PANNON MANAGEMENT REVIEW

PMR.UNI-PANNON.HU

Volume 4 · Issue 2-3 (September 2015)

Editorial: What is essential in modern management: precision and flexibility at the same time
Zoltán Veres

Managing in the digital economy: an introductive discussion
Florina Pinzaru

Mapping european communication practitioners competencies – A review of the European Communication Professionals Skills and Innovation Programme: ECOPSI
Ralph Tench & Márta Konczos

PORTRAITS OF COMPANIES
„The 'goodness' of my work is measured by the feedback given by my colleagues at the divisions…" - Interview with Péter Tóth, the HR manager and Mónika Fodor, Communication and Employer Brand Country Manager of Continental Automotive Hungary Ltd.

YOUNG RESEARCHERS' SECTION
Potential appraisal method for CSR
Csongor Harsányi

Faculty of Business and Economics

FACULTY OF BUSINESS AND ECONOMICS
UNIVERSITY OF PANNONIA

Egyetem utca 10. Veszprém 8200 Hungary
+36 (0)88 624 847 (t) +36 (0)88 624 859 (f)
titkarsag@gtk.uni-pannon.hu (e) http://www.gtk.uni-pannon.hu (w)

László Eckert (EckArt)	cover design
Zoltán Debreczeny	outer front cover illustration (*Knowledge-space-music-faculty,* 100 cm x 70 cm acrylic mounted on fibreboard)
László Szabó	outer back cover photo
Viktor Kovács	website design

OOK PRESS KFT.

Pápai út 37/A Veszprém, 8200 Hungary
Tel.: +36 88 425 260 Fax: +36 88 425 448
info@ookpress.hu www.ookpress.hu
p-ISSN 2063-8248 e-ISSN 2064-0188

Faculty of Business and Economics
University of Pannonia

Pannon Management Review

Editor
Zoltán Veres

Pannon Management Review

Pannon Management Review contributes to bridging scholarly management research and management practitioner thinking worldwide. In particular, *Pannon Management Review* broadens the existing links between Hungarian scholars and practitioners, on the one hand, and the wider international academic and business communities, on the other—the Journal acts as an overall Central and Eastern European catalyst for the dissemination of international thinking, both scholarly and managerial. To this end, the articles published in *Pannon Management Review* reflect the extensive variety of interests, backgrounds, and levels of experience and expertise of its contributors, both scholars and practitioners—and seek to balance academic rigour with practical relevance in addressing issues of current managerial interest. The Journal also encourages the publication of articles outside the often narrow disciplinary constraints of traditional academic journals, and offers young scholars publication opportunities in a supportive, nurturing editorial environment.

Pannon Management Review publishes articles covering an extensive range of views. Inevitably, these views do not necessarily represent the views of the editorial team. Articles are screened – and any other reasonable precautions are taken – to ensure that their contents represent their authors' own work. Ultimately, however, *Pannon Management Review* cannot provide a foolproof guarantee and cannot accept responsibility for accuracy and completeness.

CONTENTS

Zoltán Veres

EDITORIAL: WHAT IS ESSENTIAL IN MODERN MANAGEMENT: PRECISION AND FLEXIBILITY AT THE SAME TIME

Dear Reader,

Welcome to the second-third issue of the Pannon Management Review in 2015. We are greeting you with a usually interesting and prime content in a renewed outlook. In this issue you can find a multicolour message underlining what is essential in modern management: precision and flexibility at the same time. But in the first place: communication and communication.

Do you know what the main characteristics of digital economy are? Mobility, use of data and network effects. First: consumers are not confined by the limits of the national frontiers anymore: they can buy almost anything, anytime, from any country. Second: large amounts of data that we call "big data" are important resources for the marketing of large corporations but also for the governmental strategies and are collected mainly through transactions, log data, events, different communications (e-mail, Social Media) or connected devices. Third: network are not only about Social Media: digital economy means augmenting some already known effects of the globalization process, such as delocalisation of the company's activities in places far away, considering the competitive advantages that these locations have (wages, taxes), but also for the ones who are part of global supply chains, regardless of their country of origin. Each of these three characteristics leads to polarization as individuals tend to become more mobile as a consequence of using the apps dedicated to physical activities but they also tend to become more inactive.

Digital economy is heavily related to knowledge but we are not speaking of a classic sort of knowledge, but of a more visual and instantaneous one. In a digital economy not only consumers gain power through information, but companies also become more capable of using big data through complex ERP (Enterprise Resources Planning) and CRM (Customer Relationship Management) systems that enable them to gather and then use more information on markets and clients, mostly in real time. Today the digital economy is smart and visual, encompassing in fact even more than just knowledge. Some of the most important challenges that companies and managers have to face in the new digital context: need of having competencies for the new design principles; rethinking processes needed to support after-service services; rethinking of marketing strategies and techniques from the classic marketing to m-marketing; human resources need to understand the new systems and to have the knowledge required; to secure the continuous information flows, to guarantee their integrity and incorruptibility. This is the lesson for the new digital era of the corporate world.

And what do you know about the European Communication Professionals Skills and Innovation (ECOPSI) Programme? The principle focus of the project was to develop understanding of the competencies held by senior communications practitioners and the contributing knowledge, skills and personal attributes that are relevant to their role and that of future managers in similar roles. Following the digital challenge it is about communication again. Corporate managements have to take into account the ever increasing role of communication in the business processes. Research projects explored that most important training providers in Europe are national professional associations and training organisations run by them, followed by further education institutions specialised in public relations and communication. Manifold drivers which foster or hinder achievements have been identified in the further professionalization of the practice. A survey revealed significant gaps between the development needs of communication professionals in Europe and the training opportunities currently offered by their organizations. European communication professionals consider online communities or social networks as by far the most important social media tools available. Academic education and expectations of communication professionals regarding management, business and communication qualifications are not matched and that this is a serious problem for both sides to address: i.e. for academia to (re)claim relevance and professionals to get access to the type of knowledge they need. The industry needs to look closely at how it can foster intercultural relationships and cross-cultural working.

Naturally modern technology and communication skills are not sufficient. For the companies recruitment is not just about getting people from outside but also finding the right people for the right position in an intercultural environment. Students, that is potential employees learned the books, i.e. the words themselves at the universities but are sometimes not able to translate simple situations, which is not good. It should not be that way. Companies have to adopt a culture that fits to those people as well. Surely, they have to incorporate some of their expectations.

And finally, as an external action of communication corporate social responsibility is of increasing importance as well. Social responsibility is mainly based on the employees' activity of the companies in an ad-hoc way which role is based on the data about the involvement. It does not necessarily mean that if there are no volunteers, the company itself would not demonstrate responsibility towards the society. Companies were ready to support the social demand providing the necessary sources as it could be seen that employees, managers and leaders can also take part in the actions. That is a real challenge in contemporary corporate life.

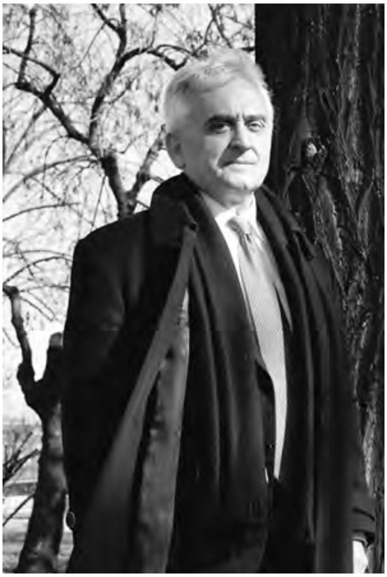
In this issue our intention is to give you an insight into the thoughts and facts being detailed here above through the papers of Florina Pinzaru on Managing in the digital economy: an introductive discussion, Ralph Tench and Márta Konczos on Mapping European communication practitioners competencies – A review of the European Communication Professionals Skills and Innovation Programme: ECOPSI, an interview with Péter Tóth, the HR manager and Mónika Fodor, Communication and Employer Brand Country Manager of Continental Automotive Hungary Ltd. and finally the paper of a doctoral student, Csongor Harsányi on Potential appraisal method for CSR.

■ ■ ■

Zoltán Veres, Professor of Marketing, at the University of Pannonia, Veszprém, Hungary, Head of Department of Marketing. He was born in Hungary and he received his university degrees from the Technical University of Budapest (Masters degree in Electrical Engineering) and the Budapest University of Economic Sciences (Masters degree in International Business). He obtained his PhD in economics, at the Hungarian Academy of Sciences. More recently, he obtained his habilitation degree at University of Szeged, Faculty of Economics and Business Administration.

He worked as project manager of numerous international industrial projects in the Mediterranean region (e.g. Greece, Middle East, North Africa) between 1977 and ‚90. Since 1990, he actively participates in the higher education. Among others he taught at the College for Foreign Trades; at the Ecole Supérieure de Commerce d'Angers and between 2004 and 2009 he was Head of Institute of Business Studies at the University of Szeged. In 2011 he was appointed professor of Marketing at the Budapest Business School (BBS), Hungary, and between 2010 and 2014 he was also Head of Research Centre at BBS. Since 2014 he is Head of Department of Marketing at the Faculty of Business & Economics of the University of Pannonia, Veszprém, Hungary. From the beginning of this year he is the editor of the Pannon Management Review.

Zoltán Veres has had consultancy practice and conducted numerous research projects on services marketing and project marketing. In 2001 and 2002 he was Head of Service Research Department at the multinational GfK Market Research Agency. He is member of the research



group European Network for Project Marketing and Systems Selling, Lyon; Advisory Board member of Academy of World Business, Marketing and Management Development, Perth (Australia); member of Comité Cientifico del Academia Europea de Dirección y Economía de la Empresa (Spain); Advisory Board member of the Nepalese Academy of Management; member of Board of Supervision at Association for Marketing Education and Research, Hungary; Advisory Board member of McMillan & Baneth Management Consulting Agency, Hungary and consultant of Consact Quality Management Ltd., Hungary.

He has more than 200 scientific publications, including the books of Introduction to Market Research, Foundations of Services Marketing and Nonbusiness Marketing. He has been editor of series to Academy Publishing House (Wolters Kluwer Group), Budapest. Besides Zoltán Veres has been editorial board member of the journals Revista Internacional de Marketing Público y No Lucrativo (Spain), Вестник Красноярского государственного аграрного университета (Krasnoyarsk, Russian Federation), Tér-Gazdaság-Ember and Marketing & Menedzsment (Hungary); member of Journal of Global Strategic Management, Advisory Board and Review Committee; member of Asian Journal of Business Research, Editorial Review Board.

Florina Pinzaru

Managing In The Digital Economy: An Introductive Discussion

Digital economy is undoubtedly alive today and its technical means are being analysed more and more by business administration specialists. Digitalisation changes the profile of the consumers and the means by which marketing is done. E-marketing, m-commerce, search engine marketing, or social media marketing are by-products of this emerging trend reflected in the marketing domain. But the most important and unexpected impact of digitalisation seems to be on the practice of management as we know it: computers not only modify the way consumers keep themselves informed and buy but even replace specialists on some jobs and influence, by consequence, the decision making processes. This is why, without fearing a speculative approach, we might ask ourselves legitimately whether the way managers think and make decisions is about to change as the digital economy begins its rein. Thus, in order to find possible answers, we will underline in this theoretical article the most important elements characterising the present digital economy that may have an impact upon business administration, as presented to us by the literature.

The reality of the digital economy

The concept of „digital economy", meaning economy based upon digital technology, has been introduced by Don Tapscott who used it in the first edition of his bestseller "The Digital Economy: Promise and Peril in the Age of Networked Intelligence" published in 1995. Tapscott states that digital economy, which is also called *the new economy,* is mainly characterised by the use of exclusively digital information (Tapscott, 2015, p. 16), but it does not refer only to the IT&C[1] market. The almost exclusive use of digital information has lead during the last two decades to unexpected changes that have created a true social revolution, characterized by digital markets, knowledge exchange empowerment of the individuals and interconnectivity – anywhere, everywhere and no matter for what reason.

For a relatively long period of time, digital was synonym with Internet and with the new globalized communication networks, as communication itself changed dramatically under the influence of the online environment. Maybe the most important consequence of the digital

[1] IT&C: Internet and Communications.

reshape of communication is the one of the fundamental transformation of power relations between power (politics, economics, and media) and masses. For the very first time in history, one's voice is something that can be heard by the others and can influence decisions, as simple consumers or citizens have now the Social Media and the blogging solutions to say loud what they think.

Digital economy is not an academic concept, nor a commercial one, but a reality which is officially reknown by public authorities such as the European Comission that aims, as one of its ten priorities for the next years, to create a common digital market (European Comission, 2015). This way, European authorities have acknowledged the presence of digital technology in everyday life but also the necessity of tearing down the physical barriers that can interfere with the digital circuits, regardless of their form (of information, of goods and services and so on), especially through „the 28 different norms that exist in the EU in telecommunications, copyrights, information security and data protection" *(idem).* (Figure 1.)

The main characteristics of the digital economy could be synthesized as following: mobility, use of data and network effects. As never before, in the digital economy consumers are not anymore confined by the limits of the national frontiers: they can buy almost anything, anytime, from any country, and this fact rises questions for the existing legislation.

Digital means less barriers. The number of online buyers is constantly and globally growing: there are already more than 1.200 millions and it is expected to grow by more than 10% until 2016 (Statista, 2015 [1]).

Even from the very beginning rise of Internet, there have been scholars to argue that states are unable to control e-commerce, so that private actors are coming to play an important role (Farell, 2003) – and as we can see, the today world trade is reshaped by companies such as the American Amazon, E-bay and, more recently, by the Chinese Alibaba and Aliexpress. All these companies have in common their constant innovation of the business model and their global ambitions. For instance, Amazon pioneered by having what they claim to be the „Earth's Biggest Selection" of products available through its family of websites, available for all countries in the world. Moreover, Amazon innovated by extending its business line to the Kindle ecosystem of tablets and e-books and, more recently, by launching the distribution drones network (for US only). Amazons sales in 2014 reached an impressive level of 67.9 billions USD dollars and its brand is considered to value 147.88 billions USD dollars, compared to the worldwide level of B2C e-commerce of 1.2 trillions USD dollars (Statista, 2015 [2]). (Figure 2.)

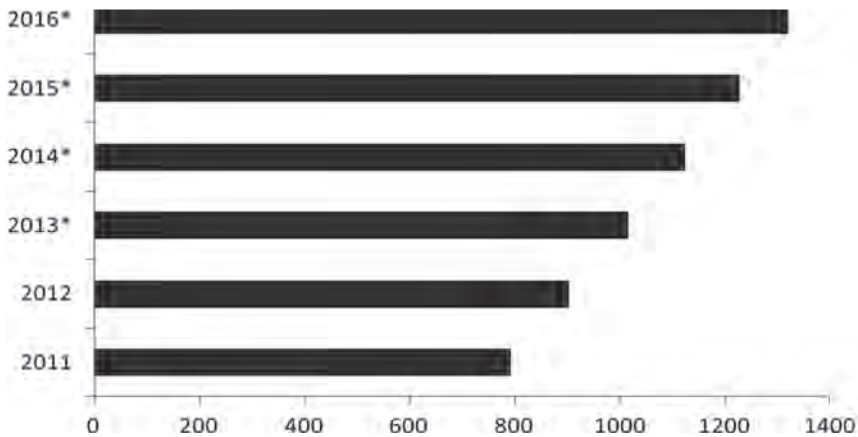


Figure 1. Number of digital buyers worldwide from 2011 to 2016 (in millions)
Source: Statista (2015). http://www.statista.com/statistics/251666/number-of-digital-buyers-worldwide/

* Forecast. The source defines digital buyers as internet users who have made at least one purchase via any digital channel within the past year, including online, mobile and tablet purchases.

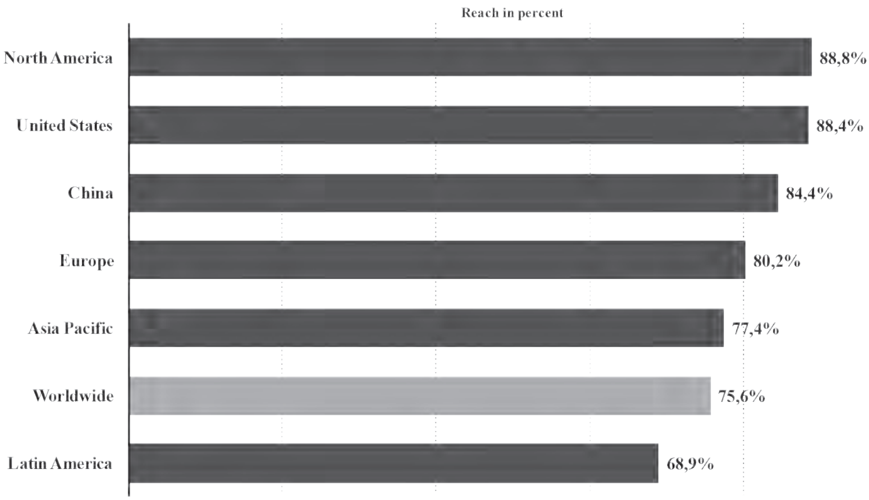


Figure 2. Global online shopping penetration
(in selected countries and global regions as of May 2014)
Source: Statista (2015). http://www.statista.com/statistics/274251/retail-site-penetration-across-markets/.

According to recent statistics, approximately 22 percent of all of the disposable income worldwide was spent online (Statista, 2015 [3]) and 40 percent of worldwide internet users have bought in 2014 products or goods online via desktop, mobile, tablet or other online devices (Statista, 2015 [4]). Moreover, global e-commerce penetration is booming in other countries than the G20: 84,4% in China, 77,4% in Asia Pacific and 68,9% in Latin America in 2014, compared to 88,4% in US and 80,2% in Europe (Statista, 2015 [4]).

The second fundamental characteristic of the digital economy is linked to collecting, sorting and using data of any form, from day to day use of information in the digital medium to an individual matrix created by the use of gadgets as smart phones or intelligent watches. The large amount of data that we call „big data" are important resources for the marketing of the large corporations but also for the governmental strategies and are collected mainly through transactions, log data, events, different communications (e-mail, Social Media) or connected devices. They generate already important revenues for companies such as IBM, Dell, HP, Oracle or SAP, worldwide reknown as big data vendors. *Figure 3.*

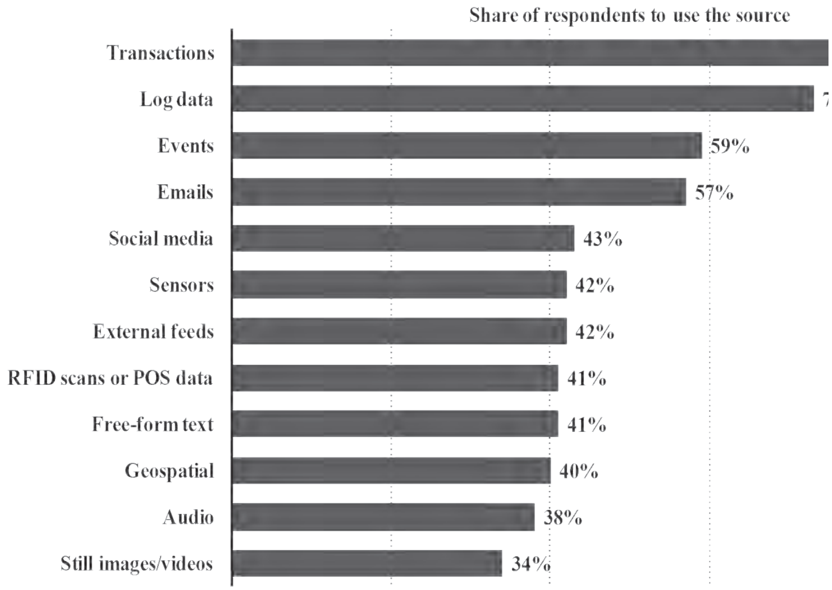


Figure 3. Types/sources of big data
(used by industry professionals in 2012)
Source: Statista (2015). http://www.statista.com/statistics/255613/sources-of-big-data-most-often-used/.

Last, the third fundamental characteristic of digital economy is the creation of networks among individuals, communities, companies and markets. In 2016, it is estimated that there will be around 2.13 billion social network users around the globe, up from 1.4 billion in 2012 (Statista, 2015 [6]). Networks is not only about Social Media: as a matter of fact, the digital economy means augmenting some already known effects of the globalization process, such as delocalisation of the company's activities in places far away, considering the competitive advantages that these locations have (wages, taxes), but also for the ones who are part of global supply chains, regardless their country of origin. The Bartel, Lach and Sicherman model shows that outsourcing becomes more beneficial to the firm when technology is changing rapidly, which explains theoretically the expansion of outsourcing in the digital age maybe more than classical logic of lower costs and increased connectivity. „The intuition behind the model is that as the pace of innovations in production technology increases, the less time the firm has to amortize the sunk costs associated with purchasing the new technologies. This makes producing in-house with the latest technologies relatively more expensive than outsourcing." (Bartel, Lach and Sicherman, 2009, p. 20).

Data, mobility and networks: this could be the shortest definition of the digital economy. But is it enough? It is interesting to note that each of these three characteristics lead to *polarization*. For example, data collecting, as a source of competitive advantage, has given birth to a number of reactions coming from individual consumers who refuse to fill in the data they are required to, but also has encouraged the emergence of more and more restrictive laws regarding personal data protection. Data sharing favours, for example, the connection between people and causes – such as the famous Arab Revolution that has grown exponentially via social network sites but there is also a negative side of this feature: „the Internet is crucial for global terrorism. Terrorists have taken advantage of commercial networks for communication, finance, and transportation to act on a global (...) scale" (Lewis, 2005, p. 112).

Speaking of polarization, there must be said that the mobility digitalisation brings also brings imobility: there are many voices stating that the intensive use of digital technology leads, in fact, to a significant increase in sedentarism. However, data shows that the effect of polarization can be also traced in this respect, as individuals tend to become more mobile as a consequence of using the apps dedicated to physical activities, but they also tend to become more inactive, as Lepp et al. show: "cell phone use appears to have the ability to both facilitate and disrupt physical activity." (Lepp et al., 2013).

In the same time, the digital economy is a true "*knowledge economy* based on the application of human know-how to everything we produce and how we produce it" (ibid.,

p. 17). In the digital economy, consumers are closer than ever to knowledge they share, and information is commoditized (Small & Sage, 2006; Shapiro & Varian, 2013). The forms by which individuals may share knowledge in the digital realm are countless and continuously growing, but all of them are considered affordable and accessible by these people. Information can be shared easily as long as there are available many friendly computer programmes, which can be easily used even by people who have no previous knowledge related to computer programming, and as long as using these programmes generally implies no costs for the user – such as blogs, e-mail, discussion forums, and social network sites (Leea & Younna, 2009; Kaplan & Haenlein, 2010). *Figure 4.*

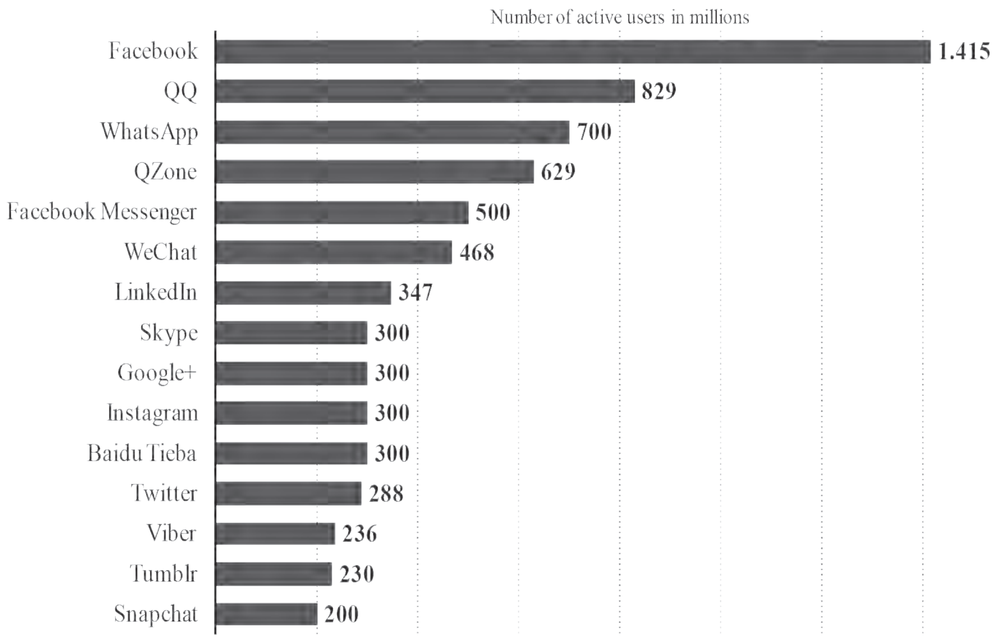


Figure 4. Leading social networks worldwide
(as of March 2015)
Source: Statista (2015). http://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/.

Digital economy is heavily related to knowledge but we are not speaking of a classic sort of knowledge, but of a more visual and instantaneous one (through photos and videos) and even selfies and the obsession people have developed for them (Berry, Schlesser, 2014). Pinterest, Vmeo, YouTube and Instagram are products of the new economy that have earned a remarkable commercial success and great notoriety. For example, each month more than 1 billion people from all over the world access YouTube (Socialbakers, 2015). The impact of the social network sites that use images and can be accessed through mobile devices is also impressive, especially for the implications they have on consumers' expectancies and behaviour on the markets (Gannes, 2009). Information is easier to be accepted, easier to be assimilated and, in the end, easier to be transmitted further – more so when it is given in a visual form. The phenomena is so widely spread that even politicians and astronauts are part of it, not only day to day consumers. For example, in his speech to the nation from January 2015, President Barack Obama has sent the following message to the members of the NASA team preparing for the future Mars expedition: "Good luck Captain. Make sure to Instagram it." (Business Insider, 2015).

In a digital economy not only consumers gain power through information, but companies also become more capable of using big data through complex ERP (Enterprise Resources Planning) and CRM (Customer Relationship Management) systems that enable them to gather and then use more information on markets and clients, mostly in real time (Gummesson, 2015). This helps companies to offer to their clients personalized and complex services, often in real time (Rust and Huang, 2014), through a variety of channels and points of contact, mostly technologically connected: e-mail, sms, app, Social Media etc.

Orwell's Big Brother starts to live among us but in a different way, which does not mean control but interconnectivity and continuous personalized data which are transmitted and processed in real time not only through monitoring and analysing web page navigation patterns, but also through processing the information gathered by the Internet of Things (IoT). "The IoT is defined as the network of dedicated physical objects (things) that contain embedded technology to sense or interact with their internal state or external environment. The IoT comprises an ecosystem that includes things, communication, applications and data analysis." (Statista, 2015 [8]).

We understand now the most recent phenomena of the digital economy, the use of smart and connected products, even if their interconnection is not classically web based, but it is based on "smart components such as sensors, microprocessors, data storage, controls, software and (…) ports, antennae, and protocols enabling wired and wireless connections with the product" (Porter & Heppelmann, 2014, p. 67), which are translated into smart clothes, smart cards, smart roads, smart cars, smart tires, smart phones, smart TVs and so on. All of these smart products are part of our daily existence, embedding and sharing enormous knowledge quantities. For example, it is estimated that in 2017 87% of the Internet connectible devices sold in the USA would be smart devices, such as tablets or smart phones (IDC, 2013), while the global selling of smart wearable devices such as smart watches are expected to rise from about 1 billion items in 2014 to over 15 billion in 2015 (Velasco-Castillo et al., 2014). *Figure 5.*

Attribute	What the IoT does	How it differs from regular Internet
Sensing	Leverages sensors attached to things (e.g. temperature, pressure, acceleration)	More data is generated by things with sensors than by people
Efficient	Ads intelligence to manual processes (e.g. automatically reduce power usage on hot days)	Extents the Internet productivity gains to things, not just people
Networked	Connects objects to the network (e.g. thermostats, cars, watches)	Some of the intelligence shifts from the cloud to the network's edge
Specialized	Customizes technology and processes to specific verticals (e.g. healthcare, energy, automotive)	Unlike the broad horizontal reach of PCs and smartphones, the IoT is very fragmented
Everywhere	Deployment practically everywhere: on humans, cars, in the houses, in the industrial environment etc.	Ubiquitous presence, that raises security concerns

Figure 5. Key attributes of IoT (S-E-N-S-E)
Source: Goldman Sachs Global Investment (2014). *The Internet of Things: making sense of the next mega-trend,* September 3, 2014, p. 2, http://www.goldmansachs.com/our-thinking/outlook/internet-of-things/iot-report.pdf.

Today the digital economy is smart and visual, encompassing in fact more than just knowledge. However, the new types of smart products "alter industry structure and the nature of competition, exposing companies to new competitive opportunities and threats" (Porter & Heppelmann, 2014, p. 66), for which they are more or less prepared. Some of the most important challenges that companies and managers have to face in the new digital context we cite:

The need of having competencies for the new design principles, such as "designs that achieve hardware standardization through software-based customizations, designs that enable personalization (…) and the ability to support ongoing product upgrades, and designs that enable predictive, enhanced, or remote service" (ibid., p. 77);

Rethinking processes needed to support after-service services, which correlate heavily with real time collected data from smart devices;

Rethinking of marketing strategies and techniques from the classic marketing to m-marketing (mobile) and even more for using data about the consumers in order to create offers for connected products or lateral marketing actions;

Human resources need to be prepared not only in terms of digital alphabetization (the people who know how to operate a computer are needed) but also they need or understand the new systems and to have the knowledge required by the new positions which are created, such as the ones regarding product clouds, social media marketing, big data analytics and so on;

Security: more than ever, in the Internet of everything era we need to secure the continuous information flows, to guarantee their integrity and incorruptibility and to protect them from eventual unauthorized use. In sum, companies that sell smart products or related services must invest in security measures.

Digital economy means, thus, digital companies or digitalized companies. The degree of digital maturity is different today from one company to another but the consequences of digitalization are more and more visible on every level of each company operating today, including the management level. This thing is not unusual as long as digitalization, understood as the use of technology in order to significantly increase the level of performance in companies, is a constant topic on the agenda of managers worldwide, and we are not talking only of IT managers (Baldwin, 2014). Companies justify their investments in digital technologies and their interest in acquiring new organizational aptitudes by referring to need to adapt to consumers' expectations, increased cost efficiency and competitive advantage (MIT & Capgemini Consulting, 2011). However, there are still rising questions on the impact of digitalization on business models, especially concerning consumers, such as: what is the impact of image crisis through social media on companies and brands?; how do consumer crowds and shared reviews affect brands?; in the age of big data, what is the consumers' attitude on personalized offers and products that finally limit the access to information? (Labrecque et al., 2013, p. 266).

The decision regarding digitalization in companies depends, in the end, on the perceived benefits for the company in the age of smart devices, as longs as the domain of activity is evolving as a consequence of the evolution of these technologies on the following levels: customer experience and points of contact with consumers; sales force and distribution channels; products and content; product or processes innovation; partnership network; brand; customer knowledge; culture (ibid., p. 49), using the adequate channels or digital resources.

The digital transformation of organizations is not a new subject, even though the international academic literature approaches it in a timid manner. During the last decade some of the business models have been completely remoulded, the music industry being one of these (Bourreau et al., 2008; Hull et al., 2011) together with the media industries (Doyle, 2013). Digital companies or digitalized companies must reshape their processes and activities in order to face the structural modifications at the level of consumer behaviour. One of the keywords that digitalization brings to business models is "syndication", a concept specific to information or products that imply a high degree of knowledge (Werbach, 2001). Syndication requires modularity and many independent distribution points (ibid., p. 22), thing which translates as flexibility in business administration.

Are managers aware of the digital transformations that the society, the markets and the businesses face today? Is the science of management changing? Is the leadership evolving?

E-management and strategy

E-management is, of course, more of a metaphor and it refers to the new practices of management in the digitalized landscape. Even though the academic discussions on the subject of digital technologies impact on business are not new, they are still limited to the impact of some practices upon operations, and the discussions about strategy or about the managerial abilities needed in a digitalized context are quite rare. The literature presents some analyses of the effects of e-commerce on operational management (Barnes et al., 2014), stressing the importance of the continuous actualization of e-technologies used by companies and the importance of flexibility: " in the new economy as much as in the old economy an organization's operations can offer a competitive advantage, but only if they are managed strategically. However, as some of these cases have demonstrated, e-businesses operate in a very dynamic environment. Strategy-making at both corporate and operational level is particularly difficult in such volatile conditions. Understanding strategy in such conditions is also hampered by the static nature of many of the operations strategy models that were developed in more stable times." (ibid., p. 493).

One of the key points in academic literature is still the one of managerial modelling from the perspective of finding the most suitable answer to the challenges that digitalization brings to organizations. Some proposals regarding e-business management models have already been presented. We can structure them as following:

E-business integrative models: the SIAM model, structured on four pillars – "current customers, new customers, customised products, and the organisation's position in the business network" (Huizingh, 2002, p. 741); the CIC model that „requests managers to think of the customer interaction process from a customer's point of view" (ibid.);

E-business integrative models with a operational focus on automatization, such as SRS (Sense-and-Responsive), designed „for integrating information and materials flow, as well as monitoring the E-Business Supply/Demand/Value Chain" and where „the "sensors" in the diagram are computer programs (software code) and its associated data-collection devices (hardware); the sensors are designed for data-capturing (sensing), monitoring, and evaluating data (input) throughout the value chain. Ultimately, this approach would result in semi-automated analysis and action (response) when a set of inputs are determined (sensed) without hindering human autonomy." (Rodriguez, 2006, p. 81).

During the last few years, the academic literature has concentrated on conceptualizing the electronic distribution and on the contact with the client who gathers information or buys using digital resources. In this direction, we can cite:

Models of business administration using the Internet, limited to e-commerce or m-commerce: the majority of them are centred on trust (Gefen et al., 2003; Lee and Turban, 2001; McKnight, 2002), but we encounter consumer-centred models – perceived customer value in e-commerce (Chen and Dubinsky, 2001) or models of performance measurement (Zhu and Kraemer, 2002) or a conceptualization of new business models from a technological perspective, stressing the importance of mobile commerce (Sadeh, 2003);

E-marketing models: generalised practice models, such as RACE which summarises the key online marketing activities that need to be managed, covering the full customer lifecycle or marketing funnel from „(Plan) > Reach > Act > Convert > Engage" (SmartInsights, 2015) or theoretical models centred upon channels or techniques, as SMS (Dickinger et al., 2004), digital branding (Yenicioglu and Christodoulides, 2014), and social media (Zarella, 2009; Evans, 2010).

However, the strategy models that take into account the digital transformations, not necessarily for e-business, but for hybrid companies (that are part of the old economy but are in the process of digital updating), both on the organizational level and on the requests for specific managerial aptitudes, are not yet fully developed. From a strategic point of view, some of the key questions that an increasing number of managers must have answer to are:

In a world of information, which data needs to be collected, stored and processed by companies in order to be used efficiently and transformed into profit?;

How is / should be protected the gathered information?;

Would companies begin to produce smart devices that would cannibalize existing products, or would those new products support the existing products and/ or services?;

Should the company fully or partially disintermediate distribution channels or service networks?,

And last but not least: should the company change its business model? (Porter and Heppelmann, 2014, p. 80-84).

The discussions on managerial and business strategies are just beginning to evolve in the context of digital transformation, not only on the operational level or on the e-commerce or e-marketing processes, as scarce as the ones about the qualities of the managers and the leaders should display in the digital age. This observation is paradoxical, as long as the discussions concerning the rapports between management and technology have begun sometime during the years marking the half of the XXth century. In 1967, Peter Drucker wrote "the computer makes no decisions; it only carries out orders. It's a total moron, and therein lays its strength. It forces us to think, to set the criteria. The stupider the tool, the brighter the master has to be - and this is the dumbest tool we have ever had." (cited in Dewhurst and Willmott, 2014).

Can we understand *ad litteram* this affirmation? Or are things changing in a more profound manner, as the artificial intelligence revolutionizes our world? Even if most of the people feel that the artificial intelligence (also known as AI) sounds like a science fiction topic, John McCarthy pointed out in 2005 that the long term goal of the AI revolution is developing human level AI (McCarthy, 2005, cited in Shi, 2011). The scientific community has already begun relating the artificial intelligence with management practice and theory, especially with knowledge management. Researchers have various opinions regarding the relevance of AI for the realm of management. For example, Dalkir (2013) believes that artificial intelligence is only a useful tool of knowledge management in order to classify and summarize information, while for others AI is about sharing and collaborative learning through its different forms, like mobile applications (Caballé et al., 2010) or GPS applications (Cough, 2010), but they do not stress the importance it could have or has on the practice of management.

The rise of the digital technology is undoubtedly great, and the academic literature develops detailed research on its impact, but little has been written on its influence on management and leadership. A question remains: what can be said about the manner in which things change in the digital economy and, more specifically, for managers? In our opinion, beyond the necessity of flexibility and speed and beyond the need to understand and to use digital technologies, managers face today a new challenge which seems to be of great importance: they need to learn how to speak to and how to work with the members of the generation of the digital natives (or the so-called Y generation).

New employees and customers: the digital natives

The Internet revolution and the digital revolution that followed have led to the emergence of a new generation of consumers, comprising of youngsters (the so called Millenials, or Generation Y, or digital natives) who do not conceive life without ITC and expect it to be present in most of the social situations they get themselves into. Obviously, the life they live among screens and their preference especially for mobile phones and touch pads offers them particular experiences that might be very different than the ones the elders were used to having (Helsper, 2010). *Figure 6*

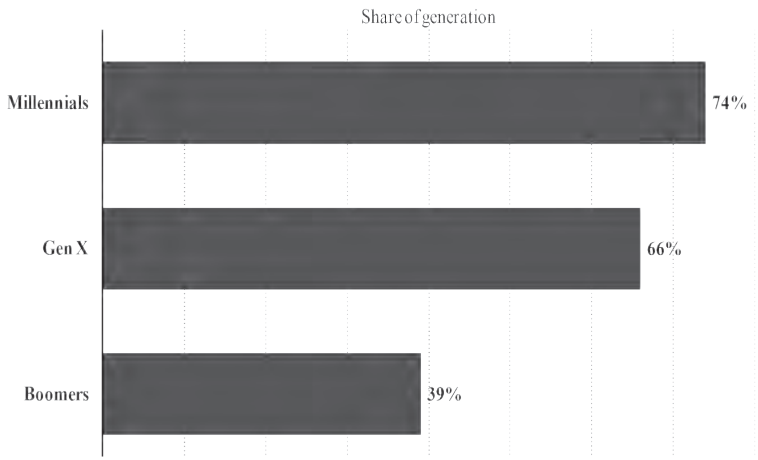


Figure 6. Mobile internet penetration worldwide by generation
(as of 1st quarter 2014)
Source: Statista (2015). http://www.statista.com/statistics/306906/mobile-internet-penetration-worldwide-by-generation/.

*** Legend:*
Boomers – individuals born before 1965.
Gen (Generation) X - individuals born between 1965 and 1980.
Millenials - the generation born after 1980, now aged 18 to 34 years.

Sometimes the Millenials have even been perceived as victims of the world they live into, mostly because they seem to be disconnected from the traditional ways of life (Noble, Haytko & Phillips, 2009). This idea is linked to the one that they have transformed themselves into cyborgs that need to be permanently plugged-in or connected to various devices in order to function properly (Sutherland & Thompson, 2003; Weiler, 2004; Twenge, Campbell, Hoffman & Lance, 2010; Dagnaud, 2011; Gansky, 2011).

Approaching this issue from a different angle, some authors (Huntley, 2006; Hansen & Leuty, 2012) state that the members of the Generation Y, the Millennials, the Generation Me people, the Net Generation or the Thumb Generation, the digital natives – all being names given to this large group of people that can be called a new generation – are basically just characterized by a strong preference for frequent use of devices in order to accomplish what they set themselves to. This preference is heavily connected to the way these people process information or think, says Prensky (2001), underlining the idea that they are wired to experience life in a new way than their ancestors. Filloux (2010) describes their way of thinking in terms of classic problem solving skills used in a digitalized world. He observes that the youth see life as a video game, constantly waiting for a peril to arrive, thing which transforms them into suspicious buyers who lend little trust to corporations, brands or politicians. In addition to this, Tapscott (2010, p. 132) writes that they have a high desire to be free to choose for them, that they like to customize anything they can, that they are scrutinizers that they ask for integrity, that they like to collaborate, to mix fun and work, to innovate and that they like everything to happen fast. And, as regarding media use, they are omnivores who chew on information 71% of their time and they use various media to stay informed (Marketingprofs, 2012).

Millenials tend to valorise, when speaking of work, mostly opportunities for career progression, financial incentives, excellent training, flexible working arrangements, international opportunities and good reputation for ethical practices (PwC, 2011). As a matter of fact, the digital natives show themselves as being practical, enthusiastic and concerned about ethical issues, which makes the best of them “hard to find and even more difficult to keep” (ibid.).

Although the Millenials generation is to be found all over the world today, regardless of the level of economic development of the country its members have been born into, some local particularities can be traced down. For example, a GfK Romania study published in 2013 (Calei, 2013) shows that Romanian members of this generation are indeed very interested in ITC but that their motivations are perhaps different than the ones other people of the same age have: they are insecure and need to maintain constant contact with their friends using the smart phone and various social media sites in order to feel protected and encouraged. Also, Romanian gen Y-ers tend to be superficial and lack long term plans. They live here and now. The lack of self-worth is doubled by their high expectations from the others and from the brands and companies they interact with as consumers. They expect everything to be customized for them, but without them being asked to pay for this service. In addition to this, copyrights have no importance for them. Creativity is not their biggest asset, and innovation does not really characterize them, although digital natives in western countries are said to be creative (Tapscott, 2010). *Figure 7.*

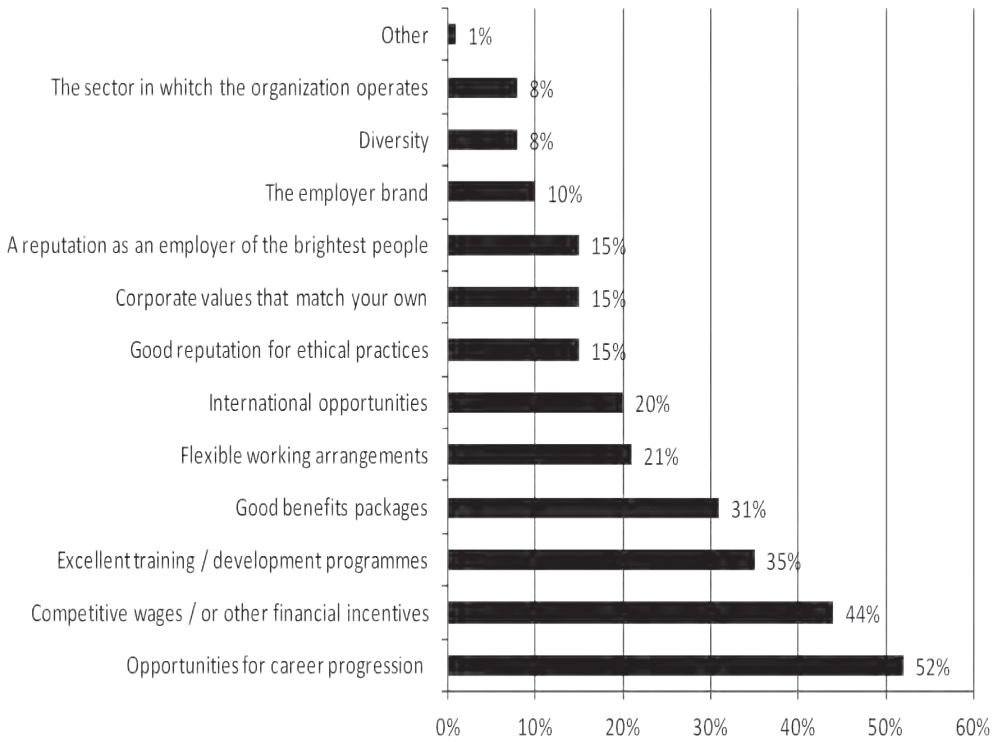


Figure 7. Key factors that make an organization attractive to Millenials
Source: PwC (2011). *Millenials at work. Reshaping the workplace.*,p. 10, http://www.pwc.com/gx/en/managing-tomorrows-people/future-of-work/assets/reshaping-the-workplace.pdf.

Further, recent studies reveal that the young members of this generation are challenging managers on different levels. Mitan (2014) has found that a significant number of young Romanian digital natives who pursue university level studies are financially supported by their families, and many live with their parents or with other relatives. As a consequence, this suggests that they can search for the job they think is good for them for a relatively long time, without fearing that they would not be able to live a decent life, as their families pay the costs of living for them. The same study reveals that from the perspective of the values these youngsters use as guiding lights in life, there are three categories:

the Digital Enthusiasts - people who are fascinated by technology and proficient with it, but who prefer to be constantly told what to do by their managers, and who desperately want to find a leader to guide them both in their personal and professional life;

the Rebel Truth Seekers – people who strive to find meaning and a higher purpose in everything they do, are proficient with technology but they are independent and respect managers only based upon the level of competence they perceive the managers have, dismissing formal hierarchies;

the Pessimistic Individualists – people who have not yet found a place in the digital world – they are not proficient with technology although they use it to call friends and make pictures, they have not found their place in the world and they do not expect anything from the companies they work for or from their managers (ibid.).

How would managers deal with the issues that this sort of workforce brings to surface? We can hardly tell now, but it is certain that the management practice would be increasingly impacted by them.

Further discussions and conclusions

It is estimated that 15% of the objects people use will be connected by 2020 (CapGemini, 2014), including clothing, accessories, electric equipment, electronics, household appliances, cars, and so on, and companies would not be able anylonger to take into account expansion or international consolidation in the absence of integrated web strategies (ibid.). This is a major change, as long as until recently the digital web meant just web, understood as Internet websites and other more and more efficient means of contacting clients.

More so, the largest part of the scientific papers on digital and its impact on business is dedicated to online marketing, with all its distribution channels and/ or communication channels known: web site, search engine marketing, search engine optimization, social media, mobile applications, responsive design, permission marketing, e-mail marketing etc., and with detailed analysis on consumer behavior in the digital world.

But the Internet of all things, of the smart connected objects, seems to bring dramatic change to the digital landscape, and the necessity of a more attentive approach to what we call analytics begins to be pressing. In addition to this, the first generation of digital natives who have come of age brings not only new consumers, but also new employees, with needs and expectations that differentiate them from previous generations. How does management change in this context?

In this direction, we consider that the following topics need to benefit from further research:

1. Digital economy is a type of knowledge economy (Tapscott, 2015, p. 370), in which the repetitive tasks that were common in the past are transferred to intelligent systems. The employees who work in this new economy need to learn and grow constantly, so that they can make complex analyses using the data collected by interconnected systems. This calls for a constant professional improvement of the workforce. The old formulae of motivating the human resources, the ones based upon stimuli and reward and on coercion could suffer mutations. Are managers ready to work with employees whose job description must evolve constantly?
2. The digital economy is not a cheap one : companies must invest in technology, in maintenance and in ensuring its security and, in the end, in its development and adaptation, sometimes perhaps letting go personnel and ceasing to use various spaces that become too costly. In digital economy, employees already work from home or from offices that are not located in the buildings owned by the companies (Hardill & Green, 2003). Are managers ready to coordinate, motivate and control remote teams?
3. Careers do not provide employees now with the safety they used to during the times before the digital economy age (Tapscott, 2015, p. 372). The employees are the first ones who need to learn, to evolve, to improve their capacities, as repetitive tasks are no longer attributed to them, as we mentioned above, but are solved by artificial systems. How could and how does a company handle retention and employee fidelity now? How will it be in the close future? Will we face times when people would become specialised mercenaries travelling from a company to another, or would companies invest more and more in the continuous education of their own teams, trying to keep employees for long periods of time?
4. Digital natives are independent and tend to be optimistic, but they also tend to be superficial and in the quest for safety, as we wrote above. Would they be able to work from

home or from the distance, in the times when the concept of the career as we understood it until recently (as a vertical evolution in a company or in the same domain) changes dramatically?

5. Most of the managers today are not gen Y-ers themselves and they need to learn how to adapt to the changes brought about by the digital revolution in the business environment and in the society at large, as it is announced by the world governments (see the 2020 Digital Agenda for Europe as defined by the European Commission). What management models could managers adopt in this context?
6. Would the models of business administration suffer structural modifications on the markets where the crowdsourcing and the cluster-like alliances will become dominant forms of action for companies? In addition to this, will we face changes of the laws regarding the competition in such situations?
7. Most probably, even though the official political agenda does speak of a sustainable growth made possible by the digitalization (European Commission, 2010), this would not be automatically translated into an increase in the quality of life (in general and at the workplace) for all of the people. As Tapscott (2015, p. 373) observes, currently we do not know how the benefits of the new technologies would be allocated in the society.
8. Would there appear new forms of stress for the employees, caused by the transfer of the work systems structured using efficiency criteria and human needs to systems structured using artificial parameters defined by technological systems use? (see previous discussions on employees stress and non-motivation due to information system implementation: Tarafdar et al. 2007).
9. Consumers who are digitally connected have higher than before and increasing expectations related to receiving more at the cost of giving their private information to companies, and they prefer that brands would interact with them, using the digital medium, as human beings (Van Noort et al., 2014). Are companies ready to approach consumers one-to-one?
10. Digitally connected consumers, especially the members of the generation Y, have expectations that regard the use of technology for the benefit of the individuals and of the society, and social media are, at the moment, the most efficient form of mobilizing people for non-commercial related causes, as shown by the success of the Arabian Spring (Rabindranath, M. and Kapil, 2015) and many social initiatives implying online mobilization for offline manifestations (Enjolras et al, 2013). Are managers ready to prove their clients that digital technologies are useful to the society? Would the CSR models be reshaped in order to align with the latest digital technologies?

Even though the discussion on artificial intelligence has started more than half a century ago and even though the discussion on the Internet has already celebrated its twentieth anniversary, we are just starting to raise questions on the impact of digitalization on the society at large and on the economy. We believe that the management of the private companies, mostly, would face the challenge of reinventing itself and embracing leadership responsibilities that have not been suspected until now. In this article we have presented only a series of questions that need, in our opinion, to be given answers to through research. Most probably new questions will rise in the near future in the academic papers, perhaps speaking of the relation between the digital economy and the macro economy. Regardless of the answers we will gather in the future, we must acknowledge that we are now at the crossroads and that managers should think of the mutations that we start to face as the world rushes to become digitally interconnected.

References

Baldwin, H. (2014). "Ready for digital transformation?", *Computerworld,* May 19, 22–24.

Barnes, D., Hinton, M. and Mieczkowska, S. (2004). "The strategic management of operations in e-business", *Production Planning & Control: The Management of Operations*, Volume 15, Issue 5, 484-494.

Bartel, A.; Lach, S.; Sicherman, N. (2009). "Outsourcing and Technological Change", *IZA DP* No. 4678, http://ftp.iza.org/dp4678.pdf.

Berman, S. J. (2012). "Digital transformation: opportunities to create new business models", *Strategy & Leadership* 40.2, 16-24.

Berry, M. and Schleser M. (2014). *Mobile Media Making in an Age of Smartphones,* New York: Palgrave Macmillan.

Bourreau M., Moreau F. and Gensollen M. (2008). "The digitization of the recorded music industry: impact on business models and scenarios of evolution", *Telecom ParisTech*, Working Paper No. ESS-08-01.

Business Insider (2015) http://www.businessinsider.com/obama-to-astronaut-scott-kelly-instagram-it-2015-1

Caballé, S., Xhafa, F., & Barolli, L. (2010). "Using mobile devices to support online collaborative learning", *Mobile Information Systems*, Volume 6, Issue 1, 27-47.

Calei, Octavian. (November, 10, 2013). "Cum gândeşte şi ce vrea generaţia Digital Natives". http://www.zf.ro/video/zf-live/video-zf-live-cum-gandeste-si-ce-vrea-generatia-digital-natives-urmariti-inregistrarea-emisiunii-de-vineri-8-noiembrie-cu-andreea-coca-consultant-gfk-romania-11646910.

Capgemini (2014). http://technologies.lesechos.fr/experience-client/infographie-le-business-des-objets-connectes_a-55-1373.html

Chen, Z. and Dubinsky, A.J. (2003.) "A conceptual model of perceived customer value in e-commerce: A preliminary investigation", *Psychology & Marketing*, Volume 20, Issue 4, 323-347.

Clough, G. (2010). "Geolearners: Location-based informal learning with mobile and social technologies", *Learning Technologies, IEEE*, Volume 3, Issue 1, 33-44.

Dagnaud, M. (2011*). Génération Y. Les jeunes et les réseaux sociaux, de la dérision à la subversion*, Paris: Presses de Sciences Po.

Dalkir, K. (2013). *Knowledge Management in Theory and Practice*, New York: Routledge.

Dickinger, A., Haghirian, P., Murphy, J., & Scharl, A. (2004, January). „An investigation and conceptual model of SMS marketing. In System Sciences", *Proceedings of the 37th Annual Hawaii International Conference IEEE.*

Doyle, G. (2013). *Understanding media economics*, London: SAGE Publications Limited.

Drucker, P. (1967) "The manager and the moron," *McKinsey Quarterly* cited in Dewhurst, M. and Willmott, P. (2014), *Manager and machine: The new leadership equation*, http://www.mckinsey.com/insights/leading_in_the_21st_century/manager_and_machine

Enjolras, B., Steen-Johnsen, K., and Wollebæk, D. (2013). "Social media and mobilization to offline demonstrations: Transcending participatory divides?", *New Media & Society*, Volume 15, Issue 6, 890-908.

European Commission (2010). *Digital Agenda for Europe,* http:/ec.europa.eu/digital-agenda/digital-agenda-europe

Evans, D. (2010). *Social media marketing: the next generation of business engagement,* Indianapolis: John Wiley & Sons.

Farell, H. (2003). "Constructing the International Foundations of E-Commerce—The EU-U.S. Safe Harbor Arrangement", *International Organization,* Volume 57, Issue 02, Spring 2003, 277-306.

Filloux, F. (July, 20, 2010). Understanding the Digital Natives. *Mondaynote*. http://www.mondaynote.com/2010/07/25/understanding-the-digital-natives/

Gannes, L. (2009). "YouTube changes everything: The online video revolution." *Television goes digital*. New York: Springer, 147-155.

Gansky, L. (2011). *În reţea*. Bucureşti: Publica.

Gefen D., Karahanna E. and Straub D. W. (2003). "Trust and TAM in online shopping: an integrated model", *MIS Quarterly*, Volume 27, Issue 1, 51-90.

Goldman Sachs Global Investment (2014). *The Internet of Things: making sense of the next mega-trend*, September 3, http://www.goldmansachs.com/our-thinking/outlook/internet-of-things/iot-report.pdf.

Gummesson, E. (2015). "Return on Relationships (Ror): Financial Aspects of Relationship Marketing and Crm in a Business-To-Business Context.", in *Creating and Delivering Value in Marketing*, Springer International Publishing, 43-47.

Hansen, Jo-Ida & Leuty, Melanie (2012). Work Values across Generations, *Journal of Career Assessment,* Volume 20, Issue 1, 34-52.

Hardill, I., ans Green, A. (2003). "Remote working—altering the spatial contours of work and home in the new economy", *New Technology, Work and Employment*, Volume 18, Issue 3, 212-222.

Helsper, E. (2010). “Gendered Internet Use across Generations and Life Stages”, *Communication Research*. Volume 37, Issue 3, 352-374.

Huizingh, E.K.R.E. (2002). “Towards Successful E-Business Strategies: A Hierarchy of Three Management Models”, *Journal of Marketing Management*, Volume 18, Issue 7-8, 721-747.

Hull, G., Hutchison, T. and Strasser, R. (2011). *The music business and recording industry*, New York: Routledge.

Huntley, R. (2006). *The World According to Y: Inside the New Adult Generation*, Sydney: Allen & Unwin.

IDC (2013). http://www.idc.com/getdoc.jsp?containerId=prUS24314413

Kaplan, A. M. and Haenlein, M. (2010). „Users of the world, unite! The challenges and opportunities of Social Media”, *Business Horizons,* Issue 53, 59-68.

Labrecque, L.I, von dem Esche, J., Mathwick, C., Novak, T. P., Hofacker, C. F. (2013). “Consumer Power: Evolution in the Digital Age”, *Journal of Interactive Marketing*, 27, 257–269.

Lee, M.K.O. and Turban, E. (2001) “A trust model for consumer internet shopping”, *International Journal of electronic commerce*, No. 6, 75-92.

Leea, M. and Youna, S. (2009). „Electronic word of mouth (eWOM). How eWOM platforms influence consumer product judgement”, *International Journal of Advertising: The Review of Marketing Communications,* Volume 28, Issue 3, 473-499.

Lepp, A., Barkley, J. E., Sanders, G. J., Rebold, M., and Gates, P. (2013). “The relationship between cell phone use, physical and sedentary activity, and cardiorespiratory fitness in a sample of US college students”, *International Journal of Behavioral Nutrition and Physical Activity*, 10(1), 79.

Lewis, J. A. (2005). “The Internet and terrorism”, *Proceedings of the Annual Meeting*. The American Society of International Law, pp. 112-115.

Marketingprofs (2012). *Young Digital Natives Switch Media Every Two Minutes*. http://www.marketingprofs.com/charts/2012/7629/young-digital-natives-switch-media-every-two-minutes

McKnight, H. D., Choudhury, V. and Kacmar, C. (2002. “Developing and validating trust measures for e-commerce: an integrative typology.” *Information systems research*, Volume, 13, Issue 3, 334-359.

MIT and Capgemini (2011). *Digital Transformation: A Roadmap for Billion-Dollar Organizations*, http://www.capgemini.com/resources/digital-transformation-a-roadmap-for-billiondollar-organizations

Mitan, A. (2014). „Digital Natives Coming of Age: Challenges for Managers”. *Management Dynamics in the Knowledge Economy*, Volume 2, Issue 2, 335-354.

Noble, S. M., Haytko, D. L. and Phillips, J. (2009). "What drives college-age Generation Y consumers?", *Journal of Business Research*, Volume 62, 617–628.

Porter, M. E. and Heppelmann, J. E. (2014) „How Smart, Connected Products Are Transforming Competition", *Harvard Business Review,* November 2014, 66-85.

Prensky, M. (2001). "Digital Natives, Digital Immigrants", *On the Horizon*, MCB University Press, http://www.marcprensky.com/writing/Prensky%20-%20Digital%20Natives,%20Digital%20Immigrants%20-%20Part1.pdf

PwC (2011). *Millenials at work. Reshaping the workplace.* http://www.pwc.com/gx/en/managing-tomorrows-people/future-of-work/assets/reshaping-the-workplace.pdf.

Rabindranath, M. and Kapil, S. (2015). "Social Media and the Arab Spring", *Media Watch*, 124.

Rust, R.T. and Huang, M. (2014). "The Service Revolution and the Transformation of Marketing Science", *Marketing Science*, Volume 33, Issue 2, 206-221.

Sadeh, N. (2003) *M-commerce: technologies, services, and business models*, John Wiley & Sons.

Shapiro, C. and Varian, H. R. (2013). *Information Rules: A Strategic Guide to the Network Economy*, Boston: Harvard Business Press.

Shi, Z. (2011). *Advanced Artificial Intelligence*, Singapore: World Scientific.

Small, C. T. and Sage, A. P. (2006). „Knowledge management and knowledge sharing: A review" in *Information, Knowledge, Systems Management*, Volume 5, Issue 3, 153-169.

SmartInsights (2015). http://www.smartinsights.com/digital-marketing-strategy/race-a-practical-framework-to-improve-your-digital-marketing/.

SocialBakers (2015). https://www.youtube.com/yt/press/statistics.html.

Statista [1] (2015). http://www.statista.com/statistics/251666/number-of-digital-buyers-worldwide/.

Statista [2] (2015). http://www.statista.com/statistics/269444/brand-value-of-the-most-valuable-companies-worldwide/

Statista [3] (2015). http://www.statista.com/markets/413/topic/457/b2c-e-commerce/.

Statista [4] (2015). http://www.statista.com/markets/413/e-commerce/.

Statista [5] (2015). http://www.statista.com/statistics/274251/retail-site-penetration-across-markets/.

Statista [6] (2015). http://www.statista.com/statistics/278414/number-of-worldwide-social-network-users/.

Statista [7] (2015). http://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/.

Statista [8] (2015). http://www.statista.com/statistics/370350/internet-of-things-installed-base-by-category/.

Statista [9] (2015). http://www.statista.com/statistics/306906/mobile-internet-penetration-worldwide-by-generation/.

Sutherland, A. and Thompson, B. (2003). *Kidfluence. The Marketer's Guide to Understanding and Reaching Generation Y – Kids, Tweens and Teens*. New York: McGraw Hill.

Tapscott, D. (2010). *Grown Up Digital. How the Net Generation Is Changing Your World*, New York: McGraw-Hill.

Tapscott, D. (2015). *The Digital Economy. Rethinking Promise and the Peril in the Age of Networked Intelligence,* New York: McGraw-Hill.

Tarafdar, M., Tu, Q., Ragu-Nathan, B. S., & Ragu-Nathan, T. S. (2007). "The impact of technostress on role stress and productivity", *Journal of Management Information Systems*, Volume 24, Issue 1, 301-328.

Twenge, J. M., Campbell, S. M., Hoffman, B. J.and Lance, C. E. (2010). "Increasing, Social and Intrinsic Values Decreasing Generational Differences in Work Values: Leisure and Extrinsic Values", *Journal of Management*, Volume 36, Issue 5, 1117-1142.

Velasco-Castillo E., de Renesse, R. and Xylouris, A. (2014). *Research Analysis Mason Forecast Report Smart wearables: worldwide market trends, forecasts and strategies 2014–2020.*

Van Noort, G., Antheunis, M. L., and Verlegh, P. W. (2014). "Enhancing the effects of social network site marketing campaigns: If you want consumers to like you, ask them about themselves", *International Journal of Advertising*, Volume 33, Issue 2, 235-252.

Wargin, J. and Dobiéy, D. (2001). „E-business and change – Managing the change in the digital economy", *Journal of Change Management*, Volume 2, Issue 1, 72-82.

Weiler, A. (2004). "Information-Seeking Behavior in Generation Y Students: Motivation, Critical Thinking, and Learning Theory", *The Journal of Academic Librarianship*, Volume 31, Issue 1, 46-53.

Werbach, K. (2001) "Syndication: The Emerging Model for Business in the Internet Era", in Carr, N., *The Digital Enterprise: How to Reshape Your Business for a Connected World,* Boston: Harvard Business School Publishing, 21-34.

Yenicioglu, B. and Christodoulides, G. (2014). "Branding in the age of digital connectivity" in Moutinho Luiz et al., *The Routledge Companion to the Future of Marketing*, New York: Routledge, 268-281.

Zarrella, D. (2009) *The social media marketing book*, O'Reilly Media, Inc..

Zhu, K. and Kraemer, K. L. (2002). "E-commerce metrics for net-enhanced organizations: assessing the value of e-commerce to firm performance in the manufacturing sector", *Information Systems Research*, Volume 13, Issue 3, 275-295.

Zimmerman, H. D. (2000) "Understanding the Digital Economy: Challengers for New Business Models", *AMCIS 2000 Proceedings*. Paper 402. http://aisel.aisnet.org/amcis2000/402

■ ■ ■

Florina Pînzaru teaches General Management and Fundamentals of Marketing at the National University of Political Studies and Public Administration (SNSPA), Bucharest, Romania. She is also Dean of the College of Management of SNSPA since 2011 and Head of The Research Center in Management and Leadership of SNSPA.

Florina Pînzaru has more than 10 years of experience as marketer and Marketing Communication Manager for important Romanian enterprises and multinational corporations in furniture, energy and utilities.

Her latest consultancy projects are focused on the digital strategies of companies as part of their strategic management approaches.

Some of Mrs. Pinzaru's most important publications are „Marketing Handbook: Classic Principles and Modern Efficient Techniques" (in Romanian: „Manual de marketing: principii clasice și tehnici moderne eficiente"), C.H. Beck, Bucharest, 2009 and "Congratulations, You Are a Manager Now!" (in Romanian, "Felicitări, ai fost promovat manager!"), Tritonic, Bucharest, 2013.

For detailed information about her scientific interests, please see Florina Pinzaru's research profile: http://www.researchgate.net/profile/Florina_Pinzaru or https://scholar.google.ro/citations?user=Muw1E7kAAAAJ&hl=en&oi=ao

Ralph Tench – Márta Konczos

MAPPING EUROPEAN COMMUNICATION PRACTITIONERS COMPETENCIES – A REVIEW OF THE EUROPEAN COMMUNICATION PROFESSIONALS SKILLS AND INNOVATION PROGRAMME: ECOPSI

This paper aims to share the main results of a Europe wide research project, named European Communication Professionals Skills and Innovation (ECOPSI) Programme (2013) which intended to map and evaluate the current and future communication management skills of practitioners across Europe. This project has been funded with support from the European Commission within the European Communication Professional Skills and Innovative Programme. The research team – lead by Professor Ralph Tench[2] – carried out a depth literature review and extended this to include primary data collected from communication practitioners across Europe. This data has been collected in two forms; (1) quantitative, through an online survey of nearly 2,200 practitioners in 42 countries and (2) qualitatively through a small number of focus groups and 53 individual interviews with communicators from four role groups: chief communications officers, crisis communicators, internal communicators and social media managers, across 6 geographically distinct regions of Europe.

The principle focus of the project was to develop understanding of the competencies held by senior communications practitioners and the contributing knowledge, skills and personal attributes that are relevant to their role and that of future managers in similar roles. The interview schedule and framework for the qualitative research was orientated around the ECOPSI Communication Role Matrix, devised from a synthesised competency list developed as a result of the literature review. The interviews were also an opportunity to probe on specifics about the future competencies of communications practitioners in the areas of new media competency, the development of cross-cultural competencies and understanding of how to support the acquisition and development of knowledge and skills relating to management and business.

The findings from the research suggest and support the *hypothesis* that public relations and communication is a maturing discipline with many shared experiences but little organized life-long learning or evidence of recognized continuous professional development (CPD) pathways. There are on-going gaps and deficiencies in the development of individuals as well as broad variation in how practitioners identify needs and access appropriate interventions. This presents numerous opportunities for deeper and on-going professional training and development to build consistency and support

[2] (Dr) Ralph Tench, Professor of Communication; Project Director for ECOPSI: Leeds Beckett University, UK

good practice in moving away from a hands-on, learning on-the-job approach to more focused knowledge acquisition and development.
Social Media knowledge is an acknowledged weakness that people feel they need to improve in and the industry also needs to look closely at how it can foster intercultural relationships and cross-cultural working by setting up accredited and recognized programs of exchange, secondment and internship. Coaching and mentoring has a significant part to play in the development of communicators, as it potentially offers more formal, organized and supported career development that is both on-the-job and in-situ. This, together with committed involvement in networks and knowledge exchange activity and a review of the current content of more formal training/qualifications may help to bridge on-going and self-acknowledged gaps in the development of communication practitioners.

Introduction

Background to the research: The ECOPSI Programme was a European funded project, which aimed to map and evaluate the current and future communication management skills of practitioners across Europe[3]. The project included partners from the UK, Germany, Spain, Netherlands, Slovenia and Turkey and range between 2011–2014.

The project focused on the communication sector in Europe, which has developed significantly in the last 20 years. This expansion has been influenced by political, economic and cultural shifts which have seen profit and non-profit organisations recognise the significant role played by communication departments in achieving organisational goals. Part of this recognition is of the role played by communication practitioners. The ECOPSI programme is concerned with communication practitioners operating within this growing communication sector and even more specifically in Europe. *A key outcome of this project was to build a European theory of communication management and a framework to support the professionalization and ethical development of communication practitioners.*

The programme started in October 2011 and reported its full findings and outputs at the end of the project in January 2014. This report details the contextual work summarised in the ECOPSI Benchmark paper published in April 2012 (Tench et al., 2012) and extends this to include the primary data collected from communication practitioners across Europe. This data has been collected in two forms; (1) quantitative, through an online survey of nearly 2,200 practitioners in 42 countries and (2) qualitatively through focus groups and interviews. Focus groups were held with four role groups: chief communications officers, crisis communicators, internal communicators and social media managers. Interviews have been held across six

[3] ERASMUS 2011 Ref No: 517691-LLP-1-2011-1-UK-ERASMUS-ECUE

geographically distinct regions of Europe with a total of 53 communications practitioners at different levels and performing different roles. *The ECOPSI Program examined the four roles of communication practitioners including chief communications officer, crisis communication manager, internal communications manager, and social media manager.*

The aim of the research was to develop understanding of the competencies held by senior communications practitioners and the contributing knowledge, skills and personal attributes that are relevant to their role and that of future managers in a similar role. These findings led to the development of an online self-diagnostic tools and an ECOPSI portal of supporting resources for practitioners.

Literature Review

The first stage of ECOPSI involved country specific literature reviews on public relations. The literature review revealed that public relations research across Europe is dominated by several strands of research. These are: (1) Professionalization, including qualifications, course accreditation and ethical codes; (2) Communication management and "doing" public relations and (3) dissecting the role of the practitioner; identifying skills, knowledge and personal attributes.

Professionalization: qualifications, course accreditation and ethical codes

Although there is a drive towards *professionalization*, it remains inconsistent and the responsibility to professionalise public relations within specific countries is spread across professional bodies, accredited universities and private education institutes, with little coordination. In Serbia, Croatia and Slovenia, there are so many courses being offered "often of questionable quality [that] it is impossible to verify their claims and qualifications" (Tench et al., 2012, p. 2). In Germany, "the topics of seminars in the public relations programs at the different universities vary considerably. There is no common curriculum" (Tench et al., 2012, p. 2).

Professionalization is an underlying purpose of all member institutes that cater for public relations professionals (e.g. the Dutch association: Logeion; the UK institute: CIPR; the German Council of Public Relations: DRPR and Global Alliance). These bodies drive the professionalization agenda in-country, yet they do not appear to interact with each other. Each literature review emphasised that there are no active measures to stop people without formal qualifications practising their "versions" of public relations. This is true for all countries/

regions but is particularly highlighted in the Turkish report where there is a high volume of graduate education but limited employment opportunities. In addition in Turkey the practice field is dominated by practitioners without formal public relations education despite the high numbers of qualified graduates (Tench et al., 2012).

In the UK, professionalization equates to students completing an *accredited* Chartered Institute of Public Relations (CIPR) *course*, either through a university or through the CIPR itself. However, job searches for public relations and Communication roles do not ask for potential staff to be members of the CIPR, nor do they insist on a formal qualification in public relations. Universities, however, do ask for CIPR membership of their public relations/ communication academics, particularly if their institution hosts an accredited course. This suggests that the drive to professionalise public relations in the UK is limited to the training and education sectors, having yet to penetrate the business sector with any real or lasting impact (Tench et al., 2012).

There is some overlap in the criteria set by public relations associations and what is taught at universities. For example, the Dutch association Logeion outlines the skills and knowledge needed to become a Corporate Communications Director, which is in line with what the UK-based CIPR advocate as necessary to gain a degree in public relations and Communications.

Professionalization is linked strongly with *qualifications* (Rottger, 2010). Whilst there are studies on the academic qualifications of public relations and communication practitioners in Germany (Bentele et al., 2009); (Szyszka et al., 2009), Slovenia (PRSS, 2005), Croatia (HUOJ, 2009) and Serbia (DSOJ, 2010), no recent similar studies exist for the UK, Turkey, Spain, or the Netherlands.

Further afield, the Global Alliance's *Code of Ethics* suggests pursuing professional accreditation only "where available"[4]. They are in a good position as a global umbrella body of public relations institutes to encourage more accreditation options for member countries, yet appear to lack the power to do so.

An overlap in UK and German literature is the use of a code of ethics within the profession. However, there is no evidence of punitive measures of practitioners, such as debarring from the profession if practitioners are caught acting outside of the code of ethics, in a similar way in which lawyers and doctors are debarred from their profession. Both professional bodies, the CIPR) and the DRPR do have sanctions available but there is little evidence of them being applied or used as they can be for other professional associations. This background calls to question the power of a code of ethics, as well as the power of the associations that insist their members adhere to a code of ethics.

[4] www.globalalliancepr.org

Awarding bodies like to categorise students and tailor the content of the course accordingly. For example, in The Netherlands, it is possible to enrol for training in public schools and colleges specialising in vocational education, however, university courses in Communication Science do not offer public relations as a module, only as a 'track' within broader programmes. In the UK, the CIPR offers similarly tailored courses according to student type, for example, Foundation Awards for school-leavers, Advanced Certificates for graduates and Diplomas to develop management skills and "support your progression into a more senior role" (Tench et al., 2012, p. 3).

Businesses in the UK complain that graduates do not have the relevant skills to work in communications and public relations even after they have graduated from accredited courses. This supposes disconnection between more generalised practice and academia. In the US, McCleneghan (2006) describes the concerns expressed in a survey of American public relations executives about the quality of writing skills among college graduates. This view is backed up by Kim and Johnson (2009) and Corner and Cole (2008) whose interviews with members of the Public Relations Society of America (PRSA) revealed that despite 'writing for the news' or 'writing for persuasion' being the most important public relations skill, almost 70 per cent felt that graduates were only a little prepared to write in this way. Hardin and Pompper (2004, p. 358) also observed graduates' lacklustre writing skills in their research. The feedback from businesses on the skills of students highlights the importance of technical skills needed to be a public relations practitioner.

Communication management and 'doing' PR

The reviews highlight the extensive research undertaken throughout the partner countries into the skills, knowledge and some personal attributes needed to be an efficient public relations practitioner. ECOPSI can use these prior researches to inform this study. Much of the research across Europe focuses on either communication management, identifying activities typically undertaken by public relations practitioners, or a combination of both. Broadly, such research is about practitioner roles. In this sense, it is influenced heavily by U.S. theory; for example, practice and academic teaching in the UK is dominated by U.S. literature, namely research into practitioner roles theory (Dozier and Broom, 2006). Indeed, this U.S. research remains the cornerstone of much European research into practitioner roles (Wienand, 2003; Zerfass, 1998).

Research that separates 'management' and 'technical' aspects of public relations often use descriptions of the work, which inevitably end up listing activities that constitute either managerial or technical aspects of the practitioner's role. An example of both the management and technical focus of research can be seen in the EBOK project where participants found keys skills to be "listening and writing on the one hand and management skills on the other hand." (Van Ruler et al., 2000, p. 17). More detailed examples of skills include van Ruler's (2000) ten most common tasks of communication professionals, listed as: providing press information, performing internal communication tasks, assessing texts produced by others, performing external policy/company communication activities, performing communication projects, writing press releases, consultancy about the performance of communication activities, editing written communications, providing public information and coordinating press contacts (Van Ruler, 2000, p. 415). Indeed, typical skills identified in other research include writing (writing press releases, persuasive writing, speech writing) and oral communication (pitches, presentations and press conferences). Van Ruler then identified five nuclear tasks of public relations practitioners as the production of texts, managing content and production of websites (internet, intranet, extranet), consultation about means and media of communication, coordination of communication projects and monitoring the quality of communication.

In the Netherlands, Logeion (2012) developed the ABCD model of tasks and job descriptions of public relations and communication professionals (BVC, 2002) further into six nuclear roles, which are: Analysing, Counselling, Creating, Organizing, Guiding/supporting, and Managing. Logeion's study is an important springboard for ECOPSI as the nuclear tasks offer useful umbrella terms which ECOPSI could look for during the data analysis. Their terminology is useful because the terms are not too specific; they are broad enough to encompass many activities and general enough to be applied to any of *the four roles that ECOPSI examined (chief communications officer, crisis communication manager, internal communications manager and social media manager*). It could be argued that because they assume a broad remit, they are managerial in essence. It could also be argued that more technical terms, such as 'writing press releases' tend to isolate the work of the practitioner and are somewhat reductionist in the process. Therefore, technical tasks help define the profession but the managerial tasks help define the more rounded role. The two together give a more rounded view of the contemporary public relations landscape. Furthermore, using the six nuclear tasks in ECOPSI to map out the skills and knowledge across Europe is in line with Logeion's call for "a deepening of understanding (more specialization) and a broadening of the horizon (interaction with other disciplines)" (Tench et al., 2012, p. 38).

Dissecting the role of the practitioner and identifying skills, knowledge and personal attributes

Dissecting the role of the practitioner into either managerial or technical elements has spawned an infinite number of variables that go towards identifying the makeup of a contemporary public relations practitioner, i.e. a snapshot of the type of practitioner who took part in that particular research at that particular time. These results are specific to industry sectors (such as public or private) or role hierarchies (Logeion, 2012) and the findings are used to generalise about the nature of public relations and communications work. The literature reviews show that there is no consistency of research on the four specific roles that ECOPSI focused on, which highlights a gap in knowledge. For the purposes of this study it was helpful to maintain a distinction between knowledge and skill in order to consider how each may be acquired, though it is worth bearing in mind how the two may overlap.

The European literature review reveals that there are no consistent definitions of roles or of specialisations such as a social media practitioner or internal communications practitioner. There are, however, any number of labels given to types of public relations /communications activities and any number of titles given to people who perform these sets of activities.

In essence, the labels attributed through prior research are something that the ECOPSI project is tried to avoid in designing the research element of the project. The rigidity of 'labels' and 'levels' does not allow practitioners to adapt to changes, nor does it allow the industry to adapt. The nature of public relations /communications work should be looked at as a whole, instead of as a set of components that constitute the whole. The design of the qualitative portion of ECOPSI avoids any pre-determined labels, categories or roles (Tench et al., 2012, p. 3).

Core skills

The Corporate Communications Institute's (CCI) Corporate Communication Practices and Trends 2005 Study (Goodman, 2006, p. 203) lists 23 separate skills that form a "skill set necessary for success as a corporate communicator in a global business environment". Of these, writing was identified by respondents as the core skill with 'thorough knowledge of the company and of business principles' nominated as 'essential'. These two skill and knowledge areas are identified frequently in the literature as very important to communications practitioners (Oughton, 2004; Brown – Fall, 2005; McCleneghan, 2006; Jeffrey – Brunton, 2011 and Sha, 2011).

Another key skill area identified in the literature is that of critical thinking or its related terms – problem solving, analytical skills or strategic thinking. McCleneghan (2006) ranks critical thinking alongside writing skills as the most important communication skills. DiStaso, Stacks and Botan (2009) put writing skills and critical thinking/problem solving skills as the two most important skills for getting an entry-level job in public relations. Szyszka (1995) offers a fuller explanation of skills, knowledge and personal attributes from a German perspective and differentiates between three categories:

1. *knowledge* in the field of public relations. This includes scientific knowledge about a) communication, society, economics, psychology, technical aspects, law, politics, history, lobbying and b) aspects of strategic communication like analysis of problems, setting objectives, conception, realisation, evaluation;
2. *attributes* like "soft skills", leadership, the ability to work in a team, analytical skills to monitor issues, presentation skills, rhetorical skills, fluency in text and language, self-management, professional experience, fancifulness, creativity, loyalty; and
3. *expertise* in subject matter and general education.

These standards imply knowledge about the field of occupation, target groups, strategies and techniques of public relations, media relations, internal communication, events, product-PR, crises communication, public affairs, corporate identity and legal and ethical questions. Further fields are economy, politics, the media system and psychological and sociological aspects of communication. Practical skills are interpersonal communication, rhetoric and presentations.

Personal attributes

Personal attributes can also be known as 'soft skills' or 'employability skills.' According to Ahles (2004) success in employment depends on having these employability skills. Personal attributes are defined in the literature as separate from competencies but they are important in terms of determining how well a competency is performed. Personal attributes can also be said to be modelled or fostered (Jeffrey - Brunton, 2011, p. 69).

Skills deficit

The most common skills deficit is related to 'commercial nous', which is arguably similar to business knowledge. Other deficits identified were in networking skills, knowledge of legislative framework and social media skills. The last of these - social media skills - was the top area selected by respondents in which they need to improve. The lack of research into social media practices can be seen in all the European literature reviews, particularly the Turkish review. A German study (News aktuell, 2011) identified a lack of social media skills and points to the importance of developing a greater breadth of social media skills.

There is some research, however, into aspects of social media work. Riedel (2011) outlines the knowledge, skills and mind-sets of social media. *Knowledge* about social media describes knowledge about the complexity of the social web, knowledge about technical aspects, regulatory frameworks, ethical codes, knowledge about one's own company and its products and being "up-to-date". Social media *skills* refer to strategic skills, journalistic skills, project management, knowledge about human nature, readiness of mind, empathy, capacity to accept criticism, networking, creativity, organisation of information, evaluation, relationship management and identity management. *Personal attributes* include pro-activeness, availability through different channels nearly 24/7, commitment, service mentality, acknowledging own mistakes. The Table 1 provides some indication of the range of skills, knowledge and personal attributes that have been mentioned in the literature as being important to work in public relations and communications.

Competencies

What is clear from the studies of skills, knowledge and personal attributes is that they overlap in terminology and that there is a pattern forming about how skills, knowledge and personal attributes lead to broader competencies. Gregory (2008, p. 216) uses the following definition of competencies in a study of senior communication managers in the UK: "behavioural sets or sets of behaviours that support the attainment of organizational objectives. How knowledge and skills are used in performance". This is probably the most appropriate definition for use in this study as it effectively distinguishes competencies from skills, knowledge and personal attributes. Jeffrey and Brunton (2011, p. 60) highlight the advantage of studying competencies over roles as; "roles outline tasks and responsibilities in the job description, in today's dynamic workplace these same roles are likely to change frequently. In contrast, competencies are the underlying foundational abilities that are integral to successfully carrying out the tasks and responsibilities, and thus remain a stable blueprint for practice over time".

Skills	Writing and oral communication; Project planning and management; Critical thinking; Problem solving; Media skills; Persuasion; Strategic thinking; Mentoring and coaching; Advanced communication skills; IT skills (including new media channels); Crisis management; Research; Reading comprehension; Community relations; Consumer relations; Employee relations; Professional service skills; Social responsibility; PR ethics
Knowledge	Business knowledge / literacy; Current awareness; Theoretical knowledge; Knowledge of PR history; Knowledge of other cultures; Knowledge of communication models; Knowledge of how to apply PR theory
Personal attributes	Handling pressure; Leadership; Integrity / honesty/ethical; Objectivity; Listening; Confidence / ambition; Team player; Energy/ motivation; Discipline; Intelligence; Ability to get on with others/ interpersonal skills; Wide interests; Intellectual curiosity; Creativity; Flexibility; Judgement and decision making; Time management; Respect for hierarchy; Follows organisational 'rules'; Honesty; Adaptability; Integrity; Ambition; Reliable attendance; Willingness to accept assignments; Completes work on time

Table 1 Range of skills, knowledge and personal attributes identified in the European literature
Source: based on ECOPSI Report 2013: 17

The difficulty in establishing a workable definition of competencies has been discussed in work for the European Centre for the Development of Vocational training (CEDEFOP) which aimed to clarify the concepts of knowledge, skills and competences. This highlights the usefulness of competences as providing a link between education (and skills) and job requirements (roles). For example, there is

1. 'conceptual competence' which refers to knowledge about an entire domain;
2. 'procedural competence' which refers to the application of conceptual competence in a particular situation; and

3. 'performance competence' which is required to assess problems and select a suitable strategy for solving them (Winterton et al., 2005, p. 15).

In the context of public relations, Oughton (2004) suggests that there is a difficulty with defining competency because it can refer either to the ability to perform a task or how people should behave in order to carry out the role. Szyszka (1995) identifies two categories of competencies for public relations practitioners: (1) specific qualifications – those qualifications which are directly connected to the topic of public relations; and (2) unspecific qualifications – those qualifications, like leadership, which can be seen as a core competence for public relations practitioners. Both, specific and unspecific qualifications are seen as valuable to practitioners when it comes to factors that "help to earn a higher-than average-salary" (News aktuell / Faktenkontor, 2011).

On-going research on competencies

Jeffrey and Brunton's (2011) combined approach of focus groups and a needs assessment questionnaire conducted with practitioners and academics in New Zealand identified the competencies that are required to achieve their two superordinate goals of *strategically managing the communication process* and *managing relationships*. This study continues[5] and they are using critical incidents as the focus for competencies. The ECOPSI programme has focused on mapping competencies across the European countries for this study rather than with critical incidents at this stage. However, as Jeffrey and Brunton (2011, p. 72) suggest, a competency framework for communications practice should reflect the influences of different cultures and settings and, therefore, more research is required to enhance our understanding of communications practice. ECOPSI responds to this call for reflecting on cultural influences, for example, the EBOK project conceptualised practitioner roles as technical, managerial, educational and reflective. However, each needs its own set of competencies, but this was not further studied in the EBOK project. Studies of competencies have produced useful frameworks for ECOPSI to build upon, such as Gregory's (2008) study of the competencies of senior communication managers in the UK, which used the Universal Competency Framework and resulted in the competencies, each attributed to private and public sector professionals' competencies.

How the literature review guided ECOPSI

Although research focused on the skills, knowledge and personal attributes of practitioners, there was no definitive research that brings these elements together in a Europe-wide study.

[5] http://icp.quickendev.co.nz/

Given the focus on roles and labelling practitioners according to the tasks they undertake, or where they are in the organisational hierarchy, specialisms were difficult to define. What was also clear from the literature reviews are that there is a lack of research on social media practice within the public relations sector and the skills, knowledge and personal attributes needed to fulfil this role efficiently.

ECOPSI took the broad labels provided by prior research and used them to examine four roles: chief communications officers, crisis managers, internal communications managers and social media managers. This filled a gap in knowledge about how the roles are enacted across Europe and the skills, knowledge and personal attributes needed for these roles which subsequently contribute to competencies needed by practitioners to fulfil these roles efficiently (Figure 1).

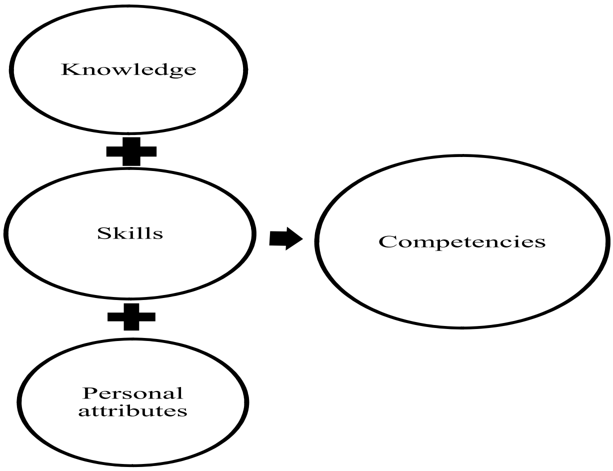


Figure 1 How ECOPSI views skills, knowledge and personal attributes
Source: ECOPSI Report 2013: 19.

The European literature review reveals that although skills, knowledge and personal attributes are dominant areas of research within public relations, "there is no research that takes competences and the underlying constructs as a starting point" (Tench et al., 2012, p. 16).

The aims of the research were therefore to

- identify which competencies are needed for chief communication officer roles, crisis communication roles, internal communication roles and social media roles; and

- identify the skills, knowledge and personal attributes that are perceived to be important for competencies in each of the four roles.

Methodology

The ECOPSI project was designed with a research methodology which included data collection from three instruments using both qualitative and quantitative methods i.e. a quantitative survey, qualitative focus groups and qualitative interviews. The section below details the initial findings and discussions from the quantitative survey which feeds into the focus groups and interviews.

Quantitative survey

An online survey was developed by the research team with questions focused on hypotheses for the ECOPSI project about the education, skills and competencies of communication practitioners. The online survey was then distributed via professional networks to communications practitioners from 42 countries across Europe. The questionnaire used for the survey covered 19 sections and 30 questions covering issues on practice trends as well as the questions focused around the aims of the ECOPSI project. The English language survey was distributed online in March 2012 for four weeks. 4,107 respondents started the survey. In order to fulfil the highest empirical standards, only 2,185 fully completed replies by participants, who were clearly identified as part of the profession, were evaluated and analysed using SPSS and a variety of statistical tests like Pearson's chi-square, Spearman's and Kendall's rank correlation, ANOVE/Scheffé post-hoc and T-tests.

As heads of communication, unit leaders or agency CEOs, 71.7 per cent of the respondents work on the first or second level of the communication hierarchy. The average age was 41.5 years and nearly 68 per cent have worked in communications for more than ten years. Based on this, it can be claimed that the results are founded on statements of those who take responsibility for the profession today and who will shape its future in Europe. The distribution of gender (57.6 per cent female, 42.4 per cent male) and the regions (29.6 per cent Northern Europe, 30.5 per cent Western Europe, 10.7 per cent Eastern Europe, 29.2 per cent Southern Europe) reflects the diversity of the profession.

Qualitative focus groups

The focus groups were used to test findings from the quantitative survey, benchmarking and literature review work with senior specialists. The aim was to develop deeper understanding

Competency		Knowledge	Skills		Personal attributes
			Hard	Soft	
Counselling (build relationships, consulting, coaching)	S	Languages Intercultural theory and issues	Diversity Consulting Consensus building Negotiation	Team building Conflict resolution	Empathy, Trust-worthiness Team minded (worker), Negotiation, Sympathetic Political intuition, Participative, Sociable Authority, Calmness Self-criticism, Responsiveness
	FG	Learning curves of co-workers Personality profiles	-	Persuasive communication Motivation	Authenticity, Integrity Self-awareness, Humour
	I	-	-	-	Patience/ tolerance

Table 2 ECOPSI Communication Role Matrix: Counselling
Source: based on ECOPSI Report 2013: 25-26.

Competency		Knowledge	Skills		Personal attributes
			Hard	Soft	
Organising/ executing (planning, making it happen)	S	Corporate strategy Financial systems Planning systems	Writing Strategy Planning Project-management Time managem. Admin.	Strategic thinking Planning Decision making	Composure, Energy Competitive, Leadership Enthusiasm, Self-reliance Multi-tasking, Proactivity Agility/ Flexibility
	FG	Project managem.	Organisational skills	-	Results orientation
	I	-	Creativity with budgets	-	Perseverance/ resilience

Table 3 ECOPSI Communication Role Matrix: Organising/executing
Source: based on ECOPSI Report 2013: 25-26.

Competency		Knowledge	Skills		Personal attributes
			Hard	Soft	
Managing (cross functional awareness, business focus)	S	Managem. Economics Branding Law Knowledge about own organisation Business systems General knowledge Risk managem. Stakeholder managem.	Mapping (organisational network systems) Leadership	Negotiation Influencing	Confidence Global and strategic vision Diplomacy Experience
	F G	Public affairs/ political dynamics	-	Delegating	Courage Daring/Risk Taking (and being willing to fail and learn from this)
	I	Change managem. Language of the Board Understanding of own business model	-	Managing people Sense of timing	Stress resistance Adaptability

Table 4 ECOPSI Communication Role Matrix: Managing
Source: based on ECOPSI Report 2013: 25-26.

of four roles in conversation with senior specialists from the EACD (European Association of Communication Directors). The focus groups were held with practitioners from each of the four roles where the facilitators 'tested' the role competences (ECOPSI Matrix).

Each focus group used the following structure:

- Discuss the 'communication role matrix' for each role specifically looking at: Competencies and related Skills; Competencies and related Knowledge; Competencies and related Personal Attributes
- The next generation – future development of your role.

Competency		Knowledge	Skills		Personal attributes
			Hard	Soft	
Performing and creating (craft e.g. writing, design, presentation)	S	New technologies Comm. processes Web 2.0 tools and effects on organisational comm. Media systems and structures	Writing Editing Design skills Computer writing skills	Communication Presentation Creative problem solving	Communicative Entrepreneurial Polyvalence/ supporting diverse and differing perceptions Initiative Lifelong learner Innovative and creative Enquiring Openness
	FG	Intercultural aspects of communication messages and products Global media environment	Multi-media skills Visioning	Story telling	-
	I	-	Verbal coherence / concision	-	Pioneering

Table 5 ECOPSI Communication Role Matrix: Performing and creating
Source: based on ECOPSI Report 2013: 25-26.

From the focus groups the practitioner roles were explored more deeply to refine and develop the qualitative interview framework and template.

Qualitative interviews

Following the survey and focus groups, the final data collection for the ECOPSI project was the in depth interviews with practitioners. The intention was to test and further develop the detailed understanding of the input elements to these competencies. The interview schedule and framework was devised from the synthesised competency list which was developed from the literature and from the survey. This schedule aimed to evaluate the input components of knowledge, skills (hard and soft) and personal attributes that go to make up the competencies

Competency		Knowledge	Skills		Personal attributes
			Hard	Soft	
Analysing / interpreting (research, listening)	S	Research and analysis methods Prediction/forecasting Monitoring tools Web monitoring tools	Critical thinking Reading comprehension Research	Forecasting	Curiosity Questioning
	FG	HR policies and links to communication Listening, understanding and interpreting trends, linking them to business strategies Recognising trends	-	Listening	-
	I	-	Social environmental analysis	-	Good judgement Strong instincts

Table 6 ECOPSI Communication Role Matrix: Analysing /interpreting
Source: based on ECOPSI Report 2013: 25-26.

Competency		Knowledge	Skills		Personal attributes
			Hard	Soft	
Supporting/ guiding (vision and standards, ethics, developing others)	S	Corporate governance Ethics / ethical frameworks Legal issues	-	Visioning	Ethical and socially responsible, Authority Integrity, Honesty Influence, Reputation, Sincerity
	FG	-	-	-	Objectivity Sensitivity/humanity
	I	-	-	-	-

Table 7 ECOPSI Communication Role Matrix: Supporting / guiding
Source: based on ECOPSI Report 2013: 25-26.

for the four defined communication roles. They are defined in the Matrix as follows, (under the acronym COMPAS): **C**ounselling; **O**rganising/executing; **M**anaging; **P**erforming and creating; **A**nalysing/interpreting; **S**upporting/guiding.

Tables 2-3-4-5-6-7 show the **initial findings** and discussions from the quantitative survey(S) which feeds into the focus groups (FG) and interviews (I) as a matrix.

Findings

The findings have been broken down into two sections: quantitative findings (survey) and qualitative (interviews) findings.

Quantitative findings

The findings have been broken down into five sections for analysis and discussion: (1) Types of professional training and development in Europe; (2) Professionalization and accreditation; (3) Understanding and responding to competency needs in Europe; (4) Role evolution and specialist competence – social media; (5) The future – young professionals, their recruitment and development.

Types of professional training and development in Europe

Communication professionals align their development with academic learning. But besides initial university education, communicators in Europe rely on professional associations and commercial training providers for further professional development. Moreover, current levels of knowledge and needs for further developments are mostly evaluated through informal self-assessments: comparing oneself with colleagues and peers in other organisations is the most important method across all sectors (65%). Breaking out of this fallacious circle by consulting academic knowledge or using formal self-evaluation systems by organisations is only valued by 27% and 17% respectively

The most important training providers in Europe are national professional associations and training organisations run by them, followed by further education institutions specialised in public relation and communication (Chart 4). Companies use universities and colleges significantly more often (42%) than governmental (32%) and non-governmental organisations (31%).

Professionalization and accreditation

One of the ongoing issues in communication management is the further professionalization of the practice. Research has identified manifold drivers which foster or hinder achievements in the field. A large majority of the respondents state that a lack of understanding of communication practice within the top management (84%) and difficulties of the profession itself to prove the impact of communication activities on organizational goals (75%) are the main barriers for further professionalization of the practice. So the key challenges for European communication professionals are to explain the communication function to top management and to prove the value of communication for organizations. Other barriers are, in decreasing order, a shortage of up-to-date communication training (54%), a poor reputation of professional communication and public relations in society (52%), the phenomenon that experience is valued more highly than formal qualifications in communication or public relations (52%), the status of public relations and communication associations and professional bodies (40%).

Understanding and responding to competency needs in Europe

The survey revealed significant gaps between the development needs of communication professionals in Europe and the training opportunities currently offered by their organizations (Table 8). The only field in which supply meets demand is traditional communication skills, i.e. written, oral and message production.

Skills and knowledge	**…need to be developed**	**…training offered / facilitated in own organization**	**Gap btw need and offering**
Management skills	45.8 %	23.7 %	-22.1%
Management knowledge	42.2 %	11.7 %	-30.6%
Business knowledge	38.5 %	16.2 %	-22.3%
Business skills	32.8 %	17 %	-15.8%
Communication knowledge	27.4 %	10.6 %	-16.7%
Communication skills	18.6 %	19.4 %	+1.4%

Table 8 Relevance of competency fields for communication practitioners
Source: based on ECOPSI Report 2013: 39.

The largest gap (almost 31%) is in *management knowledge* (current affairs, social and political trends, legal, ethical). This is particularly important as this is exactly the type of knowledge delivered at universities. However, according to the respondents, learning on the job is the most effective way for gaining management capabilities relevant for communication professionals (86%), followed by attending in-house or external business/management courses (67%). Communicators and their employers use the least the university education for their development (Figure 2).

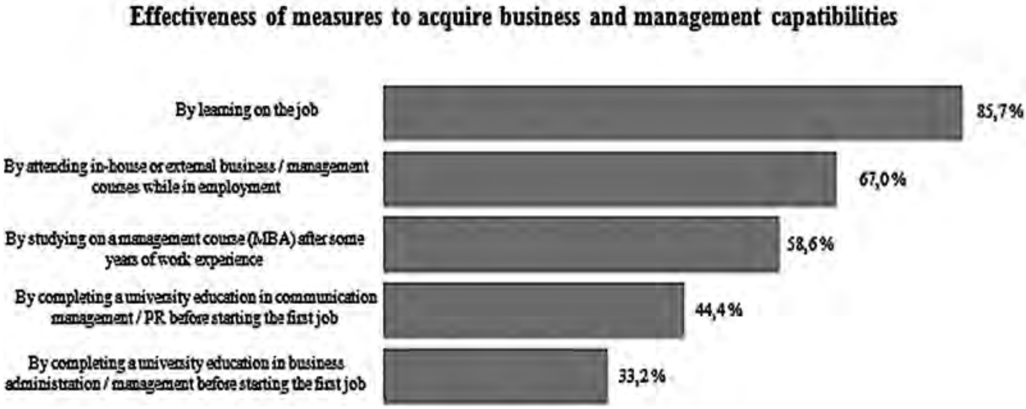


Figure 2 Training and development measures for enhancing management capabilities
Source: ECOPSI Report 2013: 42.

Role evolution and specialist competence – social media

The survey reveals a large gap between the perceived importance of social media tools for communication and the actual rate of implementation in European organizations (Figure 3).

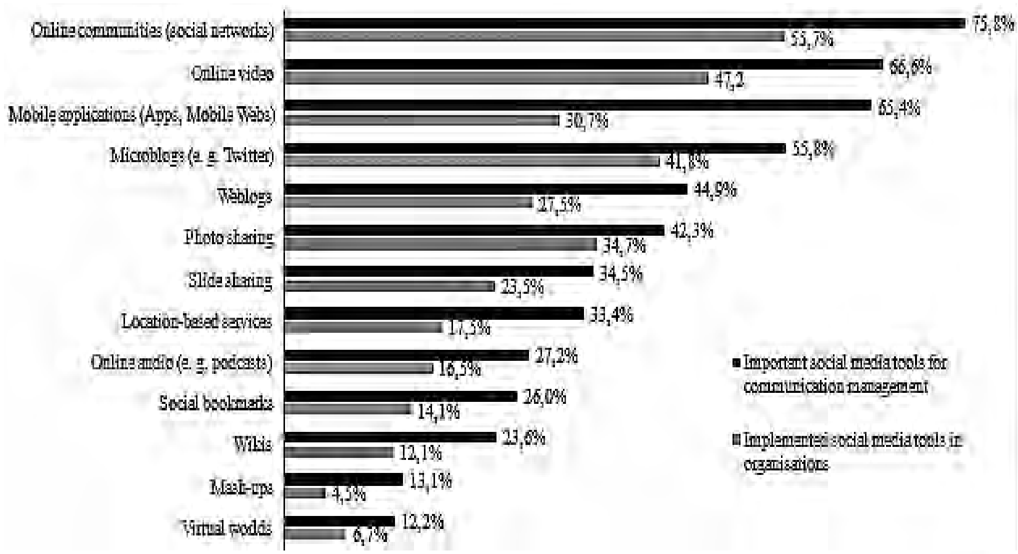


Figure 3 Social media tools in communication management: importance and implementation in European organizations
Source: ECOPSI Report 2013: 44.

European communication professionals consider online communities or social networks as by far the most important social media tools available (75%). However, less than 56% of the communication departments actually use online communities in their communication, a gap of more than 20% compared to the importance this tool is given by the practitioners. The biggest difference between importance (65%) and implementation (31%) is found for mobile applications, a gap of almost 35%.

All communication manager reports rather moderate skills for using digital technologies for internal and external communication, regardless of their gender. Younger professionals report higher personal skills in using online and similar technology than their older colleagues. Informal approaches to enhance those skills are clearly favored. Eight out of ten European professionals think that the best way to learn about online tools is to use them as part of the regular work as well as privately.

The future – young professionals, their recruitment and development

Strategic communication is a professionalizing occupation. For example, university level education in communication management or public relations has become the most important qualification (59%) when organizations recruit early career professionals. It is followed by knowledge of the English language (52%), internships or on the job training (45%), professional qualification in public relations or communication as trained by associations and training institutes (43%), university education in any or another subject (29%) and international experience (28%). Less sought for are business and management qualifications, extra languages and a university education in business administration. University education in communication management is the most important in governmental organizations and non-profit organizations, while consultancies rate internships a bit more highly and companies consider fluent English as important as studying communication management.

In general, it can be concluded that academic education and expectations of communication professionals regarding management, business and communication qualifications are not matched and that this is a serious problem for both sides to address: i.e. for academia to (re)claim relevance and professionals to get access to the type of knowledge they need. Quite logically, digital skills increase when the age of the professionals questioned decreases. Younger professionals report higher personal skills in using online and similar technology than their older colleagues. Reported digital skills also differ according to the area professionals are working in.

Qualitative findings - Interviews

Devised from the synthesised competency list, developed from the literature and detailing the components of knowledge, skills (hard and soft) and personal attributes that go to make up the competencies for the four defined communication roles that are the focus of the study. Interviewees were asked for their thoughts on the matrix. There were few suggestions for new additional knowledge areas within the matrix than there were for both, new skills or new personal attributes (Table 9).

Knowledge	**Skills**		**Personal Attributes**
	Hard	**Soft**	
Change management	Creativity with budgets	Managing people	Pioneering
Language of the board	Verbal coherence/ concision	Sense of timing	Perseverance/ resilience
Understanding of own company business model	Social environmental analysis		Patience / tolerance
	Sense of timing		Good judgment
			Stress resistance
			Adaptability
			Strong instincts

Table 9 Missing from the matrix - additional knowledge, skills and personal attributes suggested by interviewees

Interviewees were asked to identify from the matrix (or to add to it) the **three most important knowledge** areas for their role (Table 10). The most frequently cited across all four roles were “Knowledge about organisation”, “Listening, understanding and interpreting trends, linking them to business strategies” and “Corporate strategy”. (Table 10)

A significant number of interviewees expressed that there were knowledge areas that they felt weak in or that they would like to develop. The most prevalent were the areas of new technology, social media and Web 2.0.

Responses to the request to select from (or add to) the matrix to identify the **three most important skills** for their role reflect a wealth of diversity both across and within roles. The most agreement was found within the role of Crisis Managers (ranked in order of the most frequently cited): “Leadership”, “Critical thinking”, “Organisational skills”, and “Strategic thinking”.

Chief Communications Officer	Crisis Communication Manager	Internal Communication Manager	Social Media Manager
Knowledge about organisation	Knowledge about organisation	Knowledge about organisation	Knowledge about organisation
Listening, understanding and interpreting trends, linking them to business strategies	Listening, understanding and interpreting trends, linking them to business strategies	Listening, understanding and interpreting trends, linking them to business strategies	Listening, understanding and interpreting trends, linking them to business strategies
Project management	Corporate strategy	Corporate strategy	Corporate strategy
Communication processes	Project management	Human Resource (HR) policies and links to communication	Web 2.0 tools and effects on organisational communication
	Web 2.0 tools and effects on organisational communication		Web monitoring tools

Table 10 The most important knowledge areas via role

A significant number of interviewees expressed that there were knowledge areas that they felt weak in or that they would like to develop. Skills in Social media were far less frequently mentioned than *knowledge* of Social media, perhaps representing a distinction between the majority of role holders needing to understand *why* and *when* to use social media rather than *how* to use specific social media technology or platforms.

Interviewees were asked to identify the **three most important personal attributes** for their role. Opinion varied among respondents (Table 11).

Chief Communications Officer	Crisis Communication Manager	Internal Communication Manager	Social Media Manager
Integrity	Trustworthiness	Empathy	Curiosity
Daring/ Risk Taking	Empathy	Courage	Empathy
	Multi-tasking	Curiosity	Daring/ Risk Taking

Table 11 The most important personal attributes via role (ranked in order of the most frequently cited)

Cross-cultural competence: Interviewees were asked if they agreed with research that suggests **Cross-cultural competence** is an increasingly important skill for communication practitioners. The majority agreed that it was. The importance of localising a global message in order to reach certain markets and audiences, while remaining true to the authenticity and heritage of the organisation was one way in which the need for this skill was said to be emerging. In order to develop/improve skills in this area a number of ways were suggested. A popular means was through a prolonged stay of working abroad to gain international experience, perhaps through an exchange or secondment programme, in order to gain hands-on practical knowledge and skills from working in another country and context.

The future – young professionals and their development: Interviewees were asked if they felt that successors to their role would need to develop new skills or learn new areas of knowledge. The most popular related to the area of social media and in particular the increased need to monitor and analyse, as well as, contribute to communications through this channel.

Working with new media forms: It should be noted that a number of interviewees touched upon themes such as the need to critically assess and filter information as well as to develop content using new media in the question relating to the skills and knowledge requirements for future successors. Most interviewees were agreed that this is an important area for the future and an area to develop greater understanding.

Conclusions/Recommendations

The ECOPSI project aimed to develop insight into the current competencies of communications specialists in Europe, as well as understanding of their future development needs.

From the findings a number of headline discussion points emerge namely: There is little organized life-long learning or evidence of recognized continuous professional development (CPD) pathways and the value of formal undergraduate and postgraduate education are questioned. The profession needs to challenge both what Communication and public relations education currently consists of and how it is delivered.

Social Media knowledge may be an acknowledged weakness that people feel they need to improve in, but this does not mean that most practitioners want or need practical skills or training in this area. What the majority feel they need is greater understanding of its strategic application. There was significant evidence of intergenerational team working with valued contribution from younger members deemed more technology savvy.

The industry needs to look closely at *how it can foster intercultural relationships and cross-cultural working* by setting up accredited and recognized programs of exchange/secondment/internship with different companies in different countries.

Models of coaching and mentoring within the sector need to be devised and shared in an attempt to offer more formal, organized and supported career development that is on-the-job and in-situ. This could involve internal and external schemes, which again could be certified or accredited by a professional association or body.

The value of observing others and learning from them is noted. Networks and Forums are a recognized support for practitioners at senior and lower levels but there may well be a gap in the middle ranks where professionals are more guarded of sharing knowledge, experience and weaknesses.

There is evidence of an emerging future need to be a 'generalist communications specialist'.

These findings suggest and support the hypothesis that public relations and communication is a maturing discipline in the European context with many shared experiences. Despite this development for the practice there are on-going gaps and deficiencies in the development of the individuals as well as broad variation in how practitioners identify needs and access appropriate interventions. The ECOPSI Programme clearly suggests that there are numerous opportunities for deeper and on-going professional training and development to build this consistency and support the practice in moving away from a hands-on, learning on-the-job approach to knowledge acquisition and development.

These findings feed into the second half of the ECOPSI programme which included the development of diagnostic tools and an ECOPSI portal[6].

[6] at www.ecopsi.org.uk

References

Ahles, C.B. (2004): 'PR skills vs. personal skills: what matters most to the boss?' *PR Tactics*, April 2004, pp.12-13.

Bentele, G. – Großkurt, L. – Seidenglanz, R. (2009): *Profession Pressesprecher. Vermessung eines Berufsstandes*. Berlin, Germany: Helios.

Brown, A. – Fall, L.T. (2005): 'Using the port of entry report as a benchmark: survey results of on-the-job training among public relations internship site managers', *Public Relations Review*, 31(2), pp.301-304.

BVC, Dutch Professional Association for Communication (2002): *Job profile descriptions in communication management*. Third revised edition. The Hague, The Netherlands: BVC & VVO.

Corner, A. – Cole, R. (2008): 'Are college graduates ill-prepared for PR writing? One PRSA Chapter weighs. *PR Tactics*, June 2008, p.9.

Corporate Communication Institute (2005): *Communication Practices and Trends*. [pdf] Madison, NJ: Corporate Communication Institute. Available from: <http://www.corporatecomm.org/pdf/MergedReport2005.pdf>.

DiStaso, M.W. – Stacks, D.W. – Botan, C.H. (2009): 'State of public relations education in the United States: 2006 report on a national survey of executives and academics', *Public Relations Review*, 35(3), pp.254-269.

Dozier, D.M. – Broom, G.M. (2006): 'The centrality of practitioner roles to public relations theory'. In: Botan C. H. – Hazleton V. (eds): *Public Relations Theory II.* London, UK: Lawrence Erlbaum, pp.137-170.

DSOJ. Društvo Srbije za odnose s javnošću (2010, September): *Istraživanje stanja PR struke u Srbiji.* Beograd, Serbia: Društvo Srbije za odnose s javnošću.

Goodman, M.B. (2006): 'Corporate communication practice and pedagogy at the dawn of the new millennium', *Corporate Communications: An International Journal*, 11(3), pp.196-213.

Global Alliance (2013): *Global Alliance for Public Relations and Communication Management* [Internet] Global Alliance. Available from: <www.globalalliancepr.org>.

Gregory, A. (2008): 'Competencies of senior communication practitioners in the UK: an initial study', *Public Relations Review*, 34(3), pp. 215-223.

Hardin, M.C. – Pompper, D. (2004): 'Writing in the public relations curriculum: practitioner perception versus pedagogy'. *Public Relations Review*, 30(3), pp. 357-364.

HUOJ, Hrvatska udruga za odnose s javnošću (2009): *5. Istraživanje HUOJ-a o stanju u odnosima s javnošću u RH* (Available at http://www.huoj.hr/aktivnosti-udruge-istrazivanja/5-istrazivanje-huoj-a-o-stanju-u-odnosima-s-javnoscu-u-rh-2009-hr239 ; 23.2.2012).

Jeffrey, L. – Brunton, M. (2011): Developing a framework for communication management competencies. *Journal of Vocational Education and Training,* 63(1), 57-75.

Kim, E. – Johnson, T.L. (2009): 'Sailing through the port: does PR education prepare students for the profession?' 12th Annual International Public Relations Research Conference. '*Research that Matters to the Practice*', Holiday Inn University of Miami Coral Gables, Florida, USA.

Logeion (2012, February, 17): *Beroepsniveauprofielen* [Job level profiles]. Retrieved from http://www.logeion.nl/beroepsniveauprofielen.

McCleneghan, J.S. (2006): 'PR executives rank 11 communication skills', *Public Relations Quarterly*, 51(4), pp.42-46.

News aktuell / Faktenkontor (2011): *PR-Trendmonitor Blitzumfrage*, Aus- und Weiterbildung in Kommunikation und PR, Juli 2010 [survey on further education in communication and public relations]. URL: http://www.slideshare.net/newsaktuell/aus-und-weiterbildung-in-der-pr(16.1.2012).

Oughton, L. (2004): 'Do we need core competences for local government communications?' In: Local Government Communication Leaders Development Programme, *Ideas in Communication Leadership*. London, UK: Improvement and Development Agency, pp.65-72.

Riedel, J. (2011): *Was sind die Kompetenzen für Social Media?* URL: http://social-media-experten.de/2011/03/16/was-sind-die-kompetenzen-fur-social-media/

Sha, B. L. (2011): 2010 Practice Analysis: Professional competencies and work categories in public relations today. *Public Relations Review, 27,* 187-196.

Szyszka, P. (1995): Öffentlichkeitsarbeit und Kompetenz: Probleme und Perspektiven künftiger Bildungsarbeit. In: Bentele, G. & Szyszka, P. (Hrsg.): *PR-Ausbildung in Deutschland. Entwicklung, Bestandsaufnahme, Perspektiven*. Opladen, Germany: Westdeutscher Verlag.

Szyszka, P. – Schütte, D. – Urbahn, K. (2009): *Public Relations in Deutschland*. Eine empirische Studie zum Berufsfeld Öffentlichkeitsarbeit [public relations in Germany – an empirical study on the field of occupation in public relations]. Konstanz, Germany: UVK Verlagsgesellschaft.

Tench, R. – Zerfass, A. – Verhoeven, P. – Moreno, A. – Okay, A. – Verčič, D. (2012): *ECOPSI Benchmarking Preliminary Report*. April 2012. Leeds, UK: Leeds Metropolitan University.

Van Ruler, B. (2000): Communication Management in The Netherlands. *Public Relations Review*, 26, 403-423.

Van Ruler, B. – Verčič, D. – Bütschi, G., – Flodin, B. (2000): *The European Body of Knowledge on Public Relations / Communication Management: The Report of the Delphi Research Project 2000.* Ghent/Ljubljana, Belgium/Slovenia: European Association for Public Relations Education and Research.

Wienand, E. (2003): *Public Relations als Beruf – Kritische Analyse eines aufstrebenden Kommunikationsberufes*. Wiesbaden, Germany: Westdeutscher Verlag.

Winterton, J. – Delamare-Le Deist, F. – Stringfellow, E. (2005): *Typology of Knowledge, Skills and Competences*: Calrification of the Concept and Prototype. Thessaloniki, Greece: CEDEFOP.

Zerfass, A. (1998): Management-Knowhow für Public Relations. In: *Medien Journal* 3/1998 – Public Relations: Qualification & Kompetenzen, S. 3-15.

Acknowledgements

Professor (Dr) Ralph Tench and Ass. Prof (Dr) Márta Konczos would like to acknowledge the contribution of ECOPSI authors: Professor (Dr) Ansgar Zerfass[7], Ass. Prof. (Dr) Piet Verhoeven[8], Professor (Dr) Dejan Verčič[9], Professor (Dr) Angeles Moreno[10] and Professor (Dr) Ayla Okay[11] and of the many individuals and companies that contributed to the research.

7 (Dr) Ansgar Zerfass, Professor of Communication Management: University of Leipzig. Germany

8 Dr Piet Verhoeven, Associate Professor of Communication Science: University of Amsterdam, Netherlands

9 (Dr) Dejan Verčič, Professor of Public Relations: University of Ljubljana, Slovenia

10 (Dr) Angeles Moreno, Professor of Public Relations and Communication Management: Universidad Rey Juan Carlos, Madrid, Spain

11 (Dr) Ayla Okay, Professor of Public Relations: University of Istanbul, Turkey

Professor **Ralph Tench** is Director of PhD programmes for the Faculty of Business and Law at Leeds Metropolitan University. He is a former journalist and communications consultant. He was head of the UK's largest Public Relations and Communications academic department for 10 years at Leeds Business School until 2008. He is a current and past external examiner for more than 10 UK and European universities. He is a member of the Chartered Institute of Public Relations and a Fellow of the UK Higher Education Academy and his research interests are in corporate communications, health communications, ethics and social responsibility. He is a member of the European Communication Monitor research team (www.communicationmonitor.eu) and was the principle investigator for the European Communication Professionals Skills and Innovation programme, www.ecopsi.org.uk - the largest EU funded public relations research programme. He is currently leading another EU project SME-DE on deliberative engagement techniques (www.sme-de.eu).

Professor Tench manages research projects into communication strategies to tackle childhood obesity as well as communication dimensions of organisation's social and responsibility agendas. His work has been disseminated worldwide and translated in books and journals. He is a regular conference and keynote speaker at academic and practitioner conferences. Professor Tench has recently published four books *The Changing Profession of Public Relations,* Peter Lang (2013); *Corporate Social Responsibility Communication* (2014) Emerald Publishing; *Exploring Public Relations*. 3rd Edition, (2014) Pearson Education; and *Public Relations, Values and Cultural Identity* (2015), Peter Lang.

r.tench@leedsbeckett.ac.uk

Márta Konczosné Szombathelyi has been working for the Széchenyi István University since 2004. She is working as an associate professor of the Marketing and Management Department. Her PhD dissertation – “The linguistic and cultural infrastructure of capital investment in Hungary” – was defended in 2006. In 2011 she spent half a year in England, as visiting researcher and lecturer at the Leeds Metropolitan (now Beckett) University and at the London South Bank University. She has done her habilitation in 2013 in the Economic and Management Sciences. Her teaching and researching portfolio covers different areas of the communication and management sciences, such as cultural context, intercultural and international communication, corporate communication, corporate reputation, marketing communication, Public Relations, rhetoric, furthermore gender management, talent management. Her most cited monograph is „Communicating cultures” (2008).

kszm@sze.hu

„THE 'GOODNESS' OF MY WORK IS MEASURED BY THE FEEDBACK GIVEN BY MY COLLEAGUES AT THE DIVISIONS…"

Interview with Péter Tóth, the HR manager and Mónika Fodor, Communication and Employer Brand Country Manager of Continental Automotive Hungary Ltd.

Q: My first question is how you could describe the history of Continental company – its origin and its history in Hungary.

PT: The company is 140 years old so there is a lot of history that I can tell you about. It originally started as a tire manufacturing company in Germany and since the big recession we are doing much more than just tires. Actually, half of our activities come from the automotive side of the company. So we are supplying lots of mineral companies producing oils and they are trying to extract raw material from the earth and they need a lot of conveyor belts and so on. On the other hand Continental is very famous for its winning quality tires not only for passenger cars but also for big trucks as well. And we also provide a lot of products to the trucks like the air springs which are decreasing the noise of trucks. But here in Veszprém we are providing the software for the cars – mainly for the passenger cars – that ensure the safety of the cars. In Hungary Continental is here for 20 years in Veszprém. In Veszprém we started as a manufacturing company of sensors then we got the opportunity to have the global Sensors R&D Centre here so there are two functions operating from Veszprém. We are serving customers here from Veszprém on R&D side for sensor development. It is not the base development. It's application development but still we have the contact to the customer.

Q: Do you work with Hungarian engineers in this area?

PT: Yes, we are working with Hungarian engineers. We have more than 400 R&D engineers. 100 are working in what we call Passive Safety and Sensorics site which refers to all the passive elements of the car that ensure the safety. Of course this requires sensors that we are producing here in an average of 5 million pieces per year. These sensors can be talk sensors, pedal sensors, engine sensors, wheel sensors which provide the inputs signals to the systems.

Q: So you mean what can be seen at the entrance.

PT: Yes. And what is interesting is that roughly 15 years ago we started to build up another R&D Centre which is software development in automotive industry. And since then last week we celebrated the 300th R&D engineer on board. These guys are supporting the car manufacturers to stabilise their car to ensure the dynamics of the car. It's the customer experience that they want to sell. We have software developers here and we have software development testers. We have a test track where we test the software and we switch off all the security parts of the car and we test the software limits. It's a very dangerous work but it is very interesting. But because of that we also have R&D engineers who develop test systems to help us to avoid using real cars. Moreover, we are developing not just the test systems which do virtual testing but we also develop machines to test the validity of the virtual tests. So it is really high level engineering. Usually when we are talking about the car industry and Continental most of the people think that it is tires. No, especially in Hungary and especially in Veszprém we are automotive but we ensure the dynamics and safety of the cars. In Hungary there is not just this one location there are other six locations which produce every other parts of the palette of the complete Continental world. And as a Continental Group we are the 25th biggest company in Hungary from the employment point of view and the 23rd biggest investor in Hungary as a group.

Q: Where is the Head Office?

PT: It depends which location we are talking about. For Veszprém it is Frankfurt. For Budapest it is Hannover and so on. Continental has that sort of special culture that some parts of the company belong to Hannover. Very briefly, it's basically automotive or tire.

Q: Ok. How was your career at this company?

PT: I joined 4 years ago. And I specially joined because I'm the sort of person who would like to develop people. And to develop people it takes not just one month or two months. It takes longer time 1-2 or 3 years. And in Hungary there are not too many companies who really have that sort of 'thinking ahead structure'. In 2010 I saw a presentation of the planning of that factory from 2006. It showed that we would like to build a test track. It's a very expensive investment you can imagine. It can be equal to the construction costs of Hungaroring. The top management decided that the construction would take place between 2006 and 2011. By the way there was a world crisis, a financial crisis in the meantime. Still Continental built a test track in Veszprém. So that means they have a plan ahead and they stick to it. And they are conservative enough that whatever happens it can be done. That's why I joined this company 4 years ago. I was selected to be the HR manager of this plant. In 2013 there was a European HR conference where all the HR managers from Europe joined together - nearly 150 people I'm talking about. In Veszprém we have been working on the establishment of a special company culture development program and I won the award of the European HR manager. Our programme won the best practice award. There were ten markets so there was a little bit of competition. In 2014 I was nominated to be the Hungarian HR excellence country project manager which means that we have roughly 200 processes within HR and all of the processes we would like to streamline. Be more efficient, lean and not just cost-wise but we are also focusing on the quality side to provide more quality towards our customers. We are talking about internal stakeholders. My task is to support the 50 heads in Hungary, the HR people to be more efficient and be also good quality service providers. Better than what we have at the moment.

Q: It's great. Could you tell us about the HR management practice of the firm? First of all, about the role of HR in the promotion of the people in the firm and to accelerate or to improve the process of recruitment for the firm.

PT: Let's start with the recruitment. According to my view this company is focusing inside as well as outside. So for the company the recruitment is not just getting people from the outside but also finding the right people to the right position. And therefore for example when we have a newly opened position – just because fluctuation or it is really a new position – we should first look who we have on board already who could do that job. I think it's a very important thing that this is a global requirement within Continental. The second one that if I'm only talking about Veszprém for example because basically I'm a plant HR manager of roughly 2000 people what we are doing here we established together with the R&D community an internal career path. I used to call it career stages because path means it is just one way but the career stage provides you the opportunity to achieve something but if you are not maintaining it, it might happen that you are losing that stage. So we introduced that one roughly two and a half years ago for engineers and we are looking at the opportunity in Veszprém how we can introduce a similar career stages model for those people who work within the shop floor, so for those people who work on the production line. And we are progressing because we have a lot of positions open at the moment. We have 15 manufacturing or production related job offers and additional 40 for R&D engineers, which is a lot. We will end up somewhere around 100 new employees just in the white collar area we have to fill in. So this is how we think about recruitment. Recruitment is also promotion for those who can provide something. For variable people we have a category system and they can individually change their category level if they fulfil several know-how levels, achievements. For example if they are not only able to operate the machine but do a little bit more. There are several expectations and we are letting them know what to these expectations are. So, I would say that from a promotion point of view even there are local systems as well but this is also supported by the business unit or by the division and by the corporation. For example for project managers on the corporate level we have a career model or career path model as well. Also, with the related titles like senior …something like that.

Q: What kind of challenges can you identify in the recruitment practice in Hungary?

PT: In Hungary? Well, let's face it Veszprém is not the centre of the country and Budapest is strongly competing all the other markets within Hungary, I mean geographically. So, we have drawbacks compared to a recruiter who works in Budapest. We have to find those people who really would like to establish their life in Veszprém which is a country town with clean air. It is much healthier than in Budapest. Those who care about their children and family they consider to move out from Budapest and move to Veszprém because here the air is really clean. Also, those who like to live a more active life and do cycling, running etc. the region is completely designed for them. So, it is an advantage. These are but the perks. The main reasons why R&D specialists should come to work to Veszprém, is because we are offering jobs which are varied and have large scope in terms of their content.. Because you know if you join one of the OMs (Original Equipment Manufacturers) like Audi, Mercedes, Suzuki, Opel etc. they are producing their own palette of products. But we are serving all of them. And we have to know all of them. So, those engineers joining us have the opportunity to learn also Audi, Mercedes, Suzuki and so on and so on. To a certain degree, we provide a sneak peek into their specifications in our daily work which I think is more interesting than just working on one line.

Q: Through which channels can you reach potential employees for you? Is it depending on age for example or…

PT: We have a more complex plan. We identify three target groups because we would like to have a healthy ratio of newcomers, senior people and those people who just started let's say 3 years ago. Because, we also have to train people. For example, for an R&D engineer it takes roughly one year to achieve the cruise level I mean to do their job without any supervision or control. Because there are lots of systems, lots of specifications lots of customer requirements. So, we identify that ratio and according to that we've created several programs for talent groups. Well, I don't know how others look at this but in my opinion the war for talent is over. The talent won. This is kind of a fact. The second one because there is a competition between companies even for electric engineers they are just selecting the offers. They don't really like to be destructed by e-mails they don't really check the job portals they don't really show up on job fairs. Especially those, who work on a daily basis focusing on their work. Therefore the channels I would say that usually companies are using are not worth to use them. We have some other channels. We are creating programs but these are an advantage for the company so I would not really discuss them. What I can tell you about is that for example last year we contacted 1100 target group members so that was a first contact with them – the first personal contact within the last six months – and out of them we have huge contact base we can use further but from the first year we have already hired 11 people. The aim wasn't to hire them, but we hired 11. So, I would say that those people working in HR especially on the recruitment side or talent management side a new era is starting and not all of us are equipped with the right tools. So it has to be figured out.

Q: In what way can you take part in the growing up of education of the potential employees? I think of the university relations.

PT: Yes, we have. To fill up the pipelines with potential candidates we have two contacts. Actually we have two types of contacts. One is with the University of Pannonia. Continental is giving the real life content to it. So the university is providing the facility, the structure of the studies but we are providing the up-to-date content to that. We started I think with 11 students and now we have roughly 20 students per semester applying for that MSc faculty.

Q: Is it called Conti MC?

PT: Everyone calls it Continental MC. But this is just the university level. We also realised that we have a good connection to secondary schools especially technical schools and we already started cooperation with one of them and we just started the Continental Technical Byplan program or Byplan Academy as we call it and for 12 students we provide the opportunity to come to us to work. And together with the technical school we put together a content program also we involved one of our suppliers called SMC and they provide the know-how of pneumatics and we are working with pneumatics so it makes sense. So, this is a three party cooperation. And we also cooperate with the Ipari Szakközépiskola – this is the name of the secondary technical school we also participate in a kind of a consortium where other companies from Veszprém are also trying to put together a plastic moulding I don't know the proper English name for that additional training but this is a formal accredited program. After that they get the technical certificate they could participate in that semester it is called.

Q: I'm sure you've heard about the dual system in higher education which is originally a German concept. Is there any idea within the firm to take part in it?

PT: Yes. What we are doing at the moment is that we are providing the content from an output point of view. This is very similar to education. Also, we started a discussion with two faculties within university because one of the faculties is the informatics engineering and the other is engineering. But in our daily life a simple R&D engineer should understand both sides and should be able to act using both of these skills. What we are trying to put together is a cooperation between the two faculties and Continental and we are planning to establish a kind of special course where the attendees will come from these two faculties and they will get a special additional certificate in their degree certificate. And this will be a kind of dual education. The framework is still under discussion with the faculties and also the content we are putting together but hopefully we will be ready.

Q: By the way what is your idea, your opinion about the actual performance of the higher education in Hungary? I mean the competencies students get during their education and the practical knowledge and so on.

PT: Let's say it can be improved but there are some universities really trying the new methods of teaching such as project work, organising the projects and even the companies are not providing money they even doing these projects. And there are universities who are waiting for the companies to come and there are some who really don't care about that. And even if companies are knocking on their door they are really focusing on their internal politics or internal fights. And they are not so open to immediately support the idea of a company. And this is not good. The other side whom I met from the university some of them are really talented but what we are realising is that because we are doing tests also for engineers and I have a feeling that the practical know-how should be improved during the studies and not just for engineers also for HR people. I'm the chairman of the final exam and they learned the books the words itself and sometimes are not able to translate simple situations which is not good. It should not be that way.

Q: Do you have any information about the preferences of the qualified people in Hungary in choosing jobs. What do they prefer when choosing a job?

PT: It's interesting. It depends on which age group you are asking. Last month we had a discussion with one of our suppliers to review employee preferences. It varies. So, what does that mean for a company? 3 even 4 generations are available in the market. Each of them has their own very different expectations towards the company. We need people we cannot focus only on generation Z or Y. So therefore, we have to adapt a culture that fits to those people as well. Surely, we have to incorporate some of their expectations. But for example, security and new project requirements security from generation X and new projects from generation Y it's contradicting because a new project means several uncertainties. In this location in Veszprém we have roughly 30 projects each year. These are things that have been changing the actual product and there are at least 5 per segment so roughly 10 new SOPs (Start of Production) per year which ensures the novelty of the activities. But sure it has a level of uncertainty level which for some people is not fitting. Either we have to make them fitting or we have to adapt ourselves that this can be handled in a good way. So, the expectations of the job seekers are so wide that if we would say that ok we would like to fulfil this one then we would lose immediately lots of good talented people. So, we know the expectations and we are selecting which one we would like to mainly focus on.

Q: Taking into consideration the high competition on the job market how is it possible to keep the best employees?

PT: Make them engaged. This is the only way. And that has a different meaning for different people. One needs higher salary another needs support of accommodation or a fancy mobile phone. Some employees need the freedom to figure out what they want to do and others need promotion and so on. And all of these things we have to provide. With ten of my colleagues here we are working on this very seriously. We are trying to be more lean, which means more efficiency. We make policies and create processes that really focus on efficiency so those employees who are using these policies or working according to these policies are able to live without too much paperwork or too much consideration of little things. Just let them do what they want to do and that's it. That makes engagement I think.

Q: Ok. My final question is about to say a message for Human Resources Management education. Something about the new trends the best practices in HR nowadays. What part of that are you specifically interested in? What are the most interesting parts?

PT: For me the most interesting part is that HR must use the business language, business terms which we need to understand as well. When we are talking about 'costs' or 'investments' we must understand what they really mean and be able to translate them to HR. For example, what does where is the investment of a new employee? What does that mean from an investment point of view? Is it a cost or an investment? Because I think in Hungary employees or workforce used to be put on the cost lines in the books. Controlling deals with that but what I'm learning since I've been working in HR is that machinery is available in the market. Basically the machinery skills and capabilities are very similar. It's just the matter of money how much you can buy. The processes can be learnt from the automotive industry. These are the most advanced processes ISO and so on and so on. Lean it is also available on the market so you can buy it. Or you can even buy a service: e-mail service or IT service. You can pay salary to an employee but most of the time you cannot be sure that the full potential of employees are capitalised on. So this is a unique asset for a company which I think has not been fully discovered yet. If we are investing let's say EUR 1000 in a person it will pay back even the ROI could be 100 times bigger than the investment.

Q: Do you have a team here for the HR? What kind of specializations do you have?

PT: All of them have an HR degree but we are seeking the opportunities to learn from the other locations in Hungary. Learn from each other and even learn from our external customers because they have some very good ideas and they are continuously telling us what they would like to see. This is what we have to take into consideration and change our daily life, our daily processes according to that.

Q: Ok. Thank you for the interview. It was very inspiring for me.

PT: Thank you very much.

■ ■ ■

Q: We've already conducted an interview with Péter Tóth, the HR manager of Veszprém Continental. Now I would like to continue with the same topic. First, I would like to ask you to introduce yourself.

MF: I'm Mónika Fodor. I work at Continental Automotive Hungary Kft. as a Communication and Employer Brand Country Manager.

Q: Please, give us an overview of the operation of the Continental company in Hungary.

MF: What we need to know about the operation of Continental Hungary Kft. in Hungary is that there are six manufacturing plants and two trading places in Hungary. The manufacturing plants in Veszprém and in Budapest operate within the automotive industry and the plant in Szeged manufactures mainly rubber products such as tubes. Our plant in Nyíregyháza produces rubber tubes as well as air springs. In the Makó and Vác plants cooling and heating systems and rubber tubes for cars are manufactured. So, in Hungary Continental employs close to 6,000 people at 6 different locations and two trading places. As far as the trading places are concerned the one in Budaörs is the most significant because within Hungary this is the centre of tire sale. The other trading place is part of the Szeged plant but it is located in Budapest.

Q: Do trading places involve warehousing?

MF: They don't just involve warehousing. The trading place in Budaörs involves sales activities and all the supporting marketing activities. There is a separate storage facility in Mosonmagyaróvár. If we look at Continental within Hungary we can see that it has an incredibly broad product portfolio. Most of our products are highly specialised and are used in a wide range of industries. Many people think when they hear the name Continental that it only produces tires. Yet, Continental is in the top three automotive suppliers in the world. In Hungary, for example, our products are used not only in the automotive industry but also in mining and in rail supply industry. Continental manufactures high quality products as well as carries out development activities worldwide.

Q: How did your career develop at Continental?

MF: I don't have a huge career yet because I started working at Continental 6 months ago. I've been working here since October, 2014. My position is brand new so I didn't take it over from a previous manager. I help the work of Dániel Rába, who is the Country Manager of Hungary. I'm responsible for the coordination of communication and employer branding activities. In many aspects it's a special field. On the one hand, special marketing tools and techniques need to be applied. In fact it is a special area within HR marketing. On the other hand, there are many conflicting interests that need to be harmonised in my position. The reason why there are several conflicting interests is because as I've mentioned earlier we have six different locations and two trading places. These different units have different products and target markets. These differences lead to differences in needs in terms of users as well as employees.

Q: Could you tell us a few words about your career before you joined Continental?

MF: Before joining Continental I worked as a lecturer at the Budapest Business School. I can still hold lectures at the Business School because my job at Continental is part time. These two positions complement each other perfectly well so I think it's a very lucky setup. Apart from being a lecturer I had always worked for mainly smaller companies. Earlier I worked for an event organiser company in a similar position. The main task I was required to do was to improve the marketing techniques used by the company and to develop company image. The other area I worked at was marketing research involving advisory tasks at various Hungarian market research firms.

Q: Besides all that you are an associate professor as well.

MF: Yes, I am.

Q: It's an important piece of information. And how come it was you who were chosen for this position?

MF: (Laughs) Probably those involved in the recruitment process should be asked. I think that teaching experience was surely an advantage for this position. Employer branding and teaching, especially in higher education institutions, are interlocking areas. From that aspect my higher education background and my understanding of students is beneficial. Also, at my first workplace although it was at the not-for-profit sector my tasks were quite similar to my current job. Of course it was less complex and the company wasn't profit-oriented. It was only one organisation with one location whereas here there are several divisions. But the challenge was the same: to create and position brand image and introduce it to the market. So, I have already done earlier – in different organisations – the various elements of everything I need to do here. And in my current position the requirement is to do all my previous jobs and apply all my previous experiences parallel.

Q: Do you know anyone working in the same position in any other company?

MF: Now that I've met many of my colleagues, there are similar positions within the Continental Group. But these positions are in other countries. I have to add here that these coordinator roles have very special place in the organisational structure. In Hungary as I've mentioned it earlier this position is task oriented so employer branding and external communication are my responsibilities. In other countries within the Continental Group this coordinator role is assigned to divisions. There are product divisions and coordination is present at division level. The coordinator roles are more limited there, which means that there are less areas of responsibility compared to my position in Hungary. In other similar positions there is a strong focus on certain subfields for example within HR. Obviously, the reason for these differences is that in those countries this coordinator role has a history and they have more routine in operating this role and this system. As a matter of fact, in Hungary, top managers at Continental first conceived the idea and the need of a uniform communication only a few years ago. It is extremely difficult for companies to recruit workers when the brand value which is how people perceive the company is not equal to the real market value of the brand. After the concept was born there were several years of planning and it wasn't until September last year that the final decision to delegate such a position to Hungary emerged. Then it was followed by the implementation of the Communication and Employer Brand Country Manager position. In a sense the job specification and the process of coordination is being created as a pilot program as we speak. We are continuously monitoring this pilot program to see how coordination should be established.

Q: I would like to explore in our interview whether there is a standardised employer branding at such a highly diversified company like Continental?

MF: I can only hope that there is. Certainly, our intention is to have a standard core. I don't think that employer branding implemented and accomplished in Hungary by Continental has to be completely standardised. Some elements should be standardised but of course some need to be location specific to ensure flexibility. The fundamental aim of Continental in Hungary is to be able to reach certain target groups and show them the real value of our brand. Along the way we need to make sure that a particular target group clearly understands our message and finds our brand values valid. At the same time we also need to take into consideration that the target market of Continental is highly diversified resulting from the diversification of the company itself. So it is impossible to use a standardised form of employer branding in all of our locations. There is a central idea or central value framework or program. In a sense it means central events and promotional material. At the same time each and every location or division has its own external communication and employer branding characteristics. It's just like a service which cannot be standardised to the fullest because some flexibility factors need to be introduced otherwise the system would fail to be responsive. The other thing which is crucial from a communication aspect is to strengthen our presence in the Hungarian media. I think this is the essence and strengths of consolidation. Whenever any of our divisions appear in the media in relation to its developments or any events in relation to employer branding and it communicates how truly diverse Continental is here in Hungary, that it produces equipment used in crude oil refinement, rubber tubes, and electro technical systems for hybrid cars, then with the help of these information our target market can be reached more comprehensively.

Q: I also wanted to ask you in relation to the previous question that how long was your training in this position?

MF: We can't really talk about training because as I said it nobody filled in my position earlier so it couldn't be handed over to me. The great challenge of the task stems from the fact that there hadn't been a beaten track. There hadn't been any run-in-systems. It is just one thing how we call a position but the content and the everyday tasks of the position is another. So, it was a great challenge to form a strategy or a frame which supports the work of those already here. In order to do so it was of paramount importance to familiarise myself with the individual operation systems, which had already been in place and the expectations towards the new country manager. Moreover, I had to figure out how to harmonise my position with the existing systems and practices. Although it was a long learning curve that required a lot of extra energy I don't think it will ever be a finished process. I mean that I don't believe that if we establish a certain method it can be operated like a production line. There are constant changes like new needs and challenges both on behalf of each division and the market players as well. All of these might lead to constant differences in expectations towards my position so it is important to respond to them. As you can see we can't talk about training in my case. It is much rather something like a learning process I had to go through based on empirical evidence.

Q: But did you have a probation period?

MF: Yes, of course I did. Actually, it was during the probation period that I had to figure out what my job should be like. I also had to become familiar with the operations of the various divisions and the responsibilities of my immediate colleagues. I tried to learn about the most urgent issues the individual divisions face and how to offer solution for these issues at company level. These were my main undertakings and the challenges I had. I had to find ways to reconcile opposing interests so that everyone could identify themselves with the company aims. At the same time it needs to be understood that it is impossible to reach perfect satisfaction for everyone in this process, so compromise is a must.

Q: How exactly is the 'goodness' of your work measured?

MF: The 'goodness' of my work is measured by the feedback given by my colleagues at the divisions. They can tell how efficient my work is, how well I can support their work and what do I add to their work. National media appearances in which Continental is present are also closely watched. It can be called media watch or media analysis. Obviously, the long-term impact of my job is the improvement of Continental as a brand compared to the present state of recognition and the way it is perceived now.

Q: What kinds of challenges do you see in your work?

MF: I think we have partly discussed this. I think establishing coordination in everyday work is the greatest challenge. Forming the concept of how to do this all hasn't been an easy process but the most difficult part will be the realisation of the concept in usual procedure. As it was earlier said the geographical dispersion of the company causes logistical challenges (Nyíregyháza, Makó, Vác, Szeged, Budapest, Budaörs) and the fact that we also receive instructions from Germany is an aggravating factor in terms of coordination. The

Hungarian Continental certainly needs to adjust to instructions coming from Germany. So, the task is not only the reconciliation of opposing interests of divisions in Hungary but also the fulfilment of the expectation of the headquarters in Germany. Moreover, these two need to be brought to common denominator. Other than the logistic challenges, coordination also involves the human factor. It refers to the way one can communicate with others. That includes, for example, how somebody is able to speak one voice with others to make sure that one can shrug off outside pressure. It is not the position which should instruct the divisional managers. Much rather they should feel part of the creative process. Divisional managers should feel that I'm here to support their work and not to control them or replace them. This complex coordination requires great effort both from the human aspect as well as from the time and distance aspect.

Q: Now that you are aware of all these, what would be your message to higher education institutions in the field of economics? What should they pay more attention to in their programs, for example from an HR aspect?

MF: You mean those institutions that teach HR?

Q: Yes. Or any other fields of business. Obviously, now you have split personalities because you work for a company and you are also a lecturer.

MF: Based on my theoretical knowledge I can firmly state that even today theory is overemphasised at universities. That is why I said at the start of the interview that I've found a very lucky setup by working at a company and being able to teach as well. Compared to what I has to study, today's students receive a much more practice oriented body of material but still the market needs different types of knowledge. So, in that sense higher education is unable to meet the requirements of the market. It is obviously a generalised statement about higher education. Of course there are many examples for just the opposite depending on the type of program we are looking at. If we look at engineers within the class of white collar workers – because Continental mostly employs engineers – then we can see that the HR managers often complain about the lack of practical knowledge and experience of engineers. They would need much more intense internship programs in order to be highly competent when starting their first real job. I think it is even more the case in other areas of science such as social sciences and in particular the science of economics. For example, it is hard to imagine that pure theory would be enough to do anything at a company in case of marketing specialists. It would be inevitable to give more space to practice and I also believe that more intense cooperation would be needed between companies and higher education institutions. Brainstorming could lead to mutually advantageous cooperation both for students and for companies. It would provide added value.

Q: Well, the profit sector should be more accessible too. Higher education in general is conservative and reacts slowly and with rare exceptions the profit sector doesn't really stand in with the higher education institutions in this issue. Continental might be an exception.

MF: Continental is clearly an exception. There are numerous trainee programs advocated by Continental. Through our talent programs we organise competitions aiming at ambitious and highly motivated students. For many years Continental has been playing a dominant role in dual programs in high schools. I have many colleagues who are actively involved in lecturing at universities or teaching in high schools. These people are firmly integrated into educational institutions and they are highly aware of the contents of various educational programs in Hungary. I think that Continental is open and it aspires to the establishment of cooperation with universities in order to extend its dominant role in high schools. Of course, its own interests and needs are also put forward.

Q: Thank you very much for the interview.

Csongor Harsányi

POTENTIAL APPRAISAL METHOD FOR CSR

Taking a look at the different fields of responsibility of the companies in this paper the social responsibility is studied. The actions carried out by the companies can be studied from different aspects. In this paper the actions at different need levels are represented. Through the numbers of the actions and the way of performing the actions potential way of appraisal of corporate social responsibility activity can be based according to the coverage of the actions in term of the needs at different areas and at different time periods.

Introduction

There are different approaches and interpretations of Corporate Social Responsibility (in the followings Corporate Social Responsibility will be mentioned as CSR). Taking some out of the several interpretations Business dictionary defines CSR as "A company's sense of responsibility towards the community and environment (both ecological and social) in which it operates. Companies express this citizenship through their waste and pollution reduction processes, by contributing educational and social programs and by earning adequate returns on the employed resources.". According to Carroll (1979) characterization of CSR it is "The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that a society has of organizations at a given point in time". Lord Holme and Richard Watts defined CSR in the publication Making Good Business Sense as „Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large". According to cultural differences CSR is interpreted as „It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government from Ghana, through to CSR is about business giving back to society from the Phillipines.". The Business for Social Responsibility defined CSR as "Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business.". There is another definition of CSR stating "A concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.". Further interpretations and definitions can be found.

The difference of the interpretations can be explained with the development of the CSR as a part of the strategy that was implemented by the companies during the previous decades. Socially responsible way of thinking was also studied by other researchers as a part of the company's strategy. Increasing number of CSR actions refers to the higher level of responsibility presented by the companies. Higher intensity of CSR actions carried out by the companies shall also refer to higher level of internal initiatives on voluntary basis according to Kotler – Lee (2007). Referring to other approaches CSR is evaluated as a kind of trend that has limited future potentials. The CSR taken as a kind of trend was also published by Amadieu (1999). Other questions about the real effects, the transaction costs and efficiency of the CSR can also be raised to see the potential negative sides. Companies' responsibilities can also be interpreted from different aspects. Company's basic responsibility is interpreted at its economic responsibility level toward profit increase. Companies are the engines of the economy so they are responsible for meeting the economic demand that shall occur at any of the stakeholders. Leadership and management of the company are responsible for the owners' goals either through increasing profit or through increasing income. Further economic goals can also be defined such as given increase in market share or certain ratio in cost reduction. Providing work places to the employees, paying taxes are some of the economic responsibilities. As a second level of responsibility companies have to operate within the legal frames. The operations of the companies are ruled and controlled by laws. Besides the external laws there are internal rules as well to coordinate the work of the companies. In case of multinational enterprises the differences among the laws implemented by the different countries shall induce further questions in term of the responsibility. Working according to the legal and economic laws and rules are obligatory, it is not voluntary based. Upper lever of company's responsibility shall provide the potentials to carry out supportive types of actions at different areas. The actions carried out at the higher level of responsibility are mainly voluntary based. These actions are determined mainly by the available pieces of information to the company, the available sources of the company to support the demand occurred at the society and the final decision by the company. Besides the voluntary basis there can be some changes in the future at some countries where CSR type of reports can be expected. These potential expectations confirm that the importance of the CSR is increasing and it is getting into focus.

Widening the scope of the companies' responsibilities and the different levels of responsibilities characterize and determine the operations of the companies. Originally the companies were founded to make profit as a part of the economic responsibility. The basic need as profit oriented mindset determines the operations of the companies. The activities of the company have to be within the legal frame. Besides the economic oriented goals there are socially oriented actions which shall also be the basis of other type of companies. Companies shall also be launched to work for the society. The positive effect of the actions carried out by these companies can be experienced at the society and at the same time the company can also be economically and legally responsible through employing people and making profit.

There is high number of areas where CSR actions can be performed. Socially responsible companies play role in environment protection, protection of different rights and different actions towards the increase of the welfare of the society. Right protection actions are oriented to represent the rights of people and animals. Right protection actions keep focus on activities against implementation of child labor force, gender discrimination, violence against employees for instance. On one hand the cost of actions carried out within the CSR can be seen easily, on the other and the effect of the actions carried out can be evaluated more difficultly. The positive effects induced by the CSR actions can be summarized as public relations, communication of the company, improvement of the supply chain, improvement of the image towards the investors. Marketing type of advantages, improvement of the company's image at the customers and authorities can also be advantage according to different studies. As the companies open their scope within the field of responsibility new market potentials can be discovered at the different business segments. The CSR activities can be detected and evaluated from the aspect of expected results. Examples can be seen at different companies how they request their suppliers to take part in the social responsibility actions. There are several types and ways how the CSR actions can be appraised whereas there are several fields where these effects can be experienced. There have been already methods that can be implemented for evaluation of the actions and the effect of them carried out by the companies. These methods shall be implemented as well in case of CSR activity. Due to the complexity of the CSR actions and their effects the implementation of existing analyses shall be revised as potential appraisal basis.

As a further potential aspect of the responsibility the question of ownership shall also be seen as a kind of influencing factor. According to different studies responsibility can be taken easier in the cases when the ownership is seen clearly. With other words if someone owns something he or she will feel responsibility for the thing that is owned by him or her. Studying the CSR activities through examples sometimes it can be difficult to see how a company can be responsible for anything that it is not owned by the company beyond the legal obligations. For example the air, water and society which are not owned by the companies, the responsibility can be detected in a difficult way in some cases. Taking for example machines which are owned by a company, the responsibility of the company can be detected more clearly. Responsibility in these cases can be seen through regular actions either as elements of the clearly planned and carried out maintenance or as irregular parts of the reparations. As other examples the employees of the companies are expected to be with owners' attitude towards the company. The employees are expected to see their daily activities within the companies with owner mindset. Similar approaches can also be seen at the buildings and lands of the companies. If the connection between the companies and their surroundings, where their effects can be detected, is seen as the presence of ownership, the responsibility can be realized easier.

Basis of a potential measuring method

As we can see there are different interpretations of the responsibility at different levels from the aspect of different stakeholders. From the point of the owners the company's responsibility is to make profit. Economic responsibility is essential in this term at the companies. As a higher level of responsibility companies have to be aware of that all of their actions cannot exceed the legal frames. At higher levels of responsibility companies shall perform activities towards the benefit of the society and at other areas as well. Responsibility presented by the companies can be seen at different areas.

Summarizing the entities of the interpretations of the CSR we can see voluntary basis, actions beyond legal obligations, consciousness, part of the companies' strategy, benefit towards the society and the neighborhood as some of the main characters. Implementation of CSR can be studied in tem if the actions themselves and the way how the actions are performed and the effect of the actions. Measuring the activities can be done in an easier way. For instance the number of labor hours or amount that is spent on certain actions can be summarized easier in case of evaluating the actions. Projects can be defined easier knowing the start and the finish date of them. Through these data the actions can be seen clearly. Easier way of actions' measuring means that there can be difficulties to make a complete and clear evaluation of the actions. Taking the example of voluntary work to support different demand, the work of the employees can be evaluated in a difficult way. There are other actions as well where evaluation is difficult too meaning how the costs should be seen. The number of the actions and projects can show the CSR intensity that was performed at the different need levels. The way of the actions arried out are also crucial to see it clearly if the actions are done according to the interpretations of the CSR. Understanding the goals and the way of the actions shall reveal further market potentials that can be implemented by other companies too. Analysis about the way of the actions shall confirm if the CSR is incorporated well into the strategy of the company and the duration of the projects to cover the need properly.

Taking the CSR actions into account as projects the real effects of them have to be evaluated to see if the actions are carried out to meet the goals defined by the companies and the demand that occurred at the society. It is important to mention that the goals defined by the companies with the CSR projects should cover at least partly the demand of the society out of the company or the demand inside the company. If it is so the goals can be said to be well defined. The effects of the actions can be appraised in a more difficult way. There are existing analysis methods which can be implemented as basis of the evaluation of the effects internally and externally. Through these analyses further potential opportunities can be found. The analysis also shall provide view about the weakness of the CSR activities. A potential weakness of the CSR can be the narrow scope of the vision in term of the results that can be achieved through CSR. Besides the weaknesses the strengths of the CSR can also be found. Through the correctly carried out analysis the threats within the CSR can also be revealed. Among the threats identification of not properly defined goals can be mentioned. These findings resulted through the SWOT analysis shall be the basis of the CSR interpretation directly to the company. Discussing the real and potential effects of the CSR actions from a wider scope political, economical, and technical effects also can be studied. Whereas the research was focusing on the CSR actions towards society in and out of the company, appraisal of the effects generated by the projects are obvious to be done. The economic based appraisal of the actions was not so obvious whereas the expected results are not always stated in this term.

The cases which are presented in this paper were discussed with questions which had been structured basing on Maslow' s need pyramid. The research was focusing on the CSR activities towards the society. Different need levels were defined to see which need level was in focus of the company. The need levels refer to the level of importance of the different needs. The lower need level shows the higher level of importance as shortage of the items have to be supplied or satisfied in shortest time period. Taking a look at the higher level of needs we can see the demand can be satisfied in longer time. According to the main characters the CSR actions carried out towards the welfare of the society the actions can be evaluated basing on Maslow' s need pyramid. The activity towards the society can be seen at different levels through examples of CSR actions. The CSR actions according to Maslow' s need pyramid can be discussed at basic need level involving actions to support housing or catering and similar needs occurred in the society. Value protective actions as disaster protection, family oriented actions can be found for instance at the second need level called value protection. At a higher need level actions towards the social connection building oriented actions can be discussed. Among these actions sport, culture and education can be interpreted besides others. The highest need level of activities are focusing on individual positioning. At this need level the same actions can be inquired at the companies.

About the research

To see the intensity of the CSR actions towards the society, projects can be inquired at different need levels with different methods. The amounts and the labor hours spent on the different actions at different need levels can be inquired. Referring back to the problem of cost evaluation of the CSR actions themselves, this problem was confirmed by the companies during the interviews and through the questionnaires received back from the questioned companies. Clear data about the intensity of the CSR actions were received through the numbers of projects at the different need levels. The exact examples shall also accurate the view about the actions. Within the research food industrial companies were inquired to research the activities and the way of the actions are carried out. The companies in the research were from the food industry working in the South Transdanubian region of Hungary. Within the interviews the CSR actions towards the society were inquired mainly that were carried out by the companies in 2014. The number of projects refers to the intensity of the actions at different need levels. The environment protection oriented CSR actions made a small part of the interviews. The actions towards the right protection were not questioned directly within the interviews. The questionnaires and the questions in the interviews were structured the same way.

The numbers of projects give a view about the intensity of the company's CSR activity. Through these numbers focus of the actions can also be seen at the different companies. Excluding the amount and the labor hours spent on the CSR projects the mindset of the companies and the employees of the companies in term of the social responsibility can be characterized irrespectively of the size and the financial sources company. There is a potential problem in evaluation by implementing the amounts and the labor hours spent on CSR, whereas wider range of sources shall provide more significant background to carry out supporting activities. Companies with more limited resources shall show higher level of social responsibility through managing higher number of CSR projects in more proper way. Consciousness of the companies was also inquired directly. Direct questions about the duration, extension, frequency of actions were discussed within the interviews. Through the exact examples further details can be revealed and seen. Best practices can also be found out of the interviews and the answers which were received.

Characters of the companies were discussed too in order to see if there is correlation with any of the actions or the company itself. These types of correlations between the company's characters and their CSR actions – if there are – can present important items whereas it is questioned by scientists if a company can be responsible or the individuals of the company can be responsible for the different actions (Goodpaster – Mathews 1982). Referring back to the core responsibility of the company we can see that companies are basically profit oriented.

The research in details

In the followings the results of the research will be presented in term of the actions with some examples carried out at different need levels. Following the presentation and interpretation of the numbers of CSR projects the characters of the CSR project management will be described. As a third part of the details the characters of the companies are presented.

Actions carried out within the CSR

CSR Actions at the basic need level

The CSR actions beyond the legal obligations to satisfy the human needs at the basic need level are focusing on the needs which have to be satisfied in anyway in short term. These are the items that have to be available for the everyday life. Among these elements of the daily life food and catering, housing, clothing and environment protection were inquired. Besides these potential fields of activities other potential fields of activities were also questioned. It is obvious that food, housing clothing are the basic elements of the daily life. Conditions of the environment are also obviously necessary for the everyday life. All of these needs as food and housing can be supported through different projects if the demand is occurred at the society.

There were examples reported by the researched companies to provide companies' own food industrial products to the society. For the first sight providing on companies' own produced products shall look simple but there are several other aspects. It is well known that products provided for free, have to meet all the standards and food industrial regulations. Food that is provided by the company is associated with obligation of value added tax paying. Financial type of supports was also mentioned during the interviews. Among these actions mainly the employees were supported. The highest number (121) of projects was reported by the companies as CSR actions to support the food within and out of the company. In case of food industrial companies the high level of intensity to support the demand for food can be expected as natural knowing all the necessary conditions.

Housing can also be supported in different ways basing on the reported examples to the questions. Among the projects to support housing examples were reported for instance support the moving of employees in different ways. This type of CSR action was mentioned by a company with very strictly limited financial resources. There were companies among the researched companies which reported financial support towards the housing. As an example of the financial support interest free loans to employees to buy either flat or house was reported by one of the companies. Obviously this kind of support requires high level of financial resources that means mainly companies with stable financial background and with huge annual income have the ability to perform these kinds of projects. Projects for example to support housing can be performed by a company with significant financial sources and with extremely limited resources too. Through these examples the orientation and the channeling between the demand and the potentials were carried out well. This type of actions was among the actions with the lowest intensity according to the numbers (4) of the projects carried out by the researched companies to support the demand at the basic need level in 2014.

Projects (5) to support the clothing were also with low level of intensity at the companies within the research. Example of collecting clothes to the people living in the neighborhood of the company was reported by one of the companies and there were two other companies which had provided clothes to their employees for the work. Some of the companies reported that protection clothes were provided them to their employees.

Whereas the research was focusing on the CSR actions towards the society, the actions in the field of environment protection was not detailed but it was questioned at the basic need level. The number (7) of CSR projects to protect the environment was among the lower intensity actions. There were different projects mentioned as examples for instance installation of solar cells, development of the production technology to reduce the emission of the hazardous materials. Out of the process the products were also in focus at a company to be developed in order to protect environment by implanting degradable packaging material. Through the exact amounts which were reported about the installation of solar cell it can be seen that stable and sufficient financial background is also needed besides the attitude of the company. Managing the CSR projects well, the scope of the company shall be widened to find new market needs and new potential products. To find the new market potentials require high level of consciousness and proper financial resources as well. Developing new products to satisfy the potential market needs involves high level of risk, but it shall have positive economic effect on the company.

As other type of actions carried out in order to support the need at basic need level represented low level of intensity basing on the number of projects (5). The reported CSR activities were different from each other. Among these actions individual supports, support of employees' commuting were carried out in 2014. This action within CSR shows that the commuting is a part of the basic need of the daily life. Besides these actions good salaries – compared to the regional average - to the employees were reported by one company. Motivating the employees shall also be done with salary which is over the average. Taking the examples into consideration the salary above the regional average shows a real CSR activity whereas it is beyond the legal obligation, it is well incorporated in the strategy of the company. The benefit of the better salary is obvious from the side of the employees. Whereas employees are motivated, they will work long-term at the company, so the human resource costs induced by the fluctuation of the employees will be lower. Company does not have to pay extra amount to the employees for leaving the companies and the training on the new employees can also be avoided.

CSR actions at the need level towards the value protection

The demand at the second need level involve those types of need which are necessary for the daily life - but compared to the basic need level - satisfaction of needs at this need level can be performed in longer time. If any of the demand at the basic need level has to be satisfied within a day, the demand have to be satisfied within some days, since these needs are necessary for the daily life too. Among these actions carried out at this need level health care, sustainability, family oriented actions, disaster protection were discussed. The actions are protective typed to protect the values which exist already. Health, family and the property of the daily life are taken as real values that take great role in the welfare of the daily life.

Health care oriented actions represented intensity at the middle level according to the number (23) of the projects carried out by the companies in the research. The projects to protect health were different at the companies according to their different attitudes. Through the examples received within the research it was seen that companies supported purchase of glasses by the employees. There was a company that organized blood giving. These projects were carried out with high level of consciousness as inquiring about the real demand of the health. Besides the financial support the active participation of the company was also performed through research about the need and the management and the realizing of the projects. Financial supports to Red Cross and ambulance were also performed in 2014 in other cases. Development of new products was also mentioned by the companies. A company with high level of intensity and high level of consciousness regarding CSR within the research mentioned that analyzes of the potential market demands from the aspect of CSR provided the well grounded basis to develop new products to keep customers' health. Through the development of new products a potential segment of their customers got the opportunity to buy specially developed products, and the well known products were still available on the market. Acquiring market segment and increase of income can be seen through these actions. High level of consciousness and sufficient financial background are necessary to carry out these strategic actions. One of the companies mentioned that it had excluded additional ingredients in their products. The company put focus on studying the effects of the ingredients, and after the results some of them were decided to be eliminated. These ingredients – as additives - were taken out of the normal production process. Excluding these materials production costs can be reduced and through excluding these ingredients healthier products can be produced and sold by the company. Actions to prevent certain kinds of disease for instance diabetes were also carried out by one of the companies in 2014. A company of the researched companies provided massage to its employees. The massage shall play part in keeping employees' health and increasing their welfare too. It is also important to mention that the massage is done by people with serious eyesight difficulties. This action shall be taken as an action of high level of consciousness whereas there are two sides receiving the benefit of this action. On one hand people with eyesight difficulties can be integrated back to the society, people living with eyesight problems can feel themselves useful again, and on the other hand the employees' health can be protected too.

Basing on the numbers (12) of projects the CSR actions towards the sustainability were among the lower level of intensity. One of the general expectations is the sustainability as a result of the CSR in the activity of the companies is carried out in a way that a company handles its economic, social and environmental effect. Different examples out of the daily business activities were reported by the companies within the research. Implementation of boiler was described by one of the companies to burn the pallets which cannot be used anymore. Installing parks in the surrounding of the company was also realized by another company in 2014. Within the interview the company also stated that to install boilers of high quality to burn the wooden packaging materials that cannot be recycled is associated with high costs. It is visible that significant financial background is unavoidable to install and implement these kinds of high-tech equipment in sustainability, but its positive long-term effect is also seen. Coping against the child poverty was in focus at another company in 2014.

This company mentioned projects and actions with lower budgets towards the society. The poverty of the children is not a rare thing in the neighborhood of the company. The actions for instance providing bread to the children mean a lot to those children. Concerning the financial background of the companies this example shows that proper ideas targeted to the proper area can satisfy the demand properly even with low budget. Paying extra pension fund was also mentioned by one of the companies. Besides the availability of the necessary financial sources the financial structure of the company is also at an advanced level. Implementing such kind of actions has clear positive effect on the employees. One of the bakery industrial companies reported that they had carried out no separate actions, but the business policy of the company was to carry out a stable and moderate business development in long-term. The effect of this attitude pays off whereas this company has been working for over two decades with great success. The example of this strategy shows proper CSR for the sustainability. At this need level importance of customers' feedback in order to continue the development of the company and properly designed long-term co-operations with suppliers was underlined by some of the companies.

Family oriented actions showed higher level of intensity according to the number (20) of projects carried out by the researched companies in 2014. Different actions were carried out among these types of projects too. Providing place to the children of employees while their parents are at work was mentioned by one of the bakery industrial company. Significant financial sources to install and to run this kind of action were not mentioned by the company. This action rather refers to higher level of sensibility towards the need of the employees. Through this activity towards the family the company can see both short and long-term advantages. A practical problem, occurs dealing with employee's children while employees are at work, is solved this way, so positive economic and social effect can be realized both at the company and the employees. Big families were also supported by another company among the researched companies. This action was rather social oriented action with limited economic expectation. Dinners and garden parties were also given to employees and their families. These actions are social oriented within the company for the welfare of the employees. Motivation based on family oriented actions can be realized as the example shows. Paying life insurance to employees of a company was also performed showing higher level financial resources and consciousness.

Disaster protection showed relatively low level of intensity. The number (8) of the projects ranked these types of actions to the lower level intensity activities. The actions carried out in 2014 were mainly financial supports of civil organizations. Some of the companies mentioned that they were not ready to support civil organizations due to some special cases that were against their reputation. These companies mentioned that they rather supported given demand instead of supporting civil organizations based on phone calls. Showing high level of social responsibility there was only one company within the research that took part in disaster protection physical work on voluntary basis. These actions were done with lower financial budget.

Paying accident and life insurance, supporting scientific conferences, cleaning the neighborhood of the company, financial support of funeral ceremonies, were mentioned as other type of CSR actions carried out in 2014. These types of actions represented low level of intensity due to the number (4) of the projects that was reported.

CSR actions at the need level towards the social connection building

At the need level called social connection building CSR activities can be discussed to support needs which are out of the daily, physical short – and long term needs of the society. The activities at this need level are to support long term objectives of the society and the company. Among these sorts of activities education, culture, sport, talent care, social integration oriented activities were discussed.

Culture oriented CSR actions were among the projects with highest intensity according to the total number (63) of projects. Projects supporting culture were carried out in different ways. Examples of supporting the culture can be mentioned as financial support of theatre, music festivals and other different cultural events. Besides the financial support there were examples of voluntary work as supporting cultural events. The amounts mentioned within the interviews varied significantly due to the financial potentials and their attitudes. Cultural events were also supported by own products as well, that was typical at a company with limited financial sources. There were several examples of ensuring tickets for theatre and other cultural performances to the employees of the companies. Supporting churches and village days were also listed among this type of actions. As the high number of projects is seen, supporting culture is taken as proper way to build social connection.

The intensity of the education oriented CSR actions were significantly lower (28) compared to the intensity of the actions towards the culture. Among the actions to support education examples were reported about providing work positions to pupils to get work experience. Some of the companies within the bakery industry reported problem of employing skilled workers because of low number of pupils who want to work in this industry and the workers at the bakery industry are attracted by foreign countries' opportunity with much higher wages. Besides these actions, employees were also supported in their studies, as it was reported through the examples. Supporting the education and the training of the next generation is carried out to cover the need for the knowledge and skills in the future. There were supports to schools and kindergartens as well. Language teaching projects were also mentioned among the examples. Lower number of projects were carried out by the companies within the research towards education – compared to culture – shall refer to the expectation of the future work type in the region.

Life style advisory, supporting sport clubs in different ways, supporting sport events were listed as projects to support needs in the field of sport. Intensity of the sport oriented actions can be evaluated as medium level according to the number (34) of projects carried out by the questioned companies in 2014. Supporting sport either through sport clubs or sport events was taken as a proper activity to build social connections.

The talent care oriented actions showed low level of intensity as it could be seen through the numbers (5) of CSR projects carried out by the companies questioned in 2014. Examples were reported as contests in study of trade, supporting sport. Supporting the trade study and sport actions was stated at other areas, but these kinds of actions were also stated within the talent care oriented activities.

There were actions reported as social integration activity for instance supporting minorities, supporting the care of old people. According to the number (15) of projects social integration oriented actions showed higher level of intensity compared with the talent care oriented actions. As it was stated by a dairy industrial company massage was provided to its employees. This project was mentioned by this company among the actions at the value protection activity level too. The massage is performed by people with eyesight difficulties. People with eyesight problems got involved in daily work at the company as it was mentioned at actions towards health care by giving massage to the employees. Supporting civil organizations was also mentioned as an example of project that was carried out in 2014. Supporting minorities in different ways were underlined in some cases, but there was one company reporting integration of minority with comment that it is an absolute natural attitude of the company meaning no extra effort.

There was a significant number (16) of projects carried out to build social connections with other projects. Supporting St. George knight orders, supporting the installation of the internet at a village, supporting village house, excursions to the employees of the companies were reported as examples.

CSR actions at need level towards the individual positioning

The lowest intensity of the activities according to the numbers of projects was found at among the activities at the highest need level to support the individual positioning. The same questions were discussed at these need level as it had been discussed at the need level of social connection building.

Culture oriented actions at the highest need level was among the actions with the lowest intensity. The number (2) of projects represented example of supporting artists.

The lowest intensity was found among the education oriented actions at the need level towards the individual positioning. There was only one (1) action that was carried out towards education support by the companies within the research.

Supporting sport in order to position individuals showed also low level of intensity with its number (4) of projects. As it was seen through the examples supporting top athletes were listed as actions carried out in 2014.

As we can see the total number of projects was the lowest compared to the other need levels. This low level of intensity at the highest need level shall confirm that the companies understand the entity of the social responsibility. It is not towards the individuals positioning but it is rather to the society and connection building.

CSR actions in and out of the company

The actions carried out by the companies in the research within CSR activities were listed basing on different need levels. Both numbers of projects and amounts spent on the projects can be studied at the different need levels. Whereas the data about the exact amounts spent on the projects shows difficulties to be gathered, numbers of projects can be listed easier and the level of intensity of the actions can be showed through the numbers of the projects.

Besides the numbers of the projects showing which need level was in focus in 2014 from the aspect of the companies, the exact examples received through the research showed as well if the actions were carried out either in or out of the company. Through the exact examples and the interviews further details shall be discovered about the focus of the companies' activities. From this aspect through the numbers of projects and the exact examples we can see that highest number (141) of projects were carried out at the third need level called social connection building activity out of the companies. This number of projects in term of the orientation – out of the company, towards the society - and need level called "social connection building" where the CSR projects are focused confirms that the companies within the research sees the entity of the CSR well according to the needs and their supporting potentials. Whereas the need is seen and detected at the need level towards the social connections building the companies made their greatest effort. Companies in the research see the importance of the connections at the society where they operate, and they implement the CSR tools in order to complete these demands at the society. The positive result induced by the activities can be experienced both by the society and the company as well.

Lowest intensity of the CSR actions through the numbers of the projects can be seen at the highest need level showing that the actions towards individual positioning were out of the focus in 2014 at the questioned companies. This low level of intensity was experienced both internally and externally of the companies. The low level of activity towards individual positioning shall also refer to the fact that companies within the research are on the good way to understand the responsibility for the society where they operate. The actions were also inquired in order to see what kinds of actions were done for the individuals' positioning. The low intensity at the highest need level explained with the lowest numbers of projects confirms too that the companies within the research understand the essence of the CSR well, whereas the actions were oriented towards the society and not to the individuals externally. Similar low level of intensity with lowest number of projects was carried out inside the companies towards the individual positioning. It shall confirm the fact that the companies have separate tools within their HR policy to position individuals.

The highest number of CSR projects performed internally by the researched companies was discovered at the second need level called value protection. High level of consciousness can be seen through the project numbers towards the employees of the companies. It can be confirmed that the companies put effort to keep and motivate their employees in different ways out of human resource activities. The high number of internally carried out projects shall also confirm that companies see family, health as real values that should be supported. These needs are certainly supported by the employees on their own implementing their salaries and their free time. These kinds of supports from the companies can confirm that the importance of these values is high, but the available financial sources of the employees are not enough to cover these activities. Investments into relaxation, family events, and healthy will pay off long-term whereas the employees will work much more motivated at the employers. It is generally taken positively by the employees if the companies deal with them out of their every day work through different supports.

Consciousness

Besides the activities of the CSR actions the management of the actions shall also be studied through the interviews and the questionnaires. The intensity of the activities themselves is not enough to be known. For the purpose of the proper evaluation of the CSR the way as the CSR actions are carried out, are necessary to be known. If any of the companies does a certain action the target of the action and the time orientation of them should be known well. If an exact demand occurs in a certain time at the society or internally of the company in best practice the action should cover that given demand. Otherwise from my point of view the action is difficult to be valued proper, if it is oriented to any of the areas, where there is no need. These kinds of needs occurred at the society two approaches can be considered. According to approach number one the responsibility should be focusing on the demand occurring in the present and in the future, which are induced by the companies. In case of the approach number one we can refer to the ecological foot print that could be adopted as social foot print. According to approach number two the responsibility should be oriented on the demand in the society that is seen by the companies. In this case the interpretation and evaluation of demand at the society shall incorporate problems of the action planning. Harmonization of these activities due to the social demand is definitely necessary to avoid either the "over support" of certain areas and the "lack of support" at other areas.

In term of inquiry towards the need the highest number of companies reported that they had not inquired about the demand which had occurred at the society. The lowest number of inquiries initiated on companies' shall refer to low level of initiative among the companies within the research. The inquiries towards the potential demand within the society were mainly initiated by external requests. This high number of externally initiated inquiries confirms that the companies were not ready to initiate their inquiries on their own. Ad-hoc type of inquiries towards the demand was mentioned in low proportions. Cooperation to carry out CSR projects was typical at the companies. The vast majority of the co-operations was initiated externally and not by the companies on their own. Only a small proportion of the companies reported that they had performed projects on their own. The ratio of the companies that initiated co-operations to carry out CSR projects was also small.

Basing on the answers it got clear that the highest proportion of the actions were carried out by the employees on voluntary basis. It shall confirm the theory that not the company but the individuals can be socially responsible. Companies are basically founded to meet the economic expectations within the legal frames. Ethical activities beyond the legal regulations are not among the daily activities of the companies. Significantly smaller ratios of the answers represented involvement of dedicated employees and managers as well. There were hardly any examples of employing specially employed people by the companies. It can be explained with the size and the financial sources of the companies within the research.

Companies reported that most of their CSR actions had been carried out internally and at the direct business partners. Co-operations were also reported with other stakeholders in lower proportion with civil organizations too. The scope of the responsibility shall be evaluated narrow. These companies see their responsibility mainly within the closest surrounding of the company. The CSR actions were reported to be not regular in lower proportion. The higher number of the companies reported that their CSR activities were carried out mainly on regular basis. The highest number of the CSR actions was carried out both regularly and irregularly too by the companies within the research. As an addition to the regular CSR activities the occasional actions shall be good completion to support the demand occurred at the society either in or out of the company.

Duration of the CSR actions and projects carried out by the companies showed high level of similarities. Highest proportion of the companies performed CSR actions with duration over 5 years, very close to this result the second highest proportion of the CSR actions that were occasional activities confirming the results in term of the frequency of the CSR actions. Only very low proportion of the projects was under 1 year, between 1 and 3 years and between 3 and 5 years. As it was reported by one of the companies once the company had started a kind of support towards the society it was not really willing to stop it. The kinds of activities with duration over 5 years can be taken as stable part of the strategy of the company.

Higher proportion of the companies performed follow-up of the CSR actions - either regular or irregular way - that shows conscious attitude towards their CSR activities. The higher proportion of the follow-ups was carried out irregularly and only the lower proportion of the follow ups was done regularly. The presence of the follow-up towards the CSR actions carried out by the companies confirm the higher level of consciousness and the willingness to plan future actions within field of social responsibility. Due to the different types of actions the follow-up some times can be defined in difficult way, whereas it can be difficult to define the data to control after the actions which are done to see if the project was done correctly. From the aspect of the project planning it shall be better to define the effects and the results of the CSR actions to be measured at the beginning of the planning status of the projects. This approach shall give the proper guideline to evaluate the actions.

Highest proportion of the companies reported that they had carried out the CSR actions for altruistic purposes. The 57,6% of the CSR projects were carried out by the questioned companies to support the demand in the society in an altruistic way. Only the lower proportion of the companies reported that there was financial type of expectations as result of their CSR activities. The 24,4 percentage of the actions were focused onto image improvement within a given time period. Some of the actions similarly to the altruistic oriented actions were performed to show good example for other companies. As it can be seen through these results the smaller proportion of the actions represented economic goals. There are several CSR based actions which have positive effect on the profit and loss account of the companies. If these cases and actions are known and implemented correctly by the companies, the positive outcome can be achieved.

The companies within the interviews and questionnaires reported that they were focusing mainly on existing problems that shall refer to low level of willingness to make preventive type of actions. Confirming this lower proportion of the companies reported that they had been focusing on problems to be prevented in 16.7% out of the total number of projects. The 83,3% of the projects were done to solve existing problems either on their own or together with other companies. The direct answer regarding the proportion of the innovation of the CSR actions showed similarity to the attitude towards problem solving and problem prevention. The majority of the CSR actions were evaluated by the companies as well known type of activities and only a small proportion of the actions were treated as innovative type of actions. The 75,25% of the actions were done through well known methods and 24,75% of the actions were done by implementing innovations. Examples can be seen among the questioned companies with high level of willingness to innovate in the field of CSR.

The researched companies reported that financial limits were the main reasons why CSR actions were not performed. On one hand this result shall confirm the theory that companies are basically responsible for economic goals through making profit, on the other hand it can also be seen that there are society demands which can be supported with lower level of financial sources. As a second highest proportion the companies within the research stated that they had found no point is supporting certain demands. Other reasons for example political initiatives were stated in lower proportion too why demand at the society is not supported through CSR activities. This shall confirm the nature of the CSR itself as it is initiated either by market actors or by non government organizations. There were also companies saying that lack of information did not confirm the company to support certain demands.

The companies had clear plan about their future CSR activities. Far the highest proportion of the companies was planning to keep their CSR activities at its level of year 2014. On one hand the companies were ready to support different demands at different need levels either internally or externally on the other hand companies within the research saw difficulties to get enough financial sources to carry out further CSR activities. A smaller proportion of the companies reported that they would increase their CSR activities. There was only one company that planned to decrease its CSR activity.

Characters of the company

The companies within the research were small and middle sized operating in the South Transdanubian region of Hungary. Companies were operating in the food industry. The vast majority of the companies were planning their activities for time period over 5 years as it was stated by the companies within the interviews. There were also small proportions of the companies within the research that planned its future operation either for time period between 1 and 3 years or 3 and 5 years.

Conclusions

Through the answers given by the companies we can see that the social responsibility is mainly based on the employees' activity of the companies in ad-hoc way basing on the data about the involvement. It does not mean necessarily if there are no volunteers the company itself would not perform responsibility towards the society. Companies were ready to support the social demand providing the necessary sources as it could be seen that employees, managers and leaders can also take part in the actions.

Actions can be evaluated at different need levels either they are carried out internally or externally. For the purpose of the appraisal of the CSR actions another dimension – time – could also be implemented. The time orientation of the CSR actions shall provide a more accurate view about the CSR actions themselves. Taking the short-term and the long-term demand of the society into consideration the readiness to carry out preventive and innovative types of actions can be interpreted.

Through the research we can see if the CSR projects are oriented and performed in a proper way the actions shall achieve higher level of efficiency.

Whereas projects are associated with goals discussing the CSR activities as projects the actions within the projects can be evaluated from the aspect how well the goals are achieved, how well they cover the demand which occurred at the society. To summarize the effects that shall be achieved through the CSR projects can also be viewed through other existing analyzing methods that are implemented already in case of companies' other operations. These types of analyses shall also make the planning of the projects more efficient too. If companies have the relevant pieces of information about which type of social threat to cope with it shall bring advantage both from the aspect of the company and the society as well. If the preparations are done well, these types of internal and external threats can be handled well. In term of the external threats the visions of the companies due to the fact that they work either in different industries or in different regions of the world. Besides these two bases of different points of views the asymmetric information may also play a role. Difference between the pieces of available information and the interpretation of them can be experienced.

Taken other examples it was seen that there had been companies which studied societies living in poor countries. Following these studies specially developed services were introduced to those countries creating a new market for the company. The benefit was experienced both at the society through buying the services and at the company through selling its services at a totally new market. Such examples can be found when the company could see the opportunity in areas where other companies may see only threat.

Being aware of the weakness that is present both affecting on the company and within the company, it is the first step to know which is the next step that should be taken for the potential success. This requires high level of objectivity from the employees and leaders of the companies playing role in CSR actions. Besides the economic responsibility and the economic effect of the companies operations it is known through the PEST analysis that companies' operations also have political, socio-cultural and technical effect.

As a critic regarding the CSR it is seen that there is a question about how the decision makers of the companies are authorized to initiate and carry out CSR activity. The decision is theirs which field to support and when to do it. The question shall be interesting since on one hand some of the activities' cost shall reduce the basis of the income to be taxed at the companies on the other hand in other cases the companies have to pay the value added tax after providing support to the society. From this point of view taxation shall be viewed as a potential political effect. The society type of CSR actions can be harmonized further on that requires sufficient wide range of scope where demand occurs and which company can support a certain type of need for instance with its own product if it is possible. This approach based on the effect of the CSR actions shall also be the basis of the evaluation knowing that a given company fulfills its social responsibility according the expectations. Considering the CSR actions from political aspect makes the appraisal more difficult because the actions and demand are difficult to be expressed objectively and numerically.

Within the research the CSR actions were discussed which are beyond the legal obligations. As it was stated by Carroll companies were basically economically responsible. To meet the legal obligations the responsibility of the company can be seen at a second level. Further responsibilities towards the society and environment can be found at upper levels. Companies within the research showed how well they carried out their CSR actions at the higher levels of responsibility. The basic level of responsibility was not discussed. Questions shall be raised if the company showing high level of intensity at the upper level of responsibility but it is not at the lower level, can it be called responsible company. Examples can be imagined such as not paying value added tax, and supporting the local sport club at the same time. From the aspect of the voluntary basis paying no tax is not a CSR question but it is an economic and legal question.

In order to make this kind of evaluation of the CSR actions towards the society, cooperation between social scientists and companies can be revised to see the current and the future potential demands. These kinds of co-operations shall help to avoid "over-supporting" any field and it shall also support to make the supporting actions to be more efficient. As it could be seen from the examples within the research there are different need levels in and out of the company. The actions with the orientation of them are described clearly. The key characteristic of the projects is the way they are done. The actions on their own are known but the correct focus of them both in term of the need level and the time horizon are crucial. The consciousness of the CSR actions involves the characters if the actions are carried out into the right direction and in the right time. The basis of the CSR evaluation can be characterized with the actions and the way they are done knowing the different demand at the society in different time points. Co-operation among companies, government and social scientists are needed to make the actions basing on clear view into the right direction.

References

Amadieu, J.-F. (1999): Responsibilité sociale de l'entreprise. In Le Duff, R. (dir.) (1999) *Encyclopédie de la gestion et du management*. Dalloz

Angyal Á. (2009): *Vállalatok társadalmi felelőssége. Felelős társaságirányítás* (Corporate Social Responsibility) Kossuth Kiadó, Budapest

Carroll, A. B. (1979): A three-dimensional conceptual model of corporate performance. *Academy of Management Journal*, 4.

Goodpaster, K. E. – Mathews, J. B. (1982): Can a Corporation Have a Conscience? *Harvard Business Review*, Febr.

Kotler, Ph. – Lee, N. (2007): *Vállalatok társadalmi felelősségvállalása*. HVG Kiadó

Abhiskek Seth: http://www.huffingtonpost.com/abhishek-seth/maslows-hierarchy-of-corp_b_3756841.html

Guiling Wei: http://www.sciedu.ca/journal/index.php/jms/article/viewFile/2434/1348
http://causecapitalism.com/6-tools-and-4-words-to-measure-your-companys-social-roi/

http://www.collinsdictionary.com/dictionary/english/corporate-social-responsibility

https://www.conference-board.org/retrievefile.cfm?filename=TCB%20DN-V3N7-11.pdf&type=subsite

http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/index_en.htm

https://www.ic.gc.ca/eic/site/csr-rse.nsf/eng/rs00184.html

http://www.investopedia.com/terms/c/corp-social-responsibility.asp

http://www.mallenbaker.net/csr/definition.php

http://www-rohan.sdsu.edu/faculty/dunnweb/rprnts.pyramidofcsr.pdf

http://www.sustainablebrands.com/news_and_views/communications/cone-communications-launches-tool-measure-csr-and-social-leadership

http://en.wikipedia.org/wiki/Corporate_social_responsibility

http://en.wikipedia.org/wiki/Maslow%27s_hierarchy_of_needs

Csongor Harsányi has working experience in industrial production working at various companies. He graduated as economist at University of Pécs, Faculty of Economics specialized in finance. His fields of interest were security evaluation and insurance companies during BS and MSC studies. He received his BS degree in 2000.

Continuing his studies he received his MSC degree in 2005. He started his researches in the field of corporate social responsibility within his Ph.D. studies at the Kaposvár University in 2011. He is working on his researches now.

Csongor can be connected at harsanyi.csongor@gmail.com

Editor: Zoltán Veres

Printed in B5 on 7 sheets
at the OOK-Press Ltd.

Executive director: Attila Szathmáry


VAROSI POLGAROK PENZE
ÉPÜLE FÖLE HÁZ.
ITT TÜZI PUSZTITÁS VÉDELEN
ESZKÖZE ÁLL