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Pannon Management Review

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ZOLTÁN VERES

**EDITORIAL:
CSR UNDERTAKEN FOR SOLVING SOCIAL
ISSUES IS NOT MERELY A SELF-SACRIFYING ACT,
BUT ADAPTATION TO RULES AS WELL**

Dear Reader,

You are holding in your hand the first issue of the Pannon Management Review in 2015. In this issue our idea is to give you an insight into the nonbusiness – i.e. not directly for-profit – dimension of the economy and the corporate world. It is equally a hot topic in the management science and in the practice. We can realize it if we think of the indispensably active partnership between forprofit and non-profit sectors, which is so painfully prematurated – if not missing – in Hungary.

In nonbusiness activities organizations operating on both profit oriented or nonbusiness base take part in promoting and solving such issues and problems that will not necessarily contribute to their short term success, yet these issues are overtaken by the organisations for some reason. Organisations donating can be of not-for profit or for-profit profile; even the state itself can donate and sponsoring as well, can be present elsewhere than the profit oriented sector. Corporate social responsibility has become recently a challenge for every existing organization, regardless of sectors; what is more: it has become an obligation. Non-governmental organisations (NGOs) are compelled to protect the environment, considering sustainable development just the same as the GOs or the for-profit companies. Because of the overlap in interpretations the choice of approaches is rather wide.

Nonbusiness activities can be called „support”, yet these serve social goals as well, thus overlap the notion of CSR. Intersectorial nonbusiness activities manifest how the organisations are socially embedded: as in quote: „...economic institutions are not coming to existence, in a form automatically dictated by external conditions, they are rather formed under societal influences” (Granovetter-Schwedberg 1992, 25-26). The failure of welfare state raises the questions of organisational responsibility in solving societal issues.

If we accept that the focus of CSR are the environmental protection and answering the needs of all stakeholders, then „green marketing” can be regarded as the pre-history of CSR.

The aim of this early movement was the responsibility undertaken for the environment. Providing for the environment, taking the responsibility. That is the starting point for CSR as well. In our view, however, CSR is an extended organisational strategy, where responsibility has broader interpretation than natural environmental protection only; organisations handle each environmental factor as the possible scene for increasing social welfare. Thus, employees in the organisation or stakeholders are environmental factors alike. CSR is an area where undertaking responsibility for everything that serves social welfare takes the dominant role.

Nonbusiness activities, as a result of an evolution, have become independent. Earlier non-business activities aimed at helping individuals and groups altruistically (volunteering, donation). These activities slowly have been entwined with business purposes (e.g. sponsoring). Nowadays we return to the nonbusiness activities - that serve business interests only indirectly and derive from a rather different goal, - namely from the answers given to challenge the global responsibility of the future of society poses.

This is not true for each and every case that these activities have no business purpose. To the contrary, even CSR is an activity that aims at answering societal expectations, thus, on long-term wishes to gain a better judgement of organisations. Companies do more and more in order to stress their role in society and their influence on it, while they strive to maximalize the value of corporate contribution in favour of society.

Corporate Social Responsibility (CSR) as a term has gained currency in the last few decades. Today, with the advent of a concept called “globalization” interconnectedness has crept in every institution existent in the society. The result is a change in perspective of corporate institutions. Every organization today becomes responsible for the action that it accomplishes which affects society directly or indirectly. However, questions have been raised about genetically what responsibility does a corporate have? Is it doing something beyond what it is required to do for society? Is it doing for society or for itself? Will Corporate Social Responsibility be a sustainable model for corporates’ long term existence (see at Dasgupta 2013)?

The second part of the term is to understand the “social responsibility” aspect of Corporate Social Responsibility. Bowen (1953, 6) viewed social responsibility as “it (SR) refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society”. Supporting Bowen partially, another veteran scholar, McGuire (1963, 144) stated “the idea of social responsibility supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations.” Again, Walton (1967, 18) defines social responsibility as “in short, the new concept of social responsibility recognizes the intimacy of the relationships between the corporation and the

society and realizes that such relationships must be kept in mind by top managers as the corporation and the related groups pursue their respective goals". This definition of Walton indicates the interconnected nature of social responsibility that the corporate must undertake for their benefit and for the benefit of society at large.

Finally "Corporate Social Responsibility" has been perceived and defined by many scholars in a variety of ways. Theodor Levitt (1958) argued, "Corporate welfare makes good sense if it makes good economic sense and not infrequently it does. But if something does not make economic sense, sentiment or idealism ought not to let it in the door". However, there were other scholars who felt that economic responsibility should not be the point of emphasis in Corporate Social Responsibility. One such scholar, Davis (1960) referred to Corporate Social Responsibility as "businessman's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interests". This line seems to be interesting, especially with the words, "at least partially". This line suggests that if only there are some partial diversions of activities beyond the economic interest of the firm, then it should be considered as the firm's Corporate Social Responsibility. Keeping all critiques into consideration, Carroll and his colleague Schwartz (2003) developed a Venn diagram which consisted of three dimensions (see Figure), where

Economic responsibility: Corporate should function as an economic institution by producing and selling goods to society at fair prices which the society feels to be its true value.

Legal responsibility: These are codified ethics. Fair practice of business as developed by the lawmakers of society needs to be adhered to.

Ethical responsibility: Beyond the legal boundary, there are activities and practices which are either expected by society or prohibited by societal norms, values, standards, expectations that stakeholders consider as just, fair and consistent with their moral rights.

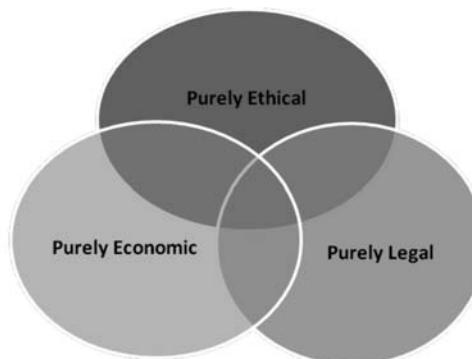


Figure. Carroll's Venn Diagram Model (Schwartz – Carroll, 2003)

Global challenges and the economic crisis created such circumstances which impose new challenges on corporations as well. Companies apart from donating and sponsoring for social purposes, even undertaking certain issues, should show responsible behaviour with regards to individuals and the protection of the environment. And all this have to be put into practice while the company remains profitable. Motivations of social responsibility are different than those of donating.

Corporate social responsibility sends the message to society that the organisation takes the responsibility in favour of societal goals. Therefore CSR means responsibility, sensibility, discern taken in social problems, a desire to act in solving those problems, correspondence to the environment, employees and consumers. CSR undertaken for solving social issues is not merely a self-sacrifying act, but adaptation to rules as well. Defining CSR is a subject of debates; as on one hand, it is foregoing profit in order to ease social problems. On the other hand it is corresponding to certain requirements that serve long-term advantages, thus holding out promises of profit as well.

...the concept according to which enterprises voluntarily try to integrate social and environmental issues into their business operation and into their interactions with stakeholders (European Commission, 2001)

According to the above normative from EU, CSR is an overall organisational behaviour and, though it is partly adherence to rules as well, still, it is a self-undertaken social responsibility.

The literature review has indicated that economic responsibility should be the primary goal of a corporate. Based on findings from in-depth interviews conducted in different countries (see e.g. Dasgupta 2013) managers had been of the opinion that Corporate Social Responsibility helped in the economic sustainability of a company in the long run. Although the benefits from Corporate Social Responsibility may not be evident in the short term profitability of the company, the long term profitable sustainability is something they would have to look out for. It is controversial though what different organisations mean by CSR. A research looking into the online CSR communication of top-200 Hungarian companies revealed that corporate CSR missions have no set structures, different organisations communicate different contents. Charity is very frequent, just as protection of women, health and safety are also preferred topics of this kind of communication (Pataki–Szántó 2011, 8).

Consultants' experiences on the Central European CSR are remarkable. While there are certain advantages of CSR, such as growth of profitability, employees' stronger bonds with corporations, improvement of stakeholder relationships, increase of perceived brand equity,

improvement of adaptation competency etc. (as listed in the coursebooks), there are such motivating factors in our direct geographical environment as

headoffice expectations,
bottom-line (employee) initiations,
demonstration effect,
managers' desires for promotion,
utilization of PR opportunities and
political considerations (Radácsi 2011, 30–34.)

If the picture seems not entirely clear yet, that can have more reasons to explain with. The development chain of volunteering-donating-sponsoring-CRM-CSR is non-linear. Let us note that this global game has not been over yet, either. *The question is if the dominant goal is the setting-up of an advantageous make-believe or the realized common interest* (Hetesí-Veres 2013).

In this issue a paper on how to adapt to climate change, a study on the role of social media in knowledge sharing, an interview with a successful cultural manager, and a scientific work from the service management area have been selected.

The article of Ágnes Raffay, Miha Lesjak, Peter Wiltshier and Alan Clarke under the title of *Combatting climate change: understanding the role of sustainable decision making* - following a critical review of the literature - demonstrates the need for communities to be empowered through greater involvement in decision making, based on greater knowledge and a sense of responsibility for future developments.

The next paper titled *Social media in organizations: leveraging knowledge sharing* written by Nóra Obermayer-Kovács and Anthony Wensley analyses the results of a research which was conducted in Hungary, applying an online, web-based questionnaire. The survey supports the investigation of how social media technologies are being used for knowledge sharing during work and examines the characteristics of the different generations using these tools by exploring willingness of employees to participate in knowledge sharing.

In this issue we present an interview with István Márta, managing director of the Zsolnay Heritage Management Nonprofit Ltd. and chairman of the Hungarian Festival Association. It is really interesting to hear the opinion of a man of arts about challenges of non-profit management in Hungary. The story of his successful career serves to the reader for an extraordinary example on the value of a creative and unconventional managerial approach.

Finally in the paper of Petra Gyurácz-Németh on *The role of process standardisation and customisation in hotel management* the following questions are answered:

- How can the level of standardisation and customisation be measured?

- Is there any relationship between standardisation and customisation or are they independent from each other so hotel managers have to choose?
- What kind of performance indicators are there in hotels? How their relations look like?
- Do standardisation and customisation help hotels increase their performance?

Well, fasten your seat belt, Dear Reader, and enjoy the ideas discussed by the authors in this issue.

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ÁGNES RAFFAY, MIHA LESJAK, PETER WILTSIER, & ALAN CLARKE

COMBATTING CLIMATE CHANGE: UNDERSTANDING THE ROLE OF SUSTAINABLE DECISION MAKING

Climate change has been capturing the headlines as the changes continue to be manifest and show worsening conditions affecting our planet. For tourism this has also become a major concern as the contributions made to climate change by the tourism industries has been highlighted. We have been part of a project in the Faculty of Business and Economics to consider how the challenges of climate change can be addressed. This present article has therefore been published in the frame of the project TÁMOP-4.2.2.A-11/1/KONV-2012-0064. The project is realized with the support of the European Union, with the co-funding of the European Social Fund. The Department of Tourism at the University of Pannonia has long been committed to the principles of sustainability and in this article we attempt to adopt the lessons which have been developed in the area of sustainability to the challenges of combatting climate change. We have observed that there has been a tendency for the climate change literature and the sustainability literature to create and operate within two distinct spheres. This article is an attempt, with our international partners from the United Kingdom and Slovenia, to identify good practices that have been developed within the sustainability sphere and bring them into play in the governance of communities concerned with combatting climate change.

Following a critical review of the literature, we consider three mechanisms that we believe have value in building better approaches to planning, community building, empowerment and sharing responsibility. These include a decision making tool, the use of the sustainability wheel and the integrated sustainability community planning approach. They demonstrate the need for communities to be empowered through greater involvement in decision making, based on greater knowledge and a sense of responsibility for future developments. Governance can no longer be based on conventional planning approaches alone, the expertise of the planner must be extended by and through the involvement of the communities. Therefore these three processes share a commitment to inclusivity and a holistic approach for exploring, examining and easing emergent issues surrounding climate change.

Sustainable decision making

Concepts related to sustainable development have influenced planning and management for over a century. As early as 1909, the Canadian Commission for Conservation was established to examine resource conservation and urban environmental issues (McCarthy et al. 2006). Key conceptual developments in the 1970s and 1980s include environmental management and assessment (UNEP 1972), limiting growth (Meadows et al. 1972), the emergence of the notion of “appropriate technology” (i.e. technology that is small-scale, decentralised, energy efficient, ecologically sensitive, and locally controlled; Schumacher 1973), and conservation of resources (IUCN 1980). However, it was not until publication of *Our Common Future* that sustainable development became a primary concern for policy-makers (WCED, 1987, p.8). Despite recent debates over the meaning of the term “sustainability”, a consensus has emerged that suggests that sustainability “must aim to foster and preserve socio-ecological systems . . . that are dynamic and adaptable, satisfying, resilient, and therefore durable” (Gibson, 2006a, p. 173).

Much of the sustainability planning undertaken in an international context is influenced by protocols developed by Agenda 21 of the Rio Declaration on Sustainable Development. Of particular interest is Chapter 8, which deals with integrating environment and development within decision-making through the establishment of policies that reflect a long-term perspective and facilitate cross-sectoral approaches (UNEP, 1992, p. 65). The Declaration also argues that responsibility for these developments should fall to the lowest level of public authority, which is known as the principle of subsidiarity (UNEP, 1992, p. 66). The Declaration supports adaptive and integrated strategies that consider multiple goals while maintaining flexibility for adjusting to emerging issues that threaten sustainability.

The emergence of collaborative processes designed to harness multiple perspectives across sectors (Innes 1996, Healey 1998, Healey 2004) and the promotion of local action has benefitted from the “communicative turn” in municipal planning (Tewdwr-Jones – Allmendinger 1998). Indeed, many countries have adopted more inclusive approaches to sustainability that are conducive to achieving local objectives (Bagheri – Hjorth 2007, Partidário et al. 2009). We believe collaborative planning theory, with its focus on integration, multiple perspectives, and inclusivity, can support sustainability. By incorporating many of the concepts proposed within Agenda 21 and by promoting a collaborative planning approach, it is possible to look toward a deeper understanding of sustainable development.

A holistic sustainability assessment should include economic, environmental and social aspects on different impact levels ranging from the material or site-specific level to the system

level via the local semi-regional or the so-called narrow life-cycle level. An important question in such an analysis is how different aspects and different levels should be assessed and valued (Hansson 2010, Edvardsson Björnberg – Hansson 2011). Often at the local level great efforts are made on local-scale risk assessment while social and larger-scale environmental impacts are regarded as abstract, hard to estimate in relation to the impacts and therefore often omitted (Johansson 2008, Glaas et al. 2010).

On the international and national political agenda, sustainability is usually assessed using tools developed including carbon foot print analyses (PAS 2050 2008), life-cycle assessment (LCA) (ISO 14040 2006) and integrated assessments such as the Regional Air Pollution Information and Simulations (RAINS) and the Greenhouse gas and Air pollution Interaction and Synergies models (GAINS) (IIASA 2012). There is a tendency to consider site-specific and local aspects in those methods. Applying these methods can be a time-consuming exercise and even for large investments the integration of environmental aspects in the decision making can be problematic (Johansson 2008, Suer et al. 2009). Land-use changes, such as physical climate-change adaption measures may encompass large-scale, costly, long-lasting investments that may increase the risk of maladaptation and they require assessment of long term impacts and potential risks through their life time (Birkmann 2006, Schuster - Highland 2006, Barnett – O'Neill 2010). For example erosion-prevention measures may cause erosion elsewhere, and a measure to reduce climate-change-induced risks may contribute to increased emissions of greenhouse gases, thereby counteracting the cause, and disproportionately increase burdens for already vulnerable people or high economic, social and environmental costs (Barnett – O'Neill 2010).

The Decision Process Support Tool

The aim of the decision process support tool development (Andersson-Sköld et al 2014) was to provide a checklist and a methodology to promote discussions in order to facilitate the identification and compilation of potential climate-change measures, such as exploitation and remediation activities and their consequences. The tool was further developed to be used as a discussion basis, to show weak points, knowledge gaps and uncertainties, and to visualise trends. In addition, it should contribute to a more transparent decision process and increase the traceability of the reasoning behind the decisions taken. The aim is further to include environmental perspectives from local and regional perspectives up to global scale and to identify and illuminate social and economic impacts of potential planning strategies or climate-change adaptation measures, thereby contributing to the evaluation of which is the

most sustainable strategy including economic, environmental and social aspects from short- and long-term perspectives.

In order to make the tool applicable, it must fit with existing decision processes such as those used in spatial planning and other processes similar to the climate-change adaptation process such as risk and vulnerability analyses. The goal therefore was to adapt to a structure that follows a classic vulnerability analysis, i.e. to include the following steps (Brooks 2003, Füssel - Klein 2006): risk identification; risk assessment; risk valuation and suggestion of measures. The result of such an analysis should then be the basis for decisions, the implementation of measures and consequently include further steps than in the most common risk and vulnerability analyses (Brooks 2003, Füssel - Klein 2006, European Commission 2009).

The tool should be used to encourage both experts and civil servants to make estimates in order to:

- (a) develop insight into the consequences and sustainability of the alternative measures,
- (b) make the background to the estimate structured and encourage transparency,
- (c) find important but weak points that need to be further assessed to find a robust decision basis and
- (d) provide a decision basis covering the sustainability aspects as defined by UN (WCED,1987), also taking into account the long-term perspective.

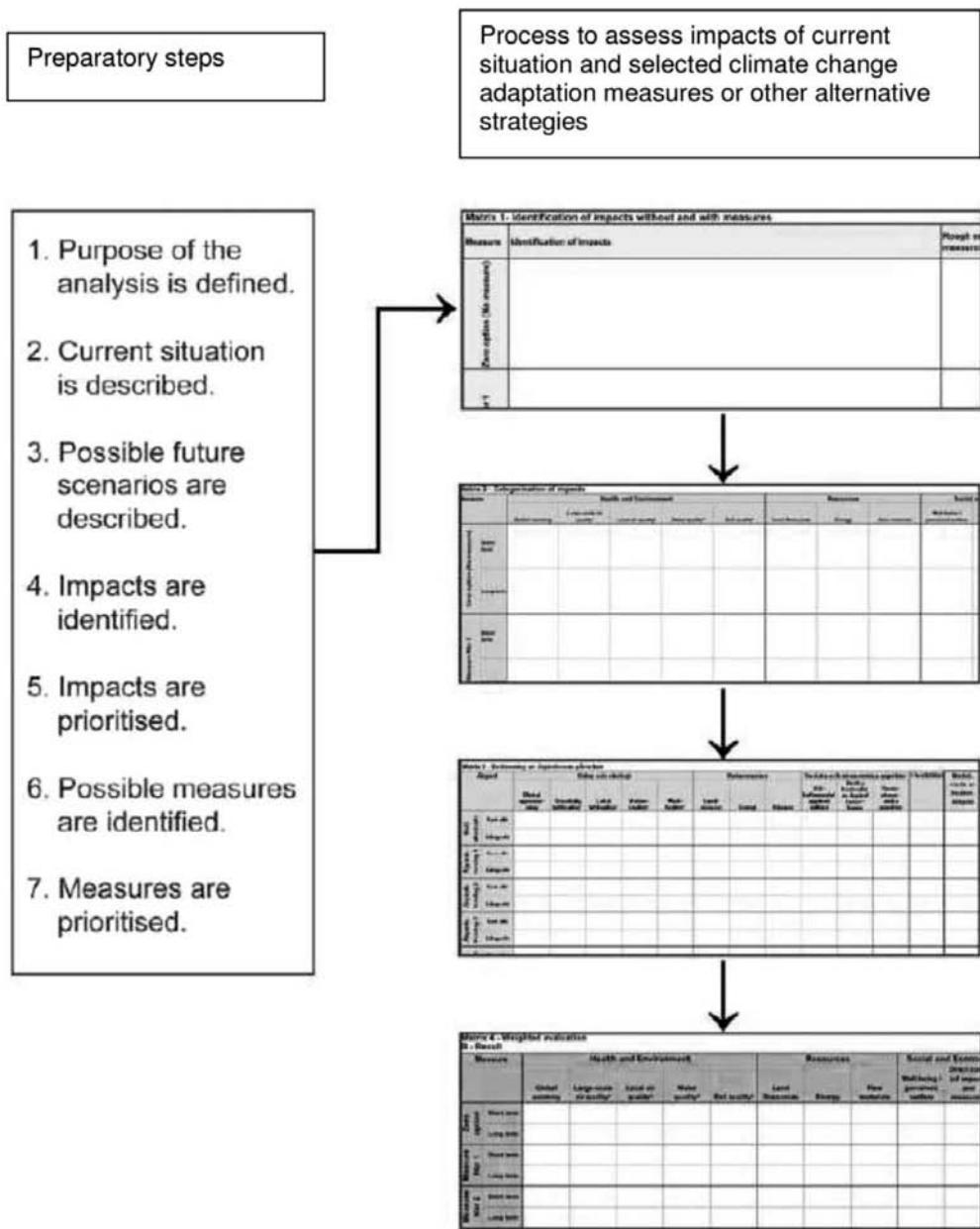


Figure 1. A decision process support tool (from Andersson-Sköld, 2011).

Results of tool application on climate-change adaptation

Andersson-Sköld et al (2014) demonstrated that using the tool encouraged brainstorming activities. The aim was to summarise the consequences of the current situation in the event of flooding, identify potential measures that could be taken to reduce the negative consequences (and/or the probability of the event) and to identify consequences (pros and cons) of the suggested measures.

In their example from Linköping the information regarding the situation (today and in a future climate) was provided by the municipality. Examples of consequences of the current situation in the event of flooding included flooded buildings, reduced or stopped activities of important objects such as the water and sewage system, telecom, heating plant, waste disposal plant, rail, roads and streets, cultural and natural values, due to direct consequences or due to power cuts and secondary natural accidents such as landslides. During the meeting both physical and non-physical measures were suggested. Among the physical measures suggested were to investigate reserve power in the municipal waste water treatment plant, embankment of the sewage plant and to make a dike with garbage and plastic at the combined heating and waste disposal plant. Initially all measures mentioned were physical, while by the end of the meeting also risk investigations and risk mapping were presented as well as activities to increase the awareness including information, education and communication with land owners. Some of the suggested measures were at once regarded as too expensive and complicated for further considerations. These included moving the sewage treatment plant and the heating/waste disposal plant to higher locations.

For all suggested measures the pros and cons were identified and the brainstorm results were summarised. During this first meeting also the first attempts to start describing and assessing the impacts of the alternatives were initiated. This step was thereafter done by the research team and at the second meeting the qualitative descriptions and the assessments were updated and finally agreed upon. The use of the tool encourages discussion, and that the systematic view of sustainability increased awareness of the holistic perspective. The main identified negative impacts of the institutional measures were that they were time consuming (municipal officials have very limited available time), may lie outside the mandate of local administrators (e.g. may require national political decisions) and may require organisational changes.

In another case, the test of the tool was done late in an ongoing risk analysis and planning process and therefore most of the impacts were based on previous and ongoing investigations. However the results from the investigations could be included in the matrix. The use of the

tool therefore was that the completed matrixes summarised those results and could visualise the impacts of the different alternatives by the colours symbolising the grading.

This research draws on Gibson's synthesis of arguments drawn from the sustainability literature, practical experience and integrates considerations from ecological systems theory, corporate greening initiatives, growth management planning, civil society advocacy, ecological economics, community development and a host of other fields. (Gibson 2005, p. 95) Indeed, the book *Sustainability Assessment* (Gibson 2005) and related journal articles (Gibson 2006a, 2006b) are among the most cited sustainability works.

Three of Gibson's principles (livelihood sufficiency and opportunity, equity, and socio-ecological civility) capture socially oriented characteristics such as social inclusion and collaborative decision-making, while the remaining four principles (precaution and adaptation, resource maintenance and efficiency, socio-ecological integrity, and immediate and long-term integration) represent more traditional ideas relating to sustainability. Of these principles, socio-ecological civility and long-term integration have seen international exposure within frameworks focused on planning for sustainability (Morrison-Saunders and Therivel 2006, Pope 2006, Bagheri - Hjorth 2007, Partidário et al. 2009). In Europe, it has been argued that sustainable development requires a transformative governance structure to address the emergent elements (Bagheri - Hjorth 2007). This has led to strategies focusing on restructuring governance systems to a new style of management that adapts based on anticipation and reflection, while promoting an integrated process and spatial awareness of issues (van der Brugge et al. 2005, Bagheri - Hjorth 2007). Within these strategies, integration of sustainability across all levels of government is seen as a priority especially within both decision making processes and management frameworks (Pope 2006, Partidário et al. 2009), particularly through trans-disciplinary approaches that avoid compartmentalising sustainability planning and practices into discrete "pillars" (Robinson 2004).

Governance models and Integrated Sustainability Community Planning (ICSPs)

Although no specific template is required to qualify a document as an ICSP, several guides have been created to share base information about developing these plans (AUMA 2006, AMO 2007, Ling et al. 2007, Service Nova Scotia and Municipal Relations 2007, Park et al. 2009). While each guide offers a unique perspective, the following stages for ICSP development and implementation commonly emerge:

- (1) define the goals and establish the structure of the process;
- (2) gather input to create a long-term sustainability vision for the community;

- (3) describe the current realities and analyse them within the lens of the established sustainability vision;
- (4) develop a strategy, and identify and assign responsibilities;
- (5) have city council formally to approve the ICS plan; and
- (6) implement, monitor, and review progress.

Within the international community (UNEP 2012), concerns have been raised regarding insufficient progress on the integration of sustainability into municipal planning practice.

Using cases from municipalities in Canada, Stuart et al (2014) promote an inclusionary process by encouraging the involvement of various actors, specifically emphasising involvement of municipal government departments, city council, local businesses, as well as community and citizen groups, while their approaches vary significantly. One municipality attempted to modify a traditional decision-making method to embrace an inclusionary approach to sustainability planning. However, another's community-owned approach represents a departure from centralised decision-making processes that have become the mainstay of municipal planning and policy creation. At first glance, a community-owned framework may seem ill-suited to deal with the inherent complexities of sustainability as success will be largely predicated upon adequate levels of participation and expertise.

Higher rates of participation can be achieved through several methods, the most important of which deals with ensuring certain goals of the plan become the responsibility of community groups, nurturing stewardship and empowerment among community-based groups. While this process attempts to solve the issue of adequate participation, concerns over expertise remain. This facet is confronted by forging partnerships between multiple entities to ensure the goals and objectives related to sustainability benefit from a truly collaborative and integrated process of development and implementation.

Regardless of structure, ICSPs promote strategies of collaboration and partnership building between all stakeholders. The dominance of socially oriented principles suggests that the ICSP approach represents a platform from which municipalities can address emerging concepts related to social equality and inclusion in decision-making processes. By putting the focus on social initiatives, ICSPs treat social aspects of sustainability with the same importance as economic and environmental issues.

Another issue for ICSPs is the incorporation of innovative concepts and long-term planning practices as key factors. ICSP frameworks are designed to be accepting of diverse groups and institutions that may not have played large roles in sustainability planning previously, whilst maintaining a long-term planning approach as a fundamental requirement to achieving sustainability, which recognises that the process must be ongoing and adaptive to change.

Enhancing policy relevance through community-based monitoring

ICSPs should promote community-based monitoring to support implementation. This approach is policy relevant in terms of extending adaptive management expressed through both conventional planning processes and collaborative planning as municipalities move from top-down to shared decision-making processes. The benefit of monitoring, and in particular multi-party community-based monitoring, is that it engages ordinary citizens to work together on shared objectives, fostering the ability of citizens and organisations to become more involved in sustainability initiatives (Bliss et al. 2001). Thus, the ICSP process should develop monitoring guidance to ensure that adequate and relevant monitoring information is obtained and reviewed, while also providing a centralised database accessible by all involved (Cuthill 2000, von Malmborg 2003, Whitelaw et al. 2003).

Transferability of ICSPs

Utilising Gibson's sustainability principles to evaluate ICSPs provides considerable insight into the direction that municipal planning could take with regards to sustainability. Overall, many aspects of these plans are designed to integrate the three pillars of sustainability into a dynamic framework while acting as a platform in which concepts of collaborative planning and inclusion are operationalised. While these issues were identified over two decades ago within Agenda 21, a 20-year review of the plan entitled "The Future we Want" reveals there has been insufficient progress made regarding the integration of the three pillars within the international community (UNEP 2012, p. 4). Advocating ICSP reiterates the importance of broad public participation and access to proceedings that promote sustainable development within regional, national, and subnational judiciaries (UNEP 2012, p. 8).

The information gathered by Stuart et al (2014) suggests ICSP is making meaningful progress towards addressing these issues of integration and inclusion within the decision-making processes and management frameworks. Moreover community-owned approaches to ICSP may represent an effective model that is uniquely suited to promote collaborative planning by empowering community groups and individuals with substantial responsibility and authority. As many communities face challenges relating to social inequalities within decision-making processes, a dynamic and socially-driven approach to sustainability planning could be beneficial in the future. Due to the adaptive nature of the ICSP process, should the model prove successful in achieving meaningful progress towards sustainability, there exists

the possibility for adaptation to address the issues imparted by Agenda 21 and subsequent reviews (Ling et al 2009).

The Sustainable Wheel

While many studies and reports on water governance refer to the concept of sustainability, few of them systematically reflect on the value base of sustainability and about what it means to contextualize the general principles of sustainability in specific contexts (Schneider and Rist 2013). Consequently, only a few authors have elaborated transparent and value laden sustainability principles (Wiek - Larson 2012). In-depth reflection on the underlying values of a more sustainable future and its contextualization for specific water governance systems however, is fundamental for defining actions for more sustainable water governance and re-casting policy discourse (White 2013).

According to the definition formulated in the Brundtland Report, “sustainability implies a concern for social equity between generations, a concern that must logically be extended to equity within each generation” (WCED 1987: ch. 2 para 3). This means that sustainable water governance systems should allow the current generation to meet their societal goals in an equitable way without compromising the water options of future generations (ASCE and UNESCO 1998). Based on these general ideas, and taking into account other literature on water sustainability or governance (e.g. Gleick 1998; Wiek - Larson 2012; Pahl-Wostl 2009; Hill 2013; Gibson 2006a), four main principles for sustainable water governance systems can be identified (Schneider et al 2014):

(1) Contribution to societal goals of regional development: This first principle states that people living today, and in the future, should be able to meet their development goals. Water availability should allow them to satisfy diverse needs ranging from household consumption and recreation to economic activities such as production of food, energy, or other goods and services.

(2) Maintenance of ecological and hydrological integrity: Maintaining the ecological and hydrological integrity of water resource systems is crucial for meeting development goals of not only the current population, but especially of future generations. This second principle is about the quality and quantity of surface and groundwater as well as about the benefits and harms to the ecosystem resulting from diverse water uses (Kondratyev et al. 2002).

(3) Contribution to social justice: As stated in the Brundtland definition of sustainability (WCED 1987), justice concerns should not only be considered between generations, but also within the current generation. Consequently, social justice has to be regarded as a basic element of water sustainability.

(4) Adaptive capacity: In times of increasing uncertainty due to socioeconomic and climate changes, the ability to flexibly respond and adapt to changing supply and demand is an essential requirement for the sustainability of water governance systems (Pahl-Wostl 2009). Adaptive capacity is therefore considered a fourth main principle of a sustainable water governance system (ASCE and UNESCO 1998). It refers to the capacity of actors to create and respond to variability and change, as well as the impacts on the state of the system in both proactive and reactive ways (Hill 2013; Adger et al 2005).

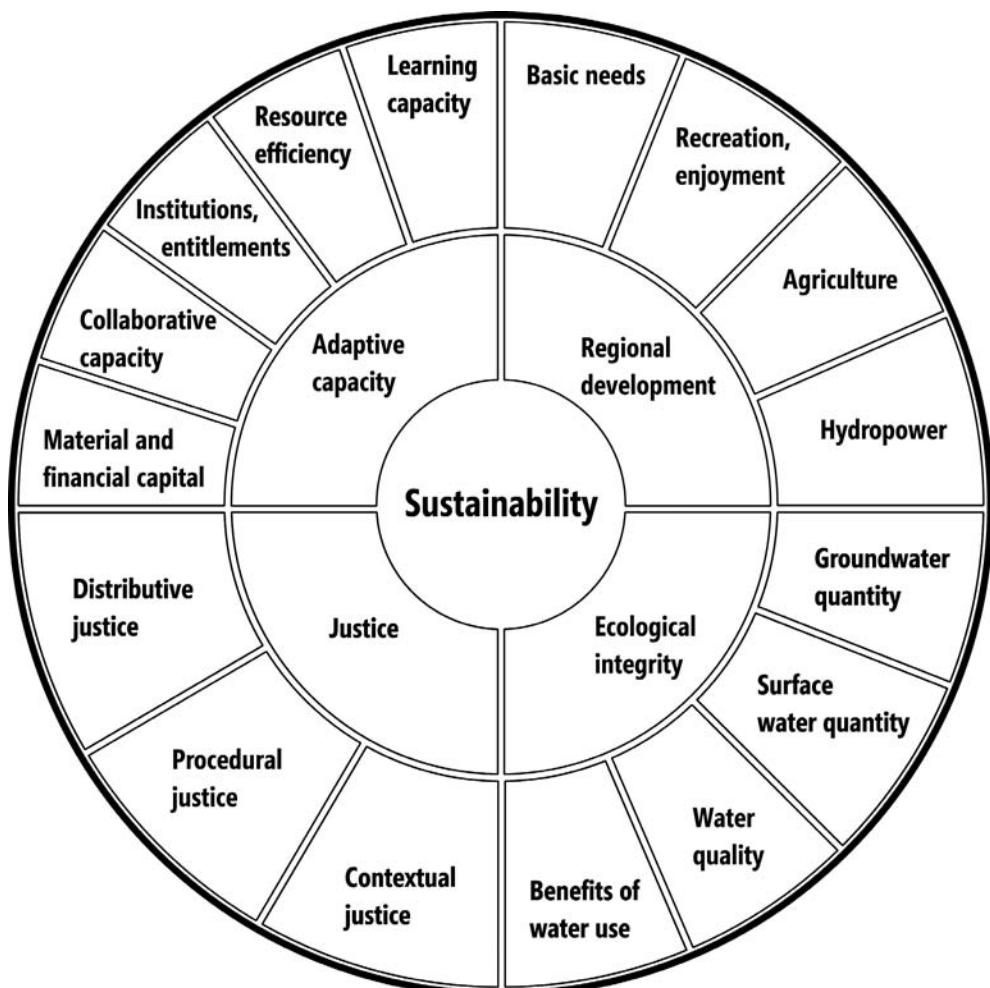


Figure 2. The Sustainability Wheel for the water governance system.

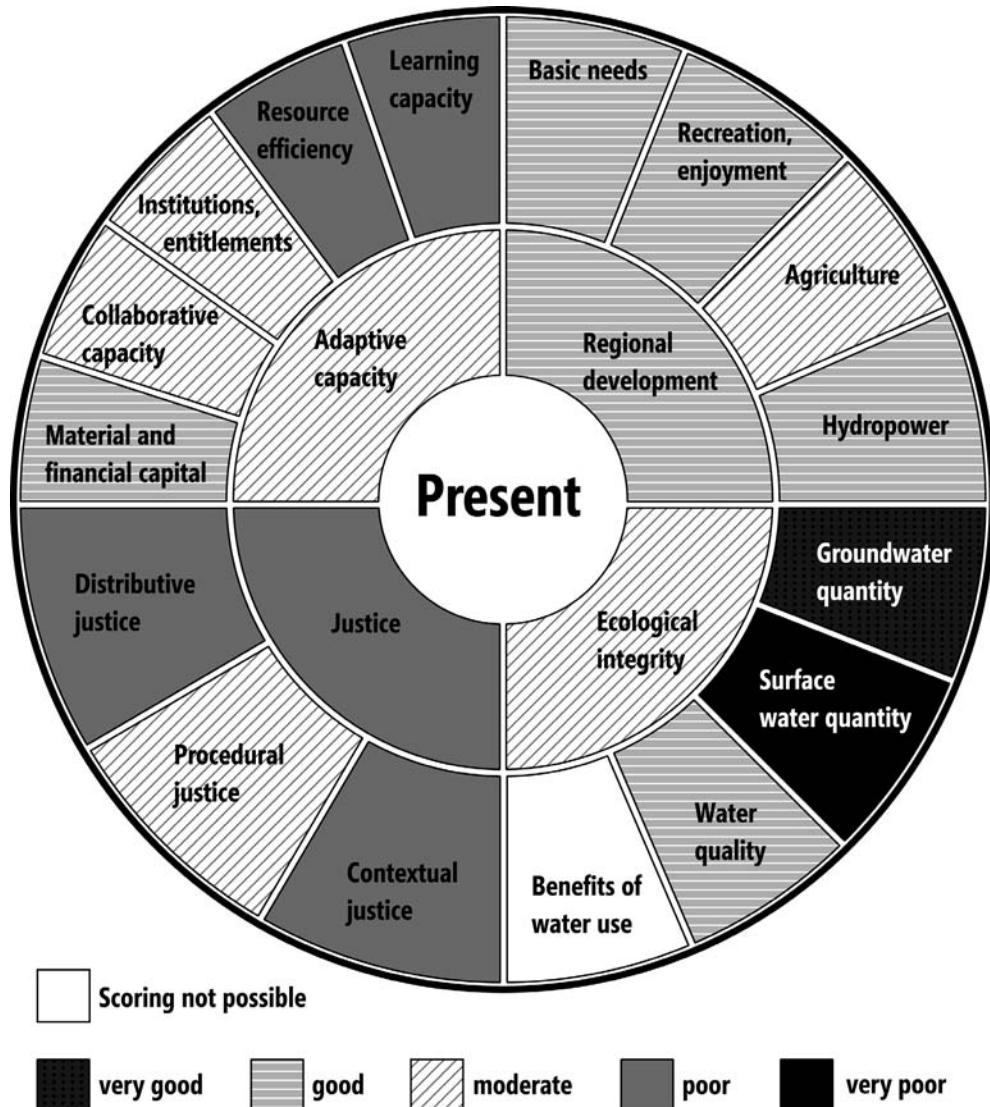


Figure 3: The Sustainability Wheel for the present for Crans-Montana-Sierre

Justice: The justice principle indicator ratings show that water justice as a whole is currently rather poor in the region, whether in terms of resource allocation and costs or at a legislative level.

Distributive justice: Costs, risks, and benefits of water are very unequally distributed in the region. For instance, the water richest commune (Icogne), with just a few hundred inhabitants, can use more than 50% of the water resources available (Reynard et al. 2014). Not only does this provide relief from any water scarcity problems, but it has also enabled Icogne to grant hydropower concessions and consequently to collect considerable amounts of water interest rates (Schneider et al, in print). On the other hand, the water poorest commune (Veyras) has to buy most of its drinking water from other communes and is, therefore, highly dependent on their surplus water. Moreover, water prices can vary more than 100% from one commune to another, and infrastructure costs are also highly variable.

Procedural justice: Access to water and the organization of public management bodies is regulated on different levels (national, cantonal, communal, and private laws), and decision making is mostly transparent. There is nevertheless a multitude of bilateral agreements among the different water users that are not easily accessible. At times, there is a lack of transparency because the situation is too complex, e.g. nobody has an overview about the water rights situation, or decisions are based on oral customary law and informal agreements. Most problematic is the aspect of inclusiveness. No institution exists that embraces all relevant water users on a regional level and can mediate the diverse interests of the water users (Schneider – Homewood 2013).

Contextual justice: The capabilities of the communes and other water users to access water are very unequal for various reasons. First of all, communes that contain large high mountain catchments including rivers and springs can use much higher amounts of water than communes on the lower slopes that do not possess their own wells. Second, communes that have historically held water rights for sources outside their communes have more opportunity to obtain sufficient water (Reynard 2000a, 2000b). Third, ancient water rights mainly favour agricultural water users and hinder new water users from accessing water (e.g. for tourism and urbanization). Finally, communes with higher negotiating power can secure more favourable agreements with other communes or other user groups. This is the case for the six communes of the Haut-Plateau, which are better coordinated than the communes on the lower slopes.

The sustainability wheel demonstrates the following advantages:

(1) It allowed very different sources of knowledge (research from natural and social sciences, qualitative and quantitative knowledge, empirical, and interpretative approaches) to be combined and brought to fruition. Consequently, the Wheel facilitates in depth interactions, knowledge exchange, and learning among the interdisciplinary team of researchers.

(2) It allowed the consideration of complex relationships between issues of resource availability, water use, and management. In doing so, it was evident that certain measures, such as a strong increase in residual flow, might improve the indicator of surface water quantity; however, the needs of agriculture would be compromised as a result, thus affecting the indicator of agriculture. Furthermore, it could clearly be shown that sustainable water futures can be reached (and also impeded) through different means. However, it also became clear that technical solutions alone will not solve the existing access and distribution. These solutions need to be embedded in fundamental institutional reforms.

(3) It permitted the information from disciplinary works to be structured in a meaningful way and allowed their implications to be elucidated from a comprehensive understanding of sustainability. It allowed us to easily discern which sustainability dimensions are most critical, both for today and for the different future visions, facilitating communication with stakeholders considerably. They could easily see that the water governance system can respond quite well to society's goals of regional development and also that the situation regarding water justice is critical. Moreover, they were able to see that sustainable water futures are possible as well, although this highly depends on the social, economic, technical, and institutional reforms they are willing to take. Discussions about the reasons for certain scoring made stakeholders aware of possible trade-offs between the indicators. The Sustainability Wheel can thus be considered an excellent communication instrument.

Conclusions

This article has attempted to demonstrate that holistic and inclusive approaches have benefits to offer to the planning and governance of the challenges emerging from the continuing climate change debates. Governance needs to be able to deal appropriately with the emergent issues and offer the prospect of adapting to these challenges. We have reviewed three processes that can inform good practice and help governments to combat the challenges of climate change. We make no apology for retrieving these process models from the sustainability literature as we are confident that the principles of sustainability must underpin and be enshrined in the constant efforts to minimise and ameliorate the effects of climate change. Strong communities, empowered through knowledge and participation, will be better placed to work together to meet the emergent challenges that climate change can have over our lives, our work and our futures.

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NÓRA OBERMAYER-KOVÁCS – ANTHONY WENSLEY

SOCIAL MEDIA IN ORGANIZATIONS: LEVERAGING KNOWLEDGE SHARING

“Knowledge”, “knowledge management”, “social media”, all these terms have become very popular and even “trendy” expressions frequently used in business. In part, they reflect the increasingly influential shift from an industrial economy to a knowledge economy facilitated by accelerated social change and technological changes in such areas as broadband communications, social media, mobile technologies, and so on. In this context, organizations are faced with an unpredictable economic environment that is becoming increasingly competitive. Furthermore knowledge is increasingly seen as the most important strategic asset and individual knowledge workers play central role in the creation of value by organizations and the development of their strategies. Organizations have an urgent need to focus on innovation with respect new products and services. A fundamental precursor to such innovation is effective knowledge sharing. Of the knowledge possessed by an organization, a significant proportion is in the possession of individual knowledge workers. Thus, it is important to understand what encourages individuals to share their knowledge and what holds them back from sharing knowledge. Although individuals might recognize the importance of knowledge management practices for the success of their daily business life, it might be postulated that their propensity to share knowledge depends on their personal demographic characteristics such as their age. When organizations understand the determinants of knowledge sharing, effective management technologies can be implemented to improve productivity and competitiveness. Social media provide increasingly flexible and powerful channels for collaboration. Furthermore, social media has allowed individuals to contribute to number of issues and generated new possibilities and challenges to facilitate collaboration. Thus, the potential advantage of embracing and implementing social media by organizations is very significant. However, individuals may be reticent to make use of social media because they may not appreciate the power of social media or be concerned with security or reliability. In addition, many organisations do not favour their employees using social media because they may be concerned about the risks and consequences of a potential misuse. The study reported in this paper was conducted with the help of organizations operating in Hungary, applying quantitative research methods. Data was obtained from a total of 299 individuals who completed an online, web-based questionnaire. The survey supports the investigation of how social media technologies are being used for knowledge sharing during work and examines the characteristics of the different generations using these tools by exploring willingness of employees to participate in knowledge sharing. An analysis of the data show that Hungarian organizations prefer not to allow the usage of external social media; but where

the employees are encouraged to use social media tools a high proportion of them do. The paper also provides recommendations to the organizations as to how to motivate employees to use social media technologies for knowledge sharing in a work environment. The subsequent paper provides a short summary of the empirical study, practical implications and potential new research directions.

Introduction

Knowledge has always been seen as potentially one of the key strategic resources that can be the basis for developing sustained long-term competitive advantage for organizations. Knowledge is necessary basis for individual and organizational understanding and facilitate the ability of individual and organizations to act effectively. Knowledge both provides support for regular organizational routines as well as enabling employees to respond to new situations and develop new strategies. Organizations that need to thrive, compete, and operate in an ever changing and evolving environment, cannot leave the development of knowledge within the organization to chance. The exchange of information and knowledge among employees is a vital part of knowledge management. As a result, organizations are faced with the challenge how to get people to share their knowledge.

For several decades, the world's best-known forecasters of social change have predicted the emergence of a new economy where brainpower and knowledge, not traditional sources of energy and machine power is the critical resource. However, this future is already here and the knowledge economy has arrived. This evolving era is characterized by rapid change and uncertainty, the increasing importance of knowledge and knowledge management and the popularity of new information technologies that have the potential to radically change the way organizations do business.

The single most significant technological development in the last 20 years has been the Internet. The Internet makes it possible for individuals to connect, collaborate and share knowledge, information, document, photo, video, etc. continuously with anyone in the world. Furthermore, people are able to make use of social media tools in order to increase range and richness of their networks, gather information and nowadays, increasingly organizations are finding ways of integrating social media into their business processes (Gaál et al., 2014).

If majority of people use something on a daily basis, it is natural for the companies to use it as a marketing channel. In addition it is natural for human resource managers to check applicants social networking profiles in addition to their CVs. Actually, we would argue that every aspect of doing business is potentially influenced by these new technologies, such as social media and knowledge management processes and techniques.

As we have noted above organizations have started to use social media tools to facilitate communication, collaboration and knowledge sharing. It is, however, often assumed that the younger generation have a greater willingness to use social media. Baby boomers were the first generation to grow up with the television and a time of dramatic social change. In contrast, members of Generation X have grown up with a rapidly changing technology and most of them are skilled at understanding and using technologies and adapting to new platforms. Generation Y individuals have grown up considering the Internet, instant messaging, and social media as integral components of their natural environment (McHenry – Ash, 2013).

Some surveys have examined the extent to which differences exist among the generations (McHenry – Ash, 2013; Busch et al., 2008), but none of them has investigated how these differences influence the willingness to use these technologies for knowledge sharing. In general, there has been some research about traditional knowledge sharing (Bock et al., 2005; Hansen et al., 2005; Quigley et al., 2007). Some researchers have investigated the use of social media in the workplace for sharing knowledge. There has also been research investigating how IT systems, more generally, have been used to share knowledge (Günther et al., 2009).

Knowledge management

As we have noted above knowledge is becoming a strategically important resource and a very significant driver of organizational performance (Yesil – Dereli, 2013). Either located in the minds of the individuals (tacit knowledge) (Polanyi, 1966), embedded in organizational routines and norms, codified in technological devices (explicit knowledge) (Nonaka – Takeuchi, 1995), knowledge enables the development of new competences (Choo, 1998). Successful companies are those that consistently create new knowledge, disseminate this knowledge throughout the organization, and embody it in technologies, products and services (Gottschalk, 2007; Gaál et al., 2009).

Knowledge management describes the processes of acquiring, developing, sharing, exploiting and protecting organizational knowledge to improve organizations' competitiveness. Negroponte (1995) conceived the concept of "knowledge" as the most recent input factor for business organizations and a key to their future competitiveness. A review of the research literature in Knowledge Management provides many definitions of knowledge and knowledge management distributed among numerous important journals, studies and books.

Our research group adopted the definition of knowledge management utilized by KPMG (2003, p. 4) namely: *"knowledge management is a systematic and organised approach to improve the organisation's ability to mobilise knowledge to enhance performance"*.

Many organizations and institutions have recognized the importance of knowledge and knowledge management to the future performance of both businesses and society. For example, the report Europe 2020 sets out a new vision of Europe's social market economy for the 21st century. One of the priorities it puts forward is the promotion of smart growth, that is, developing an economy based on knowledge and innovation. Such smart growth requires among others things the promoting of innovation and knowledge transfer, making full use of information and communication technologies and ensuring that innovative ideas can be turned into new products and services (European Commission, 2010). The emergence of the knowledge economy and the recognition of knowledge as a key factor in the achievement of competitive advantage are making it critical to understand and develop effective approaches to knowledge management.

Organizations around the world have focused on knowledge management and have already developed knowledge management programs in order to improve their performance with varying degrees of success. Clearly one important set of activities involves the defining knowledge and constructing the metrics to assess how effectively an organization is managing (sharing) its knowledge (intellectual capital). The development of this definition and the creation of metrics is clearly challenging but is a necessary first step towards improving knowledge management practices since it has been cogently argued that one cannot improve what one cannot somehow measure (Gaál et al., 2008).

Although a standard global approach to knowledge management does not exist three general activities involved in knowledge management have been identified. These activities are integrated together into the overall knowledge management process. The three major activities are (Figure 1): 1) knowledge capture and/or creation, 2) knowledge sharing and dissemination, 3) knowledge acquisition and application (Dalkir, 2005).

Knowledge sharing

To ensure the success and long-term survival of any organizations effective knowledge sharing is of critical importance (Gaál et al., 2008). Knowledge sharing is potentially a two-way process, in which one entity (individual, team, department, etc.) has access to skills, competencies another entity (individual, team, department, etc.) is provided with access to information and may itself provide information in return (Mohannak - Hutchings, 2007). The nature of the information which is shared depends, in part of the experience of the parties involved (Argote et al., 2000). Knowledge sharing is a two-way process between the knowledge giver(s) and the knowledge receiver(s), who as participants of knowledge sharing, exchange the knowledge found in their minds or the knowledge found in electronic or paper

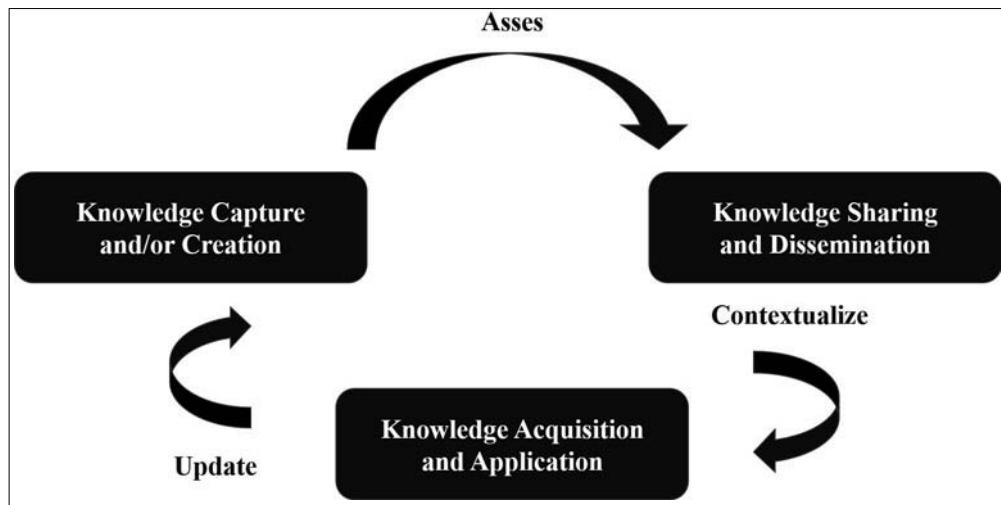


Figure 1. Integrated knowledge management cycle

Source: Dalkir, K. 2005, p. 43.

documents (Gaál et al., 2013). The knowledge sharing process is of mutual benefit to the participants involved (Csepregi, 2012).

Knowledge sharing is characterized by communication processes and information flows. In many social situations knowledge sharing is a common activity but knowledge sharing within an organization tends to be a complex and complicated issue and, as a result, needs to be actively managed. Knowledge sharing is typically focused on activities that involve providing information and knowledge to assist others in solving problems, develop new ideas, or implement processes (Cummings, 2004).

Previous research has suggested that there are three generations of knowledge sharing (Bellefroid, 2012):

- The first generation: the traditional way of knowledge sharing is the concept of codification (Hansen et al., 1999) and storage. This way can easily be supported by information technologies.
- The second generation: focuses on the social component, personalization (Hansen et al., 1999), the way people co-operate and communicate. Formal and informal opportunities to share knowledge can be used like mentoring, coaching or face-to-face meetings. Codification is mostly used as a starting point, where new employees can find out what others know and what knowledge is available. Personalization is used to see the application of the available knowledge.

- The third generation: social networks provide a new way to get in touch with experts and to search for knowledge outside the organization. Using social media tools enable less physical contact between employees.

Knowledge sharing is the process by which the knowledge possessed by individuals is converted into a form that can be understood and used by other individuals. Research has also proposed that there are four factors that influence knowledge sharing (Ipe, 2003):

1. The nature of the knowledge
 - tacit form: located in the individual's mind (Polányi, 1966)
 - explicit form: embedded in organizational routines and norms, codified in technological devices (Nonaka – Takeuchi, 1995).
2. The motivation to share
 - internal factors: perceived power (Gray, 2001) and reciprocity (Davenport – Prusak, 1998)
 - external factors: relationship with the recipient and rewards for sharing (Hall, 2001)
3. The existence of sharing opportunities
 - formal: training programs, team works, technology-based systems
 - informal: personal relationships and social networks
4. The culture of the work environment
 - organizational culture determines values, beliefs, and work systems that could encourage knowledge sharing (Janz – Prasarnphanich, 2003)

In the past knowledge sharing has been materialized in written form through IT systems or via face-to-face communications. In future the next generation of managers have to be able to identify appropriate technologies and techniques for sharing knowledge that will resonate with generation X and Y employees. These technologies and techniques are likely to involve existing and new physical or electronic spaces (Huysman – Wit, 2004).

Gupta and Govindarajan (2000) argue that there are five factors that influence the extent to which knowledge sharing takes place:

1. perceived value of the source's knowledge,
2. willingness of the source to share knowledge,
3. existence and richness of transmission channels,
4. willingness of receiver to acquire knowledge from the source,
5. absorptive capacity of the receiver.

In our research we combined the second and third factors and examine the existence and richness of transmission channels (social media) and at the same time the willingness to share knowledge.

Knowledge sharing behaviour

The stimulating of knowledge sharing among individuals requires us to understand how to understand and develop underlying motivation in individual to share knowledge. Since an individual cannot possess all knowledge and knowledge cannot be hoarded like gold, people should recognize that the old paradigm ‘knowledge is power’ is less and less relevant. One of the ways of motivating individuals to share knowledge is to demonstrate how knowledge sharing can provide support them in completing their jobs more effectively and in helping them in their personal development and achieving their personal goals (Obermayer-Kovács – Csepregi, 2007).

Knowledge sharing behaviour is “*by which an individual voluntarily provides other members of the organization with access to his or her knowledge and experiences*” (Cyr – Choo, 2010, pp. 825).

Davenport and Prusak (1998) categorized the potential motivation behind knowledge sharing behaviour as either pure altruism, reciprocity, or reputation:

- **Altruism:** refers to behaviour that costs an individual and benefit the other person. People donate something to other people without thinking of any returns when showing altruistic behaviour (Chattopadhyay, 1999).
- **Reciprocity:** refers to either a positive or negative response for the actions which one should treat others as one would like others to treat oneself. In general, people suffer from limited time, energy, and other resources and not willing to share their knowledge unless they can get reward from them.
- **Reputation:** refers to a degree of recognition and increased by information sharing among other users. People who share more knowledge receive a higher reputation.

Social media technologies

Social media may be defined in a variety of ways such as “collaborative online applications and technologies which enable and encourage participation, conversation, openness, creation and socialization amongst a community of users” (Bowley, 2009), “web-based tools and practices enabling participation and collaboration based on individuals’ activities (Storey et al., 2010).

Surowiecki (2005) suggested that using social media may be considered to be making use of the “wisdom of the crowd”. Group of people are better at problem solving and decision-making than the individuals alone. Thus the availability of these tools that provide new ways

of inspiring and exploiting knowledge sharing are forcing organizations to expand their knowledge sharing technologies and practices (Mentzas et al., 2007).

Furthermore, it is important to note that these technologies – blogs, video sharing, presentation sharing, social networking service, instant messaging service and groupware – foster a more socially connected platform (Anderson, 2007).

Vuori (2011) characterises social media by considering the extent to which they support communication, collaboration, connecting, completing and combining (5C) (Jalonen, 2014):

1. Communication: social media provides new tools to share, store and publish contents, discuss and express opinions and influence:

- blogs (e.g. Blogger) and microblogs (e.g. Twitter),
- video sharing (e.g. YouTube),
- presentation sharing (e.g. SlideShare),
- instant messaging service (e.g. Skype).

2. Collaboration: social media enables collective content creation and edition without location and time constraints:

- wikis (e.g. Wikipedia)
- groupware/shared workspaces (e.g. GoogleDocs).

3. Connecting: social media offers new ways of networking with other people, socialising oneself into the community:

- social networking services (e.g. Facebook, LinkedIn).

4. Completing: social media tools are used to complete content by describing, adding or filtering information, tagging contents, and showing a connection between contents:

- visual bookmarking tool (e.g. Pinterest),
- news aggregator (e.g. Digg).

5. Combining: social media tools are developed for mixing and matching contents. Combination of pre-existing web services that allow a certain user within a platform to use another application, in a specific window, without the need to get out of the initial website (Bonson – Flores, 2011).

- mash-ups (e.g. Google Maps).

Postman (2009) identified six major characteristics that provide value to social media:

- Authenticity: for example, the possibility of enabling the real voices of real people to come to the fore.
- Transparency: for example, the ability for shareholders to see the financial performance; through blogs, communities and others information can also be made visible to the public.

- Immediacy: for example the ability of companies, members of the public to communicate, and to engage in online conversations in real-time.
- Participation: for example, the possibility for anyone to participate in corporate conversation, on the company's blog, independent forums, personal blogs, etc. online.
- Connectedness: for example, ability to connect and share in thousand of places and people without physical or temporal constraints.
- Accountability: for example, the ability to identify users (they generally leave a trail of IP addresses and other clues).

In other research (Figure 2) user-friendliness, interactiveness, openness and uncontrollability, velocity, and real-timeness have been mentioned to be the main characteristics of social media (Kaplan – Haenlein, 2010; Denyer et al., 2011; Kietzmann et al., 2011; Fournier – Avery, 2011).

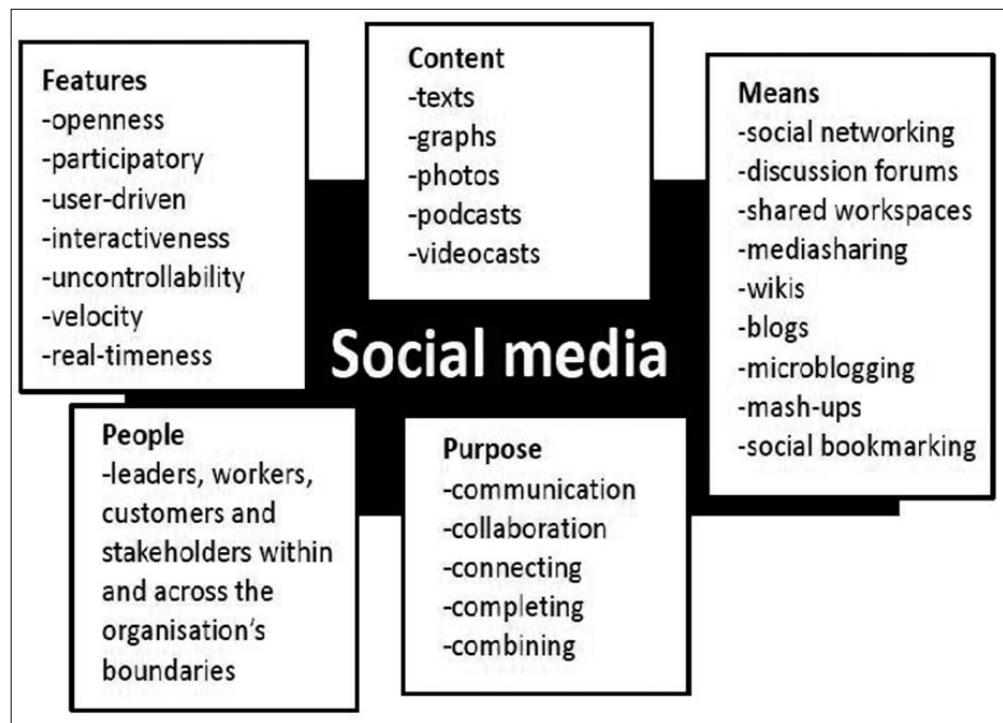


Figure 2. Social media – features, content, means, people and purpose

Source: Jalonen, H. 2014. p. 1372.

Generations

The term “generation” signifies the group of individuals, most of whom are within a similar age group, born in the same time of history and culture, having similar ideas, problems and attitudes (Weingarten, 2009). A person’s age may not always be indicative of their generational characteristics, but as a common group, they are likely to have similarities. Due to the different ideologies, a generation at a certain period tends to be exposed to approximately similar generic life experiences depending on cultural background.

Society is changing constantly which is likely to affect the values and experiences of different generations. Researchers have identified different generations including: Veterans, Baby Boomers, Generation X, Generation Y and Generation Z (Reeves – Oh 2007; Bohl 2009; Weingarten, 2009; Grail Research, 2011):

- Veterans (born between 1922 and 1945) respect for authority, loyalty, hard work and sacrifice for the common good. Their motto is “live to work versus work to live”.
- Baby Boomers (born between 1946 and 1964) grew up with sense that security was taken care of – this left room for exploration and protest. They place high value on youth, personal gratification, health and material wealth. They are generally optimistic, value hope and peace, and believe their generation changed the world.
- Generation X (born between 1965 and 1970) desires balance in their lives, diversity viewed as norm, motivated by money, self-reliant, value free time and having fun. Their motto is “work to live, not live to work”. They assume gender equality in the workplace. This is the first generation that embraces the personal computer and Internet.
- Generation Y (born between 1981 and 1995) is the most globally oriented generation. They combine work ethic of Baby Boomers with the can-do attitude of Veterans and the technological savvy of Generation X. They are interested in health, exercise and body adornment (Weingarten, 2009).
- Generation Z (born from 1995 to present) is having grown up in a digital world where technology was ever present. They are more socially responsible, due to greater access to a large online information pool and always communicate through various social networking channels (Grail Research, 2011).

Not every person in a generation will share all of the various characteristics shown in Table 1 with others in the same generation. However, these examples are indicative of general patterns in the relationships between and among family members, friends and people in the workplace (Hammill, 2005).

Personal/Lifestyle Characteristics	Veterans (1922-1945)	Baby Boomers (1946-1964)	Generation X (1965-1980)	Generation Y (1981-2000)
Core Values	Respect for authority Conformers Discipline	Optimism Involvement	Skepticism Fun Informality	Realism Confidence Extreme fun Social
Family	Traditional Nuclear	Disintegrating	Latch-key kids	Merged families
Education	A dream	A birthright	A way to get there	An incredible expense
Communication Media	Rotary phones One-on-one Write a memo	Touch-tone phones Call me anytime	Cell phones Call me only at work	Internet, Email Picture phones Texting
Dealing with Money	Put it away Pay cash	Buy now, pay later	Cautious Conservative Save, save, save	Earn to spend

Table 1. Personal and lifestyle characteristics by generation

Source: Hammill, G. 2005. p. 1.

A variety of researchers have identified a serious new set of workplace issues related to interactions between distinct generations — the Veterans, the Baby Boomers, Gen X and Gen Y — working together and often coming into conflict as their paths cross. Individuals with different values, ideas, ways of getting things done and ways of communicating in the workplace have always existed.

Work Place Characteristic	Veterans (1922-1945)	Baby Boomers (1946-1964)	Generation X (1965-1980)	Generation Y (1981-2000)
Work Ethics And Values	Hard work Respect for Authority Sacrifice Duty before fun Adhere to rules	Workaholics Work efficiently Crusading causes Personal fulfillment Desire quality Question authority	Eliminate the task Self-reliance Want structure and direction Skeptical	What's next Multitasking Tenacity Entrepreneurial Tolerant Goal oriented
Work Is...	An obligation	An exciting adventure	A difficult challenge A contract	A means to an end Fulfillment
Leadership Style	Directive Command and control	Consensual Collegial	Everyone is the same Challenge others Ask why	TBD
Interactive Style	Individual	Team player Loves to have meetings	Entrepreneur	Participative
Communications	Formal Memo	In person	Direct Immediate	Email Voice mail
Feedback and Rewards	No news is good news Satisfaction in a job well done	Don't appreciate it Money Title recognition	Sorry to interrupt, but how am I doing? Freedom is the best reward	Whenever I want it, at the push of a button Meaningful work
Messages That Motivate	Your experience is respected	You are valued You are needed	Do it your way Forget the rules	You will work with other bright, creative people
Work and Family Life	Ne'er the twain shall meet	No balance Work to live	Balance	Balance

Table 2. Workplace characteristics by generation

Source: Hammill, G. 2005. p. 1.

At work, generational differences can affect recruiting, building teams, dealing with change, motivating, managing or increasing productivity. Generational differences (Table 2) with respect to how people communicate, might lead to misunderstandings, high employee turnover, difficulty in attracting employees, etc. (Hammill, 2005).

It seems clear that there are more pronounced differences between the generations today than ever before. Being aware of these differences can help individuals design their communications for maximum effect, regardless of the task, or the relationship — family, friends, workplace peers. The majority of people think the correct way, and the only way, is their way of communicating and acting, but in business or personal life, this is by no means always true. To work effectively and efficiently, to increase productivity and quality, one needs to understand generational characteristics and learn how to use them effectively in dealing with each individual (Hammill, 2005).

As Veterans are in process of retiring and generation Z are not in the labour market yet, participants of our survey belong to Baby Boomers, Generation X and Generation Y.

Research framework

The methodology undertaken in this study was an exploratory research study examining the nature of knowledge sharing activities among Hungarian organizations. The authors at the University of Pannonia, Veszprém were involved in the development and implementation of the “Organizational knowledge sharing in Hungary 2013/2014” questionnaire survey (KPMG Academy 2014), which was executed with the collaboration of the KPMG Academy, Budapest. The main objective of our research is to determine the ways in which social media technologies are being used as knowledge sharing tools.

Data collection

Based on our literature review and our previous study (KPMG-BME Academy, 2006), a large-scale online survey - “Organizational knowledge sharing in Hungary 2013/2014” - was developed (KPMG Academy, 2014), which was carried out in LimeSurvey, a web application. In the short introduction to the survey, it was stressed that the answers would be anonymous, and only used for this study. Respondents could leave their e-mail address in order to be informed about the results later. More than 1500 individuals received an e-mail requesting 15 minutes of their time to fill in a questionnaire about internal and external knowledge sharing tools and practices. The message contained a link to the LimeSurvey.

The survey instrument consisting of four demographic questions and forty-three questions related to knowledge management, divided into three main areas: knowledge management (strategy, initiatives), knowledge sharing (technologies, practices) and leadership practice (this paper does not discuss this topic).

The potential respondents were from KPMG Academy partnership database, networks of University of Pannonia and the researchers' social relations. The participation in this study was voluntary. In the course of the survey, answers from 299 organizations were included in the database. The completed questionnaires were exported from LimeSurvey to Excel files and analysed using SPSS.

Participants

The participating organizations are all operated in Hungary; they are private-owned Hungarian companies, subsidiaries of multinational companies, and other organizations in the field of public administration, but the exact statistical composition is unknown, as the questionnaire did not have questions about industry sectors' classification.

Based on the number of employees, 55% were large companies, 24% were medium-sized enterprises, 10% were small businesses and 11% were micro businesses. Somewhat more than half of the organizations (54%) were domestic subsidiaries of foreign companies, and 46% were Hungarian-owned companies. 27% of the respondents were top managers, 42% were middle level managers and 31% were white collar workers. The participants belonged to three generations; 22% from Baby Boomers, 60% from Generation X and 18% from Generation Y (KPMG Academy, 2014).

Data Analysis

In the following section, we provide an analysis of the data we obtained through the survey. We note that the survey responses demonstrate that Hungarian businesses are beginning to grasp the importance of knowledge and knowledge management but still have a long way to go to fully embrace knowledge management practices (KPMG Academy, 2014).

Knowledge management strategy and initiatives

Organizations in Hungary are just starting to implement knowledge management strategies. Overall, still only 37% of respondent organizations have developed a comprehensive strategy in the form of a written document (it is exactly the same percentage like in our previous

survey in 2006); however, 81% states knowledge as a strategic asset (which is 4% higher than in 2006) (KPMG-BME Academy 2006).

It can be seen that there is huge gap between theory and reality.

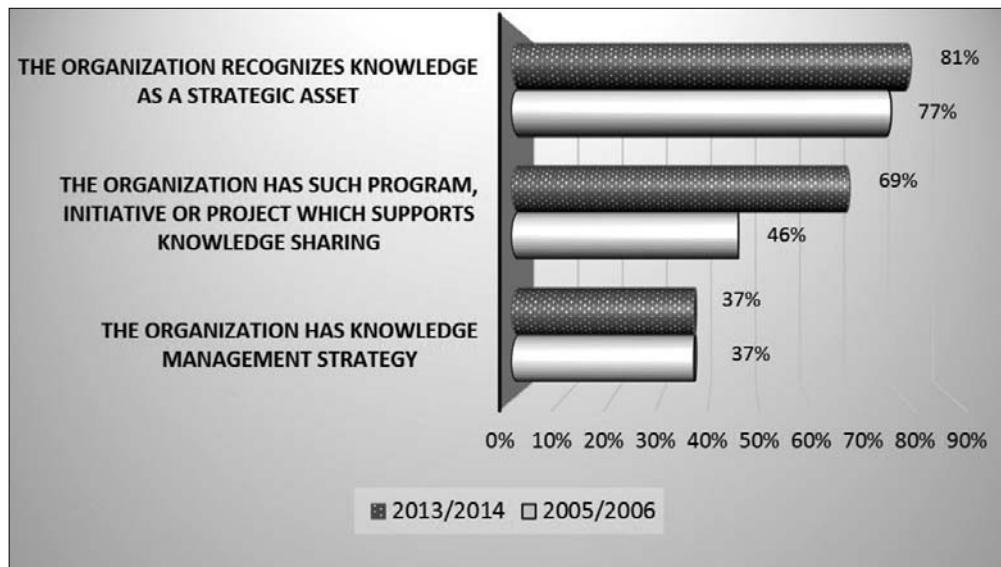


Figure 3. Knowledge management strategies and initiatives

Source: KPMG Academy. 2014. p. 8.

However, significant growth can be detected with respect to knowledge sharing programs, initiatives or projects exist in the respondents' organizations (from 46% to 69%). Elaborating knowledge management strategy is still not a typical activity, but it does not mean that organizations are not trying to support the dissemination of knowledge. Almost half of the participated large companies (45%) have developed a formal knowledge management strategy development while this rate is only 29% for the micro, small and medium-sized enterprises. When we compare foreign-owned organizations with Hungarian organizations (27%), 47% of the former have developed a formal strategy whilst only 27% of the latter have (Gaál et al., 2014).

Knowledge sharing technologies and practices

We examined numerous tools of knowledge sharing, several of which did not even exist, or were not widespread in 2005-2006 at the time of our previous research. However, there

were three of them, which we were able to measure now and in the past. In each case we identified strong growth in the use of these tools as we demonstrate in Figure 4.

In the period participation in communities of practices has more than doubled (from 29% to 70%), and a growing proportion of respondents turn to competence center or center of excellence for knowledge (21% to 30%). The usage of document management systems and knowledge repository measurably increased (from 50% to 76%) (KPMG Academy, 2014).

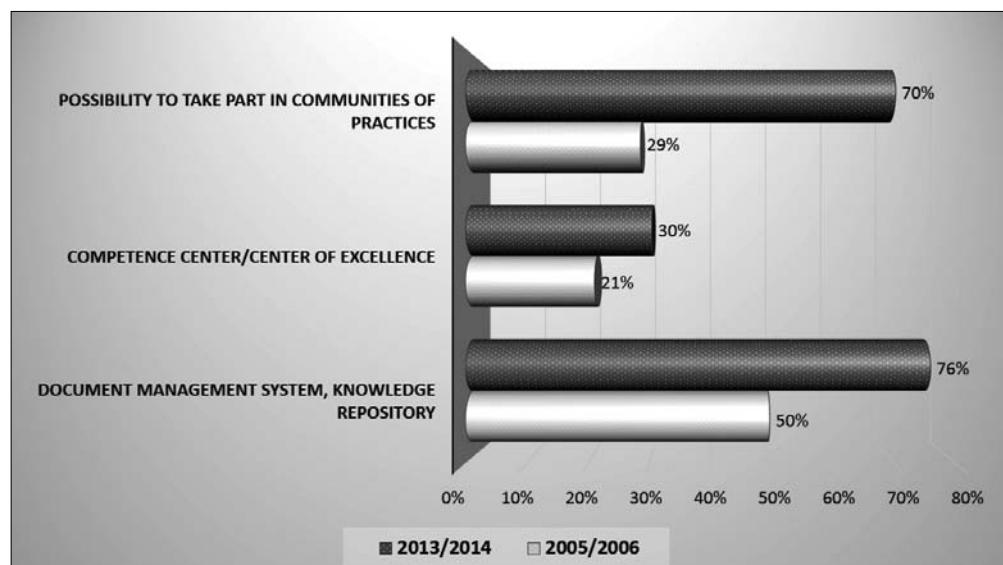


Figure 4. Knowledge sharing technologies/practices in both surveys

Source: KPMG Academy. 2014. p. 9.

Internal knowledge sharing technologies and practices

The following section provides the results of the survey focusing on the existence and the usage of internal technologies and practices. In this context internal means all in-house technologies which can be self-developed or available essentially pre-packaged through an intranet.

The results of the survey indicate (Table 3) which internal knowledge sharing tools are available to be used by employees for information and/or knowledge sharing internally and which are selected by the employees from the available ones for knowledge sharing purposes during work (KPMG Academy, 2014).

Tool	Meaning	Existence	Usage*
Internal training	A method of preparing an employee to perform a task.	89%	94%
Document management system and knowledge repository	Providing a comprehensive solution for managing capture, index, storage, retrieve of any information.	76%	89%
Participation in the life of a communities of practices	Groups of people who are formed to share and create skills, knowledge, and expertise among employees.	70%	79%
Internal instant messaging service	Facilitating near real-time text based communication between two or more participants.	56%	83%
Presentation sharing	Offering the ability to publish any kind of organizational presentations to a specific audience or the entire world.	46%	80%
Groupware	Enabling group collaboration over a network, providing flexible communication structures.	44%	59%
Internal social networking services	Providing the network's members access to information and knowledge.	35%	78%
Internal blogs	Offering individuals/groups to capture and publish information about specific topics.	33%	63%
Knowledge map	Presenting what knowledge resides where (people) and for demonstrating the patterns of knowledge flow (distribution).	31%	68%
Competence center/ center of excellence	Consultants with specific areas of knowledge and experience.	30%	68%
Internal video sharing	Offering the ability to publish video content to a specific audience or the entire world.	19%	71%

Table 3. Existence and usage of internal knowledge sharing technologies/practices

*Clearly the percentages represent percentages relating to the organizations that provide the various knowledge sharing technologies/practices and therefore provide the possibility that employees make use of them.

The most popular practice for knowledge sharing is internal training, and three-quarters of the participated organizations have a document management system and knowledge repository and have the possibility to take part in the life of communities of practices. Half of the organizations provide support for instant messaging service, but with respect to the other technologies, less than half of organizations were made accessible to employees. However, where the employees are allowed to use any of these tools, a high proportion (in every case more than 50%) of the people utilize them for knowledge sharing during work (KPMG Academy, 2014).

External knowledge sharing technologies and practices

As regards the general accessibility of external knowledge sharing technologies/practices (Figure 5) many organizations demonstrate considerable aversion (KPMG-Academy, 2014).

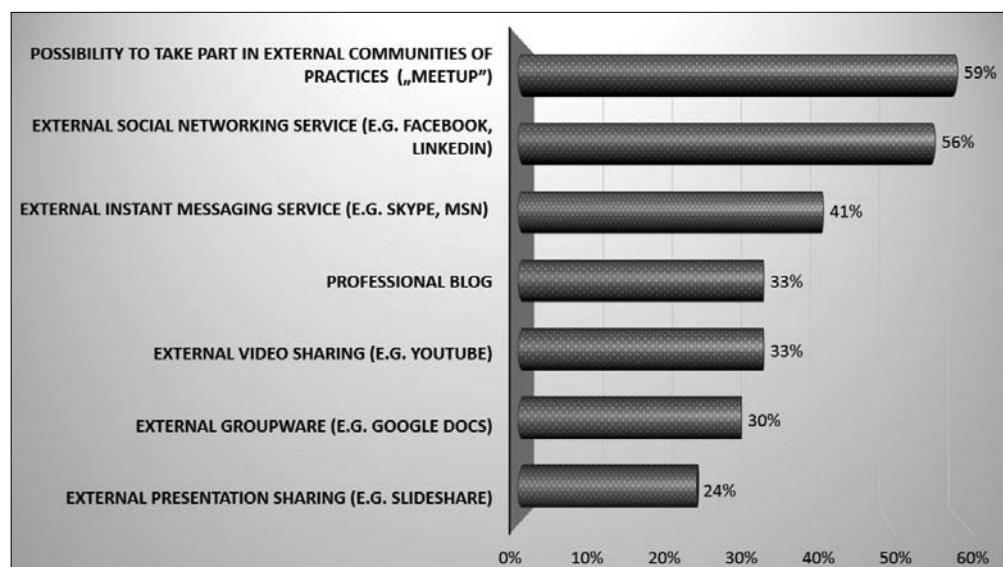


Figure 5. Existence of external knowledge sharing technologies/practices
Source: KPMG Academy. 2014, p. 10.

There are only two external knowledge sharing tools, which can be found more than half of the organizations, the participation in communities of practices and social networking service, but only third (or less) of the organizations allow the usage of instant messaging services, blogs, video sharing, groupware or presentation sharing.

We were interested in which technologies are used for knowledge sharing during work or for professional development at the participating organizations (Figure 6).

It was an interesting result that the organizations where the employees are allowed to use these tools, a high proportion (concerning six tools out of seven, more than 70%) of the people utilize them. Although interest in social media is increasing, organizations do not tend to allow their employees to use social media technologies. This may be because they are concerned about the risks and consequences of a potential misuse. On the other hand knowledge workers and managers may not appreciate the value of using these tools because of a lack of motivation to share knowledge or they may not be aware of the advantages of using these tools for work purposes.

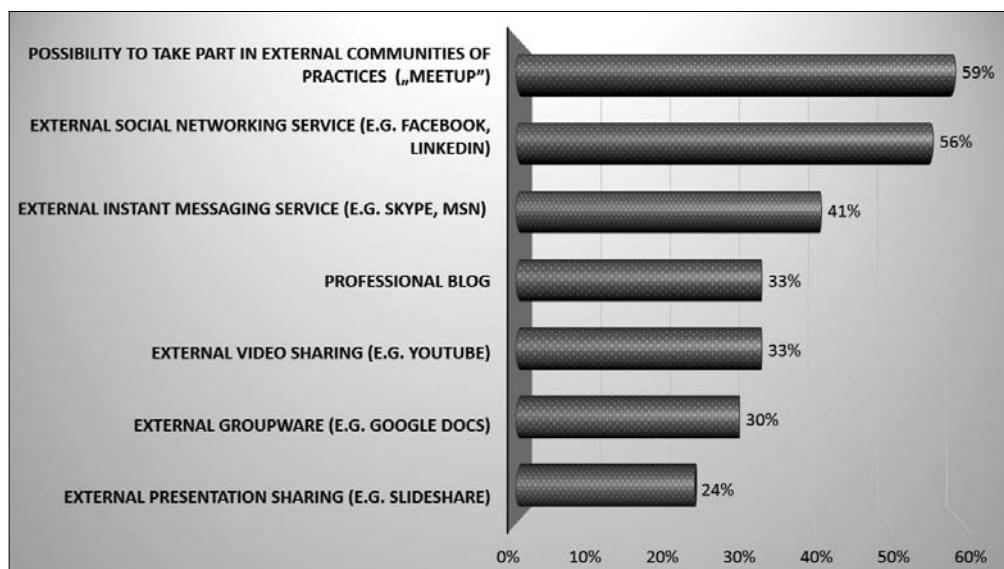


Figure 6. Usage of external knowledge sharing technologies/practices*

Source: KPMG Academy. 2014, p. 10.

*Clearly the percentages represent percentages relating to the organizations that provide the various knowledge sharing technologies/practices and therefore provide the possibility that employees make use of them.

Knowledge sharing behaviour (motivators)

We were interested in to what extent the participants agree with the following statements concerning the factors relating to motivation for knowledge sharing. For each category we identify a specific a statement which were scored on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) (KPMG Academy, 2014):

- reciprocity: willing to share knowledge with the colleagues in order to get useful knowledge from them in the future.
- reputation: willing to share my knowledge with my colleagues in order to be known as a knowledgeable person with valuable expertise.
- altruism: I am willing to share my knowledge with my colleagues in order to help them.

Fully 95% of respondents claim that they share their knowledge with others because they want to help them. 66% consider that others have knowledge that they may need at a later date. In our sample only half (51%) agree with the statement that they share their knowledge, to be known as a knowledgeable person with valuable expertise. Thus the most powerful motivators, as identified by our survey, are altruism and reciprocity.

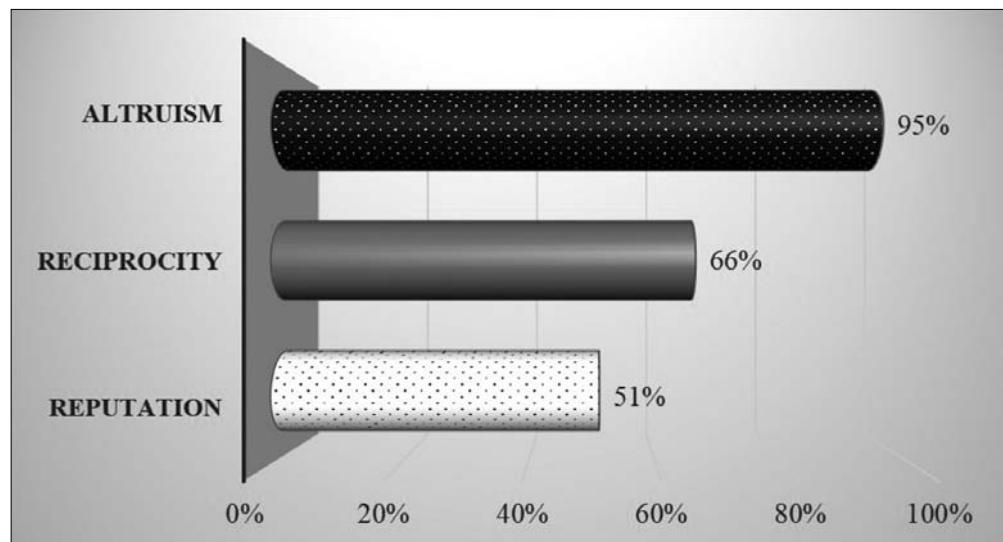


Figure 7. Knowledge sharing motivators

These results run counter to the experience of the study group. In other research that we have been engaged in initially knowledge sharing is enforced by mandatory tools. This is

followed by the next step when people share the result of their successful activity with others, as they are proud of it. Then when members of the community share information with each other on a reciprocal basis. Only few people reach the level of altruism. We can conclude, that the practical experience and the self-assessment questionnaire results do not match (KPMG Academy, 2014).

Individuals' knowledge sharing behaviours in the workplace are divergent and highly dependent on their willingness to share knowledge. As a result it is of critical importance to understand how to foster employees' knowledge sharing has become critical. Our new research will examine the relationship between emotional intelligence traits (Petrides, 2009) and knowledge sharing. The aim of the research will be to define which emotional intelligence factors (well-being, emotionality, self-control and sociability) influence knowledge sharing. We will use a more sophisticated measurement, for each category of knowledge sharing behaviour (altruism, reciprocity, reputation) we will involve 5 component statements which will be scored on a 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree) (Obermayer-Kovács – Komlósi, 2014).

Personal characteristic correlations

Although individuals might recognize the importance of knowledge management practices for the success of their daily business lives, it might be presumed that the degree of the willingness to share knowledge likely depends on their personal demographic features.

In our exploratory study we examined the correlation between social media technologies – used for knowledge sharing during work – and the personal characteristics of respondents, such as their age and their work position. One typical hypothesis about the affinity of individuals with respect to knowledge management and social media technologies is that the younger generations are likely to have a greater affinity for using them.

Methodology

Using our dataset SPSS, we investigated descriptive statistics, including Pearson's chi-squared test and contingency tables. A contingency table (also referred to as cross tabulation or cross tab) is a type of table in a matrix format that displays the (multivariate) frequency distribution of the variables. Pearson's chi-squared test is used to test the independence of variables. The chi-square test is a useful tool to determine whether it is worth interpreting a contingency table. A significant result of this test means that the cells of a contingency table

should be interpreted. A non-significant test means that no effects were discovered and chance could explain the observed differences in the cells. In this case, an interpretation of the cell frequencies is not useful. Contingency tables are constructed by listing all the levels of one variable as rows in a table and the levels of the other variables as columns, then finding the joint or cell frequency for each cell. The cell frequencies are then summed across both rows and columns (Stockburger, 1998).

Results

We examined the relationship between individual characteristics and usage of internal/external social media technologies (Gaál et al., 2014).

Internal social networking service

Regarding internal social networking service we found relationship with both individual characteristics. As the age of the individual increases, the willingness to use this tool for knowledge sharing during work increases: 25% of Generation Y, 41% of Generation X, 55% of Baby Boomers. We investigate the willingness to use internal social networking classified by position, only 26% of white collar workers, while nearly half (47%) of managers (middle level and top management) utilize the internal social networking service.

The higher one's position is the greater the need for such a tool, which facilitates to establish collaboration with colleagues working in other departments or in other countries at an international organization. Younger people choose open systems and they use applications that provide free access anytime and anywhere and they do not use the term Intranet at all.

Internal instant messaging service

The survey data demonstrates that the usage of internal instant messaging service is used by 58% of top management a little bit more than one third of the middle level managers and white collar workers (38%). We would argue that that, for international organizations, at top management level there are numerous negotiations that take place across national borders, and these tools provide a more cost-effective solution supporting such negotiations.

Presentation sharing technology

We discovered the following utilization of presentation sharing technologies 60% of Baby Boomers, 39% of Generation X, and only 35% of Generation Y. What could be the reason for this result? How many people make presentations nowadays at all? For example, the TED

talks are typically held without any presentation, some photos may be used as an illustration. Or just think about using Prezi, which is an auto-sharing application.

External social networking service

With respect to external social media technologies only one significant relationship was encountered. Regarding the external social networking service (e.g. Facebook, LinkedIn), the higher the position of the individual in the organization, the more frequently they more they make use of external social networking for work- related purposes. Thus, 68% of top management, 59% of middle level managers and only almost the half (49%) of white collar workers use this tool for knowledge sharing during work. However, it is important to make a distinction between Facebook and LinkedIn. With respect to Facebook we would argue that usage would be greater among those in lower positions. However, in the case of LinkedIn we might expect higher usage among higher positions because it is generally known that the executive head hunting companies often gather information from that site.

The result we have obtained is likely a demonstration of the fact that individuals at lower levels of the organization (and likely members of Gen Y) are more likely to make use of external social networking for friendship and informal, personal communication rather than work related activities.

Practical implications

This research was designed to find out more about the relation between social media tools and knowledge sharing within organizations. We can state that all stages (Bellefroid, 2012) of knowledge sharing can be found in the Hungarian organizations, but the third stage (social networks) has not been widely achieved as most of the organizations do not allow their employees to utilize the benefits of the social media tools and do not support to develop social networks through these technologies.

Table 4 presents the possible social media tools that can be used by the communities with the aim to share knowledge with the wider audience and within the organization.

Social media tool	Description
Facebook	Facebook, as an external social networking service enables for a community to create a profile (and topic groups) with the aim to share information/knowledge to the followers (partners, potential customers) of their community page. Specific information should be shared only with the members; for a wider audience, commercials, news, etc. can be published.
LinkedIn	LinkedIn, as an external social networking service can be used for professional way, could be a perfect tool for finding information and experts.
MeetUp	Meetup, as an external communities of practice has online portals that facilitate group meetings in various localities around the world. People are contacting with others generally with the professional aim.
Skype	Skype, as an external instant messaging service is also an online conference tool, which can promote the instant communication and knowledge sharing between the community members. There can be numerous negotiations take place across national borders, and this tool means a more cost-effective solution.
GoogleDocs	GoogleDocs, as an external groupware supports collaborative creation of knowledge. It can be used for sharing the documents without sending them via e-mails, but only sharing the link of the document. Other community members who have access to the GoogleDocs have a chance to modify the materials.
Weblog	Weblog, as a professional blog is an informational site published on the web and consists of posts typically displayed in reverse chronological order. Weblogs of the communities are focusing on partners, employees or everyone with the aim to share information or knowledge.
YouTube	YouTube as an external video sharing site allows users to upload, view, and share videos, and it makes use of Adobe Flash Video to display a variety of individual or corporate media video.
SlideShare	SlideShare as an external presentation sharing is a web-based slide hosting service. Users can upload presentations privately or publicly. The website can be used for businesses to share slides among employees more easily. SlideShare also provides users the ability to rate, comment on, and share the uploaded content.

Table 4. Usage possibilities of external social media tools for knowledge sharing

For organizations that wish to enhance knowledge sharing it is becoming essential that they integrate social media tools into their daily business routines. Employees must be given easy access to such tools and be provided with appropriate training.

We would also observe that there are numerous opportunities to using social media tools in a manner meaningful to organizations:

- communication between employees can be encouraged to support problem solving: if organization needs an expert for a specific task, a post can be placed on a blog and likely receive a response from another employee or search on LinkedIn to find the a person, who can help.
- convert personal knowledge to organisational knowledge: if the senior employees record videos about their work and share it with the new employees, the organization can use these videos instead of expensive training programs to explain the details.
- discuss professional problems: with a group of people who are active practitioners in a particular area, professional communities (communities of practices – CoP) can be useful because they are neutral and can provide a way to share best practices, ask questions of and provide support for each other outside the organization.
- reduce time and money through integrated system: using a “new” technology, the calendar, but not because of the calendar function, but organizing and sharing events, meetings, making appointment in a shorter time (instead of phone calls or sending lots of e-mails).

In general, it is recommended that management support the introduction of social media technologies, establish the terms and conditions of their usage, communicate the benefits and provide the necessary training for their effective use. Moreover, organizations should develop a reward system to provide additional motivation to employees to use social media tools for knowledge sharing.

Discussion and future research

Amazingly rapid expansion of the content sharing technologies has led to many of these technologies becoming an integral part of many people's daily routine. We can easily collaborate and work with our colleagues at the opposite side of the world with the help of professional, fast instant messaging services in an effective way. Communities of practices' “Meetup” video can be accessed almost immediately after the event on a video sharing site. Companies have to clearly identify what information and knowledge is to be kept confidential and what is to be shared and made available to others. Such practices as crowd-sourcing and open in-

novation practices have demonstrated the value of sharing information and knowledge that has previously been considered to be confidential.

In future, we expect that both the internal and external usage of the social media tools will increase. In our study, social media emerges a new perspective. Enormous information and knowledge can be shared using powerful tools to a world in which the social factors play an essential role. In our new accelerated world, numerous technologies have been developed to support social capital connections (social networking services like Facebook, LinkedIn) and to communicate in a more effective way (instant messaging services like Skype, Viber).

This paper introduces a survey that explores the usage of social media technologies through an investigation of the willingness of employees to participate in knowledge sharing. In addition, we have explored whether there are generational differences relating to knowledge sharing behaviours. When we consider potential limitations the sample was gathered in Hungary, so we can make statements only for the Hungarian organizations. However, this permitted an in-depth study, and the scope of the survey with 299 respondents was larger than similar previous research studies. Most of our findings were unexpected and are not consistent with stereotypes about the generations.

We have hypothesized that younger generations have a greater willingness to use social media technologies. After our investigations we can state however that the members of Generation Y (younger generation) or employees with lower level position are less likely social media technologies in the workplace. We would postulate that this is because social media tools are more common among young people but they use them for private purposes, while using these tools for work (mainly for knowledge sharing or professional development) is more typical for Generation X and Baby Boomers (elder generations).

In 1993 Drucker predicted how Knowledge Economy will need to progress in order to obtain competitive advantage. He stated that *“the productivity of knowledge is going to be the determining factor in the competitive position in a company, an industry, an entire country. No country, industry or company has any ‘natural’ advantage or disadvantage. The only advantage it can possess is the ability to exploit universally available knowledge. The only thing that increasingly will matter in national as in international economics is management’s performance in making knowledge productive”* (Drucker, 1993. p. 193).

It seems that he predicted the rise of the online, open source, social media tools that can become widely available and prevalent in our modern business life. The willingness to use these technologies by Generation Y (and later for Generation Z) will not be enough. These new generations must be encouraged to make use of these technologies for work as well as for non-work related activities.

Our research could be expanded, as it would be interesting to make a comparison between knowledge sharing practices and usage of social media tools in other countries. The authors are already working on extending their work in this manner.

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„...THE COMPOSITION OF A TEAM IS A SCIENCE...”

– INTERVIEW WITH ISTVÁN MÁRTA, THE MANAGING DIRECTOR OF THE ZSOLNAY HERITAGE MANAGEMENT NONPROFIT LTD. AND THE CHAIRMAN OF THE HUNGARIAN FESTIVAL ASSOCIATION



Fotó: www.pecsma.hu

Q: First, I would like to ask you to tell the readers a few things about your career as a manager.

A: I studied composing which is rather different from cultural management. I graduated as a composer from the Budapest Music Academy. Then somehow I got involved with theatres. As a theatre musician I edited music for various productions and I also composed music and I worked in almost every Hungarian theatre. Most of my friends were theatre people. Later I became a founding member of the Mandel Quartet which plays historical music. I played the harpsichord and percussion instruments. Thanks to being a music performer I toured the world with the quartet. We interpreted music from the medieval times, the renaissance and early baroque period. I didn't have much time for contemporary music but I wrote compositions

for the Amadinda group playing percussion instruments, the 180 Group or the Kronos Quartet from California. These compositions of mine became world famous and some of them are parts of the curriculum. Eventually, I had many more friends and connections in the world of theatre. I learned a lot about the history of drama and techniques used by stage directors and theatre structures. Later I became music director at the Petőfi Theatre in Veszprém and at the National Theatre lead by Imre Csiszár and I was the director of New Theatre for

thirteen years. In these theatres I made very good use of everything I had previously learned. In the meantime I founded a unique civil organisation called Kapolcs Cultural and Nature Conservation Society. As its name suggests it also aims at protecting nature. Our priority is the monitoring of the streamflow of Eger creek but we also run projects to tidy the village Kapolcs. It was the year 1989 and Kapolcs was a run-down village in the Transdanubian region and I thought that why not organise a festival as the name of the society unequivocally suggests. And then in 1989 the Kapolcs Days was born. It was a one-off idea, a three-day mini art festival created by locals and a few of my artist friends. We manufactured the stage ourselves and created the program which had about a hundred-strong audience mainly friends and family. There were a few artists and journalists from Budapest and spread the news of the festival, so this dream-like story didn't stop there and the locals called for it to be continued. Later in the early 1990s neighbouring villages also wanted to be part of it. Three other villages joined and the festival couldn't be called Kapolcs Days any more. So, I came up with the name Valley of Art. If I consider the story of my role as a manager the Kapolcs Days – Valley of Art festival was a momentous step. By 2007 we had 260,000 visitors and the six villages in the valley were completely full. In 2009 we closed the festival ever since we've been trying to recover. This year we will be celebrating our 25th anniversary. It's unbelievable!

As a manager I took other social roles as well. I've been the Chairman of the Hungarian Festival Association for 11 years now. It is a professional civil organisation with over 90 member organisations. We are responsible for the professional representation of 220 festivals of all kinds. I also worked as chairman in various advisory boards. These were *ad hoc* engagements.

Q: What are those attitudes that drive you to be a leader?

A: It's not me who should answer this question. Obviously, as a composer or an artist I would handle this problem differently from those who are professional managers. I've never studied economics, management or leadership techniques so I've learned everything in real life as I went along. I'm sensitive and I've acquired routine and good communication skills which make up for my lack of management skills. There are so many things I have to do that I simply can't take it easy. To a certain degree I try to hide my unsettlements, I've learned it in the theatre how 'to act a role'. I'm not a traditional manager, a real 'boss'. I'm boisterous and blunt, sometimes childish and often introvert and there are many times when I'm really playful. But there is a really important thing in my life and that is teamwork. I know it sounds like a

cliché but I firmly believe that the composition of a team is a science and I always managed to build great professional teams to work with. I couldn't even move without them. I've been working as the managing director of the Zsolnay Heritage Management Nonprofit Ltd. for three years. This position meant a change of lifestyle as well because my wife and myself moved to Pécs. It was a brave undertaking to accept the managing director position because we formed along with the city a large 'cultural holding' which I think is unique. The truth is that even in the last three years many new responsibilities and tasks have been added to my old ones but it had been impossible to see this beforehand.

It's not a classic, gigantic city company and our 'products' come from all areas of art. Meeting the expected indicators and the values and quality we represent give us a special status and requires a special way of thinking both on behalf of the city and our co-workers. The road we chose to follow isn't built on faceless mass production. In many cases we must improvise mainly because of financial reasons.

Q: I've looked up one of your previous interviews. You said that *...at that time I was looking for new venues for the theatre festival when I discovered the Zsolnay Quarter, and I had the same excitement what I had when I found Kapolcs. Both places have the same peculiar history and tradition which became white canvases in my mind for exciting cultural programs.* What are your recollections on that?

A: It's true. Going back to the idea of leadership I was the artistic director of POSZT (National Theatre Festival). And it's really true that in my first year there, someone dropped a word about the Zsolnay Quarter which was still under construction. I walked through the gate at Bajor Street – covered with mud and rubble – and I was shown the only exhibition open, the Gyugyi Collection. It's a unique collection of ceramics representing the golden age of the Zsolnays from around the end of the 19th century, the millennium years and secession. In these utter shambles yet exquisite surroundings there were forks and crockery and I saw steel vases and large amounts of debris and I suddenly felt exactly the same as what I had felt in Kapolcs back then. I thought that it was a place full of potential waiting to be discovered. Fantasy has no limitations. It offers the opportunity for us to show history and tradition in the more generous spaces as well as in every nook and cranny. New qualities, new approaches can be introduced using our heritage. The same happened in Kapolcs. The village has its own personality. It's very important for the place to have its own distinctive characteristic. I'm often asked how to repeat the Valley of Art in Upper Hungary, in Transylvania or in other

places. What I think is that the character of the place or community should be discovered because nothing can be done with a place that has no 'face'. Of course the word 'face' here is allegorical. It includes not only the landscape but also its past and traditions. There should be people, locals or 'blow-ins' who want to do something with the landscape and those living there. Here, in the Zsolnay Quarter I felt instantly that it would be great to do something with the place. What will happen once the revitalisation is finished and the area is rebuilt? Then suddenly by sheer luck I was asked to be the managing director. The day after the assassinated New Theatre project closed down I was in Pécs.

Q: To turn to a more general topic. What are your views of today's cultural consumption here in Hungary? What are the trends?

A: I'm a pessimist. At the same time, because of my age and my profession and also my temper I always try to look at the bright side of life. What I see is that the virtual 'lifestyle' has fundamental effects on society and it's independent of various generations. It might not be a problem by itself because the world is more spacious now and it's easier to get to know it. Unfortunately, there is a huge loss in values too in this new virtual space. I feel very deeply about all the disappearing of invaluable cultural resources. What do I mean by that? Just to bring one example: classical music. My nightmare is who and how people will listen to Beethoven symphonies? Who and how will understand Mahler's Symphony No. 4 or Wagner's operas? In order to interpret these compositions a thorough historical and cultural understanding is also needed apart from the obvious musical knowledge I think the world is heading somewhere where all of these are not important any more.

Q: For that matter, can you or is it possible to draw a line between high culture and popular culture?

A: Well, as they say world music and other flashy trickery are on the borderline of classical and popular music and it's possible to find a transition in these cases. But in reality they are artificial 'genres' and cannot provide the same level of experience as classical music. They're simply not authentic. They cannot possibly replace Bach Mass in h-moll or Bartók violin concertos. I'm not sure whether the mission to include folk music somehow in musical adaptations has any kind of effect. Because it doesn't necessarily mean that people will start listening to and enjoying the original works. It's undeniable that the rediscovery of folk music was mainly due to the rediscovery of folk dance, folk architecture and traditions. The main

aim of the Muzsikás and Sebő (and my younger years too) was also something like that. I try to provide space for these pursuits in Kapolcs from time and time again but there is less and less demand and place for this kind of music. Today's generation has very different fields of interests, way of thinking and they also use very different technology. Tablet PCs and smart phones serve as a body parts. They post on Facebook but can only focus for a minute or two then they click to something else. Or they download a more intelligent App. Live music – classical or folk – and the face-to-face characteristics of these music types are uncomfortable for this generation. This is of course my opinion – a grey fox – who probably shouldn't make sweeping statements. My generation also had a stigma a few decades ago.

Q: Can this pessimist view be applied in international context as well? Is it true there too or are we different from that?

A: The international context is exactly the same. We are not different at all. But I wouldn't dare say that this is the end of the world and everything will perish. It's not that dramatic. During the millions of years of human evolution thousands of similar instances took place without disappearing. Even in the European music history. Another example is Baroque music which was followed by Italian operas. But on the bright side – talking strictly about music – oriental music, for example, became available which hadn't been the case before as a result of huge distances. Similar to this is traditional Indian raga music or the Maori music. I only wish Debussy could have lived to see it. And this is a good thing. The question remains: What can mankind do with the moments, hours and days following the clicks on the computer? What can we use the moments after we receive the stream of information? This is when we have to face the issue of live performance. Can live music, theatre, performing arts etc. offer something additional the way we had imagined it? Isn't it maybe too much of a burden to dress up nicely, to remember our good manners when we go to a concert hall? Or is it more of a possibility to open these spaces making them more inviting and 'popularize' them by letting people in wearing jeans and T-shirt.

Q: As far as I see it this is how people go to the theatre today.

A: Yes, these are formalities. With or without a frock the really hard question is whether the actors the director and the audience can understand each other. My opinion about this is – I'm quite a liberal in that matter – that people should come in even with no tie on. What I think is very important is to understand the language of a theatre play.

As the director at New Theatre we had 98 plays in thirteen years included classical and contemporary pieces as well as plays in small stage version or big stage performances. My most powerful 'tool' was the team of actors and actresses. Young artists discovered by me (Pokorny Lia, Huszár Zsolt) several accomplished artists who won the Kossuth Prize (Gáspár Sándor, Bánsági Ildikó, Eperjes Károly) pushed the theatre to new heights in the philosophical sense as well. In the last thirteen years I did have the feeling that the quality and interests of the audience has been changing relentlessly. But there is no scientific research behind this. When I realised this I had a big dilemma. Should I loosen the reins or fight our old ways tooth and nail. Don't misunderstand me, I wasn't into acting in an extreme way and I've never thought of playing with our pants down. I didn't have time to deeply think about the 'what ifs'. You know that is the beauty of theatres. Whatever is said about theatres they are hierarchical structures, institutions which means that in practice – at least traditional theatres – play to the director's taste, will, world view and value system. At the end of the day a decision must be made about what to play. There are twenty outstanding, very popular artists in front of you, several won the Kossuth Prize and then you



Fotó: www.nol.hu

have to tell them: ‘Listen! We are going to play Dr Faustus by Marlowe.’ They look at you oddly but you have to explain why they have to play that show. You see it’s not you but them, the artists who risk their necks which is yet another cliché. To have this experience throughout the many years as a director, made me more conscious about which direction to take. It’s not good for the artists either if there is no audience or if the audience leaves in the break. And in the midst of all that you can’t help but think about your values...I’ve always worked with great artists not those types who preferred playing with their pants down but real ones who learned from the likes of exceptional directors. They came from leading theatrical schools of Major Tamás or Ádám Ottó. This is something you can’t learn at school. You either learn it as you go or not. As for me I hadn’t been a theatre performer so it was twice as difficult for me to get accepted. Going back to a previous idea and it might give you better understanding of what I meant earlier: I felt the same in Kapolcs namely, that I was in a ‘more difficult position’ there. I was one of the ‘blow-ins’ from Budapest who are by birth all so rich. The life and the whole history of the village was about looking at who is coming from outside the village – especially coming from a large city – as someone who can only bring something bad. That was part of the collective memory... First, I was from a big city. Second, I was an artist. They thought my kind didn’t even exist. They looked at really suspiciously. But eventually I’ve won the battle which took me about five years. I needed that much time to be accepted by the locals. After a while they even started to spread the news that I was born there. I was so proud but in fact it wasn’t true. I was a ‘blow-in’ in the world of theatre as well. As a composer, as a theatre musician I was respected but in the very moment I changed my role in the theatre I was abused right and left. The reason why I went for a change was because I believed that I was well equipped for change with creative ideas. Then of course the profession went quiet and busy workdays kicked in. Whether I like it or not I had enough conflicts in the last few decades.

Q: I looked up some currently available definitions regarding the skills of managers in cultural organisations. I would like to ask you, as someone who actually works as a manager in various cultural organisations, to comment on that. One of these definitions is: *... a manager must have effective economic and organisational knowledge and skills.*

A: It will be a short answer. It depends on the type of cultural organisation we are talking about because they are very different and shouldn’t be bracketed. Each and every have their own distinctive set of characteristics. I think that there are leadership strategies but they are more the question of individual choice.

Q: The other skill is: '*...a manager must operate the organisation without qualitative compromise.*'

A: What is meant by quality? I don't want to avoid answering your question but who is to tell what quality means? The concepts and quality criteria of a theatre, a symphonic orchestra or an exhibition space owned by the local government are very difficult to define. There might be the number of audience members or nights, there are marketing expectations but the quality is fundamentally determined by the values of the director and the identity and history of the theatre. The sensitivity and openness of the team are also important.

As for the professionals – if we separate culture professionals – they are all very much aware of their value but if the leaders' ideas are not part of the decisions made then there is a huge problem. So, I often think that professional specialisation must always be evaluated carefully when somebody is running for a director position. What is professional specialisation? I will by no means defend my assignment for theatre director because I did have master level art qualification in music but not in theatrical art and it wasn't a problem. I have a very dear friend who is a cellist and the director of Kolibri Theatre. But a professional specialisation? What is it? It would be absurd to ask for a specialised qualification from the director of the Kolibri Theatre, a cellist who has proved that he is more than capable of leading the theatre through his exceptional skills...while it is true that he is not an actor or a stage director and has never been awarded a degree from the University of Theatre and Film Arts. So, I really think that qualification has not much to do with the whole thing. And again, I'm not trying to defend my directorship. Nowhere in the world would qualification be a determining factor in assigning directors. In some areas – mayors in local governments, the Minister for Culture – can be appointed based on personal ties but it's very risky.

Q: Among the skills there is another one which I think is a cliché: '*... a manager must be creative and well-informed.*'

A: Yes, I agree totally. In every cultural institution, either it comes to a gallery or a symphonic orchestra, the leader must be well-informed. And the information they have should be broad, including local as well as European perspectives. Moreover, they should be able to think globally and know trends very well. Creativity is of course fundamental because global changes require brand new, individual responds. Communication technology tools must be used as well.

Q: I would like to ask you how well can at the levels of local and national governments public orientation endorsed? As we know local and national governments are quite heavily involved in the market of cultural services. It is also a cliché.

A: Well, local governments have a well-defined group of responsibilities that they have to meet. Theatrical art is not included in that but many other areas for reasons of local tradition, prestige or image are included. So, local governments have enormous burden on their shoulders because they must finance at least partially these areas of responsibilities.

The local government is required self-control because they might have different philosophies. But that's art which is sacred and must be let alone. Let's say I'm a city leader. Sometimes, even if it makes me desperate, I have to close my eyes to let things happen. Because this is what needs to be done. Real culture and high art in general are not to serve the financiers' will. Undeniably, it means constant fighting in the case of real art. And it sometimes happens that there are individuals who give in and focus on what is expected. They leave at 3 p.m. sharp, get their money and are desperate to meet the indicators that had been set. They don't care about anything else. I find this extremely harmful. I require my colleagues to be on board with our projects and put their shoulders to the wheel. Of course, I'm thoughtful of them and their families but those who are in the top management must work much longer hours than the usual 9 to 5 or 8 to 4. Just to say quietly, we couldn't possibly do festivals here in the Zsolnay Quarter if we only worked in the usual hours. Leaders must have a sense of mission, a will and unfortunately I have to serve as a good example because preaching is sure easy.

Q: What is your perception about the cooperation between public, civil and business sectors in Hungary?

A: It hardly exists. The whole...the civil sector in itself has no capital. There isn't a strong middle class that could finance civil sector organisations in villages, cities or regions. It means that they can't be self-supportive and they need governmental help. But the government selects among them based on a set of criteria...either tolerate them or ban them. No, there is no ban. There were times when they were banned but it doesn't happen today. Civil organisations are either tolerated or supported. But being tolerated doesn't pay bills. There is a lack of patronage and there are no channels of sponsorship here like in western European countries. There is strong will though, because many civil organisations knock on my door asking for support. And we do provide them with space here in Zsolnay. But there are less and less

of them for some reason. These groups are decreasing in numbers. Maybe it's a generational issue which would really want to support a cause. I don't really know the way the Facebook-generation or as it's called generation Z thinks. A community being organised online is a different issue. I don't know its impacts and what it means and I don't know what it is all about. I'm not familiar with it at all. I'm on Facebook too and I'm also member of a few groups. It might sound silly but I think that against all openness of Facebook I think it is a more closed setup than, for example, when we sat down with the locals in the village grabbed a spade and a rake and we started digging made benches went into the pub and got sodden then had a game of chess and got up the morning after and cleaned the creek bed. It didn't certainly happen in a virtual setup. We became a real community which had tangible results such as a tidy village, the memories we still share which are all crystallized in the 25-year-history of the Valley of Art festival. I don't know how something like that could happen in a virtual community. I don't know.

Q: What about the cooperation between the business sector and the other two sectors?

A: It's frantic. Frantic indeed! The losing side is certainly the civil sector. And not only those civil sector organisations are losing out on support who would cooperate with the business sector but also those who are supported by the local governments because they depend on the ever changing budget. In Pécs there is a fine example of cooperation between the local government and a civil organisation. For example Lake Balokány, which is located within the city of Pécs, is revived which has a positive effect on the city architecture, conservation and the lives of city dwellers.

Q: For just a quick question I would like to switch to the Hungarian Festival Association. I've read it in one of your interviews: *'...the unique quality assurance program of a twelve-year-old association serves as an example.'*

A: The festival organising 'guild' was the very reason why we started the quality assurance program. Several associations got together based on consensus and in about one and a half hours we created a program which has two modules. There is a registration part which is important because there is hardly any statistics or survey about these companies.

By creating a quality assurance system we try to put things right with festivals regarding the various categories and rankings. We know that there are about 4,000 festivals in Hungary

without any organisations behind them. Let me give you an example from music composition. In a musical score there must be order otherwise it cannot be interpreted. No one can be denied of calling their garbage events a festival. But public money or partial funding should be based on quality ranking. Today a small amount is divided among many but quality is not taken into consideration.

Serious quantitative and qualitative research must be carried out in order to be able to qualify a festival. There are four festival types: art, community, gastro-cultural and folk art festival. There are three ratings: qualified, well-qualified and excellent. Our quality assurance system is used by the European Festival Association this year and it forms the basis of an international festival award.

Q: You've also said: *„...quality assurance and registration clash with some interests.”*

A: Yes, they do. There are conflicting interests as soon as the story is about government money and a festival receiving poor ratings. Let me emphasise that we don't want to segregate parties but it's important to separate village festivals or first time festivals from the Szeged Open-Air Festival. It's impossible to compare them and in this question we need to establish a clear and unequivocal system of how to allocate government finances. What I think is that if there is a certain amount of money for festivals in the government budget – whether it be village festivals or other high quality events – at least a portion of this budget should be spent based on some kind of selection process. This is what we are fighting and lobbying for.

Q: Finally, the usual question: If you could start it all over again as a manager of cultural resources what would you do differently? Also, what would be your words of encouragement for the managers of cultural resources of the future?

A: Let me start with the second question. The coming generation should be open. Apart from learning the trade they should also go and see those places which they are interested in or where they imagine themselves in the future. If someone wants to work in the music industry or visual arts they should know these places and trends very well. A very pleasant way of doing that is to go for concerts or exhibitions. They also must know the historic and psychological relationships as well as the financial background. Of course, it's not enough to be passionate about music to become a cultural manager. Sorry, what was the first question?

Q: If you could start it all over again as a manager of cultural resources what would you do differently?

A: If I could start it all over again I wouldn't do anything else but write music.

Q: But as a cultural manager, if you could start it all over again...The question of learning curve...

A: I have no idea what I would do.

Q: Well, if you think that you've always been successful then this...

A: Oh no! Far from! But people tend to keep quiet about their failures and low moments. There were so many...excuse, back to the question. We must endure our lows and get over them. I had many lows but I've never prepared a 'brag file' to show to the media or anyone else. I've had files with: 'Running away is a shame, but it is useful!' written all over them. It might also be a lesson to learn. But if I were a teacher – unfortunately I'm not a teacher type – I would surely teach about my failures. I would share these examples of failure behind closed doors of course. I can't teach and this is a big problem for me. I'm doing so many different things that I'm quite envy of those...my father is a teacher and he has a lot to be envy about. I did teach music history and analysis of 20th century music at the Jazz Department for two years but I had to realise that I'm not capable of teaching.

Q: You could surely teach in higher education.

A: No, I couldn't. I simply can't focus only on one thing because I'm absorbed by so many things although I'm a composer and I also have a teacher's degree.

Q: Thank you very much for the interview.

PETRA GYURÁCZ-NÉMETH

THE ROLE OF PROCESS STANDARDISATION AND CUSTOMISATION IN HOTEL MANAGEMENT

The dilemma of standardisation and customisation is often the topic of great strategic debates in companies and issue of academic discussions. Especially for a service company, quality is one of the main goals to reach and maintain, but considering many of them it is not an easy task to accomplish. Standardisation can be the solution for this 'problem' with its rules and regulations, although it has to be considered that the service industry is very much customer centred and the guests want novelty and special treatment, so customisation is essential as well. However, not only quality plays a significant role in the operation of different firms. Productivity, efficiency, cost reduction, more revenue and better image can be listed as well. Some of them can be easily reached by standardisation, some of them by customisation. Instead of choosing from the two it would be the most advantageous to combine the two concepts and exploit the benefits of both.

The object of the research is the Hungarian hotel sector. The Hungarian tourism industry is a very successful source of revenue for the Hungarian economy. In 2012 the balance of tourism export and import was 2243 million euros, which could not have been accomplished without the Hungarian hotel sector. The role of Hungarian hotels can be explained by the revenues produced by all the accommodations, which was 270.8 billion forints (approximately 903 million euros), and the hotel sector's contribution to this number is 89.5% (Hungarian Hotel and Restaurant Association, 2012). This number makes hotels the most important accommodation providers in Hungary.

This paper is discussing the role of standardisation and customisation in the hotel management of Hungarian hotels. The following questions are going to be answered at the end of the article:

How can the level of standardisation and customisation be measured?

Is there any relationship between standardisation and customisation or are they independent from each other so hotel managers have to choose?

What kind of performance indicators are there in hotels? How their relations look like?

Do standardisation and customisation help hotels increase their performance?

At first the two concepts are being introduced and discussed. Then the assumptions and results are explained. At the end of the paper the conclusion and the managerial implications are being detailed.

Introduction

Although hotels are significant in the Hungarian economy, they have to face several problems lately. These issues have a standardisation, customisation perspective and the analyses of these concepts can provide a solution for hotels. In this paper the pricing and the human resource problems are highlighted from the list Győrffy (2010) defines.

The prices of Hungarian hotels can be claimed to be low comparing all the costs in connection with the operation. The low level of prices mean that there is a slight difference between the price of a 4 or 3 star hotel but guests expect higher quality in a 4 star establishment. The reason for the low room rates and packages is to increase the occupancy rate, although it is only about 50% (KSH.hu, 2013). The consequence of the decreased prices is that there is no money left for maintenance which results that hotels cannot provide quality equipment for the guests or work with any. It makes it even harder for the staff to satisfy the guest needs because they have to make up for the mistakes and deficiencies of the intangibles (Győrffy, 2010). In long run price reduction leads to quality problems which is a vicious circle reducing the revenue and the number of satisfied guests. Győrffy (2010) also suggests that the staff has to be provided with a plan for the future to make it easier for them to accomplish the goals of the company. Nowadays there is a new trend among hotel managers: they keep as little contact with the guests as possible, which worsens the atmosphere at the workplace. Since hotels need to reduce their costs to be able to work, some of them use outsourcing as a tool, although this method can also have a negative effect on quality and atmosphere in the hotel.

For measuring the hotels' success eight performance indicators have been chosen. Some of them are measured by the Hungarian Statistics Office (KSH) (revenue per available room, average room rate, occupancy rate, star rating), the others are suggested by the Hungarian Hotel and Restaurant Association (foreign guest percentage), the rest aims to show the guest satisfaction (Tripadvisor evaluations, Booking.com evaluations, loyal guest percentage).

Standardisation

Standardisation is the situation where the service product is the same every time (for example the hamburger at McDonald's). According to Sundbo (2002) standardisation is a way to decrease costs, at the same time to increase productivity and lower prices. Standardisation can be explained in terms of classic economic logic, which may be characterised as an economy of productivity (Sundbo, 1994). Within this logic, only prices and quantities are essential and consumers are supposed to assess the quality of a product and compare the price of it

with the price of similar products. Individual customer care is useless according to this logic because the customers have the knowledge to classify the product or service according to the type and quality, and when they have done so, only the price matters (Sundbo, 1994).

This statement is supported by the fact that standardised services tend to arise in price sensitive markets where there are economies of scale, and where production is routine, with high costs of adaptation (customisation), and which involve standard or inflexible technologies and a relatively low cost labour force (which is likely to be a labour force with a relatively low level of educational attainment) (Tether et al., 2001). Standardisation implies high production volumes and relatively distant relations with the customer (since little information is required from the consumer to specify the product) (Tether et al., 2001).

Some other phrases for standardisation can be seen on Table 1.

Author	Date	Standardisation
Sasser et al.	1978	Mass production
Surprenant – Solomon	1987	Predictability
Juran	1988	Meeting customer needs
Lovelock	1992	Operation
Baalbaki – Malhotra	1993	Globalisation
Van Mesdag	1999	
Upton	1994	Uniformity
Lovelock et al.	1996	Cycle of Mediocrity
Anderson et al.	1997	Productivity
Kotler – Armstrong	2010	
Silvestro et al.	1997	Mass service
Irons	1997	Threshold values
Kurtz – Clow	1998	Cost efficiency
Grönroos	2000	Technical quality dimension
Ritzer	2001	McDonaldization
Cloninger – Swaidan	2007	Homogeneous
Veres	2009	Undifferentiated market influence
Nordin et al.	2011	Transferability across markets
Johnston et al.	2012	Commodity

Table 1. Different phrases used for standardisation

Source: Own compilation

As Table 1 shows the phrases meaning standardisation come from different concepts and perspectives. There is an international way of thinking (Baalbaki – Malhotra, 1993; Van Mesdag, 1999; Upton, 1994; Ritzer, 2001; Cloninger – Swaidan, 2007; Nordin et al., 2011) about standardisation which is supported by the uniformity and transferability as the benefits of the concept. It means that with the help of standardisation the different cultural characteristics of different countries the company wants to expand to can be got rid of or eased. The other aspect is the quality perspective of standardisation (Surprenant – Solomon, 1987; Juran, 1988; Lovelock et al., 1996; Irons, 1997; Grönroos, 2000). Quality assurance is one of the most important issues of this paper and it is essential to emphasise its role in customer satisfaction and meeting customer expectation as well as the rules or procedure standards to make processes more effective and suitable for customers and the staff as well. This kind of thinking leads to the next aspect, the effective operation of the companies (Sasser et al., 1978; Lovelock, 1992; Anderson et al., 1997; Kotler – Armstrong, 2010; Silvestro et al., 1997; Kurtz - Clow, 1998; Veres, 2009; Johnston et al., 2012).

The tool of standardisation is the standard itself. Service providers need to establish standards to provide guest satisfaction (Lovelock – Wirtz, 2007) and they can help management to control in service and manufacturing firms (Kullven – Mattsson, 1994). Standards show the appropriate ways for employees and help managers measure their performance (Kullven – Mattsson, 1994; Woodruffe, 1995). Service standards could include the time parameters, the script for the correct performance, and prescriptions for appropriate style and behaviour (Lovelock – Wirtz, 2007). Hard and soft standards are both used, but as the size of the company grows, standards are likely to be more formalised. Service quality and productivity are two sides of the same coin (Lovelock – Wirtz, 2007). They cannot focus on only productivity or quality because in this case operation and marketing are separated and there is no long term benefit in that strategy, they have to cooperate (Lovelock – Wright, 2002). Improving productivity means saving time and costs, although in the front stage it can cause large problems in the long run, if there are not enough employees processes are slower and not proper enough (Lovelock et al., 1996).

Quality standards were originally found out and used in production. They focused on the quality and the right conformance of the product. Now assuring quality does not only contain the operation part of the firm but every other department, for example marketing, as well (Woodruffe, 1995).

According to Blind and Hipp (2003) quality standards are appropriate for making the quality of products and services transparent. They state quality standards are highly needed in services because of the intangibility of services and the information asymmetries between management and the service providers.

Horovitz (2004) states that there should be no more than 50 standards at a company level which results in about 1000-2000 lines for bigger and more complex service providers such as a theme park. The more experienced the staff, the fewer standards they need, although for new employees they still function as great help. He called standards 'a safety net' which explains why they are needed at service companies as much as in manufacturing companies. The most important issues in the case of standards are that they need to be explicit, established by the best employees, everyone in the team needs to know them, they should be used in the induction process, should always have a role in internal communication and they need to be reviewed at least every two years (Horovitz, 2004).

There are different classifications of standards. One of them identifies four types of standards (Schmenner, 1995). The first three are regulated by hotel standards as well and that is why an example was assigned to each (Table 2).

Type of standards	Definition, examples
Time	Easy to measure, used in certain situations. A hotel example: Reservation confirmation must be delivered via email/fax no later than 24 hours following the reservation.
Productivity	Norm, which has to be ready or served or provided at the end of the day. A hotel example: standards help determining the number of rooms has to be cleaned by a room attendant.
Quality	More subjective, less measurable, the measurement method is audits, reviews. A hotel example: During the entire reservation process the associate must be friendly and spirited.
Cost	The amount of labour costs, inventories.
Demand	The number of customers in a period of time.

Table 2. Type of standards
Source: Schmenner, 1995

Another grouping of standards is made by Nesheim (1990) who mainly focused on organisational design and wanted to find the most effective coordination mechanism for different service firms.

Type of standards	Hotel example
Standardisation of work processes or output	Room cleaning process and the number of rooms which needs to be done until the end of the day
Standardisation of work processes	Reservation process
Standardisation of output	The arrangement of the rooms when the guests arrive
Cultural control	The process of welcoming guests on arrival

Table 3. Type of standards

Source: Nesheim, 1990

This research concentrates on the second and the fourth categories (Table 3). However, there can be a connection between the standardisation of processes and cultural control; cultural control means the standardisation of the norms and values in the company, which should be the base of standardisation of these processes.

Author	Date	Advantage of standardisation
Kimes and Mutkoski	1991	Efficiency, efficient service delivery
Sundbo	1994	Increased productivity, lower costs, customer satisfaction, systemised innovation, quality assurance, customer satisfaction
Ritzer	2004	Efficiency, calculability, predictability, control through nonhuman technology
Heppel	2010	Fast, predictable, perfect service

Table 4. The advantages of standardisation

Source: Own compilation

Kimes – Mutkosky (1991) identified two important aims of standardisation efficiency and efficient service delivery. Efficiency is mentioned by Ritzer (2004) as well when he phrased the dimensions of the term McDonaldization. This advantage is listed with others: calculability, predictability and control through nonhuman technology. Predictability which actually is the customer expectation is an advantage because it provides a fast, predictable and perfect service for the customer which is the most important issues in order to deliver high quality service (Heppel, 2010). The last mentioned advantage (Table 4) is productivity increase which has good possibility in a service firm if they are using standardisation (Sundbo, 1994). Bateson (1985) also mentions productivity as one of the most important goals of companies and adds that these firms have to consider the self-service option as well.

Customisation

Customisation is the situation where the service product is created in an actual situation as an individual solution to the customer's specific problem (tailor-made or customised) (Sundbo, 2002). Customisation takes place in an economic logic, which is based on the axiom that a service product cannot be stored and therefore it must be consumed in the moment of production and the consumer must be a co-producer (Sundbo, 2002). The customisation tendency is thus driven by this logic of service marketing, which economically is the logic of old-fashioned servants. This was not rational productivity logic, but the logic of luxury – servants did not produce much that was useful, but they were nice to have and the nobleman could afford this luxury. Contemporary western economies can be seen as luxury economies; there are large surpluses over what is needed just to survive. Therefore, buyers of services can afford, and will look for, quality and the kind of service over price (Sundbo, 1994). The customised service provision will depend on the economies of scope and the costs associated with customisation as well as the extent to which customers are prepared to pay different amounts for different variants which leads to discriminatory pricing. Consequently, when there are significant economies of scope, the cost of customisation is low and where customers are prepared to pay different amounts for the similar service variants, customised services will in general be provided (Tether et al., 2001). Customisation cannot be defined as exactly as standardisation and because of this fact it is hard to base research on this concept (Reisinger – Steiner, 2005).

There are different forms of customisation. The classification below is made according to customisation of the product and the customisation of representation (Gilmore – Pine, 1997):

- Adaptive customisation: Low product and low representation customisation. It is a standard product which can be used in different ways by the customers themselves (choice).
- Transparent customisation: High product and low representation customisation. The product is altered according to researched customer needs but they most likely do not know about it only using it this way.
- Cosmetic customisation: Low product and high representation customisation. Only the product representation, for example the packaging, is changed according to the customers' need.
- Collaborative customisation: High product and representation customisation. Both factors are adjusted to customer needs with customer participation.

Although these are distinct categories, companies can use more of them at the same time to find the fit with the customer and create a unique added value for them (Gilmore – Pine, 1997).

Jin et al. (2012) identified two categories of customisation analysing the product customisation in travel agencies: upgrading and downgrading. They determine that customisation influences loyalty and most customers choose upgrading because it starts with an economy package and continuously gets closer to the luxury package and they can stop in any phase they want to. It proves the price orientation of the customers. Additive and subtractive customisation (Park et al., 2000, Wang et al., 2013) or building up, scaling down processes (Levin et al., 2002) mean the same classification only using different names and they are not only applied for the travel agency industry. However, Levin's (2002) results show that in case of pizza topping customers prefer the scaling down process which provides more revenue for the company as well.

Advantages of customisation	Disadvantage of customisation
Higher prices	More costs
Special needs	Only a few people
Added value	Higher operational risk
Less strategic and financial risk	

Table 5. The advantages and disadvantages of customisation

Source: Own compilation

The customer is willing to pay more for the service if it provides extra value for them (Sedmak – Mihalic, 2008). It is important to add that customisation only costs a little and it is worth fitting to the customer needs and expectation (Heskett, 1986). Although the risk of high costs needs to be mentioned because of the alteration of the characteristics from time to time (Nordin et al., 2011). There is no argument of customisation being able to satisfy special customer needs and create added value to the customer with finding the exceptions and dealing with them differently (Heppel, 2010), although it is essential to add the danger of only a few people interested in the special service (Ritzer, 2001). This kind of thinking suggests that customisation represents higher operational risk but less strategic and financial risk (Nordin et al., 2011). Too much customisation can be a disadvantage for the company as well, if there are too many choices customers have to consider; in this case they need attributes fitting their needs instead of all the options (Huffman – Kahn, 1998).

The combinations of standardisation and customisation

The previous chapters introduced the advantages of the two concepts but since the paper states that it is possible to exploit all the advantages, it is relevant to present the theories used by other authors whose aim was to combine standardisation and customisation.

Author	Date	Theory
Heskett	1986	Alteration of the product
Hertzberg	1987	Diminishing dissatisfiers and providing satisfiers
Johns	1993	Mixing the design and productivity
Palmer – Cole	1995	Being able to keep standards: high, being able to customise to the guests' needs: high
Lampel – Mintzberg	1996	Segmented standardisation, customised standardisation
Silvestro et al.	1997	Service shop
Irons	1997	Threshold values, incremental values
Sundbo	2002	Modularity
Van Looy et al.	2003	Standardised process – High degree of client contact
Liu et al.	2008	Standardisation and customisation in the middle
Mount – Mattila	2009	Reliability and recovery
Lehrer – Behman	2009	Programmability
Gyurácz-Németh – Clarke	2011	Customisation is based on standardisation

Table 6. The different theories of combining standardisation and customisation

Source: Own compilation

Some of the authors listed in Table 6 deal with standardisation and customisation as normally distinct categories but they create a new category which combines the two (Palmer – Cole, 1995; Lampel – Mintzberg, 1996; Silvestro et al., 1997; Van Looy et al., 2003; Mount – Mattila, 2009). Others realised that the operation of companies have changed and the two concepts are applied at the same time (Heskett, 1986; Johns, 1993; Irons, 1997; Liu et al., 2008; Lehrer – Behman, 2009). Some of the researchers' aim was similar to the current author. Their goal was to try to find the solution to exploit the advantages of both concepts and found out a new theory. One solution is modularity introduced by Davis (1989) and ap-

plied by Sundbo (2002) for services. Modularity is a technique when the parts are standardised but the outcome is customised by the customer or guest themselves since they decide which elements they would like to use to actually produce the final product (Davis, 1989). The essence of modularity can be explained with the following sentence: 'Every buy is customized, every sale is standardized.' (Davis, 1989, p. 18). Modularity is a very commonly used concept in theory and practice as well to mix the advantages of standardisation and customisation. However, according to Bask et al. (2010) the service applications are limited.

The last category contains the idea and model of the current author (Gyurácz-Németh – Clarke, 2011). According to this approach customisation and standardisation are not independent and not opposites. This means that hotels do not have to choose between standardisation and customisation. Also the role of standardisation is not only to replace customisation or vice versa. The opposite of standardisation is no standardisation and nor does standardisation not equal customisation, because if the processes of a hotel are not standardised it does not mean it will operate according to the customers' needs. This way of thinking actually works in the case of customisation as well. If the hotel processes are not customised it does not mean that they are standardised instead, they only do not meet the customers' needs. The result of no standardisation is insecurity and variance which means that the processes are not specified and the employees are trained to execute them properly so this unexpected service is going to be provided to the guests who are once served this way the other time another way. If there is no customisation and guests require the personal touch, they will surely be unsatisfied with the automatic service, which is not different from a machine serving them. This kind of thinking requires a shift in the approach to the topic. If standardisation and customisation are seen in a quality perspective, it is easy to recognise that both of them are needed at the same time. (Gyurácz-Németh – Clarke 2011)

Standardisation in a quality context can provide a minimum quality level to the hotel but no standardisation on the other hand can only provide insecurity and variance as it was mentioned before. According to this theory standardisation is necessary for a hotel to be able to ensure a certain quality level and satisfy their guests' needs. Customisation fits this theory because it represents the 'real' quality in this model. While standardisation stands for the minimum quality the hotel has to provide for the guests not to complain about the hotel service, customisation is something more than that, as the hotel already ensures that the customer is not dissatisfied, customisation is an added value which a hotel can offer to its guests to make them pleased, loyal and frequent visitors: satisfied guests.

As Figure 1 shows there is no customisation without standardisation in a successful firm. The minimum level of quality has to be assured first and then hotels can deal with customisation. It

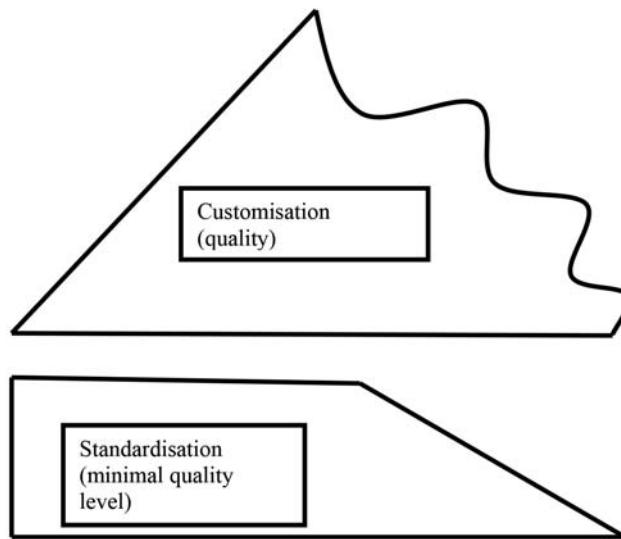


Figure 1. Customisation is based on standardisation

Source: Gyurácz-Németh – Clarke 2011

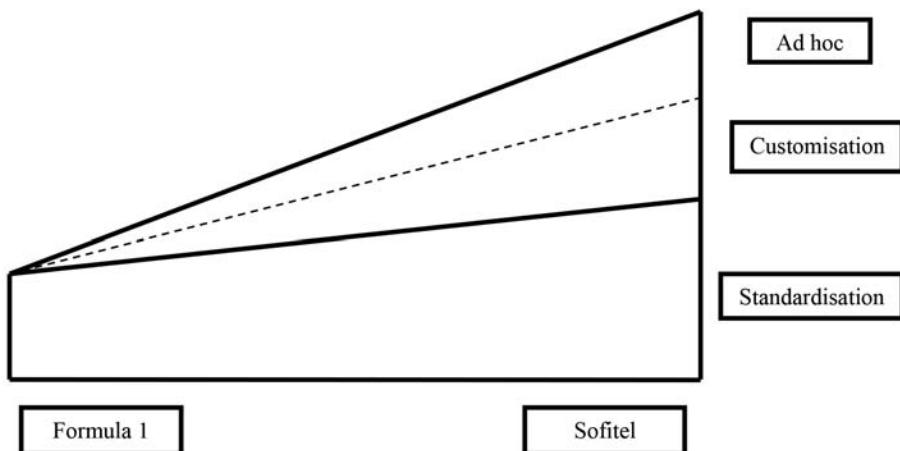


Figure 2. Presenting Accor brands according to the new theory

Source: Gyurácz-Németh – Clarke 2011

can mean that they need to organise their own operation before turning to the guests and satisfy their needs. In the Figure 1 it is easy to see that in the cases where the level of standardisation

drops the reliability of customisation decreases at the same time. With a minimum level of quality, the basis of the service (standardisation), is not firm, it is not possible to go on to the next level (customisation).

Since the subjects of this research are hotels, a hotel group example would be appropriate for showing the usage of standardisation and customisation. Accor has hotel chains from different segments. Two extremes are the Formula 1 hotel and Sofitel. Formula 1 is a budget hotel chain providing only basic service mostly accommodation, they are practical, simple and economical (<http://www.accor.com/en/brands/brand-portfolio/hotelf1.html> 13/1/2015). Sofitel is the luxury brand of Accor providing every service the guests can image (<http://www.accor.com/en/brands/brand-portfolio/sofitel.html> 13/1/2015). In Sofitel it is clear that customisation has a bigger role than in Formula 1 hotels - given their different target segments - but standardisation is still needed and the level of standardisation could even be larger because these luxury hotels always have much more types of services which should be standardised. It is actually true that in Formula 1 hotels customisation is not needed because of its budget hotel status – although there can be special requests – but it is not correct to think that a luxury hotel does not have to be standardised.

Ad hoc activity means incidental solutions with low awareness where customisation and standardisation questions are not raised. These are random events which do not aim to assure quality or provide customer satisfaction only happen because of the front staff's attitude or mood. This ad hoc section is not going to be examined in this research.

Research questions and assumptions

The role and significance of standardisation and customisation had to be analysed empirically. The following research questions have been formed:

Q1 Is there a relationship between standardisation and customisation? If so, how strongly are they connected?

Q2 Which performance indicators can be brought together to improve the analysis of hotels? What kind of performance groups can be identified?

Q3 Is there a relationship between the standardisation and customisation level of the hotel and the performance indicator it reaches?

The assumptions are built on the research questions and contain the author's assumptions about the two concepts and their appearance in hotel management

Assumption 1

There is a relationship between standardisation and customisation in the Hungarian hotel sector.

Some of the reviewed literature (Cloninger - Swaidan, 2007; Ritzer, 2001; Schmid – Kotulla, 2010; Samiee et al., 2003; Bharadwaj et al., 2009) suggest that standardisation and customisation are two distinct strategies to choose from; they do not raise the option that they could be mixed or applied at the same time at the same firm, in this case a hotel, so general managers have to choose between the two strategies. Others mention a possibility to apply both at the same time though for different processes (Kimes – Mutkoski, 1991; Liu et al., 2008; Moore et al., 2010) but there are authors who consider dealing with standardisation and customisation at the same in the same process (Heskett, 1986; Mount – Mattila, 2009). There were also researchers who started to develop new theories which somehow mix the two and create another category or concept (Sundbo, 2002, Gilmore – Pine, 1997). As this topic is argued in the literature one of the most important aims of the research was to investigate if there is a relationship between standardisation and customisation or these two concepts are independent.

Assumption 2

The performance indicators (revenue per available room, occupancy rate, average daily rate, stars, foreign guest percentage, loyal guest percentage, booking evaluations, Tripadvisor evaluations) can be grouped into two factors: operation performance, guest performance.

This assumption is searching for the relationships between the applied performance indicators. The logic suggests that the operational performance indicators belong together and guest performance indicators contain all the data coming from guest satisfaction and the percentage of foreign guests.

Assumption 3

The average value of the performance indicators is higher in case of higher level of standardisation and customisation in Hungarian hotels.

Since hotel general managers had to be convinced that the application of standardisation and customisation at the same time has its significant advantages, the above mentioned assumption has been made. It states that higher performance indicators can be detected in those hotels which have higher standardisation and customisation levels.

Primary Data Collection

The data has been collected via expert interviews and questionnaires completed by hotel general managers.

The topic of standardisation and customisation required to be decided and answered by hotel general managers. The interview was determined to be replied by hotel chain general managers and the questionnaire by hotel general managers. The hotels which were contacted all belong to the Hungarian Hotel and Restaurant Association, which was meant to be a segmentation of hotel according to quality.

The first step was to determine the hotel general managers who could belong to the sample. The aim of the interview was to define the different importance of the standard groups and the weight of oral and written standardisation. Six interviews were carried out with hotel chain general managers and the results were used for identifying the standardisation level of hotels.

The questionnaire which has been made for investigating the topic consists of three parts: general questions, standardisation questions and customisation questions.

Before starting the actual survey pilot questionnaires was carried out improving the questions and the answer options and make them more understandable for the professionals.

After the pilot tests, the questionnaire was finalised and the actual survey started in June 2013 and closed in November. 20% of the questionnaires were asked personally by the researcher, the rest were sent to the hotel general managers via email. The questionnaire was in an online form but it was attached to the emails as well. The link to the online questionnaire was sent to the email addresses of 366 hotel general managers (though the direct email addresses of every one of the general managers were not available). As the result of the survey 81 questionnaires were filled out and ready to be evaluated.

Testing the assumptions

Before testing the different assumptions the exact level of standardisation and customisation had to be determined. The first step to count them is to define the weight of the standard groups.

For the determination of the standardisation level a collection of standards was used which is found out and applied by one of the biggest international hotel chains – the exact name of the hotel chain cannot be mentioned because of the confidentiality of these documents. The ‘book’ contains all the standards referring to every activity which can happen in

a hotel concentrating on processes in connection with the guests or only affect employees and their contact. Although there are too many standards which number cannot be asked from the participants, so it had to be shortened. The standards are grouped into groups, called standard groups by the researchers. In the questionnaire and the analysis these categories have been used as indicators by which the standardisation level of each hotel could be measured.

As it has been mentioned before the different weights of standard groups had to be determined. The interviewees had to define the importance of standardising the list of processes (standard groups) in Likert scale from 1 to 7. The results of these evaluations can be seen on Figure 3.

In independent and in some chain member hotels there are no written standards and they have some rules (oral standards) to keep. It raised the question to determine if there is a difference between the efficiency of written and oral standards or regulations. The same hotel chain general managers (interviewees) had to evaluate the effect along a 1 to 7 Likert scale as well.

The questionnaire contains a table with the 44 standard groups and the hotel general managers – who fit the sampling criteria and were able to fill out the questionnaire – had to mark if they standardise those processes and if there are oral or written standards considering the processes.

After collecting the results, the analytical method has to be elaborated. For this reason an indicator has been developed. A number has been assigned to the different answer options, so if the hotel does not have a service or process mentioned by the 44 indicators, it got no number. An example for this is the business centre cleanliness, because it is obvious if a hotel does not have any business centre the cleaning process of it is impossible to standardise. If the hotel does have that service but is not standardised any way, it got the 1. If the standard group exists in the hotel and it standardised but not written down only standardised orally, it got the number 2. The highest category was if the process existed in the hotel, so they provided that service and it was regulated and written down so documented, the hotel got a 3 for that standard group.

The numbers then were put into an excel table, where the vertical column contained the name of the standard groups listed below each other. The weights were put next to them to be able to match these two together. The numbers of the hotels were inserted in the horizontal lines so the different evaluations (1, 2 or 3) were listed under them to match the standard groups they belong to. The weights of written and oral standards were put below the large table containing the rest of the data.

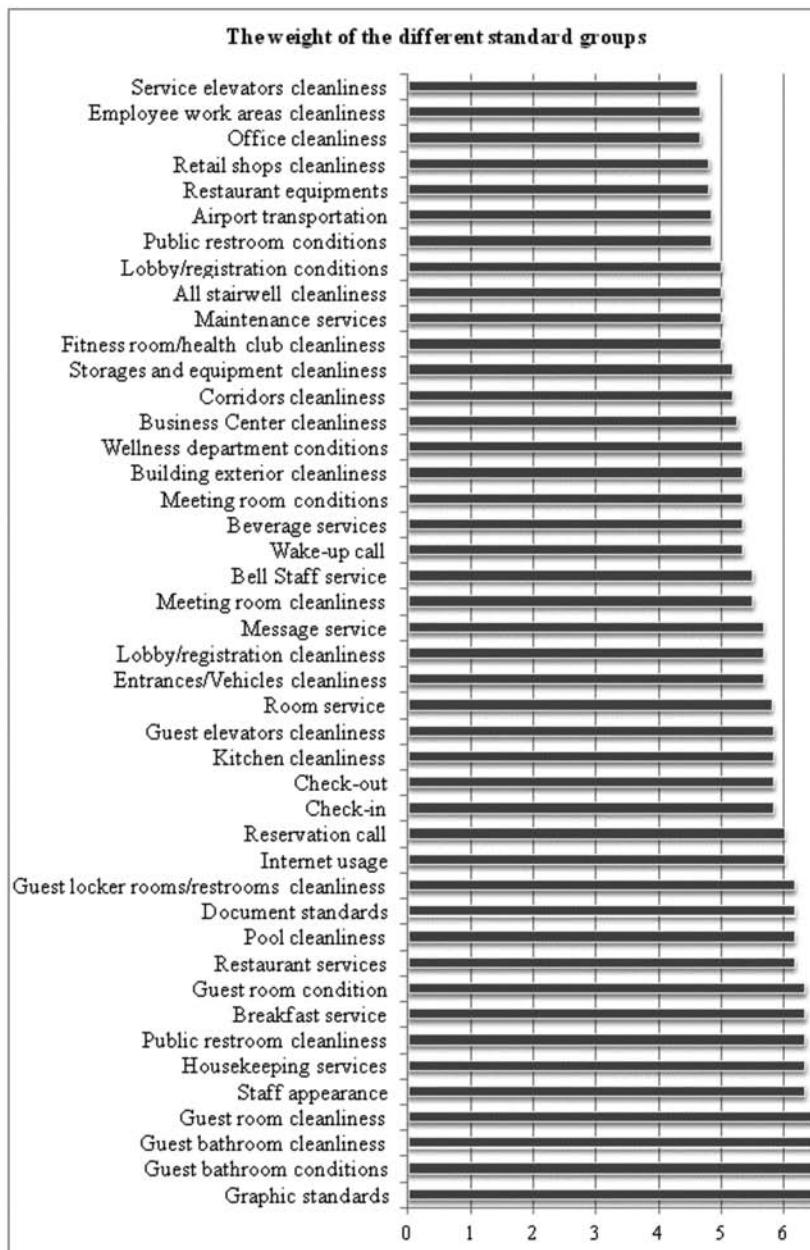


Figure 3. The weight of different standard groups

Source: Gyurácz-Németh – Komlósi 2012

Firstly the point given to a standard group by the hotel general managers has been multiplied by the weight determined by the hotel experts in the previous interviews. This method is carried on for every standard group – all the 44 – one by one. Primarily the product was defined by these two indicators. Then the different significance of the form of standards – oral or written – is used as an alteration, the formula is multiplied by the weight determined by the hotel experts for the compliance of the standard by the employees. After calculating every product for every standard group the formula sums up the products. Then the result had to be transformed into a percentage to be able to determine the level of standardisation for each hotel. Firstly the sum was divided by the sum of the weights and then the maximum of the written/oral weights which equals the evaluation matching the written standard. The result became a percentage which is able to describe the level of standardisation in the analysed hotels. This number makes it able to compare the different hotels with each other and allow further calculations. The result at the end can be seen as the percentage the hotel is standardised.

The level of standardisation is calculated according to the previously mentioned procedures. Determining the level of customisation had to follow the logic created for standardisation to be able to compare them. That is the reason why a similar excel table was applied to define the level of customisation. The 44 standard groups or processes were listed in this table as well, since they include all the processes which can exist in a hotel, so it is able to provide a comprehensive result. The difference between the calculation of the level of standardisation and customisation is the weights. Standardisation is proved to be used by hotel chain member hotels and known by their general managers, customisation is less ‘tangible’ and it cannot be definitely determined in which processes customisation is needed and that is why weights were not assigned to the 44 processes. Since the approach of the subject was altered, the question which is asked had to be changed as well. As it has been mentioned before it was important to distinguish if a hotel does not standardise a service or the process does not exist in the establishment. This issue also has a crucial role in case of customisation, so the answer option remained. The aim of the question was to find out if the hotel allows customisation and if they do only partially or the whole process can be changed according to the customer needs. So the other response opportunities in case of each process (44) were ‘it is not possible to change the process at all’, ‘the process can only partially be customised to the guests’ needs’ and ‘the process can entirely be altered if the guest wants to change them’.

Analysing the responses, numbers were assigned to the 44 processes similar to the standardisation section. If the hotel does not have the process/service a 1 is given to the listed indicator. If the hotel policy or the hotel general manager or any other regulation or customs

do not allow customising the process according to the guests' needs at all, it got 2. If the customisation of the process is possible but only partially, it got a 3 and if the service/process could be fully customised to whatever need the customer has, a 4 was assigned. After coding the answers, the result was summarised, which determined the whole sum of customisation at the hotel. After that those processes and their value were excluded from the calculation, which do not exist in the hotel and the ratio of customisation could be identified. Then the whole product was divided by the maximum reachable value for defining the percentage/level of customisation in the hotel. The previous products can be used to compare the data, although the percentages are much easier to understand, deal with and compare.

Assumption 1

This assumption aimed to find the relationship between the two important concepts, standardisation and customisation; using an existing list of processes and the weights given by the experts and with these data determined the level of standardisation and customisation.

For reaching this goal a relationship analysis was needed to find out the type and the strength of the correlation. This purpose needed a cross tabulation analysis. The result of the examination can be seen on Table 7.

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.8097	.000
	Cramer's V	.954	.000
N of Valid Cases		81	

Table 7. The value of Cramer's V in case of standardisation and customisation

Table 7 shows that the standardisation and customisation of processes in a hotel is related and they are significantly not independent. This finding suggests that theory of the relationship between standardisation and customisation stands and contradicts a lot of theories.

Another test was also executed, which aimed to prove the correlation and the effect of the variables on each other; it is able to give information if one of the concepts (standardisation and customisation) has a stronger influence on the other one.

Directional Measures					
		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Nominal by Nominal	Lambda	Symmetric	.907	.026	21.072
		Custom Dependent	.907	.034	20.584
		Standard Dependent	.907	.034	18.923
	Goodman and Kruskal tau	Custom Dependent	.912	.000	.248 ^c
		Standard Dependent	.908	.007	.327 ^c

Table 8. The results of Lambda test

The results of the Lambda test are illustrated on Table 8. The numbers show that the correlation between standardisation and customisation is very high, they have very strong relationship with each other since Lambda is measured in a 0-1 scale and the result is 0.907. The other aim of testing Lambda was to determine which variable has stronger influence on the other. The value of Lambda makes it clear that both of the variables have the same influence on each other which means that they both can be independent and dependent variables.

Assumption 2

In the next phase of the analysis, the grouping of the performance indicators happened to find out the correlations between the most important hotel numbers.

The result of principle component analysis is being introduced and the place of variables is going to be determined.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,652
Bartlett's Test of Sphericity	Approx. Chi-Square	193,60
	df	4
	Sig.	,000

Table 9. The result of the KMO and Bartlett's test

Table 9 shows that the principal component analysis can be carried out and a good result can be expected.

In the analysis only those variables were considered which eigenvalue was more than 1.0 (Kaiser's criterion). At first the analysis revealed 3 components but since the third one only contained one variable and the total variance explained was almost 55% after the second factor, the decision was made that only two factors are needed. These factors explain the 35.5% and the 19.6% of the variance. The two components together explain 55.1% of the total variance.

Rotated Component Matrix		
	Component	
	1	2
RevPar	,878	
Average room rate	,871	
Stars	,813	
Occupancy rate	,589	
Tripadvisor	,496	
Foreign guests percentage		,857
Loyal guests		,787
Booking		

Table 10. The results of principle component analysis and the place of variables

Table 10 shows that the variable, booking evaluations, belongs to another component and could not be listed under either component. Although the other components had a number of strong loadings and the variables clearly belong to the groups they were put in.

Although the indicators cannot entirely be put into the previously determined groups, but it is important to note that the operational performance indicators (RevPar, ADR, Stars, Occupancy rate) have been classified into the same factor. Although there is another variable which belongs to them and this is the Tripadvisor evaluations. According to the results the Tripadvisor guest evaluations have a positive relationship with the important operational performance indicators. The consequence of this fact should make hotel general managers think about their operation and guest relation activities. According to this logic Booking evaluation should also have a relationship with the operational performance indicators but it was put into a different component alone (no other indicators were grouped into that factor) and it had a very weak relationship with the other two components. This result would suggest that the Tripadvisor evaluations are more useful for the hotels because of their relationship with the operational performance indicators than booking.com. The second component contains two variables the foreign guest percentage of the hotels and loyal guest percentage. This result suggests that there is a correlation between the percentages of foreign and loyal guests in the hotels and one variable influence the other. Due to these facts the results of principle component analysis should raise attention to the role of foreign guests in the hotels.

Assumption 3

The assumption aims to find out if a hotel has a higher level of customisation and standardisation, it has better performance indicators as well. This statement can be a persuasive tool to motivate hotel general managers to standardise and customise their processes.

To get to know and be able to explain the results a cluster analysis has been performed. The aim of the cluster analysis was to determine groups of hotels according to the level of standardisation and customisation and observe how these two concepts exist next to each other.

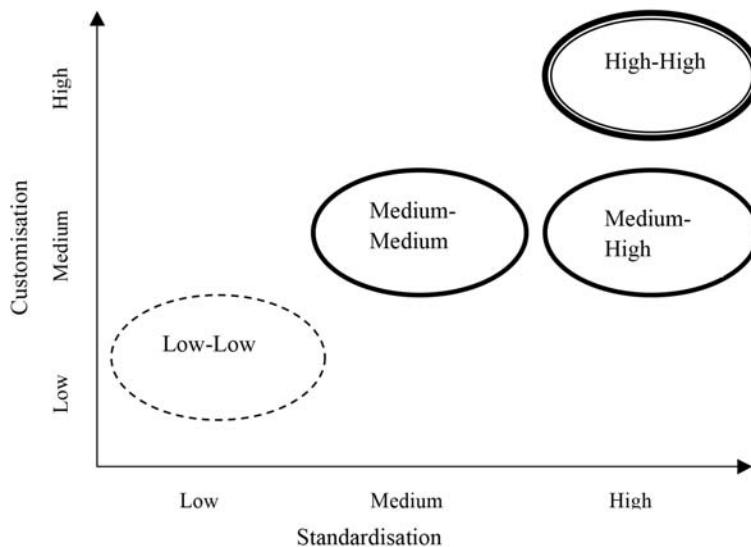


Figure 4. The illustration of cluster analysis results

Figure 4 presents the clusters provided by the K-means clustering method. The figure shows what kind of groups can be created from the analysed sample according to the variables. It is very clear on the picture that the level of standardisation and customisation exist together on the same level or similar level in the hotels. In case of three of the four groups the value of the two variables are the same (low-low, medium-medium, high-high) and there is one where the difference between the levels made it a mixed category (medium-high).

After that the results of cluster analysis have been examined further to find out if in case of those groups of hotels where the level of standardisation and customisation are higher, the performance indicators are better as well.

Table 11 shows the different performance indicators in the rows and the hotel clusters in the column presented not according to the cluster number but more related to their meaning. The average value of performance indicators are listed in the middle of the table highlighted the highest numbers.

The highest value of revenue per available room can be measured in cluster four: Medium customisation and high standardisation. It means that those hotels which belong to this clus-

	Low-Low	Medium-medium	High-High	Medium-high
RevPar	9528	8102	7179	9588
Loyal guest percentage	0.22	0.27	0.3	0.24
Booking	8.29	7.67	8.22	9.62
Occupancy	0.54	0.56	0.59	0.57
Tripadvisor	73.62	62	74.43	68.81
Foreign guest percentage	0.63	0.53	0.6	0.66
Average daily rate	14297	14649	12300	16562
Stars	3.64	3.75	3.54	3.92

Table 11. Performance indicators in the different clusters

ter have the highest average revpar, although it has to be noted, that there is slight difference in the value of revpar between the low-low and the medium-high category.

The loyal guest percentage is the highest in case of hotels with high level of standardisation and high customisation. This means that those hotels belong to cluster three have the most loyal guests comparing to the number of all guests in average which is 30%. This result does not show the number of the guests only the percentage of the loyal guests to all guests.

The value of Booking.com reviews can be seen in the next row. Those hotels which got the highest booking evaluation on average belong to cluster four, where those hotels can be found where the level of customisation is medium and level of standardisation is high.

There are no big differences in the occupancy rates of the different clusters, but the highest occupancy rate belonged to cluster three, where the level of customisation and standardisation is high.

Tripadvisor evaluation is done on a 0-100 scale and the highest average reviews were given to hotels in cluster three. These hotels have high level of standardisation and customisation as well.

The difference between the average percentages of foreign guests is not great between the clusters. The highest foreign guest percentage is delivered by cluster four, where the level of customisation is medium and the level of standardisation is high.

There is a bigger difference in case of the values of average daily rate, because the highest average values have been made by the hotels belonging to cluster four (medium customisation

and high standardisation). This value is almost 2000 Ft higher than the number produced by group two (medium customisation and medium standardisation)

In case of stars the question is what level of customisation and standardisation results more stars for the hotel. According to the results those hotels which belong to cluster four (medium customisation and high standardisation) have more 'average stars' than hotels in other clusters.

Conclusion

The most important goal of the research was to investigate the role of standardisation and customisation in the hotel management of Hungarian establishments.

The research questions have been formed after reviewing the literature and considering the experience of the author. The assumptions have been phrased after the research questions. Three assumptions have been made and tested. After collecting the sample, making the interviews and having the questionnaires filled out, the analysis the following conclusions can be made:

Assumption 1 There is a relationship between standardisation and customisation in the Hungarian hotel sector.

The relationship between the two concepts is considered to be part of a different way of thinking about process standardisation and customisation. According to the current author's opinion, the two strategies are not independent, they are not two distinct concepts to choose from. The theoretical model made for the research claimed that customisation is based on standardisation and the two strategies can be used together, they have a positive relationship with each other. The research showed that there is a strong correlation between standardisation and customisation which supports the author's idea and opens the discussion of re-thinking the literature and the way of considering the two concepts.

Assumption 2 The performance indicators (revenue per available room, occupancy rate, average daily rate, stars, foreign guest percentage, loyal guest percentage, booking evaluations, Tripadvisor evaluations) can be grouped into two factors: operation performance, guest performance.

The most important performance indicators and their correlations are essential to fully understand hotel goals and strategies. The research contained all the useful numbers applied and analysed by hotel managers. The relationship between the variables needs to be investi-

gated since it would be essential for general managers to rethink their strategic directions and goals. The results show that Tripadvisor evaluations belong to the same factor as the operational indicators, but booking.com evaluations do not. The same kind of relationship has been found in case of loyal guest and foreign guest percentage.

Assumption 3 The average value of the performance indicators is higher in case of higher level of standardisation and customisation in Hungarian hotels.

The above mentioned performance indicators have been used for finding the connection between standardisation, customisation and the success of the hotel. With cluster analysis, four hotel groups have been identified. After analysing these groups it can be stated that in those hotels where the level of standardisation is high and the customisation is high or medium, the performance indicators are the best.

Managerial implications

As it has already been mentioned in the beginning of the paper, the Hungarian hotel sector has to face a lot of challenges lately. The escalating competition, the effects of the recent economic crisis and the changing in human resources make it important to revise their strategies. One of the aims of the current research was to make practitioners think their previous ideas over and make it possible for them to alter their goals.

The following implications are identified and detailed below:

- Thinking over the standardisation and customisation practices of the hotel
- The performance indicators which should be paid more attention to
- The way and reason for standardising and customising the processes of the hotel

One of the most important findings of this research was that managers should not think that standardisation is a bad thing, which is not appreciated by the customers and only customisation matters. The results show that these two concepts are based on each other and in those hotels which would like to be successful, standardisation and customisation are both needed.

The second finding of the research raised the attention to the Tripadvisor evaluations and the correlation between loyal guest percentage and the number of foreign guests in a hotel. The Hungarian hotel managers need to consider Tripadvisor evaluations as essential tool which shows customer satisfaction but at the same time it has a correlation with important success indicators – revenue per available room, average room rate, occupancy rate, star rating. This finding proves the significance of Tripadvisor opposed to the booking evalua-

tions, which were put into another factor, no other performance indicators belonged to. The other factor contains the loyal guest and foreign guest percentage, which means that foreign guests are likely to be loyal guests. This result suggests that hotel general managers should pay more attention to foreign guests since they tend to be loyal guests.

If the question of standardising or customising the service processes come up, the next result would help hotel managers to be convinced about the need for both of them. According to the findings all the performance indicators – revenue per available room, occupancy rate, average room rate, star rating, Tripadvisor evaluations, Booking.com evaluations, loyal guest percentage, foreign guest percentage – are higher when the standardisation is high, customisation is high or medium. It proves to the managers that it is worth standardising (high level) their processes but customising (medium or high level) them as well since the success of the hotel can count on it.

The research can help the stakeholders measure their own level of standardisation and customisation. They can check the processes provided by the paper and think about the groups which are not standardised and customised yet. They can easily count their standardisation and customisation level and determine the percentage they are standardised and customised. They can also identify the fields of improvement as well.

Further research

As the methodology of measuring standardisation and customisation is created and tested, the role of standardisation and customisation can be measured in other countries as well; the comparison between the results would provide valuable information for the researchers and practitioners as well.

In further research it would be beneficial to apply the method, detailed in this paper, in other service providers not only in hotels but in tourism or other service sectors.

The other aim would be to observe the usage of standardisation and customisation in hotels and determine which standards – not only the 44 groups but the whole book of standards – are easy or more difficult to keep and apply.

It would be also important to emphasise hotel employees more and define their role in standardisation and customisation since they can be the key to success as well.

Considering hotels and the tourism sector it would also be valuable to ask customers what their perceptions are and if they can recognise the standards (it is a bad thing or not) and which are more and less important for them.

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