



**Doctoral School of
Sociology**

THESES SYNOPSIS

Dénes Bank

**Implicit and explicit, internal and external CSR in a double dependent
market economy**

Especially regarding labor provisions

titled Ph.D. Dissertation

Supervisor:

Dr. György Lengyel, DSc
professor

Budapest, 2017

Institute of Sociology and Social Policy

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Table of contents

I. The context and relevance of the topic	4
II. Applied methodologies	6
III. Findings of the dissertation	7
III.1.The double dependent market economy and CSR.....	7
III.2.Domestic features of implicit/explicit CSR	9
III.3.Features of internal CSR in Hungary.....	11
III.4.Managerial role in CSR	13
III.5.Corporate challenges and assimilation.....	14
III.6.CSR in Hungary.....	15
IV. Main references	18
V. Publications of the author in connection with the theme	21

I. The context and relevance of the topic

It is widely accepted among businesses and within the society that the social role of companies reaches over the economy. In the past public attention was mostly focused on corporate responsibility with regard to environment protection and human rights. In recent years, however, the emphasis has also been shifted to several other areas, which is to a great extent justified by the impact of the economic and social crises. Partially as a consequence of this, corporate social responsibility (CSR) is becoming more relevant, even on the level of political institutions, and is incorporated into regulations too.

As opposed to its social relevance and actuality, Hungarian scientific research in the field of CSR started to gain attention only in the last few years. Domestic CSR research so far focused only on a couple of aspects of CSR and its spread in Hungary. No research has been carried out, however, to assess it together with the influencing institutional structure and place it in a single theoretical framework. This dissertation is, *inter alia*, **aimed at discovering the institutionally embedded nature of Hungarian CSR, just like its characteristics and features, in order to analyze it in an international comparative scheme.**

There are a number of theoretical approaches concerning CSR, encompassed mainly by shareholder value, corporate social performance, stakeholder and corporate citizenship theories (Melé 2008). Nevertheless, for a thorough study of the institutionally embedded nature of CSR, this conceptual classification called for its completion by the implicit/explicit CSR approach, which was introduced by Matten and Moon (2008) to be later frequently referred to in various sources of international technical literature. Former theories mainly focused on the voluntary nature of CSR. In this way, however, the comparative analysis of how CSR is practiced in different environments in certain countries did not get the necessary support. (Such environments could be the Anglo-Saxon approach hardly controlling the social role of businesses, or the European system which is a strict regulatory institution thereof.) Still, the implicit/explicit CSR concept is suitable for the consideration of the previously mentioned differences. Therefore, it has proved to be an appropriate tool for the analysis of national CSR models.

The institutionally embedded nature of CSR in Hungary has been examined pursuant to the VoC approach, introduced by Hall and Soskice (2001), to be widely used afterwards. The choice of the above concept is justified, on the one hand, by the fact that it assesses economic schemes based on the interrelations between companies and institutional structures. On the other hand, such economic schemes may be matched with differing types of CSR. Liberal Anglo-Saxon market economies, for example, are characterized by a volunteering-based

explicit CSR, whereas implicit CSR, putting emphasis on the observation of rules, is typical of coordinated Western European market economies (Matten – Moon 2008). A possible reason for this is that more liberal rules lead to more fierce competition, which requires opening outwards and thus turning to explicit CSR. As opposed to this, strictly regulated markets are forced to allocate considerable resources to the fulfillment of requirements, distracting the attention from external CSR. In order to identify the implicit/explicit features of CSR in Hungary, therefore, it became indispensable to examine the type of market economy that is prevailing in Hungary due to the national institutional structure.

Nevertheless, CSR may not only be grouped based on its implicit or explicit nature. Another aspect of classification may be whether the socially responsible activity is focused on an entity inside or outside the company. **The research also aims at analyzing CSR practices inside or outside the company** among medium-sized and large companies, through which detailed analysis has been made about the **aspects of internal CSR and its situation in Hungary**, albeit that its comprehensive study has not yet seen too many publications internationally or nationwide. Most authors publishing in the subject matter of CSR mostly described the various models of interrelations between the companies and the environment, the consumers and the society as a whole. In this way, the elaboration on corporate responsibility towards internal stakeholders, and particularly employees, seems to have been pushed to the background. Notwithstanding, 'internal CSR', that is care for the employees, is socially significant, since the employees of a company do not only comprise an integral part of business operations, but are members of the society as well.

The Green Book of the European Commission (EC 2001) is alleged to provide a definition in the field that could be perceived as a milestone in the understanding of internal CSR, by distinguishing CSR dimensions inside and outside the company in a declared way. According to a generally accepted view, internal CSR covers those responsible corporate activities that have a direct impact on the physical and psychological work environment of an employee (Turker 2009). There are varying approaches related to the fields of CSR, complying with international regulations and directives, which also serve as a basis to my research in the areas of equal opportunities, health and safety at work, education and life-long learning, the enforcement of social aspects, the balance between work and privacy and workers' representation.

II. Applied methodologies

In accordance with research objectives, three research questions have been developed. The first one focused on the domestic features of CSR and on the influencing factors. The second question dealt with corporate factors affecting internal and external CSR practices, to be explored through quantitative research. Meanwhile, the third research question was targeted at the challenges and motivation that would lead a company or the managing director to turn to CSR, and more specifically to internal CSR. This **mixed methodology** was justified by the enabling qualities of quantitative research in pursuit of the identification of the core CSR features and related conclusions. In addition, the qualitative research made it possible to map the influencing factors in a more detailed way and to make a comprehensive study of the results. Both the quantitative and qualitative research were carried out, in reflection of human resources, among medium-sized and large companies (of over 50 employees), partially due to methodological and content-specific considerations.

The analysis of the relations between national institutional features and CSR necessitated the identification of the capitalism variety prevailing in Hungary, in the form of **secondary research**. Related available statistical data mainly derive from the public databases¹ and have been processed so as to be comparable with other varieties of capitalism, with special regard to a state's role in the economy.

A **quantitative research** underlay the testing of the hypothesis on the findings of the first two research questions. Data for Hungarian medium-sized and large companies covered by the quantitative research were made available through an international survey (2009-2010), whose data recording was organized by Corvinus University of Budapest. Through this, access was granted to information about 169 companies having over 50 employees (which is 2.8% of the businesses concerned in Hungary). These businesses were suited to appropriately represent the set of entities, even after weighing, as per business sector and the number of employees. An answer to the third research question was meant to be found by **qualitative research**, in the framework of which 40 personal in-depth interviews were made – 21 thereof with managing directors, while the remaining 19 were targeted at employees of the same companies. The selection of the interviewees was determined by the motivation to understand and compare the managerial and worker views, and to make the differing internal CSR practices and managerial considerations at multinational companies, Hungarian public companies and Hungarian private businesses comparable. The drafting of the above-

¹ Sources include data of Eurostat, OECD, Hungarian Central Statistical Office, National Tax and Customs Administration of Hungary and National Bank of Hungary.

mentioned interview took account of the findings of the quantitative research. Answers, afterwards, were processed through quantitative and qualitative content-analysis methods.

III. Findings of the dissertation

The following sections are dedicated to the description of the major findings of the dissertation, along with the resulting CSR features in Hungary, broken down into subsections by topic.²

III.1. The double dependent market economy and CSR

In their study of the varieties of capitalism, Nölke and Vliegenthart (2009) concluded that Central-European countries are dependent market economies, since multinational companies play a crucial role in the dominant institutional dimensions of such countries. By way of secondary research, however, the dissertation implies that **the state is also a significant factor in all the five institutions that are relevant from the perspective of the varieties of capitalism in Hungary. Therefore, a new framework of interpretation has been introduced under the title 'double dependent market economy' (DDME).** According to this new VoC model, which offers a more precise description of the Hungarian institutional features than its earlier counterparts, the most important coordination mechanisms constitute, on the one hand, the hierarchy within a multinational company, and on the other hand, the dependency on the relations with the state. The defining power of the Hungarian state in the economy lies on four "participatory pillars". These are the market influencing regulation, resource allocation, the role of public companies and the allowances granted to and sanctions imposed on specific economic groups. Table 1 shows the state's role in the Hungarian double dependent market economy, by relevant institutions pursuant to the VoC theory.

With its double dependent market economy Hungary has an institutional structure that is substantially different from coordinated and liberal market economies. This necessitates the examination whether Hungary is dominated by a combination of explicit and implicit CSR, characteristic of liberal market economies and coordinated market economies respectively. Otherwise it may be implied that Hungarian companies are rather characterized by a unique CSR type, different from the above-mentioned varieties.

Although the DDME concept was aimed to describe the present variety of capitalism in Hungary, one can presume that it is **also valid for other countries in Central Europe**

² Scientifically innovative findings of the research have been highlighted (in bold).

(especially regarding the Visegrád Group), but verification of this needs further research. **List of DDME countries cannot be considered permanent** since countries described by this concept today may be in another later in the future because of the change in their relevant institutions. Also, countries with other types of market economies may approach DDME if the role of the state comes stronger.

Table 1: Institutional setting of the double-dependent market economy (DDME)

Institution	Dependence on multinational companies*	Dependence on the state**
Distinctive coordination mechanism	dependence on intra-firm hierarchies within transnational enterprises	dependence on relationship with government
Primary means of raising investment	foreign direct investment and foreign-owned banks	resources of central government and EU funds allocated by government; state-owned banks
Corporate governance	control by headquarters of transnational enterprises	necessity for direct or indirect attachment to government; centralized control over state-owned companies
Industrial relations	appeasement of skilled labor; company-level collective agreements	strong influence of government regulation; high and centralized employment in the public sphere
Education and training system	limited expenditure on further qualification, adult education	dominant role of state
Transfer of innovation	intra-firm transfers within transnational enterprises	government resources, coordination and transfer
Comparative advantages	assembly platforms for semi-standardized industrial goods	easier to implement economic policies and political priorities; better environment for sectors and companies favored by government

*According to the DME concept of Nölke – Vliegthart (2009: 680).

** Findings of the author.

With its double dependent market economy Hungary has an institutional structure that is substantially different from coordinated and liberal market economies. This necessitates the examination whether Hungary is dominated by a combination of explicit and implicit CSR,

characteristic of liberal market economies and coordinated market economies respectively. Otherwise it may be implied that Hungarian companies are rather characterized by a unique CSR type, different from the above-mentioned varieties.

III.2. Domestic features of implicit/explicit CSR

Based on the above, there is a definite need for an empirical study of the implicit and explicit features of CSR in Hungary. To this end, the supplementary implication has been made that **the theoretical approach to implicit and explicit CSR may as well be interpreted on corporate level**. The consideration is supported by the notion that a country may, to the greatest extent, be claimed to be dominated by implicit CSR if the majority of its operational businesses typically pursue implicit CSR activities.

Quantitative and qualitative research have both confirmed that **the description of CSR practices among Hungarian businesses calls for the broadening of the categories of implicit and explicit CSR. Accordingly, two new additional categories have been introduced besides explicit CSR, namely the "fundamentally implicit CSR" and the "spontaneous explicit CSR"**. The word "fundamentally" in the phrase "fundamentally implicit CSR" suggests, on the one hand, that although businesses belonging to this category operate in an economy whose regulation is similar to that of a coordinated market economy, they still might fail to observe all the rules. On the other hand, it implies that, above the rules and regulations, voluntary items of CSR might as well appear on an ad hoc basis (without any financial resource allocated). Businesses in the category "spontaneous explicit CSR", at the same time, pursue a number of voluntary CSR practices, with a budget allocated to that. This, however, is not reflected on corporate strategic or policy level, which should be a prerequisite for explicit CSR. With a view to assessing what the predominant type of CSR is for Hungarian medium-sized and large companies, apart from the domestic distribution rate of the above CSR types, the need for an analysis of the features affecting the socially responsible corporate practices and their defining aspects became inevitable.

Quantitative research showed **that company size, sector and proprietary structure have significant effect on the type of CSR a business pursues**. The more employees a company hires, the more probable it is that it conducts spontaneous explicit or explicit CSR activities. Meanwhile, financial companies are more probable to pursue explicit CSR activities as compared to businesses in the industrial or service sector. Fundamentally implicit CSR is rather distinctive of Hungarian private businesses, whereas explicit CSR dominates Hungarian public companies. The majority of companies also having a foreign owner could

be rather matched with "fundamentally implicit CSR", yet, it should be noted that the quantitative research hereby ignored the separation of multinational companies. Nevertheless, according to research findings, every third such business conducted "spontaneous explicit" or "explicit" CSR activities. It cannot be disregarded that earlier research has already studied the impact of company size and sector on CSR activities (e.g. Géring 2015, Bank et al. 2009), even though irrespective of implicit/explicit CSR. Notwithstanding, justification of the possible impact of the proprietary structure has not even been justified in connection with CSR subfields. Such influence of the proprietary structure on CSR again demonstrates the distinctive feature of the double dependent market economy (DDME), which stresses the dominant role that is taken by multinational companies and the state in the Hungarian economy.

Quantitative research has demonstrated that in order to avoid potential scandals with multinational companies and for the regulatory role of the owner at public companies, it is essential that company-specific rules are observed. Although these companies are neither exceptions from possible offences (for example, through corruption), this has not been given relevance in the course of in-depth interviews. Based on the interviews, however, it may be assumed that **Hungarian private businesses are rather inclined to selectively observe the rules** as compared to companies with other examined proprietary structures. Greater inclination to breach formal regulations might be understood as a heritage of informal institutions from the era before the change of the regime, which supported, besides formal institutions, the rise of a second economy and the "flexible" utilization of public corporate resources. In the case of Hungarian private businesses, the typically smaller company size might as well be a reason behind the common standpoint stating that there is no other alternative for market reality to enable competitive management. This might as well be enhanced by the frequently changing and thus relatively unpredictable national legislative operational environment. All in all, the above-mentioned as a whole **result in a unique form of implicit CSR, deviating from Western-European practice.**

Each multinational company involved in the qualitative research has carried out explicit-like voluntary CSR activities (with financial resources separately allocated by the company). **A number of Hungarian subsidiaries, however, still lack the adopted international CSR strategy of the parent company.** This may be explained, on the one hand, by the situation that, in the case of some respondent companies, international CSR strategies only started to appear at the parent company in recent years, and their transfer to the subsidiary **might even take a number of years** according to the management board. The qualitative research pointed out that **CSR practices may differ among public companies based on whether the**

company is profit-oriented or a public service provider. The interviews confirm that profit-oriented companies conduct similar CSR activities than multinational companies, whereas voluntary-like CSR activity hardly showed among respondents within the group of public service state companies. The very few voluntary CSR items got mentioned mostly in connection with Hungarian private businesses where it was the managing director's personal conviction that underlay corporate commitment.

III.3. Features of internal CSR in Hungary

A company's CSR activity may, besides the implicit/explicit nature, be classified based on its relevance to inter-company dimensions, employees (internal CSR) or areas outside the company (external CSR). Quantitative research has shown that the interconnection between the two differing classification types lies on the perception that **the higher the number of internal and/or external corporate CSR activities, the more probable the company falls into the categories of spontaneous explicit or explicit CSR (or vice versa).** Relying on quantitative research findings it can be concluded that, overall, internal CSR had a higher prevalence at medium-sized and large companies than external CSR, with 85% of companies conducting internal, and 66% of them external CSR. Slightly more than half of companies hiring over 50 employees pursue both internal and external CSR activities, whereas it is only a mere 2% of them who declared that they were active neither in the internal, nor in the external fields of corporate social responsibility.³

According to qualitative research findings, **internal corporate CSR practices can be mostly interpreted as a response to local challenges and problems, whose goal is basically of a business nature.** Anyhow, companies find it an efficient means to increase employee engagement and loyalty, to prevent the further need to hire new workforce at higher costs and to attract a sufficient number of employees with appropriate qualifications. The general shortage of labor force in Hungary has overestimated their importance though. Besides them, care practices may also promote better quality and more effective performance, which will lead to commercial gain. During the course of qualitative research, special attention was paid to **the aspects that influence the prevalence of CSR, and more specifically internal CSR, at companies with different proprietary structures. Regarding multinational companies,** internal (and external) CSR are, pursuant to proprietary

³ According to a nationally representative survey from a year earlier, 46% of Hungarian companies did not pursue any CSR activity (Bank et al 2009). The remarkable difference partly stems from the current research being restricted to companies of over 50 employees and these larger companies are typically more active in CSR. Moreover, the research described in this section did not only take into account those socially responsible activities that were assigned some financial expenditure (as opposed to previous research).

expectations, a commercial tool for the realization of long-term profit maximization objectives, and more specifically **for the elimination of the threatening risk of potential scandals**. Leaders of respondent multinational companies listed almost twice as many types of care practices as their counterparts, which assume **a more conscious application** of such practices. **Public service state companies** identified **the retention of employees** as the core CSR aspect, meanwhile **profit-oriented public companies** referred to a model where internal and external CSR practices **adapt to multinational corporate practice and corporate challenges**, due to competition (and owing to the fight for employees). **Leaders of respondent Hungarian businesses** mainly focused on making sure that the responsible activity coincided with **their own commitments**, overall resulting in a varied range of CSR practices among respondents. Nonetheless, identical challenges (e.g. labor shortage or high fluctuation rate) anticipated the implementation of responsible activities, of a similar nature, among Hungarian private businesses as well.

In the context of quantitative research findings, **the more widespread the internal CSR is within a company, the broader the range of external CSR activities is provided (and vice versa)**. Among those involved in qualitative research, it was either that internal CSR appeared first at the company, or internal and external CSR practices were launched at the same time (for example as a result of the adoption of the parent company's strategy). This gives ground to the assumption that **the encouragement of internal CSR activities has a beneficial impact on external CSR activities** – with special regard to multinational companies and Hungarian private businesses, as it can be deduced from the interviews. Quantitative research findings also drove to the conclusion that **company size, sector and proprietary structure all significantly influence the prevalence of internal/external CSR practices** – may it be though, that while size triggers changes independently, the other two explanatory variants exert considerable pressure only in interaction with size. Concerning companies of over 250 employees, from a proprietary perspective, it is foreign companies that are to the largest extent dominated by the combined application of internal and external CSR activities, to be followed by public and Hungarian private businesses. Among large companies, financial companies are the most active; the list is continued by participants from the industry and finally from the service sector.

Interviews with employees have shown that **workers were basically satisfied with the internal CSR practices. Nonetheless, at companies with different proprietary structures, they were faced with different related problems**. Employees at multinational companies complained that, owing to an international level concept, it was not in all cases the actual problem that was addressed by internal CSR. On the other hand, colleagues at public

companies disapproved of their limited influence on such practices, also emphasizing their feeling of exposure. Those working for Hungarian private businesses confirmed that the evolution of internal CSR practices was predominantly determined by the managing director's role and personality, which also assumes a strong relationship of interdependence. Workers' representations had a key role in the development of internal CSR practices solely with regard to multinational companies. Other respondent companies saw them play only a relatively moderate role, although the interviews suggested that such organizations could efficiently contribute to the corporate development of care practices.

III.4. Managerial role in CSR

According to quantitative research, the scale of implementation concerning internal and external CSR practices is crucially determined by the managing director, as has also been pointed out by statistical tests stipulating that **there is significant interrelation between the company leader's attitude to CSR and the corporate CSR activity**. Relying on qualitative and quantitative research findings, along with the previous statements, it can be concluded that **in many cases companies in Hungary tend to turn to CSR, and more specifically to internal CSR, because of proprietary expectations and the challenges the company has to face. Managerial decisions, however, have a crucial and objective role in the development of care practices targeted at employees**. The analysis of qualitative research findings has shown that owners designate only a part of the company's capacity for social responsibility for the purposes of a CSR envelope. In addition, such indications do not necessarily coincide with the possible CSR responses to internal (e.g. risk of organizational resistance) or external (e.g. low-level client trust) corporate challenges. With reference to previously mentioned findings, such framework is set by proprietors building on different aspects. Designation, moreover, is further diversified by multinational or national state companies and Hungarian private businesses. **The leader of the company plays a crucial role in what extent the corporate "CSR portfolio" takes advantage of the conceptual potentials previously determined by the company owner. He has a remarkable impact on their possible broadening and on the assurance that such activities can efficiently tackle current and potential future corporate challenges**. The interviews highlighted that subjective and objective factors alike affect the type and number of CSR activities encouraged or supported by the managing director. Thus they help the manager with the successful introduction and/or development of a certain CSR activity within the company. Subjective factors include the company leader's judgment of values and his social awareness, previous

experiences and knowledge as well as skills and capabilities. Objective factors, however, cover, among others, the previously mentioned double dependent market economy and the relevant institutions, isomorphism, the various internal/external challenges facing the company and the company features (including the proprietary structure).

III.5. Corporate challenges and assimilation

The **concept map**, drawn up based on qualitative research findings, **demonstrated the linguistic features of corporate dialogues related to CSR**. Relying on that, it could be perceived that **CSR often received relevance as a reaction to a corporate challenge**, irrespective of the company's proprietary structure. Respondents claim that CSR is a duly efficient tool for the management of the many challenges that affect a company (e.g. fluctuation in human resources). **Relying on interview findings**, companies with different proprietary structures **have developed their CSR activities based on partially different time scales and focal points, that is along challenges of the past (public service state companies), the present (Hungarian private businesses) and potentially the future (multinational companies and profit-oriented public companies)**.

Frameworks for CSR activities, defined by the owner, along with related managerial decisions, are often made under the impact of coercive, mimetic and normative isomorph influences (cf. DiMaggio – Powell 1983), such as the application of various international standards, the monitoring of competitors' solutions or the adoption of the latest HR techniques from the various sources of technical literature. Qualitative research, at the same time, drew the attention to **isomorphism being often traceable in the similarities between the rational business solutions targeted at similar corporate challenges and problems**. This is reflected in the way the management board strives to efficiently address a corporate challenge, which may still result in similar corporate behaviour, even without the presence of the afore-mentioned isomorph influences. Companies, however, in many cases, search rational answers within certain boundaries, for example defined by an international strategy or through previous studies. In this context, isomorph influences are not excluded but rather supplemented. Based on the above, it may be assumed that, **in many cases, corporate challenges and the rational approaches are the primary factors of assimilation. They may be supplemented by the previously mentioned isomorph influences so as to constitute, in a combination thereof, the corporate CSR activities** within an institutional structure, defined by corporate features. Since challenges, to be addressed by the company within the boundaries of CSR, are created, among others, in definition of the institutional

structure, it may be assumed that **identical institutional environment will result in similar CSR activities coming to the forefront. Should it be about a significantly different institutional environment though, the CSR activities concerned would be differing as well.**

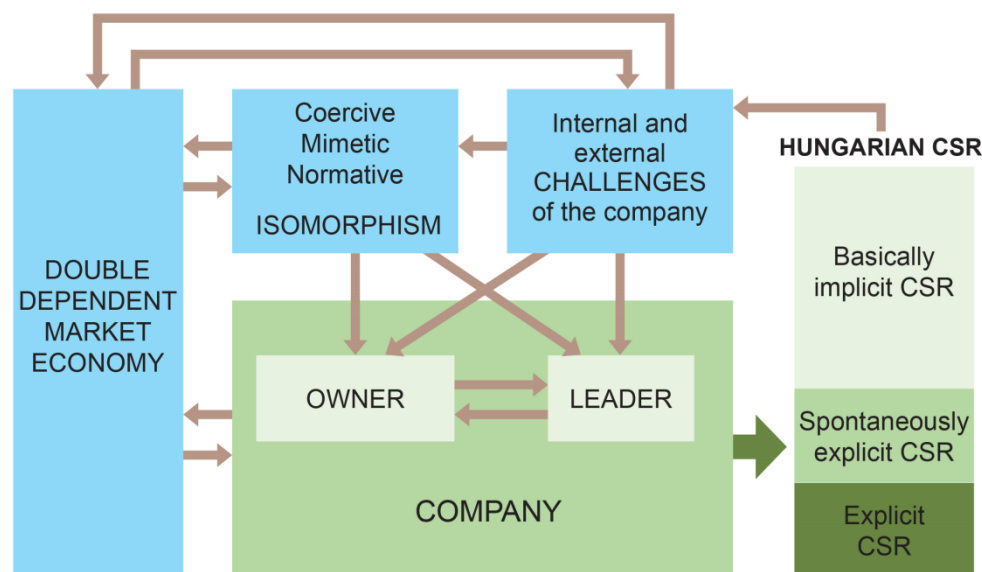
It was currently especially in the field of internal CSR that respondents of qualitative research **had to face challenges**. Such typical challenge was labor shortage and high fluctuation rate in human resources, which the companies attempted to tackle with similar internal CSR practices. Once leaders chose to adopt best practices from outside the company, this entailed the involvement of the group of competitors, who, thus, have become a reference group to the company. In the case of **multinational companies**, however, assimilation between the parent company and the subsidiary may mostly be observed through the adopted central corporate culture and proprietary expectations (e.g. international strategies, codices, CSR reports), albeit that this may manifest in the form of rather slow processes in some cases. Quantitative research findings implied that **the regional location of the parent company would have an objective impact on the extent of assimilation**. A company with its headquarters in the Far East would more intensively insist on the transposition of the central corporate culture than its counterpart based in India or in the Mediterranean. Interviews, nonetheless, also contributed to the perception that **the parent company's culture had a more powerful presence in the subsidiary, if the head of the local company came from the country where the headquarter was based.**

III.6. CSR in Hungary

It has been shown that Hungary is neither dominated by an ideal type of implicit CSR, nor by that of external CSR. Instead, a third type of CSR is characteristic of the country. This, however, is totally different from the former two, just as our double dependent market economy (DDME) model differs from other liberal or coordinated market economies. Figure 1 summarizes those previously mentioned relevant factors and influences that affect the distinctive features of CSR in Hungary. As has been mentioned, double dependent market economy, challenges concerning a company as well as coercive, mimetic and normative isomorphism all affect a company, and more specifically the company owner, proprietor or head with decision-making authority in issues related to CSR. In the definition of such influences and corporate features (especially company size, sector and proprietary structure),

companies mainly pursue "fundamentally implicit", "spontaneous implicit" or "explicit" CSR activities in Hungary.⁴

Figure 1. The most relevant factors affecting CSR in Hungary



Note. Arrows in the figure indicate the major directions of effect
Source: compiled by the author

Results showed that 69% of Hungarian medium-sized and large companies conduct "fundamentally implicit CSR" activities, while 18% pursue "spontaneous explicit CSR" and the remaining 13% of them carry out "explicit CSR" activities. Based on the above distribution, **Hungarian companies of over 50 employees are dominated by "fundamentally explicit CSR". Yet, almost every third company carries out CSR activities of an explicit nature (spontaneous explicit or explicit).** Notwithstanding, CSR in Hungary may best be described by "fundamentally implicit CSR" practice, mostly relying on the selective law-abiding and ad hoc voluntary CSR among the assessed categories⁵. Since CSR activities of an explicit nature are considerably represented in domestic practice, consequently, **Hungarian CSR cannot be described with one single assessed CSR type, but it should be characterized rather by a combination thereof.**

The present research does not provide substantial grounds to state **whether the distinctive Hungarian patterns of CSR will shift towards the implicit and explicit CSR ideal types** in the forthcoming years, and if so, in what direction. A thorough study of this

⁴ The examination was aimed at the assessment of the main CSR features in Hungary. Therefore, it does not cover companies that cannot be put into any of the discussed CSR categories and which, thus, do not conduct CSR activities through the basic observation of rules or pursuant to a voluntary agreement.

⁵ By taking into account the effects of company size and the proprietary structure, it may be rendered likely that companies belonging to the category "fundamentally implicit CSR" take a greater share in the group of companies with a maximum of 50 employees than in their representation among companies with over 50 employees. Its justification, however, should be the subject matter of later research.

dilemma may serve as the subject matter of later research. It may be claimed, though, that **for this substantial changes might be unavoidable in the institutions of the double dependent market economy.**

The analysis of the domestic market economy enables research findings to be further used in the field of institutional and comparative economics. The aspects of social responsibility offer the same possibility for social sciences and business ethics. Meanwhile the employee-targeted nature of the research strongly contributes to its use in labor economics. And neither can the analysis of management responsibilities and managerial roles be disregarded when it comes to the potential utilization of research findings in management sciences.

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V. Publications of the author in connection with the theme

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