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DETERMINANTS OF PRIMARY SCHOOL STUDENTS' ACADEMIC PERFORMANCE IN TERU DISTRICT, AFAR REGIONAL STATE (ETHIOPIA)

Abdulkadr Ahmed Abduletif

Abstract

Students are the future policy makers, leaders, managers and future development engines for a country. A country's socio-economic, demographic as well as labour force statuses are basically dependent on the academic performance of the students at all levels of schooling. The main objective of this research is to identify the factors affecting the academic performance of students in Teru woreda of Afar regional state. Primary sources of data were collected using structured survey questionnaire, focus group discussion and key informant interviews. Descriptive and multivariate regression analysis was employed to analyze the factors. Availability of school facilities, follow up by family and study hours, students' interest to learn has a positive impact on the academic performance of students. On the other hand, wealth of the families tends to negatively affect the performance of students.

Keywords: Ethiopia, students, wealth level, family follow up

JEL Classification: I20, I21, I25, R59

Introduction and Theoretical Background

In Ethiopian education system the government is the sponsor in the primary and secondary school level while at the tertiary (undergraduate degree program) the students are expected to share the cost which they will repay when employed. Norhidayah et.al, (2009) concluded that academic performance of students has significant impact on country's overall development.

Pastoral societies, including Afar pastoralists, in Ethiopia have been abandoned for a long period of time. Provision of social services such as educational infrastructural development was insignificant. In recent years, access to education in Afar region has been improving despite the poor quality delivered due to several factors. The role of international development co-operation can be underlined in this respect as well. For example, China has built much-needed transport infrastructure that can increase Africa's connectivity with the rest of the world, which in turn can contribute to a higher level of integration into the world economy (Tarrósy and Vörös, 2018). The role of India has also been increasing in this field. Moreover, in case of investments and development projects, India is rather interested in training African personnel than bringing in its own professionals, like China does. (Tarrósy, 2011). Education is the key to achieving all development goals and includes the overall livelihood of a community. Education is the basis of other development activities not only in the economic sector but also governance gaps (Petros, 2015; Sági et al., 2020). It influences health status and income generation. It is therefore very important to reach out the whole community despite the distance they are living from towns and the way of their livelihood. Access to education in ANRS is improving over the past ten years. It can be said that all districts of the region have schools. There are 16 primary and 17 alternative basic education schools are found in the study area. Despite such number of schools, schooling at some places is still delivered under tree sitting on the ground without formal house. As indicated by MoE, (2017) that the region is ranked last among the regions and city administration in the country accounting for only 11.7% pre-primary and 66% GERs for primary education.

Since 1995, although there have been improvements in the education sector in ANRS, the rate of finishing schools and achieving the intended goals are very low. There are different challenges to this low rate of educational attainment in the region. Early marriage, livelihood system (Birhanu, 2017), lack of interest of parents to send their kids to school, lack of teaching-school facilities, libraries, are among the challenges encountered outside the school (Birhanu, 2017). Moreover, Birhanu also indicated that lack of water resources where majority of the nomadic are highly dependent on, and absence of pastoral well-fitted education policy in the region are key challenges to low level of literacy. To face challenges exposed by water like wise and foreseeing management of the possibilities the water means thorough and accurate planning and coordination among regions and even at international level (Kozár and Neszmélyi, 2014; Neszmélyi, 2014b). In addition to this, the mobile livelihood system, recurrent droughts which severely affected the region, lack of awareness of the community are the major reasons for such low level of literacy in the region. Jackson (2011) also found that lack of teachers is a challenge to pastoral education and distance of the school from home of the children is another challenge which affects the retention, completion and transition to another level of schooling.

Recently education not only has become the issue of human rights also is a key player in reducing poverty and improving living standard (Debebe, 2014; Kadzamira and Rose, 2003). Education is the key to improve the quality of life of the people and is difficult to survive in the current knowledge led competitive world. It is considered as engine of human development and key to all socio-economic development of a country. It is a way to fill the gaps seen between communities across the nation on political understanding, socio-economic progress which in turn will enhance the local and regional economic development (Petros, 2015). Similar considerations were drawn by researchers in other African countries, like Neszmélyi (2014a; 2016) in case of Nigeria. This idea supported by a research done by Gyimah et al., (2005) that education have a positive impact on growth of household per capita income.

With globally growing demand of technological materials and digitalization of works students are the main determining factors of future labour force (Vida et al., 2020). According to Kimani & Njagi (2013), education has the ability to shape citizens' value, skills and knowledge and hence, provision of quality education is a priority issue for development policy makers so as to enhance the productivity of the labour force. Moreover, the education sector is expected to properly transform the society by enabling students get high quality education. With increased globalization, well skilled labour forces are not only required with in a nation but they can be exported to other countries which in turn will have an impact on foreign currency earning through remittance.

Therefore, the Afar region requires highly skilled labour force which is a result of good academic performance of students at all levels of education. There have been many researches focusing on the factors affecting students' academic performance. Consequently, academic performance of students can be affected by several factors such as parental involvement (Christie, 2005; Hussain, 2006), learning abilities, gender and race (Hanson, 2000) family income level (Raychauduri et al., 2010; Noble, 2006; Simmons, et al., 2005; Guth and Vasa, 2003), school leadership (Yusuf, 2012; DfEE, 1999; Emerson & Goddard (1993). In addition to this, Although there are several factors that might affect the quality of teachers, the salary level is one of the main factors that contributed to the performance of the teacher (Gorman, 2013) which in turn will have a significant impact of students' achievement (Afe, 2001). Moreover, lack of motivation to learn has been mentioned as a contributing factor to low level of students' achievement (Ramsdal et al., 2013) while O'cala (2010) have concluded that individual intelligence as one of the main factors which affects the performance of a student. Many research findings show that the students themselves play a pivotal role in scoring

high results (Nicholas & Sutton, 2013; Tella, 2007). This can be done by improving the number hours spent and mechanism they employ to study.

The main objective of this research is to identify the factors affecting the academic performance of students in Teru woreda of Afar regional state. In doing so, the following hypothesis will be tested.

Null Hypothesis One: school facilities don't have a significant positive impact on academic performance of primary school students.

Null Hypothesis Two: Interest of student to learn doesn't have a significant positive impact on academic performance of primary school students.

Null Hypothesis Three: Wealth level of families doesn't have a significant positive impact on academic performance of primary school students.

Null Hypothesis Four: study hour doesn't have a significant positive impact on academic performance of primary school students.

Null Hypothesis Five: Family follow up doesn't have a positive impact on academic performance of primary school students.

Materials and Methods

Study area and sample size: This study is conducted in Teru woreda, one of the 35 woreda administrations found in afar region in the region. The community of the study area are pastoralists who solely depend on livestock production for their livelihood. These communities practice mobile livelihood system. As it has been mentioned earlier, there are 17 Alternative basic education and 16 primary schools in the woreda with about 965 currently active students. To determine the Sample size, the researcher took the simplified sample size determination formula suggested by YEMANE (1967).

$$n = \frac{N}{1 + Ne^2}$$

Where N is the number of registered primary school students in the woreda, and e is the level of precision. Accordingly, for a 95% confidence level and e. = 0.05, size of the sample we get the sample size as

$$n = \frac{965}{1 + 965 * 0.05 * 0.05} = 282.78 \approx 283$$

Sampling and source of data: Samples were taken using simple random sampling from all the primary schools in the woreda. 3 primary and 3 alternative basic education schools were randomly selected using simple random sampling techniques which in turn resulted in proportional allocation to randomly select the sample respondents. The data were collected using self-structured questionnaire. Moreover, an interview and focus group discussions were held with families and teachers.

Research Design and Data Analysis: Both qualitative and quantitative approaches were employed to analyze the primary data collected through survey questionnaire. Descriptive statistics and multivariate regression model were used to analyze the data quantitatively while qualitative analysis were done to support the quantitative result.

Results and Discussions

Descriptive statistics

Table 1 below shows the descriptive statistics of the respondents. Accordingly, the mean performance of students and standard deviation is 2.57 and 1.428 respectively. The mean of school facilities, family wealth, interest to learn, study hour and family follow up are 4.02, 3.98, 4.05, and 4.4 respectively showing the respondents agreed that these variables have a significant impact on the performance of the students. On the other hand, the respondents were

not sure if the interest of students to learn has an impact on academic performance of students with mean 2.77 and standard deviation of 0.68. The standard deviation of school facilities, family wealth, interest to learn, study hour and family follow up are 0.924, 0.945, 1.195 and 0.709 respectively.

1. Table. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Sex of Respondents	283	0	1	0.76	0.430
Performance Of The Student	283	1	5	2.57	1.428
School Facilities	283	1	5	4.02	0.924
Family Wealth	283	1	5	3.98	0.945
Interest Of Student To Learn	283	1	5	2.77	0.860
Study Hours	283	1	5	4.05	1.195
Family Follow Up	283	1	5	4.40	0.709
Valid N (list wise)	283				

Source: Own Survey

Correlation

The degree of association between student performance with school facilities, interest to learn, study hours and family follow up is 35.2%, 39.4%, 37.3% and 41.2% respectively while student performance and family wealth shows a negative relationship with degree of association -44.3%. Based on the table 2 presented above, all the independent variables are statistically significant except family the magnitude of the family wealth is negative indicating there is negative relationship between family wealth students' academic performance.

2. Table. Correlations

		performance of the student	school facilities	family wealth	interest of student to learn	study hours	family follow-up
Performance of The Student	Pearson Correlation	1	0.352**	0.443**	0.394**	0.373**	0.412**
	Sig. (2-tailed)		0.000	0.000	0.000	.000	0.000
	N	283	283	283	283	283	283
School facilities	Pearson Correlation	0.352**	1	-0.040	0.155**	0.372**	0.071
	Sig. (2-tailed)	0.000		0.503	0.009	0.000	0.231
	N	283	283	283	283	283	283
Family Wealth	Pearson Correlation	-0.443**	0.040	1	-0.124*	-0.009	-0.056
	Sig. (2-tailed)	0.000	0.503		0.037	.886	0.347
	N	283	283	283	283	283	283
Interest of Student to Learn	Pearson Correlation	0.394**	0.155**	-0.124*	1	0.176**	0.223**
	Sig. (2-tailed)	0.000	0.009	0.037		0.003	0.000
	N	283	283	283	283	283	283

Study Hours	Pearson Correlation	0.373**	0.372**	-0.009	0.176**	1	0.284**
	Sig. (2-tailed)	0.000	0.000	0.886	0.003		0.000
	N	283	283	283	283	283	283
Family Follow Up	Pearson Correlation	0.412**	0.071	-0.056	0.223**	0.284**	1
	Sig. (2-tailed)	0.000	0.231	.347	0.000	0.000	
	N	283	283	283	283	283	283
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

Source: Own Survey

Regression Analysis

In addition to this, a multivariate regression analysis was conducted to see the effect of these independent variables on education. Hence, the model summary presented in table 3 shows that 51.4% variation in students' academic performance has been observed due to the independent variables included in this study.

3. Table. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.717 ^a	0.514	0.506	1.004

a. Predictors: (Constant), family follow up, family wealth, school facilities, interest of student to learn, study hours

Source: Own Survey

Moreover, in order to analyse the overall strength of the model, ANOVA was conducted. Hence, the ANOVA result shows that the model is significant with F value of 58.684.

4. Table. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	295.985	5	59.197	58.684	0.000 ^b
	Residual	279.421	27	1.009		
	Total	575.406	28			

a. Dependent Variable: performance of the student
b. Predictors: (Constant), family follow up, family wealth, school facilities, interest of student to learn, study hours

Source: Own survey

Poor/inexistence of school facilities such as books, toilet, water, laboratories and libraries, poor quality of teachers, poor pastoral education policy are the main factors affecting the quality of education which in turn will affect the academic performance of students.

The table presented below shows the strength of relationship between the dependent and independent variables in which the significance and magnitude of the variables is tested.

As it can be seen from table 5 below, 33.8% change in students' academic performance has been occurred due to school facilities. When analysing the significance of the variable, the p value is less than 0.05 (95% confidence level) indicating the rejection of the null hypothesis stating that school facilities doesn't have a significant impact on academic performance of students. Therefore, school facilities have a significant impact on academic performance of students. This result supports an earlier study result of Norhidayah et. al., (2009) where they concluded the level of efforts exerted to properly utilize available educational facilities have a significant positive impact on students' achievement and Young (1999) has also revealed that the use of libraries positively affected the students' academic score.

About 36.6 %, change in the academic performance of students occurred due to interest of students to learn and the p value is less than 0.05 (level of significance). Consequently, it can be concluded that there is no enough evidence to accept the null hypothesis stating interest of students to learn doesn't have a significant impact on academic performance of students. Most of the cases, students in the region go to school without any prior preparation for classes. Moreover, lack of commitment in doing their homework and lack of interest to attend classes have negatively affected their performance.

5. Table: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	-0.376	0.526		0.714	0.476	-1.412	0.661
	school facilities	0.338	0.070	0.219	4.822	0.000	0.200	0.477
	family wealth	-0.589	0.064	-0.390	9.228	0.000	-0.715	-0.464
	interest of student to learn	0.366	0.073	0.220	5.027	0.000	0.222	0.509
	study hours	0.205	0.056	0.171	3.635	0.000	0.094	0.316
	family follow up	0.557	0.090	0.277	6.218	0.000	0.381	0.734

a. Dependent Variable: performance of the student

Source: Own Survey

20.5% variation in academic performance of students is occurred due to study hours and the test is significant with p value of 0. Hence, there is no enough evidence to accept the null hypothesis stating study hour doesn't have significant impact on the academic performance of students.

Whereas 55.7% of variation in academic performance of students has resulted due to family follow up and due to the lesser p value (0) compared to the level of significant (0.05), there is no enough evidence to accept the null hypothesis stating there is family follow up doesn't have significant impact on academic performance of students. Therefore, it can be concluded that the family follow up have significant impact on the academic performance of students.

As it can be seen in table 5, all the four variables are statistically significant hence it can be concluded that school facilities, interest of students to learn, study hours and family follow have a significant impact on the academic performance of the students. Their magnitude

is positive and therefore concluded that these variables have a positive relationship to the academic performance of students.

On the other hand, although the p value (sig.) for family wealth (0) shown in table 5 above is less than significant value (0.05) allowing the conclusion of absence of enough evidence to accept the null hypothesis stating family wealth doesn't have a significant impact on academic performance of students. Hence, it can be concluded that family wealth has a significant impact on the students' performance. But the effect is negative where the higher the wealthy level the lower the academic performance of students. To strengthen this, a focus group discussion with families of the students. According to the focus group discussions, the wealthy families don't care about the performance of the students because they think they have the resource their children might need. Children are required to keep the livestock resources. Furthermore, the rich people think that the end goal of learning is to get employed and lead life from salaries. Although reached an agreement such kinds of attitude towards the importance of education affects the livelihood of the community, but this is an indication that there are people who undermine the importance of education since they link it up with just getting money rather than understanding the importance of education towards the overall personal development. This is a contradicting result to the previous research findings that the family income levels have a significant impact with positive magnitude.

In addition to the above factors, the in depth key informant interview with experts in the study area indicates unfamiliar/not localized examples used in the book, Poor quality of teachers and lack of professional ethics by teachers, poor performance of implementation of continuous assessment, poor school management are among the main factors contributing to low academic performance of students.

Conclusion

Students are the future policy makers, leaders, managers and future development engines for a country. A country's socio-economic, demographic as well as labour force statuses are basically dependent on the academic performance of the students at all levels of schooling. Hence, it is important to properly shape and equip primary students with required norms, value and morals so as to assure future sustainable development. Based on this concept, identifying the main bottlenecks of students' academic performance and drying it from the source will help build a sustainable economy. The majority of the afar people are illiterate and lead mobile pastoral livelihood system which makes the accessibility and assuring quality of education very difficult. This study was done on one of relatively remote areas of the region where overall infrastructural development is low.

Accordingly, availability of school facilities has a positive impact on the academic performance of students. But, lack of school facilities in the study area is among the factors affecting the performance of students. Students' interest to learn also found to have a significant impact on the students' academic performance. But, the students in the study area lack motivation to learn and perform well due to poor monitoring by both families and teachers. These is more supported by the poor follow up of the families despite proper guidance and follow up by family have a significant impact on the performance of the students. In addition to this, the number of hours spent to study found to have a significant impact although the students' reading habit is low due to the families' preference to help manage the works at home. Beside to this, lack of electricity or light at night time where they might have time to spend on reading contributed to such poor habit of reading. On the other hand, the wealth of the families tends to negatively affect the performance of students. This research result concluded that those wealthy families don't focus on the end product of schooling rather they want their children to focus on managing the available livestock products. Therefore, they force their children to

spend most of their time in activities other than those activities which can improve the academic performance of the students.

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ANALYSIS OF APPROACHES TO THE SELECTION AND EVALUATION OF THE HUMAN RESOURCES MANAGEMENT PRACTICES IN RELATION TO THE EFFICIENCY OF THE ORGANIZATION

Miroslav Gombár – Nella Svetožarovová – Ľuba Tomčíková

Abstract

The business environment is exposed to a wide range of phenomena related to globalization, in particular the need to implement new management concepts with a view of optimizing processes, increasing quality and efficiency of management processes. The topic of the effectiveness of the implementation of human resource management practices is, from the practical as well as the theoretical point of view, primarily associated with the above-mentioned constructs. The aim of the paper is to examine the relationship between the components of the human resources management system in terms of the impact of practices on selected outputs such as organizational performance indicators. The so-called universalistic perspective (universalistic model of 13 human resource management practices) is applied based on the assumption of the existence of the "one best" way to manage employees in order to increase performance. The study was carried out on a sample of 203 Slovak business entities using the questionnaire method. The questionnaire evaluated the degree of implementation of human resource management practices and characteristics determining the maturity of performance management in the surveyed companies on a five-point Likert scale. The consistency of these items was determined using the Cronbach's alpha coefficient. To meet the goal of the research, the hypothesis was tested using the multidimensional statistical method of factor analysis and the method of inductive statistics of the Chi-square test of independence. The relationship between the universalistic model of human resource management practices and selected characteristics of a systematic approach to organizational performance management was confirmed in 4 out of the 13 practices examined, namely Employment security, selective selection of executives and talents, performance rewards and training and skills development practices.

Key words

Human resource management. Practices. Universalistic model. Performance management.

JEL Classification: M12, M19, M53.

Introduction

The issues of company's survival in a highly competitive environment are often associated with their success. One of basic indicators of the company's success is the effectiveness of the company, which is directly dependent on many indicators. Recently, the issue of the relationship between human resource management practices and organizational efficiency has been very intensively discussed in the field of human resources management. A number of studies have already been carried out in this regard (Huselid 1995, Delanay, Huselid 1996, Moideenkutty et al. 2011 In: Razouk 2011), which for the most part confirmed a positive statistically significant relationship between individual practices and the efficiency as well as between a set of practices and the efficiency. Nevertheless, the relationship between practices and effectiveness from the causal point of view remains insufficiently clarified. It follows that without presenting the benefits of investing in human resource management practices, investment decisions will be based on no exact justification (Sojka, Svetožarovová 2015). Also,

the methodology for evaluating the contribution of human resource management practices to efficiency has not yet been satisfactorily resolved. Another problem that has not yet been satisfactorily resolved is that there is no standardly recognized set of practices to be researched. Each of the authors examined the file, which in his opinion is suitable. The consequence of this is that the results achieved are incomparable to each other. In addition, the practices themselves may differ from one organization to another (Becker, Gerhardt 1996, Guest 1997 In: Guest 2011). The standardized breakdown or typology of practices was also not recorded. The original set of thirteen practices, the so-called universalistic model by Pfeffer (1998, 2005), was later narrowed down by the author himself to include only seven practices. The reason was the wider use of "best practices" (education and development, participation, performance promotion, information sharing, etc.), which leads to increased productivity and the achievement of the organization's goals. Although this classification has become very popular, many authors have used various measures to evaluate the measurement of the relationship "HRM Practices - Performance".

There is no general consensus in academic sphere on which set of practices helps increase productivity and performance (Dyer, Reeves 1995 In: Guest 2011). Rasool and Shah (2015) found 31 different types of practices in a sample of 33 different studies that presented the results of examining the relationship between human resource management practices and effectiveness. A key problem in the empirical examination of the level of human resource management systems and the evaluation of human resource management practices is the creation of a model in which individual indicators / characteristics describing the system evaluation methods would be specified (Sojka, Svetozarovová 2015). The present research is based on the assumptions of the model of Chand and Katou (2007) and the model of evaluation of human resources management (People as Competitive Advantage), which was drawn up by Lawson and Hepp (2001). The presented proposal of the model of evaluation of human resources management practices and subsequent evaluation of the effectiveness of human resources management in its essence combines several models of evaluation. The human resource management evaluation model is a combination of models proposed by: Lawson, Hepp 2001; Gill, Meyer 2011; Chand, Katou 2007; Wood 1995; Alewell, Hansen 2012; Valverde, Ryan 2006; Fritz 2006.

As already mentioned, there are several models for assessing the relationship between HRM and performance. The most comprehensive universalistic perspective (universalistic model) integrating a set of 13 human resource management practices is based on the assumption that there is "one best" way to manage staff to increase performance, and the role of researchers is to say what it is, which practices are part of it. The role of managers is to implement these (Delery and Doty 1996). These practices have a positive impact on performance in all organizations. The proponent of this approach is Pfeffer (1998). He has published a series of papers and books on this issue. In the course of examining this issue, a set of practices was finally established (Pfeffer 2005 In: Truss, Mankin, Keliher 2012):

1. Employment security. If the organization can guarantee Employment security, employees will become more loyal and committed, and the organization can expect higher performance.
2. Selective recruitment. It is necessary to choose the right employees for specific jobs in accordance with the requirements of the job.
3. High wages. High wages are needed to attract top workers.
4. Incentive pay. Provide employees with the opportunity to receive remuneration depending on the results achieved by the company.

5. Employee ownership. If the company provides employees with the opportunity to co-own the company, it will gain the interest of employees in the long-term prosperity of the company.
6. Information sharing. To ensure high performance, employees need to have all the necessary information.
7. Participation and empowerment. Decentralization and delegation of power help increase satisfaction and performance.
8. Self-managed teams. Applying the principles of self-managed teams helps increase performance.
9. Training and skills development. The organization should support the abilities and skills and at the same time to make the necessary structural changes for the right staff deployment.
10. Cross-utilisation and cross training. If an organization allows the acquisition and use of a variety of skills (professions), then it can expect higher performance.
11. Symbolic egalitarianism. Deleting symbols that signal hierarchical superiority increases performance.
12. Wage compression. Reducing the pay gap between different groups of employees helps improve cooperation and increase performance.
13. Promotion from within. The creation of the internal labor market helps develop skills, strengthens co-ownership and increases confidence.

For the purposes of this study, the applied universalistic model of 13 human resource management practices according to Pfeffer (1998) will be referred to as the so-called Black box. Evolution in HRM also brings along differences of opinion on the universalistic model of human resource management practices. According to Savaneviciene & Stankeviciute (2010), the content of the "black box" needs to be further explored in order to establish a relationship between performance and human resource management. Purcell et al. 2003 are of the opinion that the "black box" represents a vague development that takes place during the transformation of inputs into constructive outputs. Fleetwood and Hesketh (2008) assume that inputs are converted to outputs within a "black box" without further explanation of what happens during this process. Becker and Gerhard (1996) firmly believe that the complexities of this process require careful examination of the mechanisms that affect the link between SALW and performance. In most works in the field of human resource management practices, a reduced set of practices is cited, containing seven practices which, according to their author Pfeffer (2005), should be universally applicable in all organizations. The reduced set based on original 13 practices: Employment security, selective recruitment, self-managed teams and teamwork, fair remuneration depending on performance, training, removing status differences, shared information. This model is sometimes called the high commitment model. Valton (1985), Guest (2001). It is assumed that a strong commitment to the organization and its objectives will give the organization a competitive advantage. In the case of this model, there is still not enough research to explain what an ideal set of practices should look like.

Materials and methods

The paper focuses on the verification of a universalistic model of human resource management practices (Pfeffer 2005 In: Truss, Mankin, Keliher 2012) in relation to determinants of organizational performance by verifying the existence of a statistically significant relationship between 13 human resource management practices and a systematic approach to organizational performance management (based on the perception of managers). The survey was conducted on a sample of 203 Slovak business entities. The first part of the

questionnaire survey focused on the presence of selected human resource management practices in business entities and the second part of the questionnaire contained items on the basis of which the success of a systematic approach to organizational performance was determined. The variables were rated using a five-point Likert scale, with a value of 1 representing strong agreement and a value of 5 representing strong disagreement. The consistency of these items was determined using the Cronbach's alpha coefficient. To meet the goal, a hypothesis was formulated and subsequently tested using the multidimensional statistical method of factor analysis and the method of inductive statistics Chi-square test of independence.

H1: There is a statistically significant relationship between the universalistic model of human resource management practices and a systematic approach to organizational performance.

For the purpose of verifying the relationship between the examined variables, the method of factor analysis will be applied. The suitability of the input data for the use of factor analysis is indicated by the value of A_{sig} in the Bartlett test, which is at the significance level of 5% - equal to 0.00, thus sharply less than 0.05. Therefore, we reject the null hypothesis and confirm the suitability of the input data. At the same time, the resulting value of KMO is equal to 0.773 and thus we can assume the existence of common causes. Based on the analysis of input data, we state that the conditions for the application of factor analysis are met.

In order to determine the number of common factors behind each variable, we used the eigenvalue criterion (Kaiser's rule), in which the factors are considered significant if they have an eigenvalue greater than 1. In the background of the research matrix behind 4 examined variables (in our case approach to organizational performance management) is one common factor, as evidenced by the measured value of the intrinsic factor number 1 (2.523311). This means that for the purpose of explaining the variability of respondents' answers, it is possible to use the factor in question, with which we will continue to work for the purpose of verifying the hypothesis. In the following table we examine the correlation of the selected factors with the indicators. As you can see, in this case, none of the factors is trivial. Therefore, there is no need to reduce the number of factors.

Table 1 Results of factor analysis

Variable: A systematic approach to organizational performance	Factor. load (No rotation) Extraction: Main components
	Factor 1
Formalization of the HRM system	-0,676798*
Integrity of the HRM department	-0,667876*
Linking the HRM system with strategic goals	-0,652785*
Breakdown of KPIs	-0,651384*

* (The marked loads are $>,600000$)

Source: Output from Statistica cz, own editing

Factor 1 significantly correlates with all characteristics of a systematic approach to human resource management - Degree of formalization of the HRM system (-0.676798), integrity of the HRM department (-0.667876), linking the HRM system with the company's strategic goals, i.e. compatibility of goals across the vertical management (-0.652785) and the fourth characteristic is a pyramid - the principle of breakdown of key performance indicators, the so-

called KPI (-0.651384). We will collectively call this factor a Systematic Approach to Performance Management.

Furthermore, we will focus on verifying the links between human resource management practices and the determinants of a *Systematic approach to performance management*.

The following table shows the Chi-square values of the χ^2 test of the hypothesis of the observed traits independence. At the chosen level of significance $\alpha = 5\%$ for p-values sharply less than 0.05, we reject the null hypothesis about the independence of the observed factors. It follows that it makes sense to examine the internal structure of the contingency table.

Table 2 Results of testing H1 - Chi-square values

<i>Vriable: The universalistic model of Human resource management practices</i>	Formalization of the HRM system	Integrity of the HRM department	Compatibility of HRM system-goals	Breakdown of KPIs
Employment security	0,0301*	0,0245*	0,0151*	0,0230*
Selective recruitment	0,0053*	0,0002*	0,4019	0,0013*
High wages	0,0274*	0,0622	0,2287	0,0023*
Incentive pay	0,0625	0,4329	0,0877	0,1764
Employee ownership	0,7584	0,1532	0,3432	0,2029
Information sharing	0,9976	0,1790	0,2759	0,5854
Participation and empowerment	0,9007	0,4225	0,7133	0,4273
Self-managed teams	0,1280	0,2535	0,1513	0,0602
Training and skills development	0,0724	0,1425	0,1607	0,0119*
Cross-utilisation and cross training	0,4891	0,1456	0,1451	0,0792
Symbolic egalitarianism	0,4246	0,7844	0,8136	0,4533
Wage compression	0,4386	0,4934	0,6071	0,2993
Promotion from within	0,6050	0,3091	0,6467	0,3934

* (the relationship is significant at the level of significance $\alpha = 0,05$)

Source: Output from Statistica cz, own editing

By rejecting the null hypothesis of independence, we confirm a statistically significant relationship between the observed traits. The relationship was confirmed in the case of 4 practices of the universalistic model out of 13 examined, namely Employment security, selective recruitment, incentive pay and training and skills development. Employment security correlates significantly with all the characteristics of a systematic approach to performance management. Therefore, it could be said that the more systematic the management approach to performance management, the stronger the individual's subjective perception of Employment security. According to Dressler (In: Nadarajaha et al. 2012), Employment security is an important factor for those employees who planned to stay longer in the organization they are working for as staying would also affect their career development. Job insecurity, such as redundancies, may negatively affect the employee performance. Employees are much more efficient when they feel safe at work, as this has a positive impact on their performance. Also, they will also gain more competence in the tasks they do (Alan and William 2004 In: Nadarajaha et al. 2012). The other two verified practices of the universalistic human resources model are "training and skills development", which correlates with one of the 4 characteristics of a systematic approach to performance management and "high wages" for which the degree of HRM formalization and breakdown of key KPI performance indicators was confirmed. Also, Ngo et al. (1998), Husselid (1995) and Becker (1998) confirmed the existence of the two factors, namely training and career development and incentive pay for performance and retention of employees in relation to performance. Human resources capabilities help the

organization survive in a competitive environment (Rehman 2011). The efficiency of even highly qualified employees will be lower if they are not motivated to perform (Štefko et al. 2018). As stated by Pfeffer (1998; 2005), a conceptualized human resource management system as a set of internally consistent policies and practices is designed and implemented to ensure that a company's human capital contributes to the achievement of its business objectives.

Similarly, Sittmer (2002) states that human resource management practices perceive the individual within the scope of implementing strategies, plans, and programs used to attract, motivate, develop, reward, and retain the best people in meeting organizational goals. The fourth confirmed practice is "selective recruitment of executives and talented staff", which correlates with three of the four characteristics of the systematic approach to performance management. Organizations may adopt various human resource management practices to improve employees' skills (Nastišin et al. 2018, 2019). First, efforts may focus on improving the quality of recruits or on increasing the skills and abilities of current staff, or both. Employees can be recruited through sophisticated selection procedures designed to identify all potential employees except the best. Indeed, research suggests that careful selection of staff is positively related to company's performance (Becker and Huselid 1992; Schmidt et al. 1979 In: Delaney and Huselid 1996). Second, organizations can improve the quality of current employees by providing comprehensive training and development activities after the recruitment process is over. There is considerable evidence that investing in training will bring significant benefits to the company (Bartel, 1994; Knoke a Kalleberg, 1994; Russell et al. 1985 In: Delaney a Huselid 1996).

When summarizing the results related to the verification of statistically significant relationships between human resource management practices of the universalistic model and their application in organizations according to the degree of maturity of performance management, we can state that based on χ^2 -test, we accept the hypothesis H1, which means that there is a statistical link between human resource management practices and a systematic approach to organizational performance.

Conclusion

Since the time when human resource management became the subject of serious scientific research, the attention of scientists and practitioners has focused on the relationship between human resource management practices and efficiency, as well as on the possibilities of measuring and quantifying this relationship. A number of studies have been carried out using sophisticated statistical methods to demonstrate that investment in human resources is demonstrably effective. In conclusion, despite the fact that a wide range of empirical studies is available on a global scale, no consensus has yet been found regarding the unification of a set of practices that could be demonstrably correlated with the outcomes described above, although evidence of causal relationships has been partially confirmed as was presented in the study.

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SOCIAL STARTUP ENTERPRISES: THE CASE OF HUNGARY

Petra Kinga Kézai

Abstract

Startup enterprises are essentially profit-oriented enterprises. These days, in addition to profit-oriented production and non-profit organisational forms, the emergence of a new kind of enterprise can be observed: the rise of social startup enterprises. These are profit-oriented companies but, besides wanting to gain profit and navigate successfully in the business world, they also want to meet certain social challenges and fill various social needs. Many studies deal with startups and social enterprises, but the specific area of social startups is a less explored field. The present study aims to explore successful social startups in Hungary; their features, the programmes supporting them and the competition among them. The study concludes with the examination of two examples of social startups and features two internationally-prestigious companies exposing the multilayered nature of social startup activities.

Key words

startup; social enterprise; support programme; case study; Hungary

JEL Classification: L26, L31;

Introduction

In January of 2018, the founder and CEO of BlackRock, Laurence D. Fink, talked about the importance of social engagement. “To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society”. In his opinion, if a company wants to attract capital, it has to serve a social aim, regardless of the fact that it is a privately owned entity or state owned (cnbc.com).

A 2016 European Commission report states that the number of European enterprises is rising continuously and that their activities are entering new areas. Although many countries introduce new legislation and support systems in order to encourage social startups and the notion is widely considered among academics and political decision makers, there is no universally accepted definition for social startup development (Borzaga-Galera, 2016). The literature offers different interpretations. In spite of all of this, it is a fact that the role of social startups has increased all over Europe in past decades. It also led to an increase in the number of European research projects exploring social startups (an example of such a project could be the SEFORIS project (<http://www.seforis.eu/>), which explores social engagement; the TSI-project (<http://thirdsectorimpact.eu/>), which aims at providing new knowledge to social and economic development in Europe; and the EFESEIIS-project (<http://www.fp7-efeseiis.eu/>), which seeks to expose the operation of social startups using data collected from ten select countries). Although many EU countries, e.g. Bulgaria, the Czech Republic, Belgium, Hungary, Romania, and Slovakia, use the notion of social startups, there exists no agreed definition of it. Thus, a comprehensive database is also not available in this regard (European Commission, 2016).

According to social-startups.de, a German social startup magazine; “a social startup is a kind of social enterprise that uses creativity and innovation to provide sustainable solutions to social and/or ecological problems, where the maximisation of profit is not the most important goal”. Hungarian researchers put their number between 300-400 enterprises (Petheő, 2009), while some other estimates believe the number is closer to 600 (Kiss, 2017). The literature is growing, but the amount of empirical research is still low (Sastre-Castillo et al., 2015; Repisky-

Tóth, 2019). Gadócziné Fekete et al (2017) grouped the typical Hungarian social startup forms into four categories: co-operatives, social co-operatives; associations and foundations; non-profit companies; companies. “The determining factor in the operation of social startup enterprises is their business activity, but this activity is based on a moral aim influenced by business ethics or corporate social responsibility” (Gadócziné Fekete et al., 2017). Categorising the models for social startups, Hungarian players are put into six groups (Gadócziné Fekete-Hubai-Kiss-Mihály, 2018:114): public service provision social enterprises, enterprising CSOs, work integration CSOs, local development community enterprises, social startup enterprises and solidarity economy initiatives. From these models, the present study focuses on social startup enterprises.

The method used in the present research was twofold: research undertaken in the area of social startups and the related results are overviewed relying on secondary sources, then primary research focuses on the collection of organisations and programmes supporting startups and two case studies from Hungary.

This study consists of these parts as follows: first, the literature review on the notion of startup and development, then on social startup enterprises, followed by an explanation of the materials and methods used in the research. The third part presents the findings of the research, the collection of organisations and programmes responsible for supporting startup enterprises and ideas, availability in the EU and in Hungary and concludes with two case studies. The study aims to bridge the gap between practitioners and academia by exploring social start-ups and their support programmes in Hungary.

The notion of startup and development - beginnings in Silicon Valley

The term ‘startup’ was created in Silicon Valley in the 1970s. Silicon Valley is situated in the USA - Northern California, to be precise, covering inland to San Jose and its outskirts to the southern shores of San Francisco Bay. The original name of this area was Santa Clara Valley, known then as the breadbasket of San Francisco. The valley was famous for its apricot and walnut plantations. Food production was the leading industry in the region. The name Silicon Valley came from the chips used in silicon-based computers that were produced here. The expression was first used by a journalist, Donald C. Hoefler on 11th January in 1971, in the weekly magazine Electronic News. By using the term ‘silicon’, Hoefler referred to the large number of IT companies that had already settled in the area by then. 10 of the world’s biggest hardware companies were present in the valley, including Hewlett Packard, NEC Electronics (subsidiary of NEC Japan), Compaq, Intel, Sun Microsystems, Solectron, Seagate, Apple, Quantum and 3Com (businessdictionary.com).

The term ‘startup’, however, has many definitions. One of the two most popular definitions comes from Steve Blank, Stanford professor, entrepreneur and author, that a startup is a “temporary organization designed to search for a repeatable and scalable business model” (Blank, 2010). The other definition is from Eric Reis, writer of *The Lean Startup*: “A startup is a human institution designed to deliver a new product or service under conditions of extreme uncertainty”. “At its heart, a startup is a catalyst that transforms ideas into products and services” (Ries, 2011:75).

Kollmann, Hensellek and Kensbock (2016), in their *European Startup Monitor*, described startups using the following characteristics:

1. Startups are younger than 10 years.
2. Startups feature innovative technologies and business models.
3. Startups have enormous employee and sales growth potential.

The use of digital technologies and the novel solutions offered by startups - often based on information communication devices - is also emphasised by the report. (Kollman et al., 2016). Colvile (2016) detailed a description of startups in his book. Berezcki (2019) believes that startup entrepreneurs would risk employee and sales growth even at the expense of security.

Startups in Europe appeared after 1985, but papers researching them have only been published since 2014 (eu-startups.com; European Startup Monitor; Startup Genome; Beauchamp–Skala, 2017). Bundesverband Deutsche Startups (DSA) and the European Startup Network co-produced the European Startup Monitor (ESM) project in 2015. Academic collaborators of the project included the Vienna University of Economics and Business (Austria), the Antwerp Management School (Belgium) and the University of Cyprus. This comprehensive study is compiled yearly with the co-operation of startup representatives from EU member countries and Israel, harvesting comparative data about the European startup environment in the process. In constituting the European Startup Monitor, 2,300 startup enterprises and 31,000 employees were examined with results presented in Berlin as well as in Brussels (europeanstartupmonitor.com).

In Hungary, startups only appeared after 2008 (Márkus, 2016). The first Hungarian event that used the expression ‘startup’ in its title was Startup Underground in March, 2008. There is no Hungarian equivalent of the term ‘startup’ in Hungarian. The term originally signified any newcomer in the business world, but the meaning has changed by now since several companies listed on the stock market are also described as startups, e.g. Google or Facebook (Kézai–Konczosné Szombathelyi, 2020).

The National Research, Development and Innovation Office published *What is a Startup?* (2014) which summarises the main characteristics of the term (table 1).

Table 1. The 8 main characteristics of startups

1.	Early life stage and small size
2.	Big growth potential
3.	Innovation, breakthrough ideas or technologies
4.	Aims for the global market
5.	High uncertainty
6.	Unique work culture and thinking
7.	Unique financing needs and problems
8.	Special branch

Source: Own editing based on NIH (2014).

The 2017 decree about startups in Hungary (331/2017. (XI. 9.) Government Decree 1.§) defines these companies as early phase enterprises.

Social enterprises

The term ‘social enterprise’ first appeared in Italy in the journal *Impresa Sociale*, published in 1990. Initiatives of this kind first began at the end of the 1980s and they became widespread in other parts of Europe after 1990 although the term “‘social enterprise’ was not always used as such in legislation” (Defourny–Nyssens, 2010: 2). Borzaga and Defourny (2001) distinguish four criteria, reflecting the economic and entrepreneurial dimensions of social enterprises: continuous activity, producing goods and/or selling services; a high degree of autonomy; a significant level of economic risk; the minimum amount of paid work. A further five points are named that summarise the social dimensions of such enterprises: an explicit aim to benefit the community; an initiative launched by a group of citizens; a decision-making

power not based on capital ownership; a participatory nature which involves various parties affected by the activity; a limited profit distribution (Defourny–Nyssens, 2010: 2–3).

Two school of thought are distinguished: American and European. According to the American perspective, the enterprising individual, social innovation and profit orientation take precedence. The European perspective emphasises the collective dimension and democratic operations (Defourny–Nyssens, 2009: 21). The authors, in their 2014 study, state: “the various conceptions of social enterprise and social entrepreneurship are deeply rooted in the social, economic, political and cultural contexts in which such dynamics take place. This implies that supporting the development of social enterprise cannot be done just through exporting US or European approaches. Unless they are embedded in local contexts, social enterprises will just be replications...” (Defourny–Nyssens, 2014: 60). Kiss (2015) writes that in the English language literature, there is a distinction between the social entrepreneur as a person and social entrepreneurship as the activity or process (Kiss, 2015). Mihály (2017), using the international literature, analyses the history, schools and interpretations of terminology in social enterprises. In his view, the common framework for all these narratives is that they project a more ‘humanistic’ economy, although the use of this particular term can differ greatly, as well as the way leading to it. “According to the international organisation EMES, a social startup enterprise is an organisation that (1) bases its business activity on social or public aims; (2) reinvests profit in some social scheme; (3) features an organisational structure or ownership structure that is characterised by participatory or democratic principles, and social justice” (European Commission, 2011:2; Bereczk et al., 2018; 2019:37). Bereczk et al. in their 2019 paper - which is based on their 2017 primary research – explores the regional differences between Hungarian social startups. In the research, the age, motivation for founding, the amount of tender funding and the regional characteristics of employee numbers are examined. Their findings present Central Hungary, Central Transdanubia and Western Transdanubia as developed, Northern Hungary and the Southern Great Plain regions as below average, while the Northern Great Plain region and Southern Transdanubian regions as mixed from the perspective of social startup enterprises (Bereczk et al., 2019: 35). Repisky and Tóth (2019) seek to explore the motivation behind the phenomenon of social startups. Four distinct groups are identified in the research based on motivational factors in the establishment of social enterprises: external financial motivators, entrepreneurial motivators, social motivators and personal motivators. A further finding of the study states that because of their pro-social motivations and collectivist values, social enterprises in their study can be characterised by significant network motivation and higher levels of power motivation in addition to the usual high levels of performance motivation (Repisky-Tóth, 2019:11).

Social startup enterprises in the international and Hungarian literature

VanSandt et al. (2009) think that social enterprises unite the efficacy of business organisations with the concerns of non-profit organisations and governments. In their opinion, social enterprises have high potential in alleviating many social problems. The study explores potential catalysts that enable social entrepreneurs to reach their goals in social development. Legitimacy and information technology were identified as key catalysts. Millner and Vador (2014) examine social startup enterprises in the German sphere. Their research identifies three types of organisation groups (table 2) with Austrian, German and Swiss examples.

Table 2. Organisation types of social enterprises

	Organisation features	Supporters in the ecosystem
Social Startup	Before founding, idea phase	Incubators, universities (University incubator programmes), business plan competitions
Social Enterprise	Market-based business model	Social hedge-funds and other investors
Social innovator	Established effect models, high levels of innovation	Scholarship organisations, the media and science

Source: Own editing, based on Millner és Vandor (2014: 289).

Wisniewski and Esposito (2016) examine Uber as a social startup enterprise causing social conflicts and its effects. Vnoučková and Urbancová (2018) report that, in the Czech Republic, the number of social startup enterprises is relatively low. Their study focuses on these enterprises. Their study is based on 17 startup projects and their qualitative research that was chosen from different incubator projects. The research features content analysis, keywords and short expressions used to explore the main characteristics and areas of socially oriented startup enterprises. The main criteria for a successful social startup enterprise include education and training, development, partners, ideological planning, the use of expert help, the use of technology, project management, personal involvement, efficient solutions and a psychological approach. The research examines real world startup projects in their incubation phases. Their findings are important in the development of startup ideas and projects. Peng Wei et al. (2018) emphasise the growing importance of social enterprises. These entities are expected to remedy market and government failures and to enable social changes with the help of innovative approaches in social problem solving. The paper considers the number of startups to be constantly on the rise, largely because of a passion in undertaking new ventures, while the number of social startup enterprises is insufficient; the reason for which can be found in the severe limitations of resources and sustainable development. The authors consider growth in the case of social startups to be a complex mechanism. The study integrates the prospects of organisational legitimacy and resources, producing in-depth case studies that expose, through four social enterprises, the growth model of social startups. The findings convey that the expansion of different resources can enable social startups. Gogan and Goode (2020) write about an IT-hybrid social startup case study. The study explores a social startup that comprises a charity pharmacy, two non-profit consortiums and two profit-oriented IT companies; aiming at the redistribution of surplus medicine for patients in need, i.e. 'wasted' medicine. Research findings suggest that flexibility in IT, different forms of business agility and the unique manifestations of social-trade agility all contribute to the survival of this hybrid social startup in addition to overcoming financial and other obstacles. Sansonea et al. (2020) examined incubators that supported social projects, ideas or startups in at least a fifty percent proportion. Findings show that social incubators are just as efficient as other incubators. These findings can encourage political decision makers to support social incubators and social enterprises. Shepherd and Gruber (2020) wish to bridge the gap between practitioners and science by exploring the lean framework in starting new businesses. The five building blocks of the lean framework are: business model, validated learning/customer development, minimum viable product, perseverance vs. pivoting and market-opportunity navigation. The aim is to improve startup establishment for practitioners through the understanding of the processes. A further

research direction is the use of the lean framework in supporting different social enterprises or enterprises specialising in social problems, e.g. social startups.

The Hungarian literature offers Szakács and Szakács (2014) whose paper explores the possibilities of social startups providing an answer to the challenges of climate change and social and environmental problems. In their article, social startups are a product of business logic and social need and, although social startups operate as non-profit entities, they aim at helping societies from the very beginning. As the case studies show, social startup models present important opportunities for young people without the need to surrender their dreams and livelihoods. A social startup provides an opportunity for a living and the chance to do something useful on top of getting a salary. Gadócziné Fekete, Hubai, Kiss and Mihály (2017b) analyse Hungarian social enterprises within ICSEM (International Comparative Social Enterprise Models) research. In a 2018 paper, the same researchers established the following groups for participants of the ICSEM study: Public service provision SE, Enterprising CSO, Work integration CSO, Local development community enterprise and the Social startup and Solidarity economy initiative. According to Gadócziné Fekete et al. (2018), there exists in all types some features that could give rise to debatable features: excessive state support in public service provision SEs, the weakness of entrepreneurial character in enterprising CSOs, in work integration CSOs and in local development community enterprises the role of local government (due to funding in the former and direct involvement in the latter), the democratic nature of operation in social startups, and with solidarity economy initiatives the breaking of the market economy framework. Table 3 shows the characteristics and differences of organisations featured in ICSEM research.

Table 3. Main characteristics of Hungarian SE models

	Public service provision SE	Enterprising CSO	Work integration CSO	Local development community enterprise	Social startup	Solidarity economy initiative
Legal form	Association, foundation, non-profit company, social co-operative	Association, foundation, non-profit company	Association, foundation, non-profit company, social co-operative	Association, foundation, non-profit company, social co-operative	Beside non-profit legal forms, for-profit company and co-operative	All legal forms as well as informal groups
Sectoral affiliation	Close ties to public sector	Close ties to civil society	Close ties to civil society	Close ties to local authorities	Close ties to private sector	Close ties to civil society
Aim	Public service provision	Gaining extra income for the sustainability of the	Employment of the target group, providing economic benefits	Integrated local development	Realising a socially useful, innovative idea	Promoting solidarity-based economy

		organisatio n				
Field	Social welfare, public utilities, employment	Social welfare, culture, environmental protection, etc.	Agriculture, social welfare, culture, environmental protection, communication	Any activity that fits in the local economic system	Culture, environment, IT, transportation	Alternative solutions in all fields
Employment	Important goal	Not a major goal	Important goal	Important goal	Not a major goal	Not a major goal

Source: Gadócziné Fekete et al. (2018: 128–129).

Gadócziné Fekete et al., in their OTKA¹ research, define the characteristics of social startup enterprises: “the determining factor in the operation of social startup enterprises is their business activity, but this activity is based on a moral aim influenced by business ethics or corporate social responsibility. The social aim directly influences economic activity which facilitates the development of an economy based on a greater degree of solidarity and environmental consciousness. Social startups might be for-profit. Social and other co-operatives working in certain special areas (e.g. IT, waste management and recycling), community enterprises focusing on certain specific areas of the local economy and for-profit companies putting emphasis on philanthropic solidarity and innovation can be included in this category. Democratic decision-making might not be characteristic of for-profit companies. They can operate in any legal form: besides non-profit companies, foundations, associations and social co-operatives, for-profit companies can be social startups. Close ties to the private sector are typical. Their aims include implementing a socially (culturally or environmentally) useful, innovative idea. Characteristically, they operate in the field of culture, environment, IT and transportation. Employment is not a major goal, the number of employees is determined by economic necessity” (Gadócziné Fekete et al., 2018:127).

According to a Hungarian report - Social Enterprises and their Ecosystems in Europe - the number of for-profit enterprises which define themselves as social enterprises has been rising steadily since 2010. NESsT has been featuring traditional enterprises in its portfolio since 2009 but, before that period, it concentrated on social enterprises that were initiated by non-profit organisations (Kiss-Mihály, 2019). Kiss (2018) writes that market-based sustainability has become more pronounced in the approach of both development organisations with innovative startups and idea development further helped by new organisations and programmes. As Mura et al. (2017) stated, businesses and enterprises being oppressed by strong competitiveness have been trying to find new markets where they would be able to sell the company’s resources and make a better profit. As a result of globalization, the world is undergoing continuous social and economic changes in which competitiveness is an indicator (Farágó, 2020) and smaller businesses need a more flexible approach to the competitive environment (Machová et al., 2017). Therefore, many of them do not operate in the national

¹ OTKA – Research financed by the Hungarian National Scientific Research Fund

domestic environment, but they make their business international and enter into nearby foreign markets.

Materials and methods

During the analysis, the author sought to answer the question of what successful social start-ups exist in Hungary and what characteristics they would have. The first part of the study provides an overview of the literature firstly in the startup, then in the social enterprise fields, finally in the social startup enterprises; summarising the related international and Hungarian research based on keywords (startup, social enterprise, social startup, Hungary) in scientific search engines (Web of Science, Science direct, Google Scholar). In the second part of the article, the author presents a collection of European and Hungarian organisations and programmes to support startups and two unique and successful social startup enterprises in their respective fields.

Results

The following table summarises the programmes and organisations that support startups (Table 4).

Table 4. Organisations and programmes responsible for supporting startup enterprises and ideas, available in the EU and Hungary

Programme	Form of support	Aim	Supporter	Availability
LIFE 2014–2020	Environmental tender	Developing and working out innovative, novel ideas for meeting challenges related to environmental protection	European Commission	ec.europa.eu/easme/en/life
Startup and SME support to fight COVID-19	Support	Aimed at startups and SMEs that offer products or services for the mitigation of the COVID-19 pandemic	European Commission	ec.europa.eu/info/news/startups-and-smes-innovative-solutions-welcome-2020-mar-13_en
Social Startup Europe Award	Competition	Aims at recognising startups offering products/services addressing education, quality childcare, healthcare, training, job-search assistance and rehabilitation	European Commission, European Parliament, Finnova Foundation	startupeuropeawards.eu/project-view/social/
Climate-Kic	Tender	Aims at supporting business ideas related to sustainability	European Institute of Innovation	climate-kic.org

			and Technology	
Global (Central European) Startup Award	Competition	The biggest independent startup ecosystem competition	European Commission and further companies	centraleuropeans tartupawards.co m, globalstartupawa rds.com/categori es-2020
V4 Startup Force	Incubation programme; mentor programme and competition	Supporting startups in the V4 region	Visegrad Fund	v4startupforce.d esignterminal.hu
COVIDEA	Ideas and startup competition	Offering solutions for the challenges posed by the epidemiological, health and social situation	National Research, Development and Innovation Office (Ministry for Innovation and Technology)	nkfih.gov.hu/cov idea
MVM Edison	Ideas and startup competition	Aims at finding energy-conscious SMEs in Hungary, and supporting the effective operation of the energy sector	MVM Group	mvmedison.hu/ mi-az-edison
ERSTE SEEDS Programme	Incubation programme	The biggest social startup support programme in Hungary	ERSTE Foundation	erstebank.hu/hu/ ebh- business/social- banking/kozosse gi- szerepvallalas/a- seeds-program

Source: Own editing.

Case studies

In the last part of this study, two exemplary Hungarian social enterprises are presented. The first case is a modern art base with the social aim of bringing contemporary art to a wider audience, making it more available and consumable. The GARTEN 2020 modern art base was

organised in Lovas, near Lake Balaton, with two explicit aims: making contemporary art and cultural education more available. The second case is a for-profit startup enterprise with the social aim of making reading more popular among young children.

Modern art for the price of a pair of female boots – GARTEN 2020



1. Picture. Garten2020 # művészettel védekezünk

Source: <https://www.garten2020.com/>

GARTEN 2020 dates back to 2013. The idea originates from Ákos Bánki, a painter and curator, and János Schneller, an art historian and curator. The first modern art fair was held in Budapest, where the price of every piece was equal to the price of a pair of female boots (HUF30,000). This business model has since become a Hungarian and international practice. The Godot Gallery has had a similar scheme since 2015. These fairs were met with huge success and in the third year, a hundred paintings were sold in two weeks. The artists consign their paintings with the aim of bringing their art closer to the general public. The organisers also wanted to provide a venue for young, relatively unknown, contemporary artists and showcase their art to a wider audience. The fair could be reached from all over the world through an online catalogue. The 2018 success led to the decision of establishing an art base on the shores of Lake Balaton, with Budapest being empty for the summer. GARTEN 2019 and GARTEN 2020 were supported by the Nagy Gyula Art Foundation in Lovas with the venue being provided by the Nagy Gyula Gallery. GARTEN is basically a modern art base, with programmes (22 in 2019, 36 in 2020) for families from diverse backgrounds. These programmes include guided tours, art cinema events, concerts, a children's camp and thematic walks. The explicit aim of the base is to create a win-win situation: visitors are educated, the young modern artist get a venue, and Lovas receives visitors for a full month. The success of the base gained new recognition when the city of Veszprém won the title of Cultural Capital of Europe for 2023, and at the opening ceremony of GARTEN 2020, a co-operation agreement was announced with Veszprém, laying the groundwork for future development in the history of GARTEN.

BOOKR Kids – where tales come to life



2. Picture. BOOKR Kids

Source: <https://www.facebook.com/bookrkids>

The 2015 PISA Test exposed a strong correlation between reading comprehension and students' sociocultural backgrounds in Hungary. This also means a better performance at tests for those who grow up in a book-rich environment in which the parents regularly read (Educational Authority, 2016). "Educational reading could be partially implemented in the use of IKT devices, e.g. with the possibilities of interactive books. The Hungarian startup enterprise BOOKR Kids is a smartphone/tablet application, working and in development since the spring of 2015, which is targeted at the age group of 2-11, helping both from a technical aspect and from the quality point of view in educating readers" (Urbanik, 2020:204). Another proven fact is that those children who are told many tales perform better in school. The funders of BOOKR Kids, Dorka Horváth and Daniel Karányi, have the goal of - using 21st century technology - bringing reading closer to children.

"We are building a bridge between classic tales and the digital world. We can show tales of former generations in a completely new, exciting form to children of today" (bookrkids.com).

BOOKR Kids is basically a tablet application for children; combining a book, audiobook and interactive game. The stories bring characters to life. Móra-BOOKR Kids Ltd. was founded in January, 2015 (corp.bookrkids.com/privacy/). The startup won many prestigious awards shortly after the start: CEE Lift Off, the biggest startup competition in Central and Eastern Europe featuring 23 countries with 148 startups; in 2016 - besides winning Women Startup Competition Europe, the company also won the title Game of the Year, and the Innovation Award of the Ministry of National Economy in 2016. In 2017, the company was named the best digital education solution, and it also received the Special Prize at Nestlé's startup competition. In October, 2019, the startup won the Social Startup Award at the Central European Startup Award (startuponline.hu). In 2018, the company provided through mobile and tablet applications more than 170 traditional and modern interactive audiobooks, and more than 300 educational games for children with intellectual disabilities (Szabó-Krátki, 2018).

In 2019, one thousand Hungarian students in state owned, rural, mainly micro regional institutions, could try the BOOKR Suli programme (startup.hiventures.hu). BOOKR is also an

international success: the service has been available in Norway since September, 2017, in the Czech Republic since October, 2017, in Germany since 2018 and in China since May, 2018. Co-operation with educational agencies in Turkey, Pakistan and Greece began in 2019, where sights were set on distributing the company's flagship product, BOOKR Class; a programme promoting English learning via literary works. The company's range of tales is constantly growing. The repertoire includes tales by Elek Benedek ('The Great Folk-Tale Teller'), and stories of Pötyös Panni written by Mária Szepes., The Little Prince and others performed by prestigious Hungarian artists. Since its inception, the company has produced more than 700 children's books in 5 different languages. In March, 2019, Hungarian families faced a new challenge in the form of online learning due to the COVID-19 outbreak. In order to enable students to continue their studies under these special circumstances, Samsung and BOOKR Kids made more than 400 interactive audiobooks from the BOOKR Kids Library free to download for a month (bookrkids.com). With this step, the company proved to be an outstanding example of successful Hungarian startups.

Conclusion

As the European Union report (2016) has emphasised, social enterprises are growing rapidly in Europe both in numbers and in areas of activity, with many countries implementing new legislation and support systems to encourage further growth. A good example is Germany, where Social-Startup.de is a platform promoting social enterprises and social startup enterprises in becoming more widely recognised. The platform brings together interested parties, serves as an information portal by publishing current information, and encourages entrepreneurial people to become the businessmen and women of the future by presenting them with successful examples of entrepreneurs. Joint partnerships can effectively face the pressure of competing businesses (Machová et al., 2017). Besides presenting interesting business ideas, the funding possibilities for social startups and how they are organised are also exhibited. The database of the platform wishes to enable job seekers to find appropriate employment with social enterprises, or, should they start their own businesses, they can also receive help (social-startups.de).

Gadócziné Fekete et al. (2018) state that market-oriented social enterprises with market aims and sustainable business models have already appeared in Hungary but in relatively small numbers and they are not visible enough for a wider audience. This may not be entirely true in 2020. As Table 4 shows, a growing number of competitions, programmes and organisations support social startups; helping them in realising social ideas in the form of products and services. A further aim could be the introduction of successful companies like BOOKR Kids and GARTEN 2020 to the public. It can be assumed that the 2013 platform for supporting social enterprises (iGen programme), that was cancelled after three years due to a lack of quality ideas, would stand a chance in 2021.

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DIFFERENCES BETWEEN GREEN MARKETING AND SUSTAINABLE MARKETING

Patrik Baša – Ladislav Mura

Abstract

The study aims to show the difference between green marketing and sustainable marketing. In the chapters of it, we can learn about the general characteristics and features of green marketing, the dimensions and levels of green marketing, and point out the differences between green marketing and sustainable marketing. The main aim of the study will therefore be to provide a comprehensive presentation of the chosen topic using previous knowledge and research. At the end of the study, we will point out, within the framework of a short summary, the points that will make it easier for individuals and companies to distinguish between the two concepts. In our research, we will mostly use a secondary data collection method.

Keywords

sustainability marketing. green marketing. communication

JEL Classification: M31, Q01

Introduction

The roots of eco-conscious marketing go back to the 1960s, when human society first faced the negative consequences of impacts on the environment and, in many cases, their irreversible nature. The idea of protecting the environment and taking the environmental factor into account in the management process, including marketing, was formulated by some scientists at that time. The attention paid to the protection of the environment has been growing steadily since then (Nagy, 2009; Musová, 2020). Given these serious problems, nations need to pay increased attention to protecting the environment in the future. Millions of people around the world are concerned about sustainability issues, and various studies by environmentalists show that people are becoming increasingly concerned about their environment. Because of this, a positive change in the attitudes of individuals is observed, as the proportion of those who want to change their daily activities and behaviors in order to protect their environment is increasing (Choudhary, Gokarn, 2013).

According to Schäffer (2007) and Malá et al. (2019), the achievement of sustainable development cannot take place as a result of government measures alone, there is also a need to form some kind of consumer awareness, to encourage environmentally conscious thinking and behavior. We need to change the often irresponsible, careless, exaggerated and unsatisfactory consumption patterns and educate an environmentally conscious consumer society with a new, sustainable consumption model.

The topics examined in our study, green marketing and sustainable marketing, also play a key role in reaching as many people as possible with this information and in communicating the environmentally damaging activities of companies, as well as regulating it through various state interventions.

Materials and methods

Advertising is an integral part of business, as it is true even for small businesses that there is no successful business without advertising (Brochard and Lendrevie, 2004). The question is how much the company will spend on advertising, as well as what advertising tools the available money will be spent on. There are so many tools available for market manipulation, some of which are very expensive and some of which are almost free. The owner

or manager must first think through what tools he or she can use to reach the potential customers. Firstly, the owner or manager need to know the costs of the different tools and then determine the structure in which he or she will plan the marketing communications: how much the company will spend in total, and what proportion of the advertising spend will be within that. However, it should never be forgotten that the marketing expenses spent on promoting a product or a company are actually an investment, an investment that can yield more profit than if the company had spent its money buying shares (Rekettye, 2007).

The environmentally conscious thinking and behavior of companies has grown into a prestige issue these days (Hanuláková, Daňo, 2018). We do not know an entrepreneur in our environment who would not aim to achieve the highest possible profit while reducing the costs. However, the question arises as to whether it is possible to achieve these results even by applying environmentally conscious elements. We are talking at the moment about elements that will completely change the philosophy of companies and have an impact on their production and organizational processes. These include reducing energy costs, reducing emissions, reducing waste generation, recycling, and even expecting environmentally conscious standards from suppliers. Such an attitude creates a green marketing opportunity for companies, which can be honest and true, but in many cases it can only be to take advantage of general trends to profit, without any other good intentions (Baša, 2020).

Theoretical background

The concept and principles of green marketing

Peattie (2008) defines green marketing as “a holistic management process for identifying, anticipating, and meeting the needs of consumers and society in a profitable and sustainable way.

Eco-friendly, also known as “green marketing”, is manifested in the design and sale of products and services that have definite environmental benefits, as well as improving the company's competitiveness (Csutora, Kerekes, 2004).

Green marketing can also be understood as a covert marketing solution in which companies, institutions, authorities, parties, politicians stand by an environmental issue and support such an issue in various ways in order to make the company, brand, product, service, social organization, institution, foundation, political party or movement more sympathetic. According to another definition, green marketing is the marketing activity of those who join the green movement with conviction, with which they promote renewable energy sources, the reuse of waste and environmentally friendly products. Green marketing can also be briefly defined as a marketing action of those who take action against environmentally destructive, nature-damaging activities (Zöld marketing fogalma, online).

Green marketing has become a symbol of promoting current environmental trends not only in individuals but also in the wide range of activities of companies and various organizations. Green marketing activities are extremely wide-ranging, from environmental protection to the production and sale of products that meet ecological requirements, to the individual consumption of products that can affect the quality of life and, as a result, the health of society as a whole (Lieskovská, 2010).

So green marketing is basically about developing and promoting products and services that meet customer requirements in terms of quality, performance, affordability, availability and safety, but do not harm the environment.

The principles of green marketing include the following factors:

- Consumer-oriented marketing: The concept says that a company needs to grasp marketing activities from a consumer perspective in order to build a lasting and profitable relationship with them.
- Customer value marketing - Instead of a company changing the packaging of a product or making a huge investment in advertising, it should allocate its resources in a way that creates value for the product or service they offer.
- Innovative marketing - The third principle is to strive for real product and marketing development. We all know that the world is constantly changing and the tastes and preferences of customers are also changing, so a company must always look for new and improved ways to not lose customers.



Figure 1. Principles of green marketing

Source: Business jargons, online

- Mission marketing - The mission of the company must be defined in a broad sense, it is necessary to focus on the social terms, not on the product. The reason for this is that if a company states its mission, which also has some social welfare hidden in it, employees will be proud to work for a good cause and work in the right direction.
- Societal marketing - According to this principle, the company's marketing decisions must take into account the needs and interests of consumers, as well as the needs of the company and social welfare (Green Marketing, online).

Results and discussion

Dimensions and levels of green marketing

In addition to green marketing, the concept of green organization often appears in the literature. According to Nagy (2012), a green organization seeks to understand the values, attitudes, and motivations behind environmentally conscious behavior. Another feature is that it uses the experience gained from the analysis of current trends and patterns to change unsustainable forms of behavior, as well as to try to make the dominant forms of behavior more sustainable today.

The economic and social orientation of green marketing actors can be easily defined and scaled based on their activities. Table 1 distinguishes between macro, meso and micro levels in both dimensions (economic and social). At the macro level (international or national level), marketing-like efforts and measures aimed at regulating economic processes (production, logistics, trade, consumption, etc.) are considered with sustainable development in mind. These include, for example, international conventions, treaties and legal measures. At the meso level, tourism or regional environmental stakeholders influencing market processes appear to be organized to achieve ecological goals. At the micro level, there are also well-known actors from general economics: companies as well as consumers (Orosdy, 2006).

1. Table. Dimensions and levels of green marketing

Green marketing	Social dimension	Economic dimension
Macro level	supranational organizations, international social organizations (UN etc.), European Union, state, municipalities	international economic institutions (WTO, GATT, World Bank, etc.) European Union, state, municipalities
Meso level	green movements (WWF etc.), consumer protection institutions, trade unions	meso-level organizations of public administration, trade unions
Micro level	population (individuals, citizens)	market, companies, buyers / consumers

Source: own editing based on Orosdy, 2006

In the following, we present the actors of each dimension and level in more detail.

At the macro level, the key role of the state in the management of sustainable development is to adequately represent the interests of social and economic development, including the necessary intervention in autonomous market mechanisms. Due to the malfunctioning of the market, various literature in this field mostly lists the following factors:

- there is no separate market and value (price) for each environmental value (rich flora and fauna, clean air, etc.) but our strategic goal is to protect them;
- there is no price for environmental externalities either;
- ecologically undesirable phenomena are new developments for which the basic goal is to stop activities (Orosdy, 2006).

At the macro level, the enforcement of sustainable development is basically served by the legal and marketing tools of public administration. Legal solutions are mostly meant to moderate the activities of those present. Moderation can be done using the following methods:

- incentive (reduced weight tax when using catalysts)
- definition of standards, norms
- ban (on the use of certain environmentally harmful substances)

- imposition of obligations (product fee)
- application of economic instruments (taxes, levies) (Orosdy, 2006).

The main goal of the marketing activity is to inform the members of the society and to mobilize them if necessary. The marketing of legal instruments is embodied in the following factors:

- green organizations and businesses
- administration
- members of society
- eco-advice for organizations
- promoting the development of environmentally conscious thinking
- promotion of ecological principles (Orosdy, 2006).

At the meso level, there are consumer protection and environmental NGOs, as well as individuals managing ecosystems in the microsphere. As a non-governmental organization, green movements represent the interests of a given society. In their manifestations, these movements are often confronted with differing views of society as well as the views of those representing the administration. In order to avoid conflicts, it was necessary to create a tool, which can also be called a “new” marketing technique, and aimed at exerting pressure to restrict corporate activities, thus reducing the sometimes aggressive actions of NGOs. At the micro level, green marketing can be characterized as an activity that analyzes and regulates the activities of companies as well as consumers. In the case of companies, environmentally conscious corporate communication can mostly be considered as a management task, but in practice it is mostly limited to the following cases:

- Rational and conscious pursuit of ecological expectations
- PR goals service (green reference on corporate activity, strengthening marketing strategy)
- recognition of a real market segment
- a conscious and committed advocate of green business, within certain limits (Orosdy, 2006).

Sustainability marketing

Sustainability is determined by the consumption of goods and services that meet basic needs and the quality of life, without compromising the needs of future generations. According to another definition, sustainability is fundamentally about limiting the permeability of resources while making the best use of available resources (Gordon et al., 2011; Majerník et al., 2021).

Sustainable marketing can be achieved through three existing marketing subsystems, green marketing, community marketing, and critical marketing. Green marketing promotes the development and marketing of more sustainable products and services while translating sustainability efforts into marketing processes and business practices. Societal marketing involves harnessing the power of marketing to encourage sustainable behavior by individuals, businesses, and decision-makers while assessing the impact of current commercial activity on sustainability. Critical marketing is also connected to this paradigm system, which includes the analysis and approach of marketing theory, principles and techniques based on critical theory. Analyzes can help to establish and put into practice regulatory and control processes (Gordon et al. 2011).

The aim of our study was to examine the difference between green marketing and sustainable marketing. Sustainable marketing, as illustrated in Figure 1, defines each dimension in terms of the environment and focus. From the focus side, the matrix compares relationships and commercial transactions with the two elements of the environmental side in the narrower

relation only to the market, and in a broader sense, in addition to the market, land and social factors also appear.

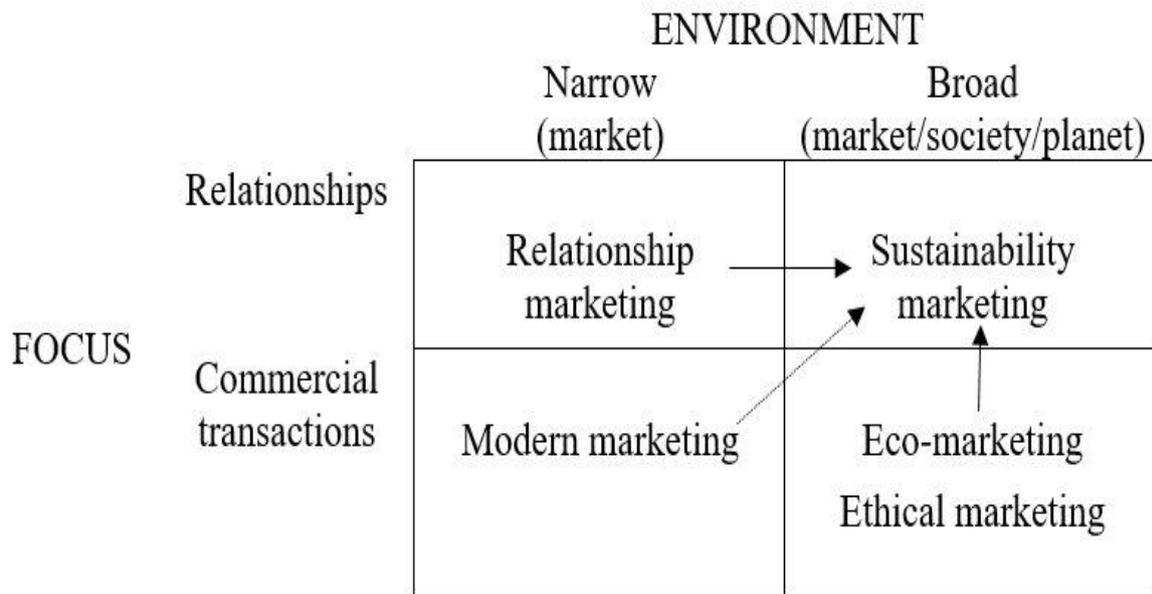


Figure 2. Towards a New Concept of Sustainability Marketing

Source: Peattie, Belz, 2010

In their article, Peattie and Belz (2010) write that while new forms of marketing have emerged over the years, they have not really differed, with much of the focus on certain market segments, communication approaches, or corporate capabilities. The authors present two marketing-related ideas that have fundamentally questioned the dominant marketing paradigm. The first such idea aimed at breaking the gap between current marketing practices and the ecological and social realities of the wider marketing environment. This group includes macromarketing, societal marketing, ethical marketing, green marketing, environmental marketing and eco-marketing. Different types of environmental, ethical, or socially oriented marketing have typically sought to incorporate social and environmental considerations into existing marketing principles and practices. However, these strategies have not been able to bring about a real change in marketing thinking and substantial progress towards more sustainable consumption and production. The second idea mentioned by Peattie and Belz (2010) about products and commercial transactions with customers turned attention to the relationships established and maintained with customers. This new aspect focuses on the transmission of value. According to the authors, the next logical step in the development of marketing in order to contribute to sustainable development is to combine the two mentioned ideas. This could help to create a new concept of “sustainability marketing”.

Conclusion

Before starting our study, we wrote that we would like to point out the differences between green marketing and sustainable marketing. In order to be successful, we primarily decided to examine several international and domestic literature. In the introduction of the study, we presented the circumstances and importance of the development of an environmentally conscious approach, and then we turned to a brief description of the topic of advertising, as we wrote about a marketing tools and mentioned it in subchapters. In the next section, we presented the reasons for the development of green marketing, and then we presented its general definition. To know the framework within which we needed to move

forward, the next step was to introduce the principles of green marketing. The activities of green marketing can be identified in several dimensions and levels, in the following chapter we pointed out that not only consumers and companies, but also states and various holistic organizations are part of the presented matrix. During the presentation of sustainable marketing, it was important for us to clarify the concept of sustainability at the beginning of the chapter, and then after we did that, we turned to the description of sustainable marketing.

Thus, based on our newly acquired knowledge, it can be clearly stated that the meaning of the word “green” has long since grown beyond the way of thinking to symbolize only one color for people. Nowadays, it appears very often in everyday life, even in a dialogue, as a feature that is considered useful for the environment. Green marketing is also a common term in the field of environmental activities, yet its activities are mostly in the field of regulations and environmentally friendly products and services and most often create short-term solutions. The difference between sustainable and green marketing is therefore most perceptible from a time perspective. Sustainability is also emphasized in the literature for the future. This means that this activity can generate long-term economic and social benefits that do not use too many resources and keep further pollution to a low level. So sustainable marketing is above green marketing. More specifically, the two areas affect each other’s functioning, however, green marketing alone would not be able to create sustainable conditions in the long run. The aim of the study was to clarify the differences between the concepts, and we hope that this goal has been achieved. The results of the study can also serve as a good starting point for future researchers in the field of environmental awareness, as well as for organizations wishing to address sustainability and environmental awareness more deeply.

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DIGITAL TRANSFORMATION – THE FUTURE OF THE WORK AT HUNGARIAN AUTOMOTIVE INDUSTRY

Ákos Essósy

Abstract

The aim of this study is to demonstrate, through a Hungarian example, the receptiveness of Hungarian automotive industry to flexible forms of employment. Circumstances as a result of the Covid-19 virus have placed many actors in the economy and the automotive industry in a difficult position. However, all this also revealed that atypical forms of employment may even be a solution to certain problems among changed circumstances. In 2018, nearly 4% of Hungarian employees worked in the automotive industry. During the research, we used a quantitative measurement method and contacted the organizations involved in the automotive industry with a structured questionnaire. Our basic population consisted of a database provided by the National Association of Hungarian Vehicle Parts Manufacturers (MAJOSZ), in which about 250 organizations are included. Employee persons involved in the research 79.21% are full-time employees. In their opinion, 37.7% of them thinks that their current job would be suitable for part-time employment. The survey confirmed that Hungarian enterprises are less bad in terms of awareness of flexible forms of employment than in terms of prevalence.

Key words

Flexible employment. Economic competitiveness. Automotive industry. Hungary. COVID-19.

JEL Classification: M54

Introduction

Atypical employment can help a potential employee to take on daily workloads in accordance with the circumstances, to integrate, and to establish a harmony between family and work. Integration into work is a process in which gradualism, patience, and perseverance can lead to visible results in the long run. Atypical employment also means additional opportunity and value for employers. This way of employment can help strengthen the loyalty and commitment of employees, reduce fluctuations and leaving. Certain forms of atypical employment allow people to work when they are able to deliver the best performance by concentrating on work, but it can help a lot in the ability to “attract” the right workforce and explore potential work supplies. The present paper deals with the study of the incidence of flexible forms of employment among large companies, as well as with the factors that promote and inhibit their spread. Although these forms of employment are already widespread in Hungary, and the research of the individual sub-areas is increasing, no reliable, scientifically justified experiences and findings have been made yet for the specific group of companies in such a comprehensive approach. The aim of this study is to demonstrate, through a Hungarian example, the receptiveness of Hungarian automotive industry to flexible forms of employment. In order to obtain a picture of the situation and preparedness of the operators in the automotive industry in Hungary, we conducted empirical research in October 2020 to December 2020. The main objective of the empirical research was to determine the degree of maturity of operators in the automotive industry in the digital transformation process and to measure their adaptability to the labor market due to digitalization. Our basic population consisted of a database provided by the National Association of Hungarian Vehicle Parts Manufacturers

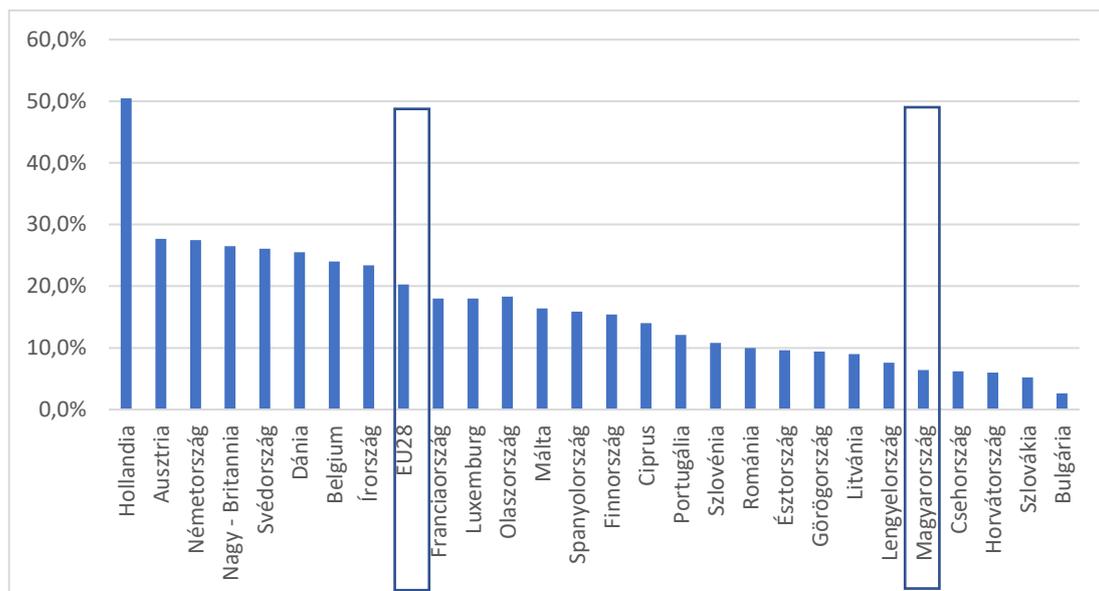
(MAJOSZ), in which about 250 organizations are included. In order to fully explore all the problems, we asked questions from two target groups. Company executives were primarily asked about their opinion about their industry 4.0 maturity, its opportunities and challenges, organizational culture, and potential labor market responses. In the case of employees, the research is primarily used to assess digital skills, additionally, the industry 4.0 challenges experienced by the employees and the detected and desirable organizational culture were also explored. In the research study, we aimed to interview the entire population, and we contacted and sent a questionnaire to a total of 95 companies. A total of 48 leaders and 97 employees completed the questionnaires. The first chapter the aim of the literature review is to explore and interpret the situation of the labor market and labour market mobility. The past decades' research into human capital has proven that creating financial and technical tools that match others' similar tools is much easier (and often quicker) than the creation of human capital serving excellence, innovation, and adaptation. Aims the second chapter to outline a comprehensive economic situational picture of the characteristics of the automotive industry in Hungary on the basis of the balance of forces prior to the coronavirus – in particular that the labor market situation and flexibility of employees working in the automotive industry are greatly influenced by industry characteristics and peculiarities. In order to explore the employment situation of those working in the automotive industry, it is essential to map the peculiarities of the industry and to interpret the connections inherent in the history of the Hungarian automotive industry. In the following, the chapter three presents the aims and methodology of the study. I summarize my conclusions, my proposals in the fourth chapter.

Topic justification

“The tendency of development is undoubtedly that what, in the past, had been – regardless of any traditional differences – considered the norm as regards the employment relationship and working hours became an exception, and what had been considered an exception is now what defines the current reality (Voss, 1997).

Labor market mobility is a business goal focused on faster, more successful, and more effective responses to changing environmental requirements, compared with traditional employment models. This can be achieved using methods known as flexible employment practices or atypical forms of employment. According to Frey (2001), “Employment that is generally considered standard or regular keeps losing ground. Traditional, ‘normal’ employment means full-time employment with a permanent contract, in employee status, with working hours usually equally distributed over five working days, usually from Monday to Friday, working regular, usually daytime, hours. Whatever is different is atypical, irregular, flexible”. This is not an external constraint to force on job market participants, but an opportunity to increase competitiveness that should not only be considered, but used as a basis in order to solve problems such as falling unemployment, increasing the number of employed people, or, on the company side, handling changes in consumer needs. The economic and flexible utilisation of the workforce is also a company need, as it affects competitiveness and has a significant effect on workforce-related costs, that are especially important in the strongest national economy sector, the service sector, as it normally generates the largest costs. (Finna, 2008) By driving work flexibility and work quality, flexible forms of employment may be used to free potential “reserves” on both the supply and demand sides, which can lead to an increase in the number of people employed. Solutions allowing the balancing of work and private life allow the successful return to the job market of people who would otherwise be excluded, especially the parents of young, as well as the improvement of their adaptability. One of the most important methods of increasing employment is flexible employment.

According to Hungarian Central Statistical Office data, the number of flexibly employed people in the 15-64 age group rose by almost 80,000 between 2008 and 2015, to approximately 250,000. Fixed-term employment is the most popular form (approximately 1 in 10 employees have such a contract today). It indicates the growth in the role of flexible forms of employment (fixed-term contracts, part-time, teleworking, temporary employment, self-employment). But we still have a long way to go compared to other countries: according to Eurostat 2014 data, while in the 15-74 age group in Holland, 50.5 percent are employed part-time, Hungary's 6,4 percent rate is one of the lowest in the EU. (1.Figure)



1.Figure: Part time employed his proportion all employed comparing (betw.15-74 years)

Source: Own construction based on EUROSTAT data (2014)

Companies aim for fewer obligations and for unbinding employees from the company (Szabó and Négyessi, 2004). Competitiveness is the ability of an organisation (person) to recognise the possibilities and risks of changing conditions and take the chance to change the circumstances in order to realise its own goals and interests. An organisation can react quickly to the recognised need for change if it can be flexible in regard to its resources. Along with other resources, the availability of enough high-quality employees, as one of the basic production factors, is of paramount importance. The past decades' research into human capital has proven that creating financial and technical tools that match others' similar tools is much easier (and often quicker) than the creation of human capital serving excellence, innovation, and adaptation.

Specificities of the automotive industry and the labor market

This chapter aims to outline a comprehensive economic situational picture of the characteristics of the automotive industry in Hungary on the basis of the balance of forces prior to the coronavirus – in particular that the labor market situation and flexibility of employees working in the automotive industry are greatly influenced by industry characteristics and peculiarities. The aim of the literature review is to explore and interpret the situation of the labor market in the area of the automotive industry. In order to explore the employment situation of those working in the automotive industry, it is essential to map the peculiarities of the industry and to interpret the connections inherent in the history of the Hungarian automotive industry.

Specificities of the Hungarian automotive industry

The Hungarian automotive industry means all automotive companies operating in Hungary. Category C29 of the Eurostat NACE Rev.2. nomenclature is considered decisive. By definition, the manufacture of motor vehicles suitable for passenger and freight transport, trailers and semi-trailers, and motor vehicle components are also included in the category (www.hitelintezetiszemle.mnb.hu, 2020). The industry, in a broader sense, provides jobs to dealers and service and repair plants in addition to assembly plants (Hornyák, 2013). Therefore the operators in the automotive industry are not only the final product manufacturers but also the suppliers. In Hungary, vehicle production has been the largest sub-sector of the processing industry since 2011, accounting for 27% of the total industrial production value in 2018. In addition, through its extensive supplier relationships, it has an impact on other processing industry activities, thus its performance has a significant impact on the development of the whole industrial production.

It can be clearly concluded that the impact of Hungarian vehicle production on the Hungarian national economy is significant, thus with that, the labor market situation of those employed in the automotive industry also has a significant impact on employment. In 2018, nearly 4% of Hungarian employees worked in the automotive industry. The role of the automotive industry in the economy is also well reflected in the volume of investments. In 2018, nearly 7% of investments in the national economy can be connected to the automotive industry.

OEMs set up with greenfield investments mean the cornerstone of the Hungarian automotive industry (Hornyák, 2013). The term OEM refers to the situation when a company buys a product from the original manufacturer, then passes it on as its own, often as part of a larger product. OEMs are located at the top of the supplier pyramid also in the automotive industry, as they are the so-called final product manufacturers or car assembly companies. They only carry out basic activities, such as final assembly, and only manufacture the essential components, obtaining the other components from a wide range of suppliers.

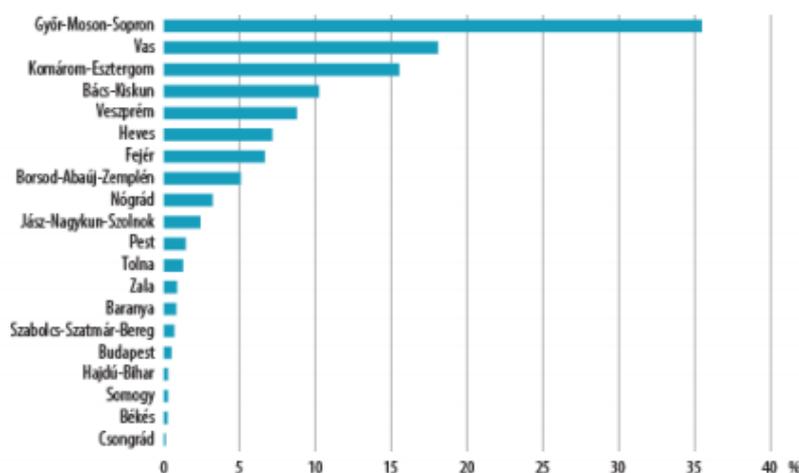
Primary OEMs in Hungary

By the beginning of the 21st century, global companies have emerged in vehicle production that globally organize their activities along the value chain, placing certain elements of the value chain in the country that provides them with the most favorable conditions (Hornyák, 2013). Transnational companies were characterized by the Fordism, a company structure model developed in the mid-20th century, which was dominated by very strong vertical integration and suppliers did not have a close relationship with the integrator. From the last third of the 20th century, the principles of Toyotism began to dominate in company organization, which means, above all, leaning the company, concentrating on basic activities, and outsourcing all other activities, outsourcing them to the suppliers (Árva, 2004) (Hornyák, 2013). And the automotive industry is clearly considered the pioneer of Toyotism. This type of company organization was the first to appear in the automotive industry, setting a pattern for other industries as well. Projecting the processes to Hungary, Florida and Sturgeon (2000) named four different installation types based on the motivation of activities and the qualitative assessment of localization in a sectoral survey in the area of automotive localizations (Rechnitzer et al, 2017). Based on the model, automotive centers in Hungary correspond to the type 3 location, the main installation factor of which is cheap labor and the developed infrastructure, and its installation motivation is to rationalize the production processes and minimize their costs. The degree of integration into the value chain remains low or moderate, production is typically for foreign markets, thus, a significant part of sale revenues is made up of settlements between the foreign parent company and the domestic subsidiary. According to

the theory, in the type 3 model, low value-added activities are outsourced, and development remains almost entirely the competence of the parent company. (Rechnitzer et al, 2017)

In summary, in the case of Hungarian OEMs, low value-added activities have been installed, and cheap labor has placed Hungary in a competitive position, as labor costs in car production account for an average of 25-30% of the value of the final product. The main motivation of the parent companies was to rationalize costs, thus, most of the factories in Hungary produce for foreign markets and absolutely rely on the parent company.

The diagram in the TÉR-KÉP, 2018 study of the HCSO (2.Figure) is an excellent example of the impact of primary OEMs in Hungary on the automotive industry. The effect of Audi Hungária Zrt. in Győr-Moson-Sopron County, Opel Szentgotthárd Autóipari Kft. in Vas County, and Magyar Suzuki Zrt. in Komárom-Esztergom County can be clearly shown.



2. Figure: The impact of primary OEMs in Hungary on the automotive industry

Source: HCSO TÉR- KÉP, 2018

Examining the largest players in the Hungarian automotive industry, Audi Hungária Zrt. is also the most important Hungarian link in the automotive industry based on both net sales revenues and production volume. Audi has become a key actor in the area of engine production, secondarily, also in the area of complete vehicle production due to the expansion in 2013. One order of magnitude behind Audi, the Mercedes-Benz factory in Kecskemét is also a significant actor in the Hungarian automotive industry. The factory produced more than 190,000 cars. No doubt that the third most influential player in the Hungarian automotive industry is the Suzuki factory, the profile of which typically includes the sale of low and medium segment vehicles. These automotive actors also contribute to resolving the problem that the economic performance is mainly concentrated in Budapest and Pest County. Compared to 2010, the advantage of Budapest has already decreased, among the counties leading the development ranking, the advantage of Győr-Moson-Sopron, Fejér and Vas have strengthened, and of Komárom-Esztergom has weakened. The advantage of the moderately developed Bács-Kiskun County, which has also become a center of the automotive industry since 2012, and of Borsod-Abaúj-Zemplén County also strengthened (HCSO TÉR-KÉP, 2018).

Automotive suppliers

In connection with the definition of the automotive industry, it was also stated that the automotive industry also provides orders for the final products of primary manufacturers to many other industries. A significant supplier network is also connected to the primary

manufacturers in Hungary. The aforementioned Toyotism thus appears as a guiding principle of the automotive industry, as thousands of parts are manufactured during car production, which are not manufactured by a single company, but the activity of the sector is characterized by an extensive cooperation between the suppliers (Magyar-Hlédik, 2018).

Due to the complexity of the automotive product, the smooth running of production can only be imagined based on an efficiently organized supply chain. The basic principle of automotive production is that the finished product manufacturing plant itself produces only basic components, the other parts are procured from external suppliers. Thus, they can achieve the leaning of the company and focus on basic activities. The situation of the Hungarian automotive industry is reflected in the study of Gelei (2006), who examined supplier types and their basic competencies in the Hungarian automotive supply chain. The treatise describes the capability structure of automotive suppliers, according to which we can distinguish between domestic suppliers with capacity, product, adaptation, network and innovation competencies. The main finding of the study is that the development of company competitiveness can be promoted not only between each supplier type, but also through internal quality development within each supplier group, the keys to which are available capital and knowledge. Based on this, the author formulates as a recommendation that in order to ensure the competitiveness of the Hungarian SME sector, it is of key importance that the economic policy supports domestic enterprises in the acquisition of capital and knowledge. (Rechnitzer et al, 2017.)

Thus, suppliers present in the Hungarian automotive industry can currently increase their competitiveness if they implement quality improvements, for which not only physical capital, but also human capital and the development of human resources are essential. The more modern and up-to-date the competencies an employee in the automotive industry has, the more his or her exposure in the labor market will decrease due to a possible structural change. The proactive, independent working is a very important ability. According to Faragó (2020) research the athlete's identity, the values facilitated by sports as well as the sporting competences all have become economic development factors both in the labor-management of corporations.

A similar conclusion is reached by the analysis of Gelei et al. (2011), according to which the priority of Hungarian economic policy should be to support domestic suppliers in building competencies and capabilities, through which they can meet more complex customer expectations and thus move forward in the automotive pyramid. According to the study, a competitive supplier base has now been established in Hungary, within which some innovative, complex domestic companies also capable of meeting customer expectations have been established. Their enhanced economic policy support may have several positive effects. The statement of Géza Németh and János Topár that the structure of the supplier network has undergone structural changes in recent years, as a result of which, nowadays, a reduction in the value added by production companies – only about 20% of the value produced is added to their products –, and the suppliers' increasing role can be observed (Németh – Topár, 2014). Thus, development is no longer just in the hands of the OEMs, and innovation is not just their responsibility. In the following, the chapter presents the Tier1 and Tier2 companies of the supplier pyramid. The Hungarian automotive sector is defined by nearly 600 foreign and domestically owned Tier1 and Tier2 companies supplying the previously defined OEMs (Hipa, 2017). Of the world's 20 highest-revenue, top Tier1 component manufacturers that directly supply to car factories, 15 are present in Hungary, including Robert Bosch, ThyssenKrupp, Denso, Michelin, Valeo, Bridgestone, Magna Steyer, BorgWarner, Visteon, Delphi, Continental, Lear, Allison, Siemens and Sumitomo (STATISTA, 2015; AUTOPRO, 2015). Among them, the five largest manufacturers are in a subcontractor supplier relationship with 5,700 Hungarian small and medium-sized companies (Hipa, 2017).

Labor market of the automotive industry – international trends

In the United States between 2009 and 2016, the number of employees in enterprises engaged in the manufacture and sale of motor vehicles and components increased by nearly 50 percent. Although employment growth has been gradually slowing down since then, car manufacturers and suppliers continue to hire new people at a brisk pace. There is also significant movement in the industry globally: if a sector is doing well, it is common for more and more workers to leave their existing jobs to take advantage of better opportunities within the industry. The labor market situation is further complicated by the current high retirement rate. Employees who were unable to retire in 2010 during the period of economic recession have already accumulated the age and years of service required to retire. However, this high retirement rate poses another challenge to the automotive industry – the shortage of skilled labor is becoming increasingly critical (Dziczek, 2016). During the decline in the automotive industry in 2009, most companies were trying to make savings on their wage-type expenses. One of the means of this was that they did not employ students, trainees, and young engineers. The above situation, on the other hand, has led to the fact that companies that wanted to acquire talented young people “lured” this kind of labor supply from their suppliers or competitors. As a result of the process, large companies were able to acquire sufficient skilled labor, but smaller companies had no choice but to hire new employees and start training from the beginning (Dziczek, 2016). And 2019 seems to be another negative turning point for those working in the automotive industry. According to a compilation published in Bloomberg in 2019, companies announced that 38,000 jobs are to be cut that year from China to the UK, Germany, Canada and the United States.

1. Table: Significant job cuts announced in 2019

Company	Announcement (2019)	Number of jobs cut
Ford	May 20	7,000
Nissan	May 15	4,500
Honda	May 13	3,500
Daimler	April 18	10,000
Tesla	April 8	N/A
Fiat	March 29	1,500
Ford	March 15	5,000
Ford's China JV	February 27	N/A
Audi	February 20	N/A
Tesla	January 18	3,000
Nissan	January 17	700
Jaguar Land Rover	January 10	4,500
General Motors	November 26	14,000

Source: Daurat-Dawson (2019)

Labor market of the automotive industry - EU

According to the 2017 EU statistics, approximately 20% of the total number of vehicles produced is made in the European Union, which meant 19.2 million units in 2018, of which 16.5 million were cars. The automotive industry is also an important factor in the EU from financial and economical aspects: companies operating in this field spent 57.4 billion EUR on research and development in 2017. 2.7 million people worked in motor vehicle production in 2018, which is 8.5% of people employed by EU manufacturers. (2. Table)

2. Table: EU direct automotive manufacturing employment

Austria	39 569	France	229 422	Poland	213 708
Belgium	28 768	Germany	882 046	Portugal	42 358
Bulgaria	23 777	Greece	1 737	Romania	190 848
Croatia	2 919	Hungary	101 865	Slovakia	81 273
Cyprus	168	Ireland	3 000	Slovenia	15 887
Czech Republik	181 415	Italy	176 303	Spain	162 634
Denmark	4 317	Latvia	2 317	Sweden	90 473
Estonia	2 880	Lithuania	6 163	United Kingdom	166 228
Finland	10 199	Netherlands	25 204		

Source: Own construction based on ACEA data, www.acea.be, (2018)

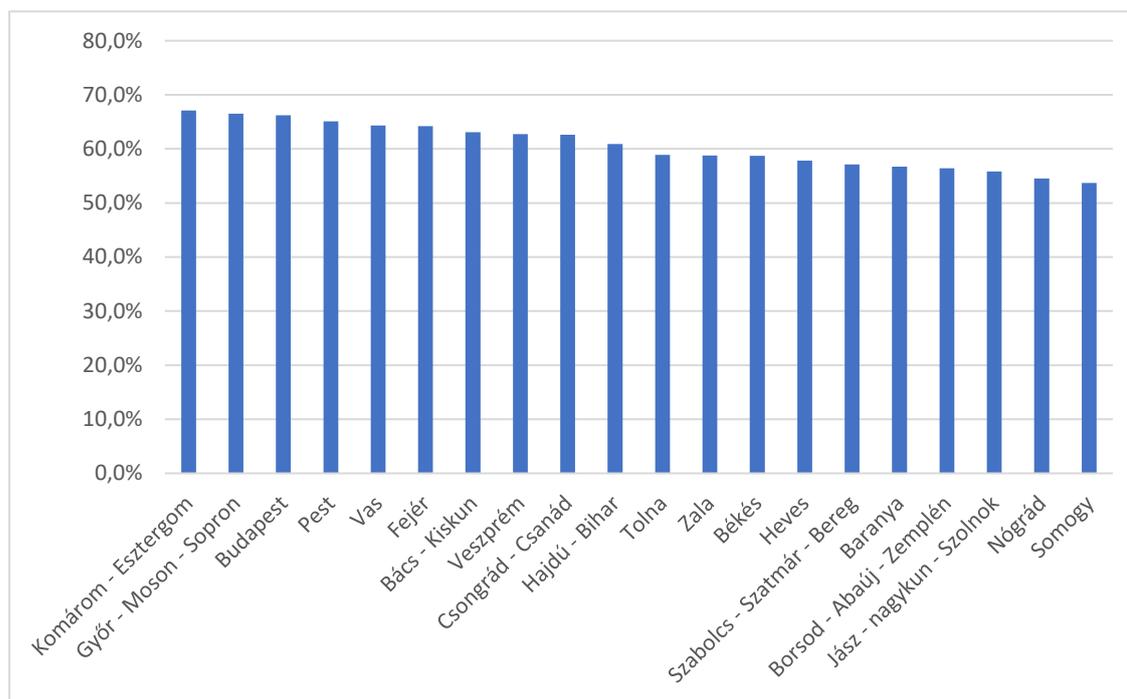
Among the EU Member States, Slovakia has the highest share of employment (15.4%) in car production compared to the total number of employees by manufacturers, followed by Romania (15.3%) and the Czech Republic (13.4%). Sweden is in fourth place (13.3%), followed by Hungary with 12.9% (www.acea.be, 2020). According to the ACEA research, the number of people employed in the automotive industry increased every year between 2013 and 2017, but from 2019, similarly to international trends, a slowdown in the automotive industry can also be seen in the European Union. And braking does not avoid the regions of Hungary either: the number of people working in the Slovak automotive industry decreased by 1 percent in 2019, and drastic job cuts are being announced in more and more places (K. Kiss, 2019). The efficient leadership style supporting the teamwork can be the device of the workplace keeping. (Csókás and Machova, 2017)

However, the coronavirus pandemic has also created a new situation for the employees in the automotive industry: according to ACEA data of April 2020, a total of 1,138,536 employees in the automotive industry were affected in the European Union and the United Kingdom, this figure however does not reflect workers in the entire supply chain, thus the real number is much bigger than that. It is estimated that more than half a million employees in the automotive industry are affected in Germany, more than 90,000 in France, more than 60,000 in Spain, and at least 30,000 in Hungary (ACEA, 2020b).

Labor market of the automotive industry - Hungary

Based on the experience of the last 10 years, the labor market situation in Hungary shows a constantly improving tendency. All this can be clearly seen in the increasing employment and declining unemployment rates of the economically active population. According to the report of the Hungarian Central Statistical Office analyzing the first quarter of the year 2021, employment increased in all counties, including the regions of Northern Hungary and the Northern Great Plain, which were considered less developed so far.

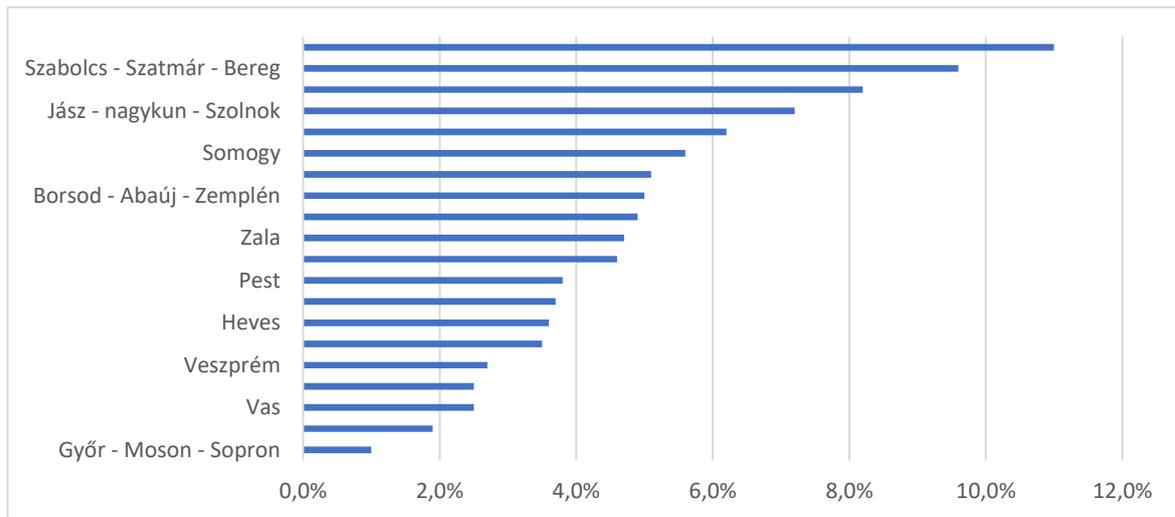
Komárom – Esztergom County, Győr-Moson-Sopron County, Vas County and Budapest can also boast the best indicators in 2021 as well. The unemployment rate fell in all counties, falling to 3.7% nationwide.



3. Figure: Employment rate according to counties

Source: Own construction based on KSH data, 2021

The highest unemployment is in Nógrád, Szabolcs-Szatmár-Bereg and Békés Counties (4. Figure, Hungarian Central Statistical Office, 2021). According to an analysis of the Hungarian Central Statistical Office, in 2018, vehicle production accounted for 4.5% of gross value added in Hungary, thus producing one-fifth of the output of the processing industry. Vehicle production in Hungary employed 172,500 people this year, which accounts for 3.9% of all domestic employees. Consequently, vehicle production has become the largest sub-sector of the processing industry in Hungary since 2011, accounting for 27% of the total industrial production value in 2018 (Hungarian Central Statistical Office, 2019). Based on the data available in regional breakdown (2017), the focus of the sector (35%) is in Győr-Moson-Sopron County, followed by Vas, Komárom-Esztergom and Bács-Kiskun Counties. In these counties, 18-10% of value added came from vehicle production. According to the HCSO, more than 70% of the national value added of the industry was produced in these four counties (Hungarian Central Statistical Office, 2019).



4. Figure: Unemployment rate according to counties

Source: Own construction based on KSH data, 2021

Study aims and methodology

This study explores the opportunities of the organisational utilisation of labour market flexibility and its actual utilisation. The aim of the study is to gather information on automotive enterprises’ need for and use of flexible forms of employment in Hungary. According to my previous hypothesis, the opportunities for flexible employment that could have a significant effect upon competitiveness especially for LEs are far from being completely utilised. In my research, I primarily explore the employer's side, as in my experience, management decisions have a fundamental effect on the organisational implementation and operations of flexible forms of work. I believe that the creation and existence of atypical work has an effect on the organisation, its flexibility, and its efforts to achieve further flexibility.

3. Table: In the survey participants' demographic data

		N	%			N	%
sex	male	51	52,6	sex	male	39	81,2
	female	46	47,4	sex	female	9	18,2
age	1-35	37	38,1	age	1-35	7	14,6
	36-50	48	49,5	age	36-50	24	50
	51-65	11	11,3	age	51-65	16	33,3
	65-	1	1,1	age	65-	1	2,1
classification	technician	16	16,6	classification	head od departement	8	16,7
	operator	16	16,6	classification	middle manager	14	29,2
	head od departement	24	24,7	classification	higher manager	26	54,2
	middle manager	14	14,4				
	higher manager	4	4,1				
EMPLOYEES				COMPANY EXECUTIVES			

Source: Own results, 2021

During the research, we used a quantitative measurement method and contacted the organizations involved in the automotive industry with a structured questionnaire. Our basic population consisted of a database provided by the National Association of Hungarian Vehicle Parts Manufacturers (MAJOSZ), in which about 250 organizations are included. In order to fully explore all the problems, we asked questions from two target groups. Company executives were primarily asked about their opinion about their industry 4.0 maturity, its opportunities and challenges, organizational culture, and potential labor market responses. In the case of

employees, the research is primarily used to assess digital skills, additionally, the industry 4.0 challenges experienced by the employees and the detected and desirable organizational culture were also explored. In the research study, we aimed to interview the entire population, and we contacted and sent a questionnaire to a total of 95 companies. A total of 48 leaders and 97 employees completed the questionnaires.

Description of the results

Employees persons involved in the research 79.21% are full-time employees. (4.Table) In their opinion, 37.7% of them thinks that their current job would be suitable for part-time employment, 25% of them would like to work in this form. Nearly half (47.66%) of them said that they would not like to work based on a weekly or monthly working time, and 81.82% would be reluctant to have only a fixed-term contract, according to which the contract would automatically terminate at a stipulated time or event. Employment with overtime that can be credited (depending on life situation) would be preferred by more people (39.82%) and 31.86% said their current job would predestine them to do so. Regular work in a place separate from the employer's premise, i.e. the topic of telecommuting, is already very divisive, depending on the nature of the work and the life situation. Currently, 10.71% work based on a daily working time (which means that attendance at work is mandatory for a certain period of time, but the rest of the working time can be flexibly determined). 25.89% believe that their current job would be suitable for this form. 39.29% would like to work this way, however, 24.11% disagree with this at all.

4.Table: Time of work (fact/plan) among employees (distribution)

	I am currently also working in this form	My current job would be suitable for this form	I would gladly work in this form	I would not like to work in this form
full-time	79.21%	9.90%	7.92%	2.97%
part-time	7.76%	37.07%	25.00%	30.17%
based on a weekly or monthly work schedule	0.93%	27.10%	24.30%	47.66%
in fixed-term employment	6.06%	7.07%	5.05%	81.82%
with employment with overtime that can be credited	11.50%	31.86%	39.82%	16.81%
with teleworking	3.70%	28.70%	39.81%	27.78%
with daily working time frame and definition of core time	10.71%	25.89%	39.29%	24.11%
with job sharing	6.60%	16.98%	26.42%	50.00%
under zero-hour contract	4.46%	25.00%	48.21%	22.32%

Source: Own results, 2021

Respondents 50% wouldn't like to work in job sharing, as part of which employees undertake that one of them always perform the job duties, they jointly take responsibility for doing the work and share the tasks, and 26.42% would like to try this schedule. 48.21% of employees would like to work under zero-hour contract, and 25% would consider their current job to be suitable for this, only 4.46% work in this form currently.

The managers' attitudes towards flexible employment are, in general, positive. 95.8% of the interviewed managers mentioned (5.Table) that full-time jobs are the most authoritative in their company, part-time employment is used by 85.4%, and only a third (33.3%) choose a monthly working time frame. Moreover, as can be seen from the table, fixed-term employment (70.8%) and telecommuting (68.8%) are also popular within the sector.

5.Table: Forms of employment employed in the company (distribution)

Distribution	Does not know it	Knows it, but does not use it	Knows it and uses it
full-time	2.10%	2.10%	95.80%
part-time	2.10%	12.50%	85.40%
based on a weekly or monthly working time	12.50%	54.20%	33.30%
in fixed-term employment	4.20%	25.00%	70.80%
with employment with overtime that can be credited	10.40%	33.30%	56.30%
with telecommuting	4.20%	27.10%	68.80%
with daily working time frame and definition of core time	14.60%	35.40%	50.00%
with job shifting	18.80%	50.00%	31.30%

Source: Own results, 2021

In the following table (6.Table), 50% of respondents indicated that telecommuting could be introduced at their company due to the experience of the pandemic. Regardless of the viral situation, 62.5% feel that employment with overtime that can be credited is feasible and 66.7% find fixed-term employment (e.g. in the case of temporary employment), almost 70% consider only full-time (68.8%) and part-time work with personal presence to be feasible depending on the task (72.9%), but do not consider these forms of employment feasible due to the experience of the pandemic.

6.Table: Jobs that could be potentially introduced into the life of the company and changes in attitudes as a result of the pandemic (distribution)

Distribution	I think that it could not be introduced	It could be introduced	It could be introduced based on the experience of the pandemic
full-time	4.20%	68.80%	27.10%
part-time	4.20%	72.90%	22.90%
weekly or monthly working time	16.70%	64.60%	18.80%
fixed-term employment	14.60%	66.70%	18.80%
employment with overtime that can be credited	16.70%	62.50%	20.80%
telecommuting	12.50%	37.50%	50.00%
with daily working time frame and definition of core time	16.70%	56.30%	27.10%
job shifting	31.30%	47.90%	20.80%

Source: Own results, 2021

Conclusion

The aim of this study is to demonstrate, through a Hungarian example, the receptiveness of Hungarian automotive industry to flexible forms of employment. In the questionnaire, I assessed the receptivity of companies to flexible working from the aspect of employers and employees. The positive attitude towards the question showed me that the respondents are interested in the topic, therefore I consider it a priority to provide further information to the companies interviewed. The survey confirmed that Hungarian enterprises are less bad in terms of awareness of flexible forms of employment than in terms of prevalence. Companies are typically familiar with more general forms of employment, they are only uncertain about new and innovative solutions (e.g. job sharing). The survey confirmed that employees are quite distrustful of flexible employment. Employees are most averse to fixed-term employment and job sharing, and in these cases are probably feel employment security is at stake. Employees persons involved in the research 79.21% are full-time employees. In their opinion, 37.7% of them thinks that their current job would be suitable for part-time employment, 25% of them would like to work in this form. Employment with overtime that can be credited (depending on life situation) would be preferred by more people (39.82%) and 31.86% said their current job would predestine them to do so. Regular work in a place separate from the employer's premise, i.e. the topic of telecommuting, is already very divisive, depending on the nature of the work and the life situation. COVID-19 significantly accelerated the process of digitization, which required innovative, adaptive and secure solutions from companies. The implementation of Industry 4.0, regardless of the pandemic, has been a significant challenge for companies. Industry 4.0, a special branch of digitalization, means the digitization and automation of the corporate environment, but the fear of change, lack of motivation, employee involvement and retention in the transformation have created obstacles for both managers and the workforce. During the pandemic, virtual presence proved to be the safest method. The positive attitude towards the question showed me that the respondents are interested in the topic, therefore I consider it a priority to provide further information to the companies interviewed.

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TRAVEL HABITS OF PEOPLE WITH DISABILITIES IN HUNGARY

Borbála Gondos

Abstract

The study of the travel pattern of people with disabilities, especially the study of the travel habits of people with reduced mobility, has become highlighted in recent years. In terms of statistics, it is not surprising, because today more than 1 billion people live with some kind of disabilities, the population of Earth is aging, more and more people are suffering from degenerative, joint diseases, their range of motion is also getting limited, mostly the seniors are seriously affected by these adverse changes. As a result of this, people with restricted movement, and seniors are often in need of the same infrastructure, more precisely, lifts or ramps are most commonly required. The World Tourism Organization (UNWTO) has also dealt with people with disabilities on several occasions, at conferences or also at the occasion of the World Tourism Day. The travel market segment of the future is easily predictable from the available numbers, and one of the figures calculated by UNWTO, also illustrates the future of accessibility, a much larger target group is possible to be reached and attracted than we might think for the first time. In case of Hungary, this field of tourism is interesting and a current issue, as the author's research goes to prove, there are only a few service providers who could fully satisfy the needs of guests with reduced mobility. Considering their special needs and paying attention to their customs if tourism, we can make use of all the market advantages of this potential market share of the industry.

Key words

people with reduced mobility, travel habits, accessible tourism, hospitality conditions

JEL Classification: J14, L83, Z32

Introduction

In Hungary, the study of touristic patterns, as well as the provided possibilities for people with disabilities, including those with moving difficulties, is a current but less discussed and analyzed field of interest. Until the change of the political regime in Hungary, the existence of people with disability was a taboo topic, so it is not surprising that most of the people know little about them and many are even afraid of them, they rather avoid them because they are “different”. With my dissertation and research, an aim of mine is to draw the attention of tourism to this special target group and to the fact that they are just as valuable members of the society as anybody else, they have the same needs and rights as anyone else, and one of these rights is their access to touristic offers. Adequate infrastructure for people with reduced mobility, such as ramps, elevators, low-floor vehicles are essential to get out of the buildings. As we will see later, this type of infrastructure provides extra facilities for a wider target group of people such as the elderly ones, families with small children using prams, because they require the same designs, making accessibility and consequently accessible tourism a much larger target group [UNWTO (2016)].

Today, more than 1 billion people have some kind of disability and their numbers is growing in the forthcoming years, also due to the rising average life expectancy. The average number of people over the age of 60, who, in many cases, belong to the group of people with disabilities, also shows an increasing tendency, also due to the increasing average age [UNWTO Accessible tourism: <http://ethics.unwto.org/en/content/accessible-tourism>].

The increase in the average age of the world's population, motorization (accidents) also contribute to the fact that more and more people belong to the disabled segment, so my research is current, but also unique, as there are only a few publications and researches on this topic in Hungary (foreign literature and survey more). The aim of the study is to present the author's research conducted in 2018 on the travel habits of people with reduced mobility.

Nowadays the following definition of people with disabilities exists in Hungary: *"Disabled person: any person who permanently experiences sensory, communication, physical, mental, psycho-social impairment or any accumulation thereof, which interferes with or hinders effective and equal participation in society in response to environmental, social and other significant barriers."* [1998. évi XXVI. tv. a fogyatékos személyek jogairól és az esélyegyenlőségük biztosáról] [Gondos (2019)].

Within the group of people with disabilities, the definition of people with reduced mobility (target group of my research) is the following: *"permanent damage to the organs of the active (musculoskeletal) and passive (joints and skeletal) systems may lead to reduced ability to move and manipulate, and may result in disability"* [Kemény (2009, 36)] [Gondos (2019)].

Material and Methods

In the following, I briefly describe the number of people with reduced mobility, I present accessible tourism and its beneficiaries, and the main findings of my own research on the topic.

Results and Debate

Number of people with disabilities in Hungary

According to the 2011 census, 490.578 people live with some kind of disability in Hungary, which is nearly 5% of the Hungarian population. According to estimates by experts based on international research, their number is over 1 million, as there are many people with long-term health problems (1.6 million). Nearly half of the people with disabilities have reduced mobility [KSH (2015)].

The Microcensus survey conducted in 2016 found that 408.000 people (4.3%) declared that they had some disability, which means that the number of people with disabilities dropped significantly between 2001 and 2016. The decrease may be the result of the reorganization of the social welfare system, e.g. termination of disability pension, changed eligibility conditions of care system, condition improvement, advancement of medical procedures. The number of visually impaired, hearing impaired, intellectually disabled people and persons with severely impaired internal organs also decreased by 13-17% [KSH (2018)], [Gondos (2019)].

Accessible tourism and the beneficiaries of accessible tourism

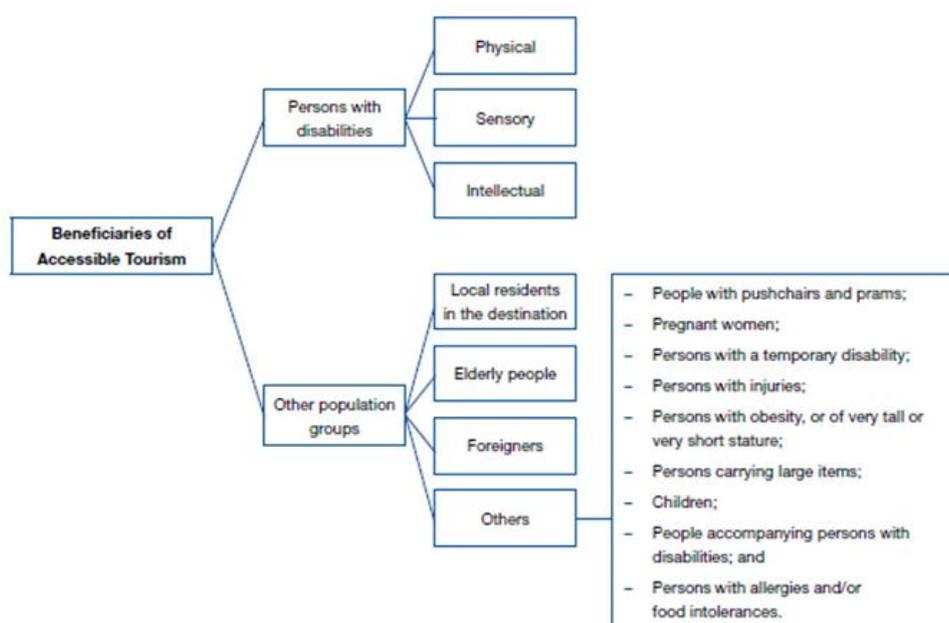
The target group of accessible tourism is not only disabled persons, but all the people with temporary or permanent constraints. Let it be an age-related challenge, such as age-related reduced mobility, or the necessity of wearing strong dioptric glasses because of eye damage or even using a pram [Gondos-Nárai (2019) Mariš (2014); Timonen et al. (2018)].

It is necessary to have access to attractions and programs in order to spend quality time on one's holiday, especially for people with disabilities. Appropriate infrastructure, transport, attractions, services and leisure facilities and personalized services, such as special guided tours, are essential. In order to see an attraction or to participate in a program, it is necessary to

have the right information and access to it; the preparedness of those working in tourism industry, and the attitude towards the segment all matter [Az „Akadálymentes turizmus mindenkinek” ökonómiai impulzusai, online, (n.y.)].

A study of UNWTO made in 2016 [UNWTO, Manual on Accessible Tourism for All: Principles, Tools and Best Practices Module I: Accessible Tourism – Definition and Context, online, (2016)] also deals with the benefits of accessible tourism. In the research people with disabilities are dominant but not exclusive actors. In the chart "The beneficiaries of accessible tourism", a number of other groups are identified. Besides the elderly who seems to be evident, those with strollers, or those with temporary injuries, the diagram also shows people who are obese, short or tall, or people carrying large items. It also includes people with allergies and/or food intolerances, which group nowadays is an increasing proportion of the population (Figure no. 1) [Gondos (2019)].

Figure 1.: The beneficiaries of accessible tourism



Source: UNWTO (2016): Manual on Accessible Tourism...page 36.

The figure no. 1. summarizes representatively why accessible design is important, whom it concerns, and who can benefit from it. It can also be seen that actually anyone can be considered a potential target market, thus the revenue of a given country can grow by segments. We need further research on accessibility and people with disabilities to make even more visible the need for joint management of these areas [Gondos 2019)].

Result of own research

I chose the questionnaire as a research method. The survey of tourism service providers took place from 26th April to 15th June 2018, while the survey of people with reduced mobility took place from 1st October to 5th November 2018.

In the questionnaire for the supply side, I asked questions on eight topics, such as the hotel / restaurant accessibility, guests with reduced mobility, services for disabled guests, good examples (in Hungary and abroad), preparedness and attitude, quality of life and hotel / restaurant statistics question block. The questionnaire for the members of the Association of Hungarian Hotels and Restaurants (MSZÉSZ) was prepared online via g-mail. Despite multiple

submissions, only 57 completed questionnaires were received, with 7.6% of members answering the questions. The questionnaire included a total of 61 questions, of which 46 were closed and 15 were open-ended, including attitude and scale questions.

In the questionnaire for the demand side, I covered eight topics with my questions, such as MEOSZ membership, accessibility, travel, serving guests with reduced mobility, preparedness and attitude, quality of life, person (e.g. socio-demographic data). The questionnaire for the members of the National Federation of Organisations of People with a Physical Disability (MEOSZ) was prepared online via g-mail. The questionnaire contained a total of 74 questions, of which 55 were closed and 19 were open-ended, including attitude and scale questions. In the first round, the questionnaire sent to the members of the National Federation of Organisations of People with a Physical Disability (MEOSZ) was filled in by a total of 138 people after being sent out to the general public.

During the examination of the supply side, I assessed whether they have guests with reduced mobility and whether they have domestic and / or foreign guests. The majority of the respondents (80.7 %) have a proportion of guests with reduced mobility below 1%, less than a tenth of the accommodation establishments have a proportion of 1-2% (8.8%), so it can be stated that they meet few guests with reduced mobility, their experience may also be little about this target group. Three accommodations have no disabled guests at all. On the other hand, almost half of the accommodation establishments (43.9%) reported that they have returning guests with reduced mobility, which means mostly 1-2 people and 3-5 people, respectively. Mainly due to the attitude of the staff (35.1%) and the services (31.6%) the guests like to go back to the given accommodation. More than half of the respondents (59.6%) consider that people with reduced mobility like to travel, if not, they mentioned due to the lack of infrastructural conditions (31.6%), limited financial opportunities (15.8%) and leisure / lack of entertainment opportunities (12.3%). According to the respondents, the following conditions are necessary for more people with reduced mobility to travel: more accessible providers, accessibility at the municipality level, infrastructure development, financial condition and motivation, state support, promotion, appropriate offers and information, segment acceptance, more accessibility rules introduction. One service provider wrote that “there is no special preparation” which, in my opinion, is appropriate if the design and development is done for everyone and not for a target group, i.e. the practice of universal design is realized. This approach works for several countries (universal design, design for all), in my experience, unfortunately, it still takes years or even decades for us to have the same way of thinking. Of course, they have special, unique needs in addition to empathy not being enough in itself, we also need adequate knowledge and skills, about which, we are unfortunately also lagging behind other Western European countries.

Table 1 shows the travel habits of guests with reduced mobility based on the experience of the accommodation. Nearly half of the respondents have domestic and foreign guests, typically guests with reduced mobility come with their families, mainly travel by car, spend 1–3 nights in the given accommodation and spend between 10 and 20 thousand Hungarian forints (day / person).

Table 1.: Travel habits of people with reduced mobility for that hotel

Question	Response of the members of MSZÉSZ
Where do your disabled guests travel to?	abroad and inland (45,6%) inland (28,1%) abroad (19,3%) has no disabled guest (5,3%)
Who do your disabled guests come with?	family (77,2%), accompanying (43,9%) friends (26,3%)
What do they travel by?	car (77,2%) airplane (21,1%)
What is the average length of stay of your disabled guests?	1–3 nights (78,9%)
How much do your disabled guests spend (HUF / person / day)?	10.001–15.000 HUF (26,3%) 15.001–20.000 HUF (24,6%)

Source: own editing

An important part of my survey was mapping and getting to know the travel habits of people with disabilities. When asked if they like to travel, the vast majority of respondents (79.7%) answered yes. Those who do not like travelling (20.3%) gave different explanations for their choice (several answers could be given): firstly due to limited financial resources, secondly due to lack of infrastructure conditions, and thirdly due to lack of help.

In the tourism sector, a quarter of the respondents lack accommodation / restaurants, 12.0% do not have entertainment / recreation opportunities, and 12.0% also do not travel due to inappropriate attitude and service, so adding these values, almost half of the respondents stay away from the travelling due to the inadequate preparation and attitude of the sector. From the answers above, it is clearly understandable that most of them are not able to get involved in tourism due to financial and infrastructural reasons or their condition.

In order to travel, three conditions are necessary from the demand side: motivation, leisure, discretionary income, any of the three parts missing, travel is not likely to happen. [Lengyel (2004)]. The answers show that the motivation for travel would also be leisure time spending, because in the other category, no one mentioned the lack of it, but the discretionary i.e. free disposable income, no longer exists, which is coupled with the general and tourist infrastructure on the supply side and lack of suprastructure. Therefore, in order to increase the number of people with reduced mobility, it is essential to promote an adequate level of income and travel allowances, as well as to develop infrastructure. It is pertinent to analyze the conditions respondents consider necessary for a greater number of people with reduced mobility to travel. The following factors were mentioned by the participants in the research: “accessibility in the head”, physical accessibility (infrastructure, means of transport, tourism service providers), acceptance of the segment, tolerance, involvement of stakeholders in the implementation of tourism services, appropriate information about service providers (e.g. photos), staff training, the existence of material conditions.

For further analysis, it is important to emphasize that they also filled in the section on travel habits (almost 10%) mentioned that they do not like travelling. From these answers, I draw the following conclusion: if a person travels for medical treatment or e.g. visiting a

relative, he does not like travelling because of the above-mentioned shortcomings, but because of his lifestyle. It is an important activity and if the missing conditions improved, he would probably answer yes whether he likes travelling or not. As the questions on travel habits were not mandatory, the number of answers to each question also varied. The travel habits and characteristics of people with reduced mobility are illustrated in Table 2.

Table 2.: Travel habits of people with reduced mobility by respondents (%)

Question	Response of people with reduced mobility
Where do you travel?	inland (63,8%) abroad and inland (24,6%) abroad (1,4%)
Who do you come with?	family, member of family (72,4%) friends (35,8%) members of association (30,9%) people with reduced mobility (24,4%)
What do you travel by?	car (83,2%) bus (40,8%) train(36,8%)
What is your average length of your stay?	1-3 nights (58,0%) few hours (32,6%)
How much do you spend (HUF / person / stay)?	0–5000 HUF (30,4%) 5001–10.000 HUF (20,3%) over 25.000 HUF (13,8%)
If you like to travel to another city or country, how often do you travel / use services?	every half a year (24,6%) annually (20,3%) monthly (17,4%)
How many people travel together most of the time?	2-3 persons(29,0%) accompanying (24,6%) more than 6 persons (15,2%)
What kind of accommodation do you usually use?	hotel (52,5%) apartment (39,3%) friends and relatives (36,1%)
What purpose do you usually travel for?	VFR (42,8%) waterfront vacation (37,0%) city breaks (37,0%) events, festivals (37,0%) treatment (37,0%) conference (20,3%)
Do you usually travel individually or in groups (organized e.g. by a travel agency)?	individual (38,4%) friend and relatives (18,8%) individual and travel agency (18,1%) association (10,9%)
Who organizes your trips?	individual (65,9%) association (27,5%) family (25,4%)
Where do you get the information for your trip?	internet (68,1%) friend and relatives (55,8%) brochure (13,8%) travel agency (7,2%)

Source: own editing

As Table 2 goes to say, interviewed people with reduced mobility mostly like travelling domestically, doing so with family, friends and primarily by car. Buses and trains are often not accessible, even in case of pre-announced trips, difficulties can occur. The safest solution for them seems to travel in their own car. They mostly travel every sixth month and usually for a shorter period of time, say, 1-3 nights. Most people choose hotel accommodation, they travel with accompanying to ease their journey, as well as to get to restaurants and other attractions. They are also willing to choose individual trips organized by themselves and most of them uses the internet for information and booking, too.

A summary table of a 2011 survey also supports the results of my research (last row of Table 2), it shows that the Internet, opinions of friends and acquaintances, travel agency, previous experience, magazines, organizations representing people with disabilities, television and radio were the dominant sources of information, while in the research conducted in the early 2000s, the opinions of friends and acquaintances were important in the first place, followed by the internet, travel book, travel agency (Var et al. 2011).

Comparison of travel habits on the demand and supply side

As in former publication [Gondos (2019)] has showed regarding the question “Who do people with disabilities travel with?”, the answers on both sides are very similar, firstly with family, followed by friends and acquaintances (assistant, which is insignificant for people with disabilities). Associations / organizations are also important in addition to travelling with peers.

In terms of means of travelling the first place is taken by passenger cars, the second is airplanes for accommodation side, the second is buses for people with reduced mobility, and the third is trains. Regarding the average length of stay, the answers were the same, and they usually stay 1-3 nights during their trips.

In terms of spending money, there is a significant difference in the opinions of the two sides, as accommodation side shows that there is no difference in spending for non-disabled guests and those with reduced mobility, which means between 10.001-15.000 HUF and 15.001-20.000 HUF. The answers from people with reduced mobility show that they spend less per day, which is mostly between 0-5.000 HUF or between 5001-10.000 HUF and above 25.000 HUF. The reason for the low level of spending may be that many people with disabilities stay away from their permanent residences only for a few hours and do not use accommodation, so they do not appear in the accommodation sector.

About half of the accommodation side have regular disabled guests who want to return mainly because of staff attitude and services. Most people with disabilities were able to name the location / service provider where they would like to return to, the highlighted reasons are accessibility, location of the service providers, staff attitude and services, and the equipment of the locations. It shows that staff attitude is important and decisive on both sides.

The statement „Most people with reduced mobility do not travel because there are few service providers that can adequately satisfy their special needs” accommodation side rated at an average of 2.81 and those with disabilities rated at an average of 2.93 [Gondos (2019)].

Conclusion

The study briefly presented definitions of disability and reduced mobility, statistics about them, the importance of accessible tourism and accessibility and own research findings.

As we have seen, people with reduced mobility like to travel, the right infrastructure, the right attitude and helpfulness of the staff are essential for them. They usually travel with accompanying and they are even willing to spend more on a trip, so we can talk about a solvent segment. In several cases, the experience of the accommodation establishments on the travel habits of the disabled compared to the opinion of the surveyed segment. They love travelling

where they felt comfortable, returning because of the helpfulness and attitude of the services and staff. They primarily travel with family and friends, they prefer domestic journeys, car is their prime means of transport. In terms of spending, people with reduced mobility marked the lower category (between HUF 5,000 and 10,000), while accommodation establishments ranged between HUF 10,000 and 20,000 according to their experience.

Accessible tourism is important for everyone, and it is in the interest of tourism providers to win a market that is much larger than we might think at first, so it is worth doing more research on the subject, even among other segments of people with disabilities.

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