hévíz the primary target group is the sick and the elderly people.

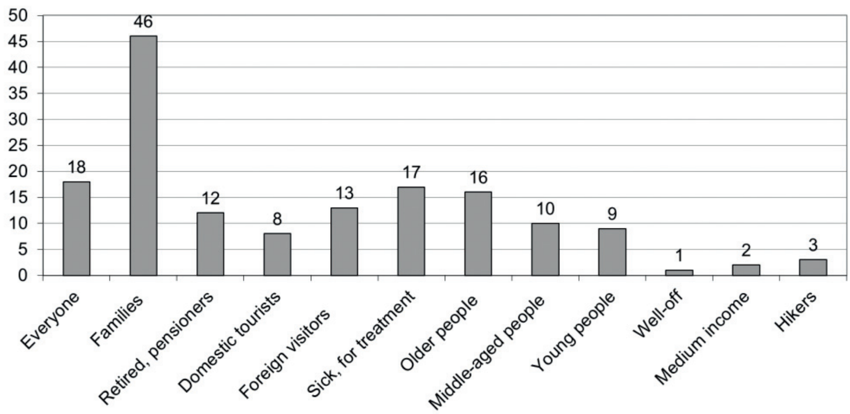

Figure 3: Targeted segments of tourists (number of answers)

-Comparing the responses by settlements significant differences were found in the proportions of families, sick people and retired people, as main target groups. In the case of families the very high proportions of Kehidakustány (60%) and Zalakaros (85%) and the very low proportion (12%) of Hévíz are the two extreme values.. The sick people, as target groups are specific for Hévíz, 47% of the respondents mentioned this segment, which is much higher than elsewhere. Hévíz is definitely showing the traits of a renowned medical destination, where treatments are the top priority, Zalakaros and Kehidakustány are family-oriented spa destinations, the other 4 settlements are unable to choose a primary target group, and seem to attract all kinds of accessble tourists. It is worth noting that the destinations with clearly defined target groups are the more successful ones in health tourism as was seen in the number of guest nights per inhabitants in Table 3.

Tourism-related developments, future vision for the destination

The respondents were asked to list the most important factors that should be developed in their settlements, and to assess the success of tourism-related developments completed in the area. The expansion of available services was mentioned as the most needed factor to develop, followed by the development of medical treatments, the expansion of services available within the health insurance system, and finally the need for more hotel accommodation.

Respondents were asked to list the most missed opportunities and facilities in their settlements. The entertainment opportunities were most frequently mentioned, followed by marketing activities, then the transport and parking facilities, and the applied information tools and instruments. Then the expansion of tourism infrastructure and superstructure is mentioned, and the last two items are the proper attitude of stakeholders, and money.

The respondents assessed the *tourism-related developments*, their opinions differ slightly by settlements. The average of the six settlements is somewhat above medium level (3.31) in a 1-to-5 scale. The level of satisfaction is the highest in Zalakaros (4.1), where developments were considered good, and the lowest value was measured in Marcali (2.5), which is just sufficient, but Kehidakustány was also marked below medium level (Figure 4).

The availability of information about the area was somewhat better valued by respondents, the average value is better than medium (3.78) although it is still below the good level. Hévíz received the best marks (4.53), respondents consider this feature excellent, but Zalakaros and Siklós also got good scores. Marcali is found at the other end of the scale with a slightly lower than medium score (2.9), and Kehidakustány is only a little better (3.3).

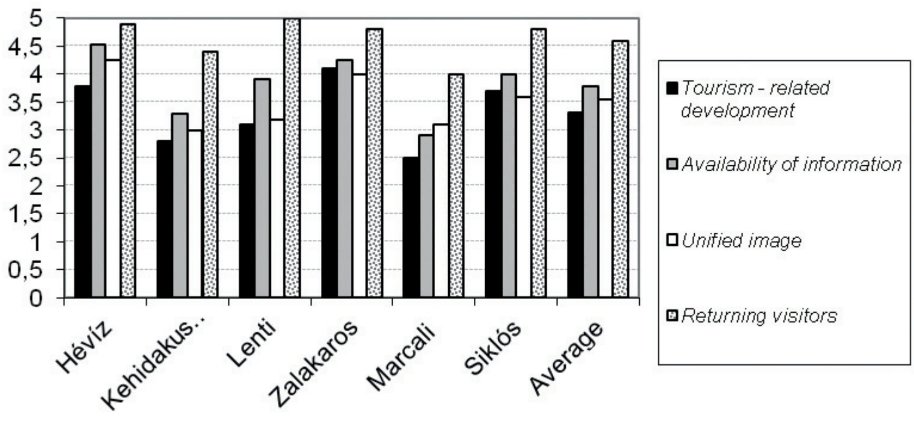

Figure 4: Assessment of the success of tourism-related developments

Note: Assessment by 1–to-5 scale, 1 is the worst and 5 is the best opinion

The average value measured about *unified image* of the destinations (3.54) indicates a medium level performance in this respect. There are differences, however, between settlements, respondents in Hévíz and Zalakaros are much more satisfied with the image of their town, than the respondents in Kehidakustány, Lenti and Marcali. Looking at the values by respondents' job status the the employees of Tourinform bureus and TDM organisations were the most satisfied (4.1), while the representatives of spas (3.0) and accommodation and food service providers (3.5) considered this aspect only medium level or a little better than that.

The *presence of returning visitors* was marked very high by respondents, therefore returning visitors are generally typical for all the assessed towns and villages. The representatives of spas and of municipalities perceive the presence of these visitors more often than other respondents, but altogether every respondent group gave high scores to this aspect. Significant differences were found neither by settlement, nor by job status.

Respondents were asked about their *future vision of the region/settlement* in 10 years time. Nearly half of the respondents imagined their place to be a developing area in the following 10 years, and expect growing visitor numbers, while the proportion of responses indicating stagnation or decline is rather low, only 10 % of the respondents.

The role of TDM in the tourism of the area

Respondents were asked to evaluate the performance of TDM organisations in their settlements, focusing on the key functions of such organisations:

- the regional marketing activities done by the local TDM organisation,
- application of targeted promotional actions to various segments of tourists,
- complex tourism development and management activities,
- advice and assistance the organisation provides for preparing project proposals and managing projects,
- ability to attract investors to the destination,
- coordination and management of tourism stakeholder cooperation,
- professional interest representation of tourism stakeholders, provision of trainings.

Respondents were most satisfied with the interest representation of the profession and the training activities carried out by these organisations, followed by the complex tourism development activities, and the targeted promotional actions, and the coordination of the stakeholders' cooperation. All these aspects were assessed very good, with scores above 4 on the 1-to-5 scale. Respondents were the least satisfied with the ability of TDM organisations to attract investors, the average level of satisfaction was 3.71. There are striking differences between the settlements, the best values were found in Hévíz and Zalakaros, both above 4.0, while the poorest performance was measured in Kehidakustány, with an average value below 3.0 (Table 6).

The accommodation and food service providers are completely satisfied with nearly all aspects, the scores given were excellent, except the regional marketing activities of the TDM organisation (although this aspect was also considered very good), but the targeted promotional actions scored considerably lower (only at medium to good level). Representatives of the spas valued all the activities of the organisation below the good level, and local inhabitants considered only two aspect – the targeted promotional actions and the professional interest representation – good. The employees of the Tourinform bureaus and TDM organisations are much less critical about their own activities, theirs scores are at least good for all apects, except one. This exception is the ability to attract investors, here the respondents valued their own activities as medium to good (Table 6).

Respondents considered marketing activities to be *the most important function of a health tourism TDM organisation*, it was mentioned by 11 % of the 100 respondents. The representatives of accommodation and food service providers, and local inhabitants have hardly given any answer to the question, and no answer was received from other service providers. Other tasks were mentioned by one or two respondents only, which is not enough to draw conclusions.

Table 6: Satisfaction with various activities of TDM organisations (1-to--5 scale)

	Marketing activities	Targeted promotion	Complex tourism develop-ment	Advice on projects and proposals	Attract inves-tors	Coordinate stakehol-ders	Professional repre-sentation, trainings	Mean
Mean	**3.95**	**4.17**	**4.24**	**3.94**	**3.71**	**4.12**	**4.27**	**4.06**
Hévíz	4.38	4.75	4.50	4.00	4.00	4.50	4.83	***4.42***
Kehidakustány	3.00	2.50	2.67	2.67	3.00	2.67	3.00	***2.79***
Lenti	-	-	-	-	-	-	-	-
Zalakaros	4.75	5.00	5.00	4.75	4.25	4.50	4.50	***4.68***
Marcali	3.00	3.50	4.00	4.00	2.50	4.00	4.00	***3.57***
Siklós	-	-	-	-	-	-	-	-
Municipalities	*4.33*	*4.67*	*4.67*	*4.33*	*3.67*	*4.33*	*4.33*	**4.33**
Spas	*3.67*	*3.67*	*3.67*	*3.33*	*3.67*	*3.33*	*3.33*	**3.52**
Accommodation and food service	*4.50*	*3.50*	*5.00*	*5.00*	*5.00*	*5.00*	*5.00*	**4.71**
Other services	*2.00*	-	-	-	-	-	-	-
Tourinform – TDM	*4.29*	*4.29*	*4.43*	*4.29*	*3.71*	*4.43*	*4.57*	**4.29**
Local inhabitants	*3.33*	*4.33*	*3.67*	*3.00*	*3.33*	*3.67*	*4.00*	**3.62**

Satisfaction with the TDM organisations is also well represented by the inclination of respondents to join these organisations. More than half of the responents (57%) expressed *disinclination to join a TDM organisation*. Refusal was extremely high (two thirds to three-quarters of respondents) among local inhabitants (76%), and representatives of municipalities (80%) and of other service providers(67%). The majority of other actors (spas, Tourinform bureaus and TDM organisations) gave positive answers to the question. Comparing the settlements Marcali differs from the rest, because here the majority (60%) was inclined to join a TDM organisation.

Tourism performance and health tourism service availabilitys

Finally the research assesset the relationship of the role and performance of tourism in the selected destination with the key components of the complexity of health tourism services they offer. The role, place and performance of settlements as health tourism destinations were evaluated by the capacities to receive visitors and the number of visitors received, therefore the indicators introduced at the beginning of this chapter were used: the available places of accommodation per inhabitants, and the guest nights per 1000 inhabitants. The strength of the relationships was assessed by the coefficient of correlation (R). As Table 7 shows, the relationship of the health tourism service components (appreciation of the natural healing resource, preference, quality, value-for-price, hospitality) to the accommodation capacities and to guest nights is very strong. The destinations, where tourism plays a crucial role, seem to be more sensitive to the value of their natural endowments. The higher the accommodation capacity and guest nights in the settlement, the more preferred the health tourism services are, and the more satisfied the respondents are with the quality and the value-for-price of the services. The same is true for the hospitality and respect for visitors. The coefficients of correlation are always above 0.8, therefore the relationships are very strong. Therefore destinations more specialised to tourism seem to be able and willing to provide better health tourism services for visitors.

Table 7: Correlations between various components of health tourism

Coefficient of correlation (R)	**Accommodation per inhabitant**	**Guest nights per 1000 inhabitants**
Protect resource, proud of it	0.755	0.826
Preference for health tourism services	0.8933	0.8886
Quality of health tourism services	0.9515	0.9435
Value for price of health tourism services	0.9475	0.9643
Hospitality and respect for tourist	0.8095	0.8255
Iinclination to join a TDM organisation	-0.4522	-0.3561

The willingness to join a TDM organisation shows just the opposite. The coefficients of correlation to both the guest nights and to the accommodation capacities are negative, showing medium level opposite relationships. The more successful the tourism destination (i.e. the more nights visitors spend there and the more accommodation places are provided for them relative to the population), the less inclined local stakeholders are to join the local TDM organisation. Obviously the membership of a TDM organisation is attractive to local stakeholders if they do not hope to achieve success in the health tourism market on their own, so they are willing to trust a team of tourism professionals to improve their performance.

Summary / Conclusions.

The analysis of the survey results revealed the following features of the health tourism destinations in counties Zala, Somogy and Baranya: The most important natural endowment, resource is medicinal and thermal water. The main components of the tourism attractions are hospitality and respect for tourists, the medicinal water, and the preference for health tourism services. The most suitable, available components of tourism infrastructure and superstructure are food service and accommodation facilities, and facilities of transport and parking. The main targeted segments of tourists are families, sick people coming for treatments, elderly people, and foreign visitors. The main areas that require development are service availability in general, the range of treatments and information about treatments, range of treatments available within the health insurance system, availability of accommodation. The facilities and opportunities most missed are entertainment opportunities, marketing activities, transport and parking facilities in some of the settlements, information tools and information availability, infrastructural developments and recontructions, water sports facilities, cycle tracks, and sports facilities.

Development ideas correspond to the existing components of tourism supply and are based on the available resources and attraction items, or are aimed at comlementing them. The development ideas are also in agreement with the demands of targeted tourist segments, although they are focused on medical treatments, while the specific needs of families coming for recreation, relaxation and entertainments are not taken as top priorities. These aspects are more emphasised in the list of missed facilities and opportunities, better focusing on the targeted tourist segments.

Among *the activities performed by TDM organisations* professional interest representation and with trainings are the most satisfactory, followed by the complex tourism development activities of the local TDMO, and the coordination and management of stakeholder cooperation. TDM organisations were much less successful in attracting investors. Respondents were not very well capable of assessing the roles and tasks expected of TDM organisations, many stakeholders have little knowledge about the functions of such organisations. Those who answered to the questions mentioned marketing activities, developments, and coordination of cooperation and maintaining contacts, as the main roles of such organisations. Most of the responses were given by employees in Tourinform bureaus and TDM organisations.

Although the majority of respondents were involved in tourism in a day-to-day basis, most of them expressed no willingness to join a TDM organisation. It may not be surprising to find the highest proportion of negative answers (76%) in the respondent group of local inhabitants, as compared to tourism service providers, they do not feel the impacts of a TDM organisation, and altogether, of a successful tourism sector very strongly in their everyday life. More than half of the tourism service providers also refuse the idea of joining a TDM organisation, they do not see clearly the significance of cooperation, partnership, and concerted action.

Generally speaking, better performance of the tourism sector int he destionation comes together with better opinions on health tourism service components, and less willingness to join a TDM organisation, as the better performance of the tourism sector makes them less motivated to cooperate whithin the framework of such organisation.

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Change Of The Citizens' Attitude Towards Car Use And Fuel Consumption In Hungary[17]

Adrienn Vida[18]
Szent István University, Institute of Business Studies

ABSTRACT Despite the directives and decisions of the European Union, the role of citizens is more and more important in reaching the national and common targets of environmental protection. The behaviour of individuals can be influenced by legal and economical tools and measures; however, the desired way is to build the personal and internal motivation. "Green thinking" – for example selective waste collection, avoiding unnecessary packaging, energy saving – may change the daily life of the households and it may improve the quality of their living environment and eventually, their life. Therefore, energy conscious behaviour may be considered as a form of environmental awareness and also as an individual behaviour.
In this paper, I evaluated a part of Hungarian surveys, where the scope of the questions were the citizens' habits related to car use, the willingness to use biofuels and as the initial point of all the above mentioned, the elementary knowledge about these topic. Beyond the results of descriptive statistics, I used the possibilities of SPSS software package and I tried to find connection between responses, as nominal variables and demographic ones.

KEYWORDS environmentally conscious behaviour, biofuels, willingness to use, renewable energy sources

Introduction

In order to analyse the change of the citizens' attitude towards car use and fuel consumption in Hungary two main topics should be examined, the macroeconomic trends of fuel prices and the citizens' behaviour.

The first may be explored by the data of Hungarian Central Statistical Office, while the citizens' behaviour may be assessed according to the database of my own survey.

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17 Vida.Adrienn@gtk.szie.hu

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Macroeconomic aspect of liquid fuels

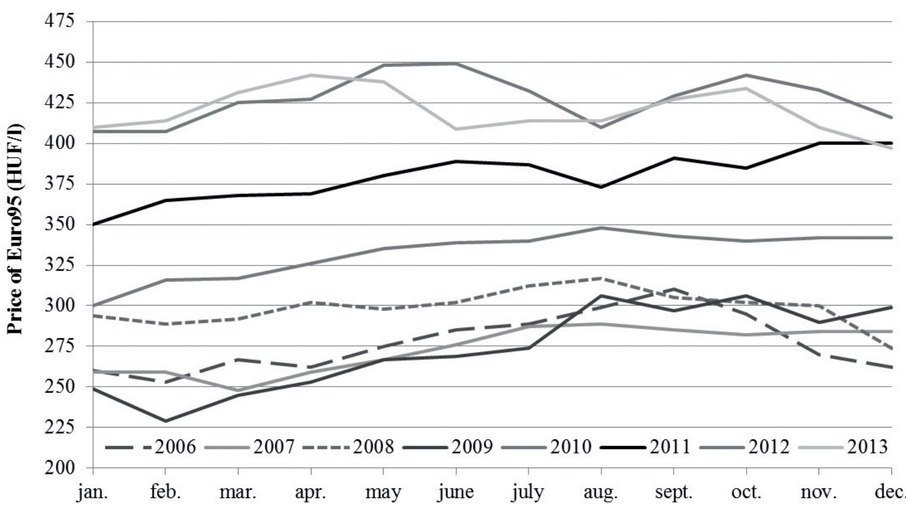
Nowadays – despite the temporary changes - the fuel prices are increasing, as it can be known and it can be observed directly through the car use or indirectly through everyday life when the price of goods include the price of energy.

From 2011, according to the EU's and fuel markets intention, the diesel one has become more expensive. The reasons behind of this process can be the lobby of car and oil industry because the diesel cars are more effective and that is why these cars use less fuel.

The Liquid Petroleum Gas (LPG) is purchasable from June of 2007 in Hungary.

The price of unleaded oil (Figure 1) in 2006 and 2007 remained almost unchanged. In 2008, it can be seen a definite increase and the prices decreased to the level of 2006 and 2007 by the end of the year. In 2009, the prices of the Euro95 oil remained at the previous level because of the global economic crisis and first of all, the collapse of the car – and generally the heavy – industry. After 2010 and 2011 – as they can be called "transition" or "recreation" years – it seems that it is defined on a new price level from 2012.

Figure 1: Change of price of Euro95 in each year (2006 -2013)

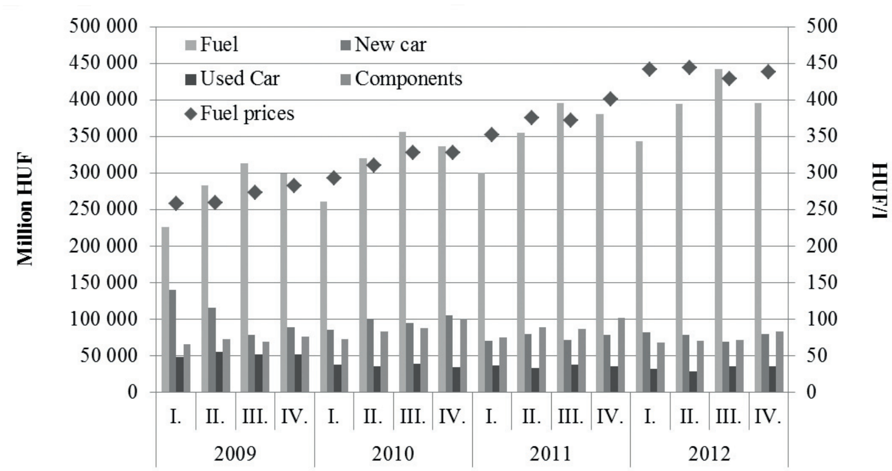


Source: Own construction (2013) by homepage and data of NTCA

The changes of the price of Diesel oil are basically similar to the Euro95, but after 2009, the price level could not reach the price level of 2006 and 2007 and there was only one transition year in 2011.

Figure 2, illustrates the amount of fuel sales at the retailers according to the different categories of motor vehicles and the average fuel price from the previous database.

Figure 2: The amount of retail sales of fuel and certain categories of vehicle and the average price of fuel from the same period



Source: Own construction (2013) by homepage and data of NTCA and HCSO

The conclusions of the graph's trends may be considered as simple, so – despite it is not the focus of this present work – it is justifiable by calculations performed by Pearson's correlation. Based on these results, it can be concluded that there is a positive and strong correlation (0,7989) between the price of fuel and used vehicles sales, while with the vehicle components the correlation cannot be shown. It is important to note that the sale of vehicles – especially the new ones – is significantly affected by the tightening of credit facilities and the change of household income resulted by the economic crisis. In order to filter out these distorting factors, it can be required to calculate an additional partial correlation.

Social attitude towards car use and (bio)fuel consumption

The globalized world and society, the overpopulation process, the deepening of the gap between different consumer groups and living standards, the environmental pollution and of course its differences and contradictions were emphasized by Kohlhéb et al. (1995) as the most serious problems, which require for the awareness of each players of the economy. Environmentally conscious behaviour became an everyday term and not only the citizens but also the enterprises, the state owned sectors, and different producers and services are involved in this way of thinking and acting. A possible way to improve awareness is considering taxation issues. (Illés and Kohlhéb, 1999) The Hungarian biofuel programs were evaluated by Lakner et al. (2010) in which they summarized the economic aspects of these programs. Our main objective was to examine the "human" factors, the attitudes of the society towards energy conscious behaviours.

The starting point of this research was the assumption of Ek (2005), who wrote, if the consumers have preferences for the environment, they probably have "green" preferences, which means they might pay the premium price of the "green" electricity. If we accept this statement and we accept that the strong connection between environmental protection and energetics can be considered as a starting point of the assessment of energy conscious behaviour, then we can examine this topic together with environmentally conscious behaviour, which has very broad literature. (See Table 1.)

Table 1: Summary of some research towards environmentally and energy conscious behaviour – scope of the analysis

Analysis of the environmentally conscious behaviour	Analysis of the energy conscious behaviour and the attitude towards renewable energy sources
1. Typology of environmentally conscious behavior in the United States of America in relation of demographical variables (Roberts, 1996) and the New Environmental Paradigm Scale (Roberts, 1997) 2. The consumers' knowledge about production process (Vágási, 2000) 3. Degree of the persuasion and the undertaken compromise (Pattie, 2001) 4. Waste management practices, knowledge of waste (Vida, 2011)	1. Energy saving and energy effective attitude depending on information of energy bill (Wilhite and Ling, 1997) 2. Knowledge of renewable energy sources (Bai, 1998, 2009) and the barriers of the wider spread of use (Tamus, 2006; Domán et al., 2010a and b) 3. Habits for choosing between filling station brands (Kolos-Berács, 2000) 4. Attitude towards „green electricity" in relation of wind energy (Ek, 2005) 5. Consumers' evaluation in relation of environment and wind energy (Borchers et al., 2007) 6. Energy saving and energy conscious behaviour (Boardman, 2004) 7. Attitude towards renewable energy sources (Illés et al., 2013; Vida, 2013a)
8. Attitude towards environment, environmentally conscious consumption, selective waste collection, energy saving in households (EBS 247, 2006; EBS 262, 2007; Schäfferné, 2008)	

Source: VIDA (2013b)

The starting point of the research of Borchers et al. (2007) was the following (hypothetical) groups:

1. positive willingness to pay towards green electricity – as general commodity – and its role in the environment protection,

2. analysis of preference through green electricity in relation with environmental protection,
3. consumers' evaluation from price and origin.

Table 2: Summary of Hungarian surveys in relation of environment and energy conscious behaviour

	Tamus et al. (2006 and 2010)		**Bai (1998 and 2009)**		**Kolos – Berács (2000)**	**Tóth – Baross (2008)**
Timescale	May 2006	2009	1996. from July to Nov.	2002. from April to Aug.	Autumn of 1997	2003 and 2008
Area within Hungary	*Counties:* Heves, Jász-Nagykun-Szolnok, Borsod-Abaúj-Zemplén, Nógrád, Pest, Szabolcs-Szatmár-Bereg, Hajdú-Bihar and Budapest		No information	Hajdú-Bihar, Borsod-Abaúj-Zemplén, Dunántúl	Budapest	around Encs and Forró 5 % of total households
Total number of surveys	600		123	389	362	Encs 112 Forró 41
Number of sample	598	806				
Representativity	No information (According to gender, age and habitation, the two samples are similar.)		It is presumable from the consistence of sample		No information	
The scope of the survey	General knowledge about renewable energy sources (popularity, willingness to use)				Habits for choosing between filling station brands	General knowledge and acceptance of renewable energy sources valuation of phenomena of NIMBY[1] and local benefits
Statistical methods	Descriptive	Descriptive statistics				
	Factor analysis					

Source: Own construction by the referred sources, Vida (2013b)

1 NIMBY: Not In My Backyard: Term of theoretical support of use of renewable energy sources but far from the responder closest environment.

According to the three points, it has been proved that the consumers can distinguish between different energy sources and they prefer the green energy. It has been verified that consumers must to have relevant knowledge about advantage of each energy sources in point of themselves and in point of environment. To avoid the overvaluation and undervaluation in the course the decision process, it is essential to know the consumers' preference scale, in other words: what is valuable for the consumers.

The Table 2 summarizes the main characteristics of related Hungarian researches and it provides a basis for comparison of my own research.

Methodology

For my researches, I have created a questionnaire, but this paper deals with only six questions. My present work covers only those citizens who have own cars and do not use company car. The reason of this theory is that these citizens may decide independently about their car expenses.

The first interview – in 2011 – was a Computer Assisted Telephone Interview (CATI) and according to the practice of EUROBAROMETER (EBS), the database is representative at gender and age. As a result of the sampling process 1000 persons (older than 18 years) were interviewed. The data were processed by SPSS 21 programme package.

I have repeated the survey in 2012 and 2013. Because of the infrastructure and the budgetary need of a representative research, the method was random and the type of interview was personal and that is why these simple are not representative.

Table 3: The analysed questions and variables of the own survey

<table>
<tr><th colspan="3">Questions</th><th>Demographic variables</th></tr>
<tr><td>1.</td><td colspan="2">Will you reduce the use of your own car when the fuel price will be more than 400 HUF? [EBS 258, 2006[2]]</td><td rowspan="6">Gender
Age
Salary level
Region</td></tr>
<tr><td>2.</td><td colspan="2">If your response "yes", which way is the best for you?</td></tr>
<tr><td>3.</td><td colspan="2">Is it important for you to always fill the tank at the same brand of gas station?</td></tr>
<tr><td>*4.*</td><td>*Do you know the amount of biocomponent in your (usually) used fuel?*</td><td rowspan="3">*Questions of biofuels*</td></tr>
<tr><td>*5.*</td><td>*Would you fill to the tank with fuels which contain more biocomponent than the obligatory?*</td></tr>
<tr><td>*6.*</td><td>*Would you pay for it higher price?*</td></tr>
</table>

Source: Own survey (2011)

2 The original question: Would you be prepared to pay more for energy produced from renewable sources than for energy produced from other sources? (IF YES) How much more would you be prepared to pay?

The survey contained two question groups, the first was concerning the usual car use habit while the second was connected to willingness to use and to pay of biofuels (Table 3). In my research, the type of answers was simple answer choice, and there were only one choice. Finally, I have worked on nominal variables.

For the data processing, at first, I used descriptive statistic methods; the non-metric data were processed by cross table analysis, which is one of the most important tools for researches of social sciences (Babbie, 2001; Ketskeméty and Izsó, 2005) and finally, the used method was the Cramer's V.

The application of Cramer's V is justified by the reliability. It means that it is less sensitive to the sample size and its interpretation is simpler such as the contingency coefficient. Cramer's V is an applicable methodology to all sizes of cross tables and this fact is an another important advantage. (Jánosa, 2011; Sajtos and Mitev, 2007) Due to the listed advantages, the Cramer's V will be used to examine the significant connections inside each of the three databases. During the presentation of the results of descriptive statistical analysis, it will be emphasized the year of 2011 because of the representativeness of the sample.

Results and discussion

Through the questions, I tried to find the factors that affect the amount of the used biofuel directly or indirectly. Firstly, I present the results of descriptive statistic methods.

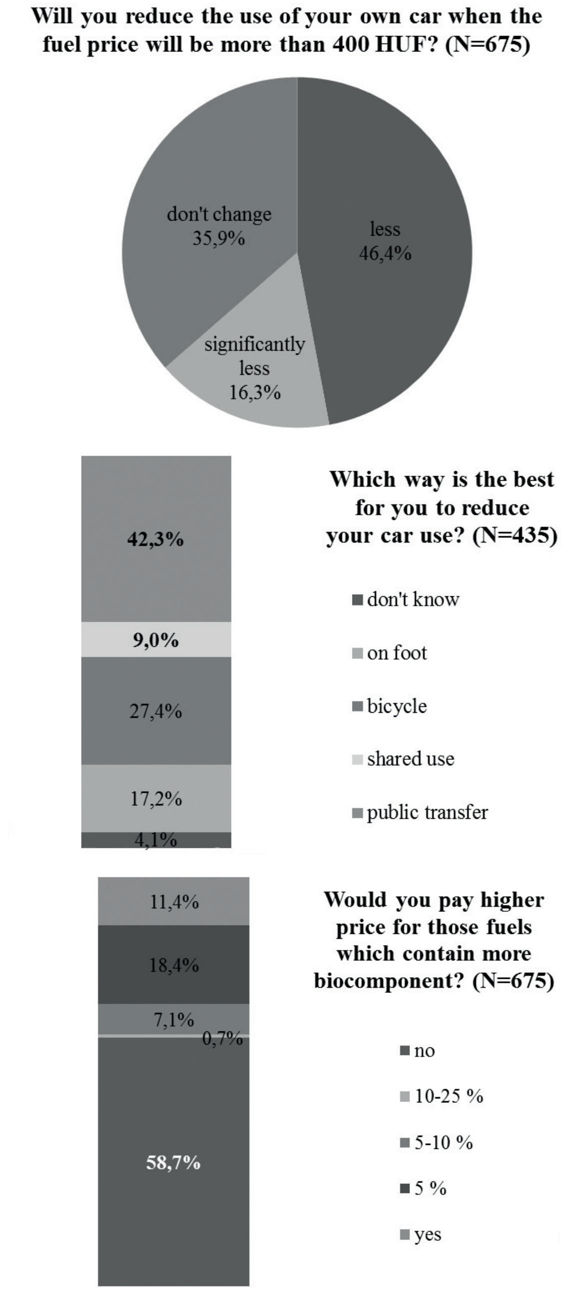
Examining those questions which try to find answer to the vehicle and fuel use habit, they are answered by citizens, who do not use company vehicles. The reason for this was – in my opinion – that in this case (when the respondent decides about the cost and services of vehicles) the decision is depend on the personal attitudes and the everyday use is independent on the rules of company vehicle use (e.g. the fuel card is given).

According to the survey which was performed in 2011, 54% of respondents would reduce vehicle use when the fuel price increases over 400 HUF/l. (Figure 3)

Despite the reasons above, many people were added to their "no change" reply a short addition. Although they do not use company cars, it is an indispensable tool for their job and that is why the use of it cannot be reduced significantly despite the rise of prices.

The use of a private vehicles could be substituted by public transport (42.3%) or a common (with friend or colleague) vehicle use (9.0%). This reaction would not lead to a sharp decline in terms of less biofuel demand. The reason of it in this regard, the buses are technically able to use the biodiesel in significant amounts in the public transport.

Figure 3: The citizens' reaction to the increase of fuel price

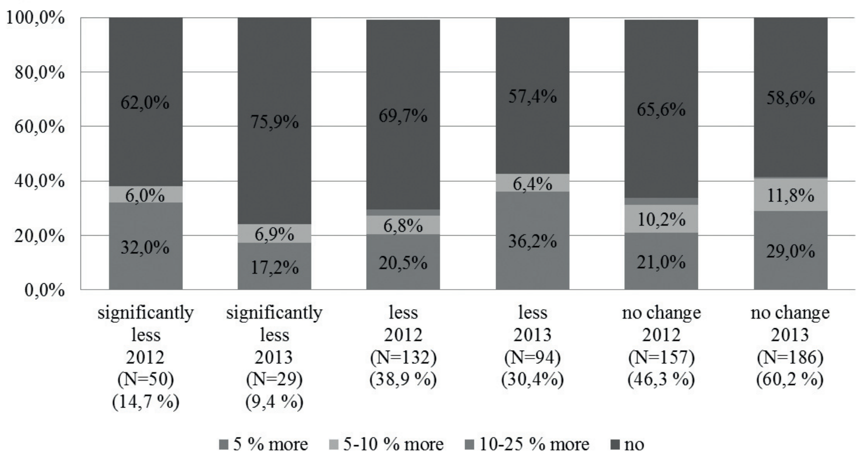


Source: Results of own calculation (2013)

It is important to note that although it is not a specific hypothesis of this paper but I assumed that consumers generally accept and adapt to the higher price level. As a result of this thread, citizens will not change dramatically the vehicle use but their willingness to pay for higher biofuel content will be reduced, because the higher biocomponent content also means higher price.

Taking into account the patterns of the years 2012 and 2013 features (see Methodology chapter), Figure 4 shows the respondents' habits towards car use after the price increase. Among those citizens who radically changed their car use, the willingness to pay is sharply decreased from 2012 to 2013. The picture is reverse into the other two categories: the rate of answers about willingness to pay grew from 2012 to 2013 in each point.

Figure 4: Results in relation of willingness to pay and change of vehicle use in the year of 2012 and 2013

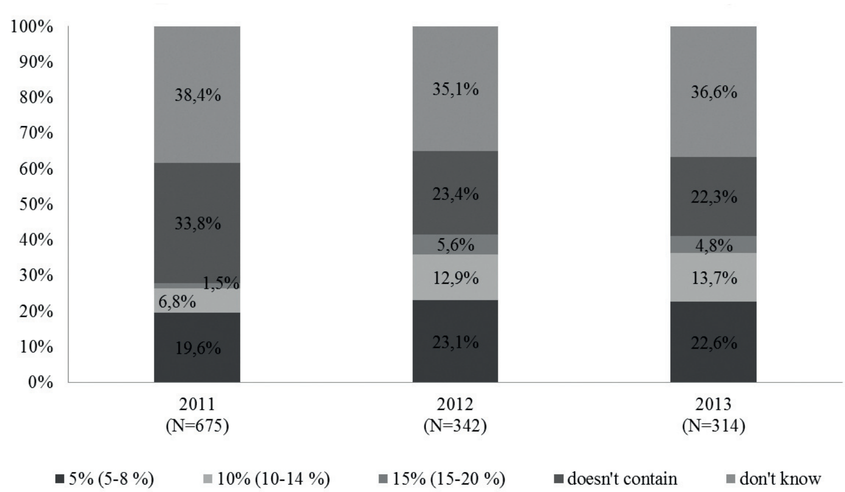


Source: Results of own calculation (2013)

In this case, the knowledge and the information about biofuels is significant in two points of view. Firstly, in order for the consumer could decide why they should pay more, it has to know the general bio-component measure in the everyday used fuels. Secondly, the consumers need to know their vehicle and they should be able to define what the expected effect is through the use of higher bio-component content fuel.

When the consumer's decision is considered to these relevant and exact information, their habit can be called „fuel conscious behaviour". In relation of the first topic, the ratios of the given answers for each of the three years are shown by the Figure 5. It can be seen that those who have been able to say exactly the right mixture, were only about 20% of the total respondents. The partition is very similar in 2012 and 2013. Nearly 10% higher is the proportion of those who believe that the general fuel does not contain any bio-component in the (representative) sample of 2011.

Figure 5: Knowledge of citizens about the biofuel content



Note: I assumed that the *difference between the required mixing ratio and the volume ratio could be deceptive therefore* I changed the proportions of possible responses in *2012 and 2013. This is shown in the brackets.*

Source: Results of own calculation (2013)

The focus of the next question was the consumers' willingness to use in relation of second issue. I wished to explore the respondent willingness to use towards fuels with high biofuel-component content. In all three years, nearly the same number of respondents (in order of years: 24,4%, 23,3%, 22,3%) would not use such a fuel because they do not know that it is suitable for use in their vehicles. This similarity of rates remains in case of "yes, but only if it reduces the cost of fuelling" answer but in a few higher rate. It can be said on the base of responses that the environment protection is the most expected effect from the use of biofuels (in order of years: 40,6%, 29,0%, 30,1%). Reacting to the additional notes, I added another option to the survey of the year of 2012 and 2013 as "*no*, because *I know* that my car is not suitable for use". This was chosen by the 13,8% and 16,5% of respondents, so it seems to improve the respondents' awareness.

Table 4 shows the cross table of knowledge and the willingness to pay questions. As a result of this aspect, (taking into consideration the limitations of the methodology of descriptive statistics) it is possible to define the term of "fuel (save) conscious behaviour" which is also was analyzed by Cramer's V test.

It can be seen on the table that the 14-22 % of those citizens who know the correct mixing ratio of bio-component are able to pay more for higher biofuel content (regarding all of three years). It is important to emphasize that the percent of analyzed citizens is the highest on "I do not pay more" answer.

On the right side of the table can be also seen that the highest percent of answers is "don't know" or (in 2011) "doesn't content" in each category of willingness to pay. The last column the ratio of said organic component observed visible matter is that every year and every category of "do not know" is the highest value.

On the left side of the table, it can be seen the consumers' responses of the question about willingness to use on the relation of the willingness to pay. Analysis of the responses in this manner is consistent with the finding of the previous aggregation: those who are willing to pay more for fuel with high bio-component content, they are influenced by the expected positive environment impact and this is true independently on year.

Table 4: Cross-table of willingness to pay and the two questions about knowledge

Would you fill to the tank those fuels, which contain more biocomponent (bioethanol, biodiesel) than the obligatory measure?				**Would you pay higher price for those fuels, which contain more biocomponent?**			**Do you know the amount of biocomponent (bioethanol, biodiesel) in your usually used fuel?**				
No, because I do not know	Yes, because I know	Yes, ... if it reduces the fuel prices	Yes, … environment				5% 5-8%	10% 10-14%	15% 15-20%	Doesn't content	Don't know
22,1	*3,9*	*7,8*	*66,2*	***Yes**, 2011*			*14,3*	*6,5*	*2,6*	*28,6*	*48,1*
8,9	*4,8*	*16,1*	*67,7*	*2011*	***5% more***	*2011*	*19,4*	*7,3*	*1,6*	*34,7*	*37,1*
9,2	*5,3*	*19,7*	*53,9*	*2012*		*2012*	*21,1*	*15,8*	*5,3*	*25,0*	*32,9*
12,9	*5,4*	*23,7*	*47,3*	*2013*		*2013*	*22,3*	*12,8*	*5,3*	*23,4*	*36,2*
8,3	4,2	8,3	79,2	2011	**5-10% more**	2011	14,6	8,3	0,0	39,6	37,5
14,8	11,1	11,1	44,4	2012		2012	17,9	25,0	7,1	17,9	32,1
10,0	3,3	10,0	60,0	2013		2013	16,7	16,7	10,0	16,7	40,0
20,0	0,0	20,0	60,0	2011	**10-25% more**	2011	20,0	0,0	0,0	20,0	60,0
28,6	0,0	14,3	57,1	2012		2012	14,3	14,3	0,0	57,1	14,3
0,0	0,0	0,0	100,0	2013		2013	0,0	0,0	0,0	100,0	0,0
31,8	5,1	36,4	23,5	2011	**no**	2011	21,7	7,1	1,5	34,3	35,4
28,9	4,4	34,2	18,2	2012		2012	24,7	10,3	5,4	22,9	36,8
29,3	3,8	31,0	16,3	2013		2013	23,7	14,0	3,8	21,5	37,1
24,0	0,0	12,0	20,0	**don't know,** 2011			12,0	0,0	0,0	28,0	60,0

Source: Results of own calculation (2013)

Those who refuse to pay the over price, they expect the price reduction.

The summarizing table shows only those factors where the responses were significantly different from the other categories. According to the results, there is no decisive difference in self-financed car owners by gender and age. In the case of net revenue per capita, the highest rate is 43.3% of the category of 50,000 - 100,000 HUF.

It can be assumed on the base of the following two revenue categories and their low ratios that the higher income involves the exist of company vehicle. The proportion of car owners is Highest in Central Hungary and Western Transdanubia region. The fuel price changes the car use habit of women and over 50 year old citizens will change significantly as it is explored by the analysis. The way of car replacement by age and sex were typically the public transport while the over-50 age group preferred the possibilities with no additional cost. The car would be replaced by bicycle and pedestrian transportation in the Southern Transdanubia region.

In the case of the fuel station, the results are:

- the price is the selection criterion in group under 40 year and 100,000 - 200,000 HUF income level, and
- over 40 and 50,000 - 100,000 HUF income level, the price and the routine are dominant.

In contrast to the previous categories, the expected and experienced fuel quality is the emphasized point of view in course of choice between gas stations in the Southern Transdanubia region. Those who would refuel high bio-component content fuel, they are typically men, younger than 40 years, the income per capita is between 100,000 to 200,000 HUF and live in the Central Hungarian region.

I prepared previously a detailed analysis about the knowledge of biofuel content but there is one important result. The demographic breakdown of the income categories shows that when the income is under 50 000 HUF, the "do not know" responses were significantly higher than other variables. I also examined the relationship of income categories and the willingness to change. According to the results of the calculations, the higher income (per household capita) results moderate willingness to change which is affected by the fuel price increase.

As I mentioned earlier, it is necessary to examine the relationship between variables, which was made in all three databases in relation to demographic variables. The results of CramerV calculations are presented by Table 5.

Table 5: Summary of results of Cramer's V method

Nr. of Q.	2011.				2012.				2013.			
	G.	A.	Rev.	Reg.	G.	A.	Rev.	Reg.	G.	A.	Rev.	Reg.
1.	✓	✓	✓		✓		✓	✓				
2.	✓	✓		✓		✓				✓		
3.		✓		✓	✓							
4.	✓	✓										
5.				✓			✓					
6.	✓	✓				✓						

Source: Results of own calculation (2013)

The intensity of the colours indicates the strength of connection and the mark indicates the significance. Significant relationship was observed by gender and the age in the representative database of 2011. However, most moderately strong relationship was demonstrated with the regional variable. It can be said that the general vehicle use habit and the willingness to change are affected by demographic characteristics. The knowledge of biofuels and the willingness to pay are influenced by age and gender and the willingness to use (stronger than the previous ones) is linked to the region as well.

Conclusions

As a result of the analyses, the following conclusions can be drawn:

- The research clearly showed that the general approach is not enough effective during the communication for environmental and energy conscious behaviour because the population is not homogeneous neither knowledge nor motivation point. It is showed that consumers do not know neither the fuel combination, nor the technical suitability of own cars.
- The most expected positive effect from the use of biofuels is the environment protection effect and at the same time it is also the price advantage. It means that the consumers also expect that the high bio-component fuel would be cheaper or at least should not be more than the traditional version. Consumers separate the technical ability of car and the expected positive effects (e.g. lower price or environmental protection). To realize the common advantages and national targets, the information must also be taken into account in these two considerations.
- The CramerV indicator resulted significant connection between age and willingness to change in all of the three databases. Based on the descriptive statistics, it is also showed that most of the over 50 year olds are willing to change their habits when the fuel price will increase/increased over 400 HUF/l. However, it can be assumed that the primarily motivation is economic and their habit is not the result of the energy or the environmentally conscious.
- The activity and the consciousness of the **population over the age of 50 are significantly higher in everyday decisions despite their environmental education was not that emphasized than nowadays. It is assumed that their engagement to** the **environment protection is based on emotional** motivation**. That is why the information should focus to useful practical skills in everyday life and it should need less of the theoretical** knowledge. It **is also very important in that aspect that they can set an example – through their role in the family** – to **young generation, which** has **significant theoretical knowledge** however **has less** everyday **experience**

or routine. The importance of the intergenerational relationship is also outstanding because – as shown above – the attitude of **young adult group** – as "would rather pay **than do**" - can be **compensated on (national or local) social level**.

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Financial instruments used by the Hungarian SMEs

***Zsuzsanna Vajay*[19]**
University of West Hungary Faculty of Economics, Sopron, Hungary

ABSTRACT: SME sector plays a significant role in the economy of Hungary. 97-99% of the companies takes part of this sector and has importance in the field of employment and production. In my study I analyse the external financing opportunities such as credits and tenders, which are available especially for SME sector. I analyse these data between 2007 and 2011. The range of credit possibilities for SME sector is expanding. There are more opportunities allowing companies to take loans not only from banks but from credit intermediaries. The European Union also provides refundable support to start-up and working companies besides tenders mostly from JEREMIE program.

KEYWORDS: entrepreneurship/tender/loan

Introduction

The SME sector plays a significant role in the economy of Hungary. 97-99% of the companies takes part of this sector, and has importance in the field of employment and production.

The Hungarian economy has gone through significant changes since the regime change in 1989. In this period the roles of micro-, small and medium-sized enterprises in the market have become more and more important. However the main focus was only awarded right before the European Union accession when it was possible to strengthen the enterprise sector with pre-accession applications.

During this period important developments took place which helped to encourage entrepreneurship and contributed to create new companies. After joining the European Union the number of enterprises showed a fluctuating trend however the growths of operating and already developed companies were constant.

The years at the very beginning of the 21th century have greatly helped people who work in agriculture to start up new family businesses in production and service sectors.

19 vajayzs@freemail.hu

Distribution of SME sector

In the pre-crisis period entrepreneurship has increasingly boosted shows the unified 770.000 number of enterprises in *Table 1*. There were a downturn around 2006 and 2007, but in 2008 it is rising to the original number. Since 2009 a drastic downturn has occured caused by micro-sized companies suffered loss. Mainly the number of these enterprises declined while the number of small and medium-sized ones remained the same.

In 2010 according to latest data it seems that the trend of last year turned the other way around and medium and bigger sized enterprises break off, while smaller ones continue to increase. Compared to 2009 micro-sized companies increased about 2% and small-sized ones grew 1,6%.

In 2011 decline occurred again, further businesses had been closed since crisis had had infiltrated all markets. For this period only estimated data can be obtained from the KSH surveys, therefore drawing reliable conclusions is not possible.

Table 1. The number of the companies between 2004 and 2011 (piece)

Number of capita	2004	2005	2006	2007	2008	2009	2010	2011*
1-4	702 221	693 050	679 214	672 674	696 002	681 220	694 434	0
5-9	41 265	41 869	42 486	41 229	40 946	38 251	39226	0
1-9	**743 486**	**734 919**	**721 700**	**713 903**	**736 948**	**719 471**	**733 660**	**676 264**
10-19	18 902	19 240	19 612	18 906	19 343	17 693	18 612	20 578
20-49	11 050	11 201	10 620	10 143	10 231	9 256	8 770	10 606
10-49	**29 952**	**30 441**	**30 232**	**29 049**	**29 574**	**26 949**	**27 382**	**31 184**
50-249	**5 130**	**5 067**	**5 085**	**5 145**	**5 222**	**4 811**	**4 696**	**4 682**
250 and more	**959**	**927**	**926**	**929**	**962**	**875**	**877**	**859**
all	**779 527**	**771 354**	**757 943**	**749 026**	**772 706**	**752 106**	**766 615**	**712 989**

Source: Own compilation based on Central Statistical Office data
**Estimate based on KSH data*

Financial instruments

The enterprises have more and more possibilities to use external financing opportunities for their everyday work. The state and the government have always conduced to the improvement of this sector. More and more credit and support opportunities have been created for SME's. That is the reason why more companies have a chance to develop.

The policy of support and development of small and medium-sized companies have been in the front line of the argues for a long time. Several tries to reduce the competitive disadvantage of SME sector have been carried out, but big differences between these companies and the large enterprises have still remained. Despite the fact SME's are able to produce high value-added products, many factors have a strong influence on their development of, which are:

- low capitalization
- under-funding
- low efficiency and productivity
- lack of entrepreneurship
- strong dependence of the internal consumption
- exposure of the black economy.

SME's that use mainly internal financing sources down to their size, may be prevented to use international funds (bank loans, leasing, factoring) as well as to access to resources of foreign investments. Due to their small sizes they can rarely be beneficiaries of government incentives which help greater investments and job-creations. Many of them have difficulties to fulfill administrative obligations.

The most accessible opportunities for SMEs:

- credits
- supports

In the Hungarian economy factoring and leasing has only a brief past therefore these opportunities are taken advantage of by a few. However these opportunities get increasingly important role in recent times.

Commercial banks intend to give emphasis on providing accessible and favourable opportunities to these companies. Among their financial services the following are preferred:

- credits and loans
- leasing
- surety bonds and bank guarantees
- credit reference services

Credits

The range of credit possibilities for SME sector is expanding. There are more opportunities allowing companies to take loans not only from banks but from credit intermediaries. KA-VOSZ Zrt and the Magyar Vállalkozásfinanszírozási Zrt provide the most reliable information about the possibilities to the members of the market. The first three – perhaps the most popular – possibilities are Széchenyi Kártya, Új Magyarország Hitelgarancia and Garantiqa Hitelgarancia that have more favourable conditions than bank credits. The European Union also provides refundable support to start-up and working companies besides tenders mostly from JEREMIE program.

Disbursements of low loan applications are taken over by county enterprise development foundations from banks, through which the National Microcredit Program is available for investment and working capital loans. The Program also offers loans for new companies with preferential rates without additional costs. The conditions of the Program are flexible to the needs of micro-, small- and medium-sized enterprises.

The Új Magyarország Kis- és Középvállalkozói Hitel is based on a similar principle which also helps these companies to grow and invest. „The aim of this loan program is to develop micro and small enterprises with seat in Hungary that cannot be, or cannot sufficiently be financed with commercial banking methods, by improving their credit options. The program takes part of a government package to relieve the effect of the financial crisis.

The sources reach the final beneficiaries through those credit institutions which are direct partners of the MV Zrt and the MFB Zrt. The credit institutions which joined to the program can outsource an investment loan of 10-100 million forints with a maturity of maximum 10 years to the enterprises." (Magyar Vállalkozásfinanszírozási Zrt, 2012.)

Support options

Since the European Union accession more and more enterprises have intended to take advantage of this financing resort in order to get new sources for their investments. In some cases these opportunities not only contribute to development but also provide new tools for keeping the enterprises running. Benefiting in tenders has yielded great results not only for developing companies but also for the whole country. While NFÜ publishes the best projects regularly in order to encourage companies for further development and implementations.

Certain amount of the investment costs are paid as non-refundable grants assuming the tender is successful so as to realize economic policy objectives and strengthen competitiveness, job creation and reduce environmental burdens. Applying for these grants European Union funds can be used within the Operational Programs.

Nowadays the tenders of "Új Széchenyi Terv" give opportunities to investments. The methods of subsidized interests have similar policy objectives as non-repayable loans and give new possibilities for SME's to contract for credits with refinancing institutions in a market-conform way.

The Economic Development Operational Programs also provide several funding opportunities for supporting business innovations in SME sector, research and development activities, promotes to become permanent suppliers and also contributes to their technological innovations as well as implements new information-, quality- and environmental management systems. JEREMIE is a specific program for micro-, small- and medium sized enterprises to promote financial arrangements which give a better access to have financial resources. The aim of the program is helping to eliminate limited access to the credit, equity and guarantee resources.

The European Union's main support instruments are the Structural and Cohesion Funds which allocate the resources for the national strategy for the period 2007-2013. Between 2007 and 2010 it was called "Új Magyarország Fejlesztési Terv" and until 2011 it was "Új Széchenyi Terv". In the examined period our country is eligible for almost 22.4 billion euros, nearly 6,000 billion forints. The available resources are distributed between 8 sectorial and 7 regional operational programs.

Access to financing resources for SMEs is primarily connected to the Economic Development Operational Program where approximately 700 billion forints is provided. These applications are organized around 4 priorities:

1. R&D and innovation for competitiveness
2. Complex development of businesses, especially SMEs
3. Strengthening modern business environment
4. Measure of financial instruments (JEREMIE program)

Besides the tenders of the Economic Development Operational Program there are many regional or other operational programs which have tenders targeted at businesses and one of the most popular is the site development application.

Since 2011 EU co-financed project tenders are available for start-up companies combined with a favourable credit access. It was the first time in 2011 that start-up companies were eligible for funding in the scheme of Micro-enterprise development. From 2012 the tender was transformed in order to be available for more enterprises that have greater economic importance but still keep micro-sized status.

Small and larger sized companies have far more opportunities than micro-sized since they do not have to pay attention to locational restrictions; furthermore they have a greater choice of tenders available. The opportunities for acquiring instruments, tools and equipment are mainly available that may also be used for real estate and infrastructural improvements. Companies with over 10 employees can implement an investment anywhere no matter of the location size. In contrast micro-enterprises are restricted to a limited area with a minimum population of 5,000 capita as defined in the settlement list. According to Magyar Közlöny of 12th April 2012 a draft was proposed to the European Commission to abolish the restriction of the settlements.

The aim of the above measures is to decentralize enterprises and support the operation of small municipalities' strengthening their survival chances compared to cities.

These tenders were available with strict conditions however in the last few years efforts have been taken to facilitate tendering methods regarding administration as well as procedure.

New constructions have been prepared for businesses not only in the field of investments but also for funding operations. Supporting job creation in SMEs is one of these tenders that can be used anywhere regardless of region while wages and social security contributions of employees are funded.

Leasing

This financial instrument can be also used by the start-ups, although similarly to credit rating system the company has to meet the credit assessment criteria.

There are some differences between using credit and the use of leasing. However there are overlaps such as application and judging process.

The types of leasing are the following:

- financial leasing
  - closed-end financial leasing
  - open-ended financial leasing
- operating leasing

Hungarian SMEs use mostly the closed-end financial and operating leasing, because in these cases they do not have to allocate the total amount of the investment at the beginning, it is sufficient to provide it by the end of the period.

The closed-end financial leasing is more popular, because the ownership will be passed to the buyer in any case. In contrast, in case of an operating leasing it is optional to claim the ownership of equipment or it is possible just to use it as a long-term lease.

Summary

In recent times developing domestic SME sector has a great emphasis, therefore there are more and more credit opportunities available for them as well as support possibilities due to EU accession. A significant proportion of businesses take advantage of these possibilities and as a result their operational problems can be resolved. In the first 3-year period outsourcing of loans were 100% said György Vadász the president of the Magyar Iparszövetség in an interview given by OKISZ. However we can say that only 1/3 of the businesses used these sources.

The number of small-, medium and large companies tendering is increasing. However companies tend to require and obtain these supports who can afford to implement the investments from their budget anyway. These companies have more courage to start the application and investment processes the rather than small enterprises who are struggling and cannot afford purchasing and renovations essential and indispensable for their survival.

There are some new financial assets owing to the growing number of leasing options. Many companies use this opportunities to overcome the financial difficulties by deferring the allocation of the total investment cost.

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Könyvismertetés

Vezető lettem: Hurrá – Segítség! / I became leader. Hurrah, Help!

[Helmut Hofbauer, Alois Kauer: Einstieg in die Führungsrolle, Praxisbuch für die ersten 100 Tage. Mit Interviews aus der Praxis, 5. Carl Hanser Verlag, München 2014, 296 oldal (ISBN: 978-3-446-44040-1]

Szendi Nikoletta PhD hallgató
Nyugat - magyarországi Egyetem, Közgazdaságtudományi Kar, Sopron

A szervezés és vezetéselmélettel az elmúlt évek során számos új könyv foglalkozott, amelyek többségének súlypontját az elmélet adja. Az ismertetésre kerülő írás más kategóriát képez. A szerzők, Helmut Hofbauer és Alois Kauer többéves vezetői tapasztalattal rendelkeznek, és menedzsment- és szervezetfejlesztési tanácsadóként elismert szakembereknek számítanak. A könyv az elméleti tudást elsősorban szembetűnő gyakorlati kötődéssel egészíti ki. A szerzők azzal a céllal adják át tudásukat, hogy a jól dolgozó kollégából előléptetett, vagy a szervezeten kívülről érkező vezetők munkájukat az első száz nap alatt kisebb-nagyobb döccenők nélkül végezhessék. A szerzők azokra a kérdésekre adják meg a választ, hogy mi történik, ha valaki vezetői pozícióba kerül, milyen kihívásokkal és megoldandó feladatokkal találja szemben magát, és hogyan képes pozícióját megtartani a változások ellenére.

A divatos „született vezető" megnevezés szerint kiemelkedő adottságai tüntetik ki a vezetőt, mások szerint a mély explicit tudással rendelkező vezető a folyamatos tapasztalatszerzés útján jut előbbre. A szerzők szerint nincs „jó" és „rossz" vezető, hanem különböző szituációtól függő vezetői és dolgozói reakciók léteznek. Példákon és probléma megoldási lehetőségeken keresztül bővítik ismereteinket. Véleményük szerint a vezetői tulajdonságok és attitűdök tanulhatók és tudatosan fejleszthetők. Szerzők tapasztalaton alapuló meggyőződése: „Führen muss man wollen, und Führen kann man lernen."[1]

A világ megváltozott, ma már egyre fiatalabbak a vezetők, vagy idősek irányítanak fiatalokból álló teameket. A változtatás és tudásmenedzsmentre helyezik a hangsúlyt. Számos start- up élén fiatal jól képzett vezető áll. Az új vezetői kinevezéssel együtt járó öröm és büszkeség mellett a változtatások generálta eddig ismeretlen élethelyzet kezdeti bizonytalansággal és hibás döntések meghozatalával is járhat. A mű erre az új szerepre készíti fel a vezetőket. Milyen reakciókra célszerű figyelni a közvetlen és a tágabb munkahelyi környezetben?

1 Vezetni akarni kell, vezetni meg lehet tanulni.

Az elméleti tudás alkalmazását a kiválasztottak már a felkészítés során gyakorolhatják, és bizonyíthatják tudásukat az Assessment Center tesztjein is. Az intenzív felkészülés után következő időszakra jól alkalmazható tippeket és a fejezetek végén tömör összefoglalókat talál az olvasó. Az esettanulmányok mellett konkrét problémákhoz konkrét javaslatokat tesznek a szerzők. Mindez csak úgy lehetséges, ha a kezdő vezető a rendszer adottságai és korlátai figyelembe vételén felül rendelkezik a munkájának elvégzéséhez szükséges módszertani ismeretekkel. A szerzők a vezetői feladatok ellátásához a „puha tényezőre" fokuszálva, gyakorlati példák során ismertetik a tudásmenedzsment, emberi erőforrás és változtatásmenedzsment területeket. A könyv a szervezetek humán aspektusaival és a kompetencia menedzsmenttel is foglalkozik.

Téma aktualitását tekintve és a növekvő olvasói igények hatására jelent meg az ötödik kiadás, amely az előzőekhez képest két újabb fejezettel bővült. „Führung ohne Macht" a hatalom nélküli vezetés, és a „Führung im Generationskontext", vezetés a generációs különbségek figyelembevételével, amely az Y és Z generáció vezetéséhez szükséges extra ismereteket mutatja be. Ismerteti az eltérő értékítéleten és munkakultúrán alapuló együttműködés feltételeit, amely konfliktusokhoz vezet az eddigi tagok és az új tagok között, illetve a vezetőtől új típusú hozzáállást vár el.

A vezetés komplex feladat, melyet a frissen kinevezett vezető nem minden esetben tart szem előtt. A vállalat, mint rendszer áttekintése nélkül hajlamos kizárólag az új elvégzendő feladat szűkebb területére koncentrálni. Szociális környezete, a család, illetve saját igényei is háttérbe szorulnak. Közvetlen munkahelyi környezet elvárásainak és a személyes elvárásoknak történő megfelelés kihívása újabb konfliktusok elé állítja az új szerepben megfelelni kívánó vezetőt. A kezdő vezető helyzete nem egyszerű, mert még hiányzik a gyakorlati problémákon alapuló döntések meghozatalához nélkülözhetetlen tacit tudás, és - a gyakorlott vezetővel összehasonlítva - még nincs olyan kapcsolatrendszere, amelyhez probléma esetén tanácsért fordulhat. A könyv ezen egyensúly megtalálásához is segítséget nyújt. A csapatból kiváló teljesítménye miatt kiemelt vezető a szkeptikusoknak és a hosszú szolgálati idővel rendelkező alkalmazottaknak is tanúsítja rátermettségét. A kívülről érkezőnek azonban további előítéletekkel megküzdve kell vezetői alkalmasságát bizonyítani. A szerzők megmutatják, hogyan lehetséges áthidalni a kezdők tapasztalatlanságából adódó nehézségeket és a hibák elkerülését a tudásmenedzsment legfontosabb pillére, a tudástranszfer strukturált alkalmazásával.

A könyv egyik fő gondolatmenete és mondanivalója a tudásátadás. Az elődök értékes tudásának és tapasztalatainak átadása egyszerűbbé teszi a betanulási folyamatot. Mire kell az új vezetőnek a tudásátadás során figyelni, hogy fel tudja használni az elődje tapasztalatait? Célszerű, ha a kulcsszemélyek, területek, folyamatok és struktúrák, a vállalati stratégia, vízió és a misszió megismerésén túl az eddig sikerek és kudarcok, továbbá a szervezet íratlan szabályai is feltárásra és megismerésre kerülnek. Előnyös lehet a moderátor által támogatott strukturált tudásátadás, amelynek során a sikeres kezdéshez szükséges főbb információkat külső nézőpontból kapott segítséggel lehet rendszerezni. Ebben nyújt segítséget a könyv a bemutatott modellekkel és ellenőrző listákkal.

A kezdő vezetők vezetési stílusának kialakításához a szerzők az explicit tudást, a nélkülözhetetlen alaptudást, és a vezetői stílusok és vezetési modellek ismeretét tartják fontosnak. Azonban azt is hangsúlyozzák, hogy az elméleti- módszertani ismeretek elsajátítása önmagában nem elég, de kiinduló bázisként nélkülözhetetlen a jó vezetővé váláshoz. A szerzők arra is javaslatokat tesznek, hogy mire kell figyelni az adott pozícióban és szituációban, és hogy milyen eszközökkel lehetséges a változtatás generálta kezdeti bizonytalanságot és az új szerepből adódó nehézségeket áthidalni. Miért fontos az alkalmazottak első benyomása az új vezetőről? A vezetőcsere vegyes érzelmeket válthat ki a csapat tagjaiból, és az alkalmazott szerepváltása kezdő vezetővé nagy kihívás. A kihívást az jelenti, hogy vezetővé válás folyamán a kíváncsiság után kezdeti bizonytalanság alakul ki, vegyülve az új vezető elvárásaival és a helyzet adta újabb feladatokkal. Az első benyomás mindenki számára fontos. Milyen módon képes egy új vezető az első napokban szimpátiát és bizalmat ébreszteni az alkalmazottakban? Milyen eszközök állnak rendelkezésre az együttműködés elősegítésére az azonos vezetői szinten tevékenykedő kollégákkal? A magabiztos fellépés szimpátiát ébreszt, a túl nagy önbizalom azonban visszataszító önteltségként hat.

Az alkalmazottaknak tartott „bemutatkozó beszéd" kitűnő lehetőség az új vezető képzettségének, eddigi munkahelyeinek és munkatapasztalatainak, személyes érdeklődésének bemutatására, de egyúttal a változással szembeni ellenállás csökkentésének és a bizalomépítésnek is bevált eszköze. Azonos szintű vezetői körökben a bemutatkozás fókuszában a hálózatépítés megkezdése áll. Szintén ide tartozik a szerzők szerint a felettes vezetési stílusának és elvárásainak pontos megismerése, a szervezeti egység céljainak és a saját célok illetve kötelességek rendszerének kimunkálása.

A helyi viszonyok megismerése után elkezdődhetnek az átalakítások, azaz a szervezeti egység formálása. Ehhez a vezető az első száz napot a leírtak segítségével optimálisan tudja kihasználni, ez idő alatt kell az alapvető döntéseket meghozni, és a dolgokat az új szemszögből szemlélni. Az operatív feladatok helyett a vezetői feladatok kerülnek a fókuszba: a dolgozók irányítása és motiválása, a csapatépítés, és a tervezés. A kiinduló állapot elemzését követően, amelyben a vállalati kultúra a folyamatok és struktúrák is megismerésre kerülnek, az elérni kívánt célok definiálása után a megvalósítási fázisban történhet meg a célok megvalósítása, a változtatások végrehajtása. A változtatások előtt a vezetőnek fontos tudni, hogy melyek voltak az elődje által követett célok, továbbá hogy a területi célok mennyire támogatják a vállalati stratégiát. Ezzel függhet össze a motiváció, illetőleg a vízió meghatározása a saját terület számára.

A változtatások új lehetőségeket és veszélyeket is hordoznak magukban. A szerzők a következő kérdésekre adnak választ: Mi a célja a változtatásoknak? Milyen szerepe van a változások kommunikálásának a változtatások sikeres végrehajtásában? Hogy kerül a stratégia megvalósításra? Mennyire fontos az együttműködés a közös célok eléréséhez? Miért fontos a dolgozók bevonása? A hibákról miért célszerű nyíltan beszélni? Hogyan lehet a további hibákat megakadályozni? Miért hajthatók végre sokkal könnyebben pozitív környezetben a változtatások? Maga az új szerep és a változtatások végrehajtása a vezetőtől komplex gondolkodást és nagy rugalmasságot kíván.

A változtatási folyamat során különböző hatások érik az új vezetőt. A túlterhelés elkerülése érdekében fontos a prioritások kitűzése, és a feladatok delegálása. Ezáltal elkerülhetővé válik, hogy a vezető saját határait túllépje, és így a víziót szem előtt tartva a célok elérése tud koncentrálni. Az eredmények elérésére azonban egyetlen vezető sem képes egyedül. A siker az együttműködésben rejlik. Az alkalmazottak bevonása és az egyértelműen és világosan kommunikált változtatás visz előbbre, mint az utasítások. A változtatások előnyeinek hangsúlyozása és támogatók megnyerése is növelhetik a célok elérésének az esélyét. Az előd által kevésbé jól működtetett folyamatok megváltoztatása pozitívan hat az alkalmazottakra. Az egyszerűbb változtatások gyors sikereket hozhatnak. Az elért eredmények kommunikálása nagyon fontos az alkalmazottak motiválásához. Ilyen lehet például a száz napos siker együtt ünneplése, vagy az alkalmazottak tájékoztatása a változtatások fázisairól. Ezzel elejét lehet venni a találgatásoknak, és a kommunikáció a bizonytalanság csökkentéséhez is hozzájárulhat.

Napjainkban a munkavállalók egyre összetettebb és szerteágazóbb szerepet töltenek be. A szoros gazdasági verseny és a munkahelyek beszállítói és leányvállalati keretek közé történő növekvő arányú kihelyezése átalakítja a munkatársakkal szemben támasztott elvárásokat. Egyre több termék-, ügyfélmenedzsert és koordinátort találunk a szervezetekben. A munkakörök jellege miatt a személyi- és költségfelelősség nem tartozik a feladatok közé, de a határidők betartatása mindig lényeges. Az is jellemző továbbá, hogy az eredményességet elsősorban a csoportok közötti kapcsolatok és az együttműködés minősége határozza meg. Az ilyen pozíciókba került munkatársak számára fontos a kiindulási helyzet, a célok meghatározása, és a környezeti hatások strukturált megismerése. A szerzők a termékfelelős szerepet kiválasztva mutatják be a szerep és feladatok tisztázásához szükséges fontos kérdéseket. A feladattal járó kihívásnak elsősorban a vezetők, a munkatársak és az együttműködő társosztályok kapcsolatából adódó, többnyire eltérő érdekek kiegyensúlyozását tartják. A probléma megoldásához három csoportba rendezve sorolják fel a tisztázandó feladatokat. A feladatkör elfogadása előtt fontos a kialakult helyzettel kapcsolatos tények összegyűjtése, és a felek együttműködésre késztetése. A szerzők hangsúlyozzák, hogy az együttműködést gátló tényezők feloldását az érdekeltek bevonásával kell elvégezni, vagy ha ez nem lehetséges, akkor olyan módon kell eljárni, hogy a további együttműködés legalább ne lehetetlenüljön el. A felsorolt feladatok azokat a tapasztalatokat tartalmazzák, amelyek hosszú évek alatt gyűltek össze, és a leggyakoribb problémákat okozzák.

Az utolsó előtti fejezetet a szerep határainak bemutatására fordították a szerzők. A kommunikációs és moderációs eszközök, valamint a bizalmi légkör kialakítása önmagában nem bírják együttműködésre az összes érdekeltet. A szerzők arra is felhívják a figyelmet, hogy az egyén egyes esetekben azért nem lehet sikeres, mert ezeket a határokat tudja átlépni, és a kialakult ellentéteket sem tudja feloldani. A probléma megoldása az előző fejezetekből, illetőleg az ott leírtak felhasználásából következik. Ezek alapján betekintést lehet nyerni azon technikák és módszerek hatékony alkalmazásába, amelyek lehetővé teszik saját határaink kiterjesztését.

A munkahelyen eltöltött idő alatt előbb vagy utóbb mindenki olyan helyzetbe kerül, hogy a csoportja korosztályának arányai megváltoznak. Természetes folyamat, hogy a fluktuáció miatt, vagy a csoportok bővítésével új alkalmazottakat állít be a vállalat. Mi történik azonban, ha a következő generáció értékrendszere és viselkedése merőben eltér az összeszokott csapatétól? A vezető feladata az új munkatárs integrációjának elősegítése. A szerzők vázolják az Y generációt jellemző viselkedési formákat, és azok hatásait a szervezetre. Az irodalomban szereplő kreativitás és innovációs készség nagy érték a vállalatok számára. A generációk összehasonlítása nem csak abból a szempontból történik meg, hogy mi a jellemző kognitív viselkedési forma, a hiedelmek és a szemléletmód eltérései (például az információk közvetlen keresése a világhálón, az elektronikus és informatikai eszközök nagymértékű felhasználása, illetőleg ennek hatása a társas érintkezésre és kommunikációra), hanem mire érdemes figyelmet fordítani a munkatársak kiválasztásnál, a fejlesztésnél és a motivációnál. A fejezet azt is feltárja, hogy ebből a generációból kinevezett vezetőnek mire kell figyelni a generációs kontextussal kapcsolatban.

Ahhoz, hogy a vezető a változtatásokat eredményesen végre tudja hajtani, nagyon sokat kell tanulnia. Esetleg saját viselkedésének megváltoztatása is szükséges az új szerep adta kihívások eredményes megoldásához. Senki sem születik a szerep betöltéséhez szükséges tulajdonságokkal, de a szerephez szükséges eszközkészlet megtanulható. A fejlődéshez szükséges segítséget különböző forrásokból is meg lehet szerezni. Mentor vagy coach segítségével, vezetői szemináriumok látogatásával könnyebb és gyorsabb lehet a váltás utáni új szerep betöltéséhez szükséges hiányzó kompetenciák kifejlesztése, anélkül, hogy az összes lehetséges csapdába beleesnénk. Mindemellett fontos mielőbb jól működő hálózatot felépíteni a vezetőtársakkal, amelynek révén további ismereteket lehet elsajátítani.

A könyv hat konkrét feladatkörhöz kapcsolódó interjú összefoglalását is tartalmazza. A szerzők a szervezetfejlesztés területén szerzett tudásuk és gyakorlati tapasztalatuk alapján ismertetik a vezetővé válás kihívásait és nehézségégét. Mindez segítségül szolgálhat az új pozícióba kerülő kezdő vezetők számára saját vezetési stílusuk kialakításához, és a vezetői pozíció betöltéséhez szükséges képességek és készségek fejlesztéséhez az adott szervezeti kultúra elvárásainak megfelelően.