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Az egészségügyi szektor gazdasági helyzetképe és a hálapénz szerepe

Hegedűs Mihály[1]

ABSZTRAKT: Az egészség az egyén életminőségének és önmegvalósításának egyik olyan feltétele, amely döntő hatással van a családra, a munkára és ezáltal az egész nemzeti gazdaságra. A COVID 19 pandémia időszakában gyakran felmerülő kérdés, hogy a gyógyító–megelőző szolgáltatások finanszírozása a magyar egészségügyben elégséges-e, bevonható-e a finanszírozási rendszerbe a hálapénz rendszere. Abban a társadalom valamennyi érintettje egyetért, hogy a jelenleg kialakult hálapénzrendszer nélkülözi a garanciális biztosítási elemeket, demoralizáló hatással van a betegek orvosba vetett bizalmára, eltorzítja a közteherviselés arányos és szükségszerű megoszlását. A COVID-19 járvány hatására szükségszerűen növekednek a gyógyszerellátáshoz, a járó- és a fekvőbeteg-ellátáshoz kötődő egyes szolgáltatások ráfordításai. Az egyik jelentős kérdés van-e tartalékuk az egészségügyi szolgáltatóknak a megnövekedett igények kielégítéséhez, működik-e a rejtett gazdaság az egészségügyben, s annak egy része bevonható-e a finanszírozásba? Kimutatható-e klaszter- és faktoranalízissel, mely egészségügyi szolgáltatók dolgoznak a legveszélyeztetett területeken?

KULCSSZAVAK: rejtett gazdaság, hálapénz, egészségügyi szolgáltató

JEL-kódok: I00, K32

Bevezetés

A világ valamennyi országában egyre nagyobb gondot jelent a nagy ellátó rendszerek működtetése. Az egészségügyi rendszer fenntartása, működése, az eltérő igénybevételi, finanszírozási lehetősége globális indikátorként visszahat a gazdasági teljesítményre, ezért az egészség és a gazdaság kapcsolata egymást erősítő–gyengítő folyamatként ötvöződik.

A COVID 19 pandémia időszakában gyakran felmerülő kérdés, hogy a gyógyító–megelőző szolgáltatások finanszírozása a magyar egészségügyben elégséges-e, bevonható-e a finanszírozási rendszerbe a hálapénz vagy a magánegészségügy rendszere. A magánegészségügy számos eset-

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ben még mindig az állami korrekciójának minősül, ahol az állam nem képes időben vagy jó minőségben szolgáltatni, ott belép a magánegészségügy. Az egészségügyi ellátás igénybevétele során egyre inkább előtérbe kerülnek olyan egyéb szempontok is, mint a minőség, a betegközpontú működés, a kényelmes és kulturált környezet. A COVID-19 járvány hatására szükségszerűen növekednek a gyógyszerellátáshoz a járó- és a fekvőbeteg-ellátáshoz kötődő egyes szolgáltatások ráfordításai. Az egyik jelentős kérdés van-e tartalékuk az egészségügyi szolgáltatóknak a megnövekedett igények kielégítéséhez, működik-e a rejtett gazdaság az egészségügyben, s annak egy része bevonható-e a finanszírozásba?

A magyar parlament 2020. október 6-án fogadta el az egészségügyi szolgálati jogviszonyról szóló 2020. évi C. törvényt, amely számos folyamatot indukál majd az egészségügyi szolgáltatórendszer átalakításban. Az egészségügyi rendszer működtetése nemcsak gazdasági–finanszírozási, hanem olyan társadalmi, szociális és politikai kérdés is, amely bonyolult és komplex eszközrendszeren keresztül ezer szálon kötődik a többi alrendszer működéséhez, befolyásolva annak működését és stabilitását.

Állami szerepvállalás és egészségügy

A válságok során az állam társadalmi felelősségvállalásával kapcsolatos viták újra és újra megerősödnek, ahogy a jelenlegi, pandémiás, helyzet is indukálta ezt. Egyes irányvonalak szerint az állam társadalmi szerepvállalása nemcsak, hogy kívánatos, de elvárt és a szociális hálónak mindenkire ki kell terjednie, az ország összes állampolgárára. Ezt képviselik az úgynevezett Skandináv jóléti modellek. A konzervatív megközelítés szerint csak azok számára kell széleskörű szociális védőhálót biztosítani, akik dolgoznak. Redisztribúciós rendszere is diverzifikáltan kezeli a különböző jövedelmi szinten élő háztartásokat. Ugyanakkor – szemben a liberális felfogással – az állam fontos szerepet képvisel a rendszer működtetésében és a modell fenntartásában. A liberális állam/modell ezzel szemben a piaci mechanizmusok teljes szabadságát hirdeti. A kormányzat csak nagyon kis mértékben biztosít juttatásokat és ezek igénybevételéhez is feltételeket támaszt. Éppen ezért, ezen modellben a legnagyobb a jövedelmi egyenlőtlenség a társadalmon belül (Esping-Andersen, 1991). Egészségügyi szempontból az északi modell értelmében mindenki számára közel azonos szintű, magas színvonalú ellátás biztosítása az elvárt. A konzervatív modell már diverzifikál, de továbbra is mindenki számára biztosítja a megfelelő színvonalú ellátást. Azonban a liberális modellben már egyértelműen a jövedelem, az önálló biztosítás milyensége az, ami döntően meghatározza magát az ellátást és annak milyenségét, ha nem életmentő beavatkozásról van szó. Ezekbe a csoportokba, azonban egyértelművé vált, hogy nem illeszthetők be a volt szovjet blokkhoz tartozó államok. Baltic (2011) kiegészítette a modellt egy új kategóriával, ami a posztkommunista országokat foglalta magába. Meglátása szerint ezen országok modelljét egy kettősség jellemzi, ugyanis a konzervatív jóléti államok és a Bismarcki modell között helyezkednek el. (Ez utóbbit a társadalombiztosítás, univerzalizmus, korporativizmus és az egyenlőség érdekében tett erőfeszítés kifejezésekkel lehet jellemezni). A kettősség megmutatkozik az egészségügyben is, egyszerre akarják azt mindenki számára hozzáférhetővé tenni ugyanazon a színvonalon, ugyanakkor mégis diverzifikálni a jövedelmi csoportok szerint. Ennek eredménye az a rendszer, amit napjainkban Magyarországon is láthatunk.

2020-ban e kategóriákat is figyelembe véve Nedelka publikálta vizsgálati eredményeit, arra vonatkozóan, hogy mennyire felelnek meg az egyes államok az egyes modelleknek. Klaszterelemzéssel csoportosította az Európai Unió tagállamait és összevetette e klasztereket Esping-Andersen (1991), Baltic (2011), valamint Sapir (2006) által meghatározott országcsoportokkal, továbbá felállította a Gordon mátrixot is. Ami jelen kutatás szempontjából releváns eredmény Magyarország helyzete, ami mind jóléti, mind jólléti szempontból a mezőny végén szerepelt és egyértelműen a „szegény” országok között jelent meg mind a három vizsgált periódusban (Nedelka, 2020).

A tendenciózusan rossz gazdasági helyzet, a tartósan magas államháztartási hiány és államadósság oda vezetett, hogy az Európai Unió nem egyszer adósságcsökkentő, kiadáscsökkentő intézkedéseket kért a kormányoktól, melyek az államháztartás egyenlegét hivatottak javítani. Ezek a tervek, programok az egészségügyet sem hagyták érintetlenül és jelentős forráskivonások történtek, melyek következtében a szektor adósságállománya megugrott és ennek rendezése bizonyos időközönként szükségessé vált. A konszolidációk azonban nem jelentettek/jelentenek egyet a szektor gondjainak megoldásával, tűzoltásnak tekinthetjük csak azokat. A probléma egyre súlyosbodik, és erre a jelenlegi pandémiás helyzet is kiválóan rámutatott. Jelen tanulmánnyal célom annak feltárása, hogy történt-e érdemi változás a korábbi évekhez viszonyítva vagy továbbra is ugyanazon gondokkal küzd-e a szektor, mint 2012-ben és 2013-ban, beleértve a hálapénz szerepét is.

A kutatás feladata, célkitűzése, módszere

Egy 2015-ben lezárt kutatásra alapozva célom volt az állami egészségügyi intézmények gazdálkodásának áttekintése különös tekintettel az adósságállomány és a likviditás kérdéskörére és az egészségügyi ellátásban megjelenő magánszolgáltatók, valamint a hálapénz szerepére. Vizsgáltam az egészségügyi szolgáltatórendszerben az egészség finanszírozását, állami és a magánszolgáltatók arányát, megoldási javaslatot fogalmaztam meg a hálapénz a finanszírozási rendszerbe történő bevonására. Jelen kutatás során a hálapénz kérdéseinek megválaszolására 352 db internetes kérdőívet (linket) küldtem ki 2020.09.01. és 2020.10.15. között és elemeztem a válaszokat.

A 2015-ben lezárt kutatás során az egészségügyi szolgáltatók (kórházak) teljesítményének két évét tekintettem át, 2012-t és 2013-at. Az eltérő adatstruktúra miatt a két évben eltérő mutatószámokkal kellett dolgoznom, de közöttük jelentős átfedés volt. Az első vizsgált évben a tőkeerősség, az eladósodási fok, a befektetett eszközök fedezettsége, a nettó eladósodottság, a likviditási gyorsráta, a likviditási ráta, az esedékességi aránymutató és a forgóeszközök aránya állt rendelkezésemre. Ezek alapján két faktort határoztam meg: az eladósodottság faktort és a likviditás faktort. Végül klaszterelemzéssel a vizsgálatba bevont országokat csoportokba soroltam. Az első csoportba azok kerültek, melyek jellemzően alacsony likviditással és eladósodottsággal rendelkeztek. A második csoportba 3 olyan intézmény került, ahol közel azonos eladósodottság volt megfigyelhető, de rendelkeztek még korábbi tartalékokkal. A harmadik klaszterbe egy intézmény került, mely bár el volt adósodva, likviditása lehetővé tette, hogy az akkori változásokhoz alkalmazkodni tudjon. Végül a negyedik csoportot alkották a legproblémásabb intézmények, ahol mind az eladósodottság, mind a likviditás szükségessé tette az állami beavatkozást.

A 2013-as év vizsgálata során a fent említett mutatók mellett bevonásra került a befektetett eszközök aránya, az idegen tőke aránya, a tőkefinanszírozási mutató, a pénzhányad mutató, az eladósodottsági fok, a tőkefeszültség, a szállítók fedezettségi mutatója, a nettó eladósodottság, a nettó adósságállomány, a nettó szállítói adósságállomány és a nettó forgótőke is. Ezen adatok már három faktor létrehozását tették lehetővé. Az első faktor jelezte az intézmények **likviditását**, a második a **tőkeerősségüket**, a harmadik pedig **eladósodottságuk** fokát. Ezek alapján elvégzett klaszterelemzés egy viszonylag egységes képet festett le az ágazat akkori helyzetéről. Négy kórház kivételével hasonló pénzügyi helyzettel rendelkeztek az intézmények. Jelen kutatásban ezen eredményekre építve megvizsgáltam, hogy létrehozható-e a 2013-as évhez hasonló faktorstruktúra és ha igen, akkor a klaszterek hasonlóan alakulnak-e.

Eredmények

A kórházak gazdasági helyzetének feltárása faktorelemzéssel

A vizsgálat a kórházak teljes körére kiterjed, beleértve az egyéb egészségügyi intézményeket is (pl. rendelőintézetek) és kettő évet érint, 2018-at és 2019-et, melyet azért tartottam fontosnak, hogy ezáltal rá tudjak világítani a konszolidáció elmaradásainak a következményére. 2018-ban ugyanis még sikerült a kórházak adósságának legalább részbeni rendezése, azonban 2019-ben már nem konszolidálta őket az állam. A vizsgált mutatókat a mérlegadatokra alapozva határoztam meg. Az eltérő mértékegységek miatt standardizált értékekkel dolgoztam. A faktorok létrehozása előtt kapcsolati vizsgálatot végeztem, hogy előzetes képet kapjak az adatok alkalmasságáról. Először a 2018-as év adataira alapozott eredményeimet ismertetem.

A korrelációs mutatókat látva, megkérdőjeleződik a faktor előállíthatósága, ugyanis rendre gyenge kapcsolatokat láthatunk. Kivételt képez a likviditási ráta és a likviditási gyorsráta, valamint a szállítók fedezettségi mutatója és a pénzhányad mutató. A kapcsolatokat az *1. táblázat* szemlélteti.

1. táblázat: **A 2018. évi beszámolók adataiból képzett mutatók korrelációja**

	Likviditási ráta	Forgóeszköz arány	Befektetett eszközök aránya	Nettó forgótőke	Likviditási gyorsráta	Pénzhányad mutató	Szállítók fedezettségi mutatója
Likviditási ráta	1	0,171	-0,168	**0,325****	**0,996****	**-0,233***	0,175
Forgóeszköz arány	0,171	1	**-0,469****	-0,061	0,098	0,04	-0,086
Befektetett eszközök aránya	-0,168	**-0,469****	1	**0,259***	-0,162	-0,048	0,127
Nettó forgótőke	**0,325****	-0,061	**0,259***	1	**0,316****	-0,189	0,206
Likviditási gyorsráta	**0,996****	0,098	-0,162	**0,316****	1	**-0,231***	0,175
Pénzhányad mutató	**-0,233***	0,04	-0,048	-0,189	**-0,231***	1	**-0,841****
Szállítók fedezettségi mutatója	0,175	-0,086	0,127	0,206	0,175	**-0,841****	1

Forrás: saját számítás a 2018. évi beszámolók összesített adatai alapján

A második faktorhoz tartozó mutatók esetében az idegen tőke aránya és az eladósodási fok megegyeznek egymással, melynek oka az eltérő metodika (szemben a 2015-ben lezárt kutatás időszakával), amit a számításunk során kell alkalmazni, ezért a továbbiakban csak az eladósodási fokot fogom alkalmazni. Minden esetben szignifikáns kapcsolatot találtam. A tőkeerősség az eladósodási fokkal gyengén korrelál, valamint a befektetett eszközök és az eladósodási fok közötti is gyenge kapcsolat figyelhető meg. Ez ismételten megkérdőjelezi a faktor létrehozásának lehetőségét.

2. táblázat: **A 2018. évi beszámolók adataiból képzett mutatók korrelációja**

	Tőkeerősség	Idegen tőke aránya	Eladósodási fok	Befektetett eszközök fedezettsége
Tőkeerősség	1	**-0,342****	**-0,342****	**0,930****
Idegen tőke aránya	**-0,342****	1	**1,000****	**-0,220***
Eladósodási fok	**-0,342****	**1,000****	1	**-0,220***
Befektetett eszközök fedezettsége	**0,930****	**-0,220***	**-0,220***	1

Forrás: saját számítás a 2018. évi beszámolók összesített adatai alapján

Végül a harmadik faktorhoz tartozó mutatók esetében is elvégeztem a kapcsolati vizsgálatot. A vizsgálat ezen mutatóknál is megkérdőjelezi az eredeti faktor előállításának lehetőségét, hiszen ahogy az látható a *3. táblázat* adatain is, a kapcsolatok jellemzően gyengék a szignifikancia ellenére.

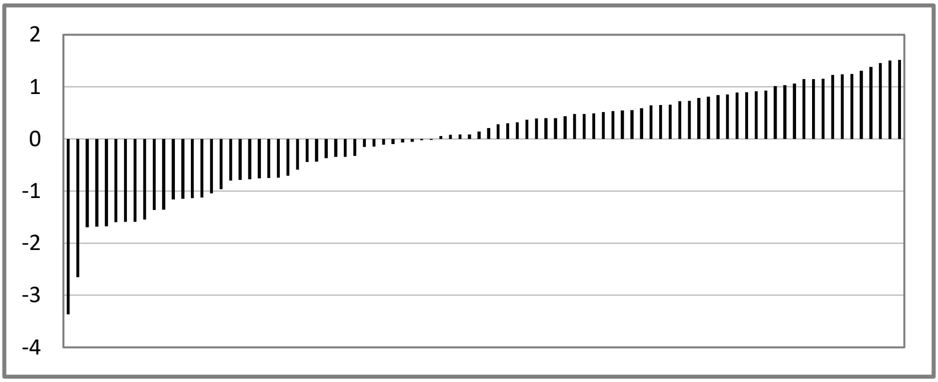
3. táblázat: **A 2018. évi beszámolók adataiból képzett mutatók korrelációja**

	Nettó eladósodottság	Tőkefeszültségi mutató	Nettó adósságállomány	Nettó szállítói adósságállomány	Tőkefinanszírozási mutató
Nettó eladósodottság	1	**0,677****	**0,306****	0,002	**-0,283****
Tőkefeszültségi mutató	**0,677****	1	0,058	0,165	**-0,431****
Nettó adósságállomány	**0,306****	0,058	1	**-0,352****	-0,067
Nettó szállítói adósságállomány	0,002	0,165	**-0,352****	1	-0,055
Tőkefinanszírozási mutató	**-0,283****	**-0,431****	-0,067	-0,055	1

Forrás: saját számítás a 2018. évi beszámolók összesített adatai alapján

A **Likviditás Faktor** létrehozása – ahogy azt már a korrelációs vizsgálatot követően is feltételeztem –nem volt lehetséges az elfogadhatatlan KMO érték (0,374) miatt és a jelentős adatvesztés következtében. A létrehozott faktor ugyanis az eredeti változók csupán 36%-át tudja megjeleníteni.

A **Tőkeerősség Faktor** KMO értéke épphogy eléri a 0,5-ös értéket, amitől elfogadhatónak tekintjük. A faktort pozitív irányba befolyásolja a tőkeerősség és a befektetett eszközök fedezettsége mutató, míg az eladósodási fok negatív irányba. Összességében tehát a nagyobb értékű mutató nagyobb tőkeerősségről tanúskodik. A legjobb helyzetben a Felsőszabolcsi Kórház van, őt követi a Tüdőgyógyintézet Törökbálint, a Nagykőrősi Rehabilitációs Szakkórház és Rendelőintézet. A legkisebb tőkeerősséggel a Nagyatádi Kórház és az Albert Schweitzer Kórház-Rendelőintézet rendelkezik.

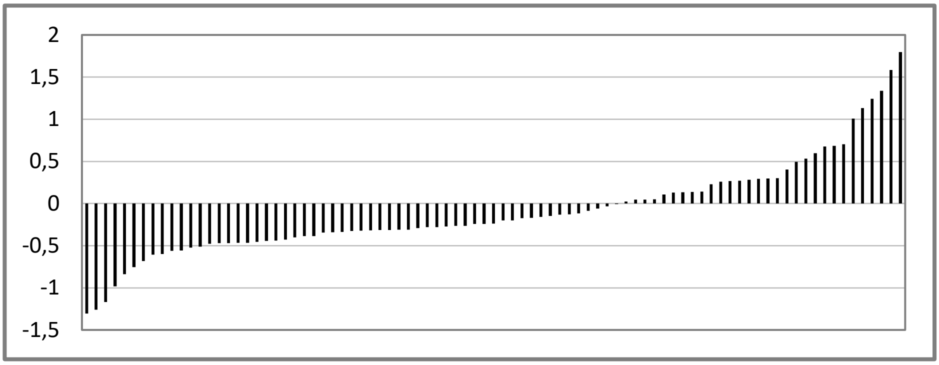


1. ábra: **A 2018. évi beszámolók adataiból képzett tőkeerősség faktor értékek**

Forrás: saját számítás a 2018. évi beszámolók összesített adatai alapján

Az **Eladósodottsági Faktor** KMO értéke szintén épphogy eléri a 0,5-ös értéket. A faktort a tőkefeszültségi mutató, a nettó eladósodottság, a nettó szállítói adósságállomány és a nettó adósságállomány pozitív irányba befolyásolja. A tőkefinanszírozási mutató negatív irányba hat rá. A kisebb értéket tekinthetjük kedvezőnek, azonban a kiugróan kis értékek esetében meg kell vizsgálnunk, hogy nem a tőkefinanszírozási mutató okozza-e, ami bár ellentétesen hat a faktorra, valójában a negatív érték a tartalékok hiányáról tanúskodik. A legrosszabb helyzetben ismételten a Nagyatádi Kórház van – az intézményt a *2. ábrán* nem is tüntettem fel, mert rontotta volna a diagram átláthatóságát 7,7-es faktorértékével. A sorban következő intézmények, a Gottsegen György Országos Kardiológiai Intézet, az Albert Schweitzer Kórház-Rendelőintézet, a Szabolcs-Szatmár-Bereg Megyei Kórházak és Egyetemi Oktatókórház, a Csongrád Megyei Dr. Bugyi István Korház, a Péterfy Kórház-Rendelőintézet és Manninger

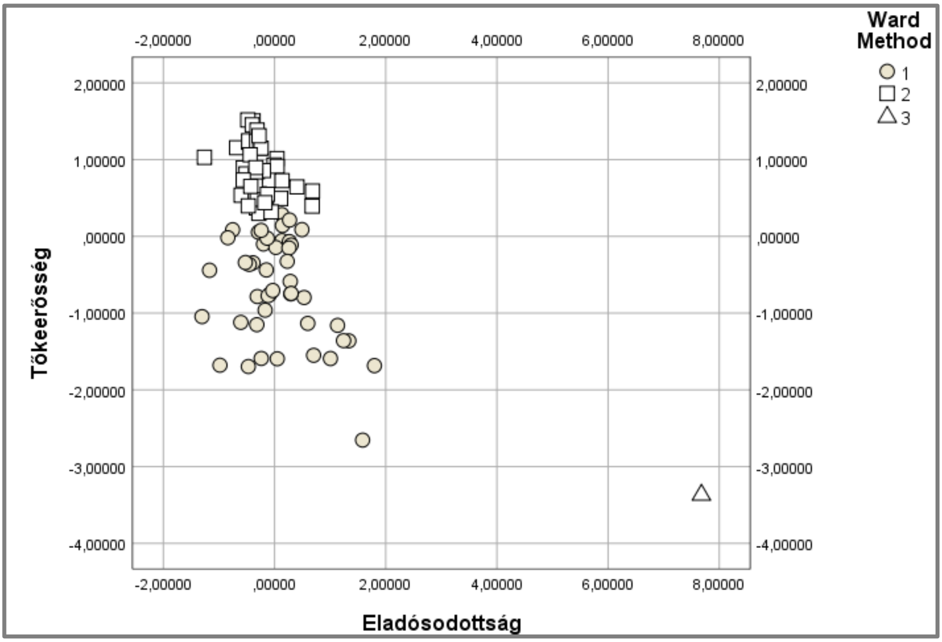
Jenő Országos Traumatológiai Intézet és a Gróf Esterházy Kórház és Rendelőintézeti Szakrendelő 1 és 2 közötti faktorértéket kaptak. A mérce másik végén helyezkedik el a Fejér megyei Szent György Egyetemi Oktató Kórház és a Borsod-Abaúj-Zemplén Megyei Központi Kórház és Egyetemi Oktatókórház, és ennek nem a tőkefinanszírozási mutató magas és egyben kedvezőtlen értéke az oka.



2. ábra: **A 2018. évi beszámolók adataiból képzett eladósodottsági faktor értékek**

Forrás: saját számítás a 2018. évi beszámolók összesített adatai alapján

A Tőkeerősség és az Eladósodottság faktorok segítségével klaszterelemzést végeztem a Ward módszert használva, azonban a faktorok – fent jelzett megfelelőségi gyengeségei – miatt nem tudtam homogén csoportokat alkotni. A hármas klaszter (a *3. ábrán* háromszöggel jelölve) volt az egyetlen, ami látványosan elkülönült a többi intézménytől. Ebbe a klaszterbe egyedül a Nagyatádi Kórház került. Tehát ennek a kórháznak mind a tőkeerőssége, mind az eladósodottsága rendkívül rossz/kedvezőtlen. (Fontosnak tartom megjegyezni, hogy a vizsgálat a nagyatádi intézmény kizárásával sem eredményez homogén vagy legalábbis határvonallal könnyen elválasztható csoportokat). A másik két klaszter esetében ilyen jellemzést nem tudok adni, hiszen ezen intézmények jellemzően hasonló eladósodottsági fokkal rendelkeznek és hasonló tőkeerősséggel. Ez utóbbi esetében a 0-s értéket esetleg tekinthetjük egy határértéknek, azonban az eladósodottságnál még ilyen határt sem tudok meghúzni.



3. ábra: **Az egyes klaszterek a tőkeerősség az eladósodottság faktorok alapján**

Forrás: saját számítás a 2018. évi beszámolók összesített adatai alapján

Az eredeti faktorhármas létrehozásának meghiúsulása és a klaszterelemzés eredménytelensége a „félig befejezett" konszolidációnak a következménye. 2018-ban ugyanis az eredetileg szükséges összeg felét tudta csak az állam az intézmények rendelkezésére bocsátani és ebből kifolyólag nem a ténylegesen felmerülő összes igény került rendezésre, csak a lejárt tartozásokat tudták rendezni. Tehát, azon intézmények, ahol magasabb volt a lejárt tartozások nagyága, nagyobb mértékben részesedtek az állami támogatásból, szemben azokkal, ahol már adott esetben jelentős tartozások halmozódtak fel, de még nem voltak határidőn túliak. A 2019-es év ezért úgy gondolom valósabb képet ad a kórházak és egészségügyi intézmények gazdasági állapotáról, illetve egymáshoz viszonyított helyzetükről. Az ez évi adatok esetében is, csakúgy, mint a 2018-as év vizsgálatakor, standardizáltam azokat az eltérő mértékegységek miatt, majd ezt követően a 2013-as kutatás faktorstruktúrájára alapozva végeztem el az elemzéseket. Az első faktorhoz tartozó mutatók korrelációs vizsgálata során, bár minden esetben kapcsolatot találtam, azonban felmerül a befektetett eszközök arányának létjogosultsága, hiszen csak a forgóeszközökkel korrelál és a kapcsolat bár szignifikáns, de csak közepes (r (87) =-0,609, p=0,00). Mivel törekedtem az eredeti faktorstruktúra fenntartására, ezért bent hagytam a vizsgálatban. A kapcsolatot a *4. táblázat* szemlélteti.

4. táblázat: **A 2019. évi beszámolók adataiból képzett mutatók korrelációja**

	Likviditási ráta	**Forgóeszköz arány**	**Befektetett eszközök aránya**	**Nettó forgótőke**	**Likviditási gyorsráta**	**Pénzhányad mutató**	**Szállítók fedezettségi mutatója**
Likviditási ráta	1	0,110	-0,061	**0,372****	**0,999****	**-0,948****	**0,910****
Forgóeszköz arány	0,110	1	**-0,609****	**0,280****	0,093	-0,037	0,020
Befektetett eszközök aránya	-0,061	**-0,609****	1	-0,012	-0,055	0,029	0,011
Nettó forgótőke	**0,372****	**0,280****	-0,012	1	**0,358****	**-0,271***	**0,291***
Likviditási gyorsráta	**0,999****	0,093	-0,055	**0,358****	1	**-0,958****	**0,921****
Pénzhányad mutató	**-0,948****	-0,037	0,029	**-0,271***	**-0,958****	1	**-0,941****
Szállítók fedezettségi mutatója	**0,910****	0,020	0,011	**0,291***	**0,921****	**-0,941****	1

Forrás: saját számítás a 2019. évi beszámolók összesített adatai alapján

A második faktorhoz tartozó mutatók esetében szintén kizártam az idegen tőke aránya mutatót a korábban már említett okok miatt, és csak a tőkeerősséget, az eladósodási fokot és a befektetett eszközök arányát hasonlítottam össze. A minden esetben kivétel nélkül erősen szignifikáns a kapcsolat (p=0,00) és közepesen erős vagy erős, ahogy ez az *5. táblázatban* is látható.

5. táblázat: **A 2019. évi beszámolók adataiból képzett mutatók korrelációja**

	Tőkeerősség	Eladósodási fok	Befektetett eszközök fedezettsége
Tőkeerősség	**1**	**-0,695****	**0,596****
Eladósodási fok	**-0,695****	**1**	**-0,844****
Befektetett eszközök fedezettsége	**0,596****	**-0,844****	**1**

Forrás: saját számítás a 2019. évi beszámolók összesített adatai alapján

Végül a harmadik faktorhoz tartozó mutatókra végzett korrelációs vizsgálat, melyet a *6. táblázat* szemléltet, az első faktorhoz hasonló problémákat vet fel. Két változó csak egymással mutat gyenge kapcsolatot. A nettó szállítói adósságállomány és a nettó adósságállomány között a korreláció r (87) =0,225, p=0,037.

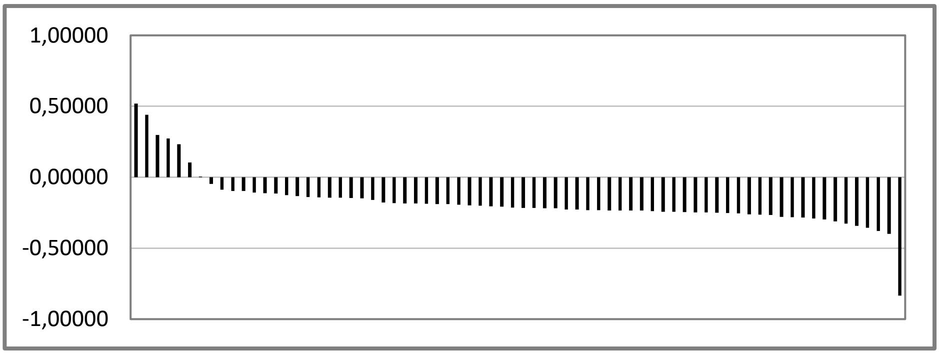
6. táblázat: **A 2019. évi beszámolók adataiból képzett mutatók korrelációja**

	Nettó eladósodottság	Tőkefeszültségi mutató	Nettó adósságállomány	Nettó szállítói adósságállomány	Tőkefinanszírozási mutató
Nettó eladósodottság	1	**0,887****	0,143	0,124	**-0,869****
Tőkefeszültségi mutató	**0,887****	1	0,096	0,056	**-0,849****
Nettó adósságállomány	0,143	0,096	1	**0,225***	-0,050
Nettó szállítói adósságállomány	0,124	0,056	**0,225***	1	-0,002
Tőkefinanszírozási mutató	**-0,869****	**-0,849****	-0,050	-0,002	1

Forrás: saját számítás a 2019. évi beszámolók összesített adatai alapján

Az első faktor mérőszámai, melyek a kórházak likviditását hivatottak reprezentálni, a KMO index alapján (0,0705) és a Bartlett teszt értelmében (χ^2(21) =876,494, p=0,00) alkalmasak a faktoranalízisre. A második faktor esetében, mely az intézmények tőkeerősségéről tájékoztat minket, a KMO index 0,673-as értéke a megfelelő értéknél kicsit gyengébb, de még így is elfogadható ($\chi^2(3)$ =162,469, p=0,00). Végül a harmadik faktor mutatói, melyek az eladósodottságot írják le, szintén alkalmasak a faktoranalízisre (KMO=0,745; $\chi^2(10)$ =269,618, p=0,00).

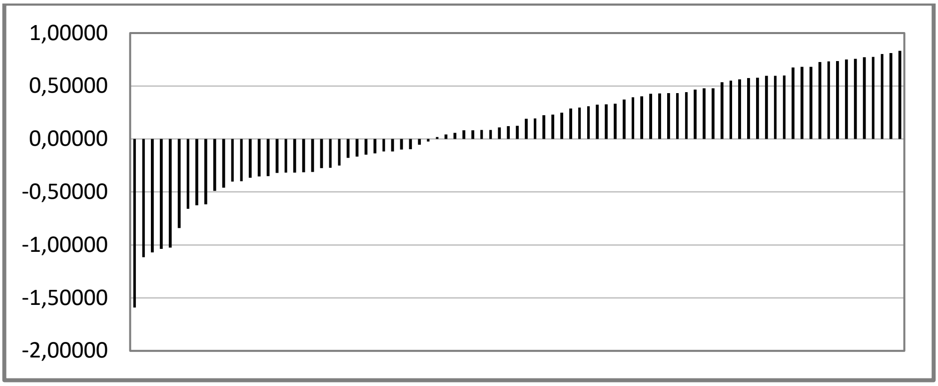
A **Likviditás faktort** pozitívan befolyásolják az abban megjelentetett mutatók kivétel a pénzhányad és a befektetett eszközök aránya, amelyek azzal ellentétesen hatnak, amit úgy lehet interpretálni, hogy a nagyobb érték kedvező adatot jelez, de a kiugróan magas érték már felvet problémákat és részletesebb vizsgálat szükséges az érintett intézmény esetében. A *4. ábra* nem szemlélteti a Petz Aladár Megyei Oktató Kórházat (7,09), az Országos Onkológiai Intézetet (4,09) és a Szent László Kórházat (1,52) a jobb áttekinthetőség érdekében, továbbá ezen kórházak külön vizsgálata is szükséges az említett nagyon magas érték miatt, hogy feltárjuk nem a kiugróan rossz pénzhányad mutató okozza-e esetleg az adatot.



4. ábra: **A 2019. évi beszámolók adataiból képzett likviditás faktor értékek**

Forrás: saját számítás a 2019. évi beszámolók összesített adatai alapján

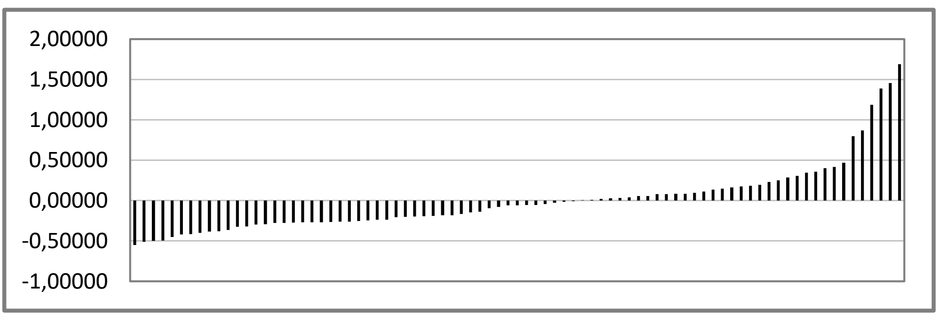
A **Tőkeerősség faktort** mind a három bevont mutató kedvezően befolyásolja és összességében úgy tekintjük, hogy a faktor magasabb értéke jobb tőkeerősségről tanúskodik. Az *5. ábrán* látható a vizsgált intézmények tőkeerősség szerinti rangsorolása a Szent Rókus Kórház kivételével. A kórház helyzete ugyanis a többi intézményhez képest lényegesen rosszabb, a mutató értéke -7,9.



5. ábra: **A 2019. évi beszámolók adataiból képzett tőkeerősség faktor értékek**

Forrás: saját számítás a 2019. évi beszámolók összesített adatai alapján

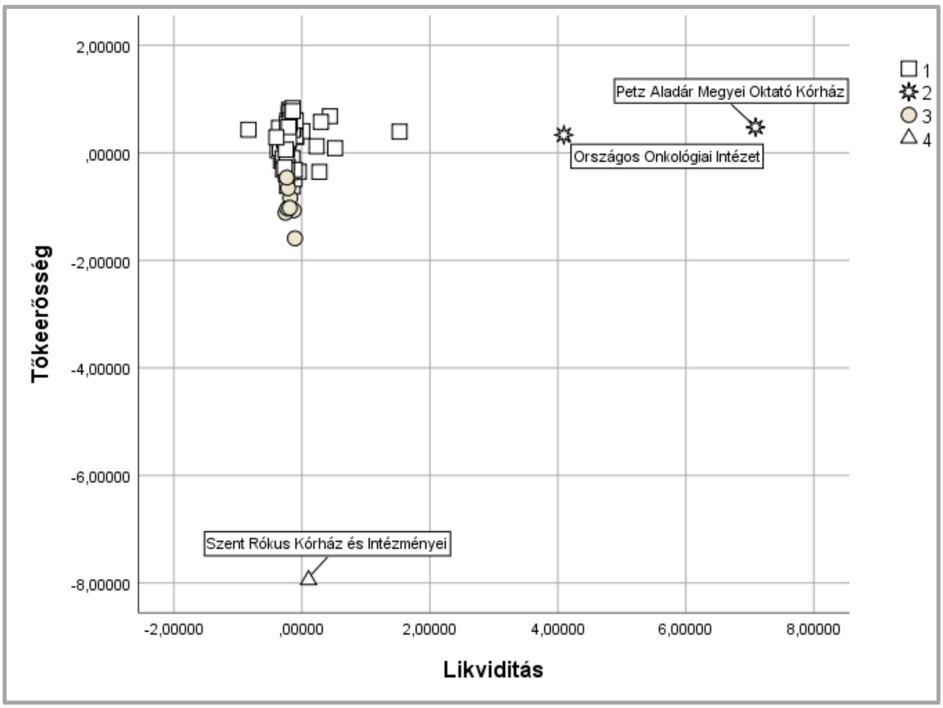
Az **Eladósodottság faktort** a tőkefinanszírozási mutató befolyásolja csak negatív irányba, míg a nettó eladósodottság, a tőkefeszültségi mutató, a nettó adósságállomány és a nettó szállítói adósságállomány pozitív irányba. Összességében a mutató alacsonyabb értéke kedvezőbb helyzetet reprezentál. Szintén nem tüntettem fel az ábrán a Szent Rókus Kórházat, mert az nehezítette volna a *6. ábra* áttekinthetőségét -6,9-es faktorértékével. Hasonlóan a Csongrád Megyei Dr. Bugyi István Kórház 3,86-es értékével és a Nagyatádi Kórház 2,6-es értékével. (A faktor esetében fontos a tőkefinanszírozási mutató áttekintése is, annak kiugróan magas vagy alacsony értéke befolyásolhatja az eladósodottság megítélését az említett ellentétes hatás miatt).



6. ábra: **A 2019. évi beszámolók adataiból képzett eladósodottság faktor értékek**

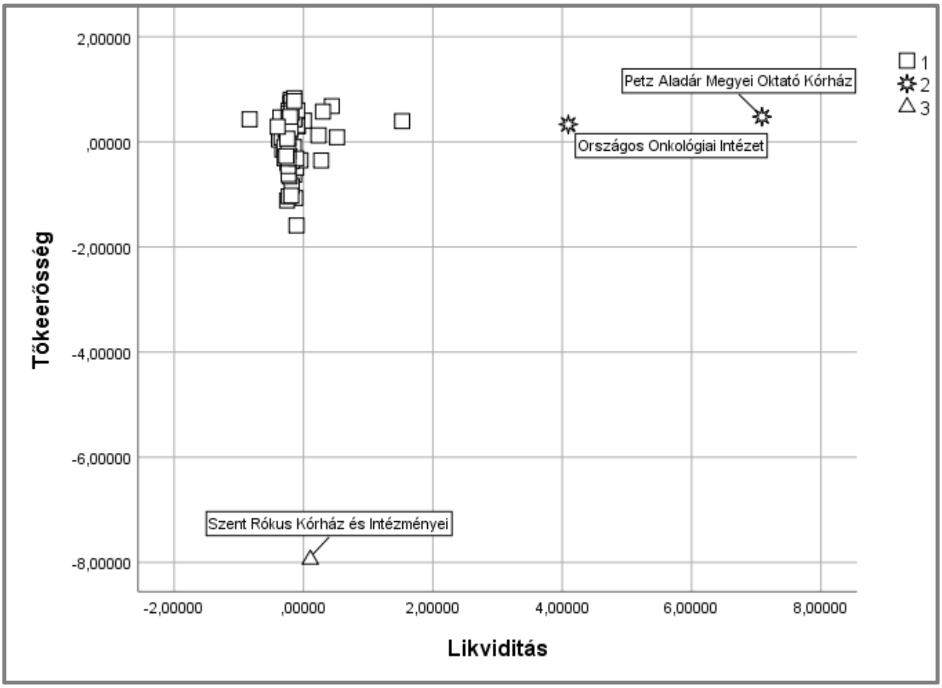
Forrás: saját számítás a 2019. évi beszámolók összesített adatai alapján

A faktorok segítségével klasztereket képeztem, melynek során megvizsgáltam, hogy a kórházak a 2013-as évhez hasonlóan továbbra is négy csoportba sorolhatók-e. Azt tapasztaltam, hogy a Likviditás és a Tőkeerősség együttes vizsgálata során a négyes csoport helyett a hármas klaszterszerkezet megfelelőbbnek bizonyult. Amint az a *7. ábrán* is látható a négyes csoportképzés esetén a négyzettel és körrel jelölt kórházak között nincs éles eltérés, sőt átfedés is látható egy-egy kórház esetében, így őket helyesebb egy klaszterben szerepeltetni. A hármas klaszterszerkezetet a *8. ábra* szemlélteti. Jól látható, hogy a Petz Aladár Megyei Oktató Kórház egy csoportot alkot az Országos Onkológiai Intézettel elkülönülve a többi intézménytől, hasonlóan a hármas klaszterhez, ahol csak a Szent Rókus Kórház és Intézményei található.



7. ábra: **Az egyes klaszterek a likviditás és a tőkeerősség faktorok alapján**

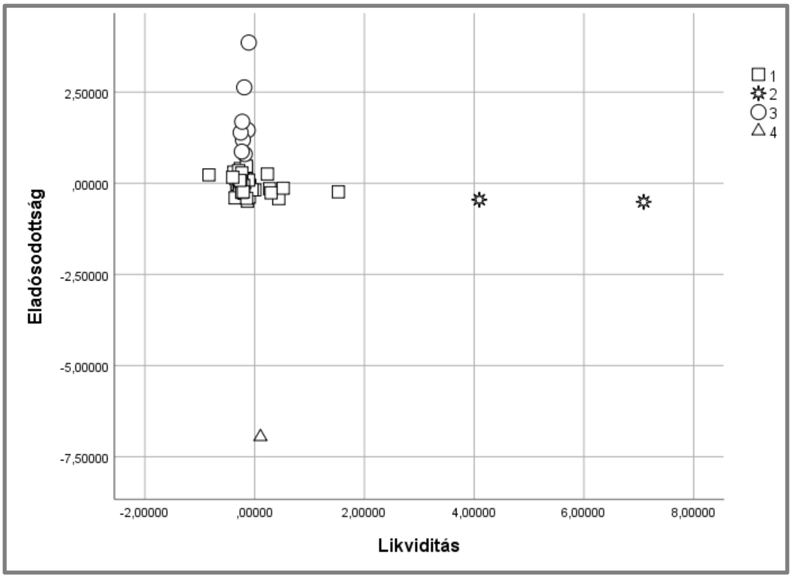
Forrás: saját számítás a 2019. évi beszámolók összesített adatai alapján



8. ábra: **Az egyes klaszterek a likviditás és a tőkeerősség faktorváltozók alapján**

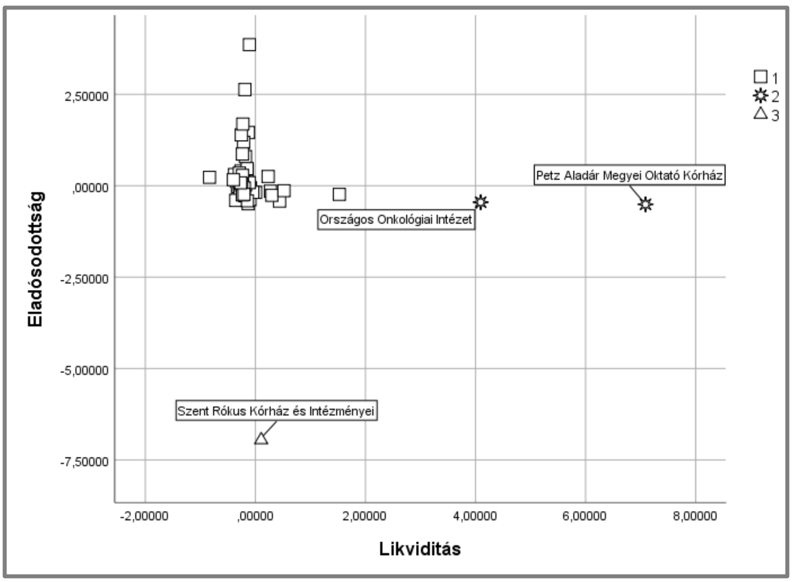
Forrás: saját számítás a 2019. évi beszámolók összesített adatai alapján

Az Eladósodottság és a Likviditás faktorok esetén felmerül a négyes klaszterszerkezet alkalmazásának létjogosultsága. Hiszen azt látjuk, hogy bár közel helyezkednek el a hármas és az egyes klaszter kórházai, még sincs átfedés közöttük és elkülöníthetőek egymástól a csoportok határvonal segítségével, ahogy azt az *9. ábra* is mutatja, szemben a hármas csoportosítással, ahol az első klaszter szemlátomást sokkal homogénebb. Ez utóbbit a *10. ábra* szemlélteti. Tehát külön csoportba kerül a Csongrád Megyei Dr. Bugyi István Kórház, a Nagyatádi Kórház, az Albert Schweitzer Kórház-Rendelőintézet, a Gottsegen György Országos Kardiológiai Intézet, a Csongrád Megyei Egészségügyi Ellátó Központ Hódmezővásárhely-Makó, a Gróf Esterházy Kórház és Rendelőintézeti Szakrendelő és a Szabolcs-Szatmár-Bereg Megyei Kórházak és Egyetemi Oktatókórház.



9. ábra: **Az egyes klaszterek a likviditás és az eladósodottság faktorok alapján**

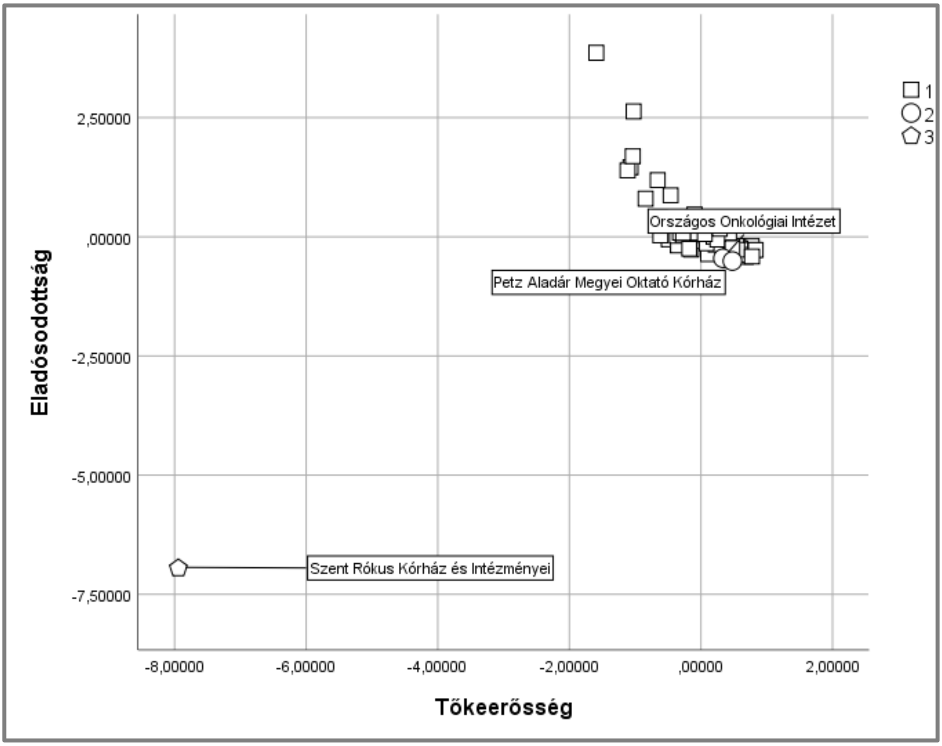
Forrás: saját számítás a 2019. évi beszámolók összesített adatai alapján



10. ábra: **Az egyes klaszterek a likviditás és az eladósodottság faktorok alapján**

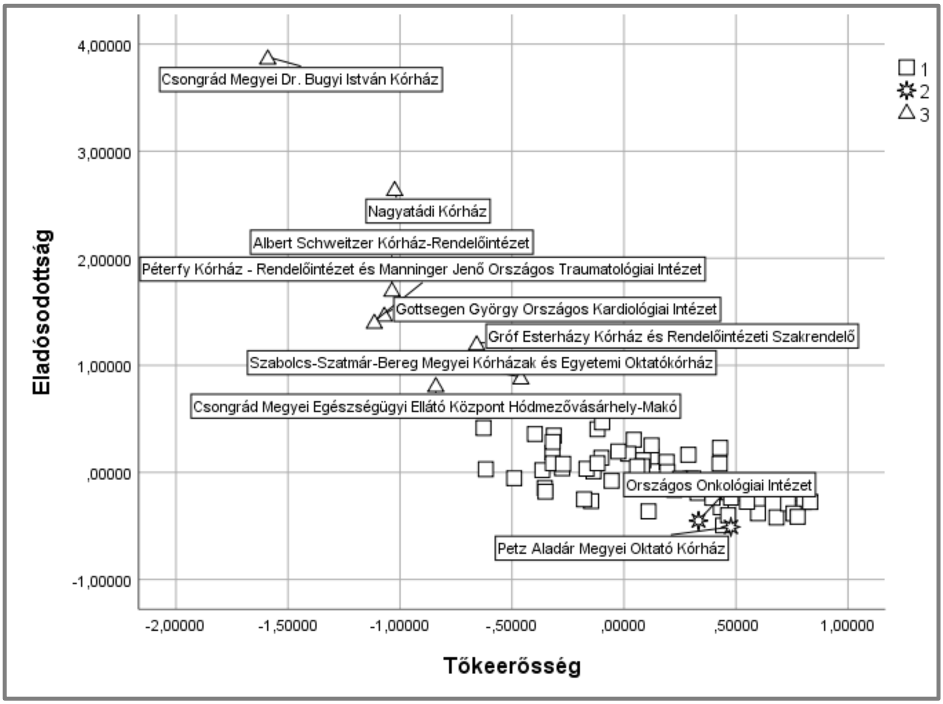
Forrás: saját számítás a 2019. évi beszámolók összesített adatai alapján

Összevetettem a Tőkeerősséget és az Eladósodottságot is, azonban sem a három, sem a négy klaszteres struktúra nem hozott látványos eredményt a Szent Rókus Kórház és Intézmény miatt (*11. és 12. ábra*). Ezért megvizsgáltam, hogy hogyan változna a pontdiagram azok kizárását követően. Amennyiben meghagyjuk a faktorszerkezetet és mind a három faktor alapján képzett klasztereket vesszük alapul, akkor láthatjuk, hogy talán a kettős klaszterszerkezet lenne a megfelelőbb, ugyanis ezúttal az Országos Onkológiai Intézet és a Petz Aladár Megyei Oktató Kórház nem különül el érdemben a többi intézménytől.



11. ábra: **Az egyes klaszterek a tőkeerősség és az eladósodottság faktorok alapján**

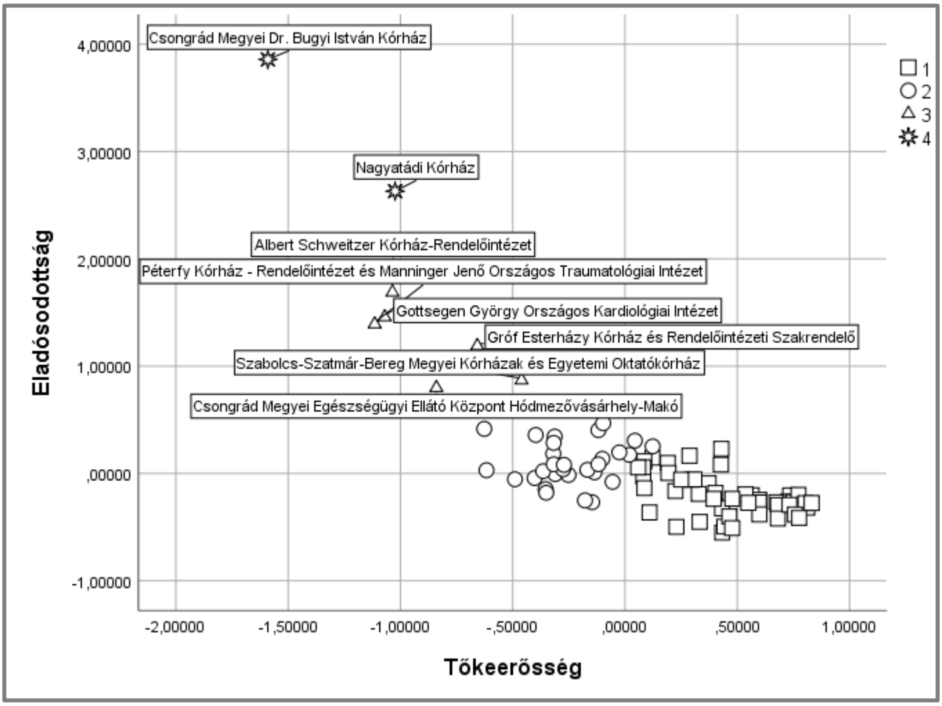
Forrás: saját számítás a 2019. évi beszámolók összesített adatai alapján



12. ábra: **Az egyes klaszterek tőkeerősség és az eladósodottság faktorok alapján**

Forrás: saját számítás a 2019. évi beszámolók összesített adatai alapján

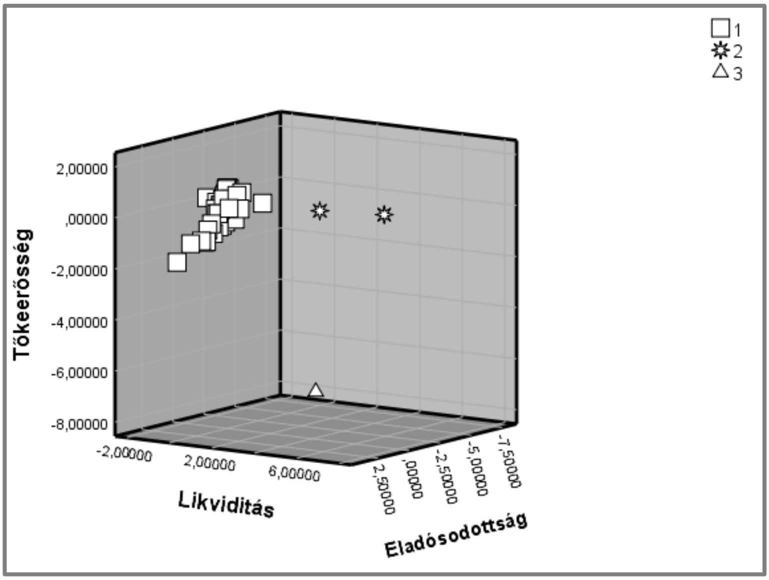
Tovább vizsgáltam a lehetséges klasztereket, csak a tőkeerősséget és az eladósodottságot figyelembe véve megnéztem, milyen új struktúra alakul ki, természetesen továbbra is kizárva a Szent Rókus Kórház és Intézményeit, és így már egyértelműen kirajzolódott a négyklaszteres struktúra, ahogy a *13. ábrán* is látható.



13. ábra: **Az egyes klaszterek a tőkeerősség és az eladósodottság faktorváltozók alapján**

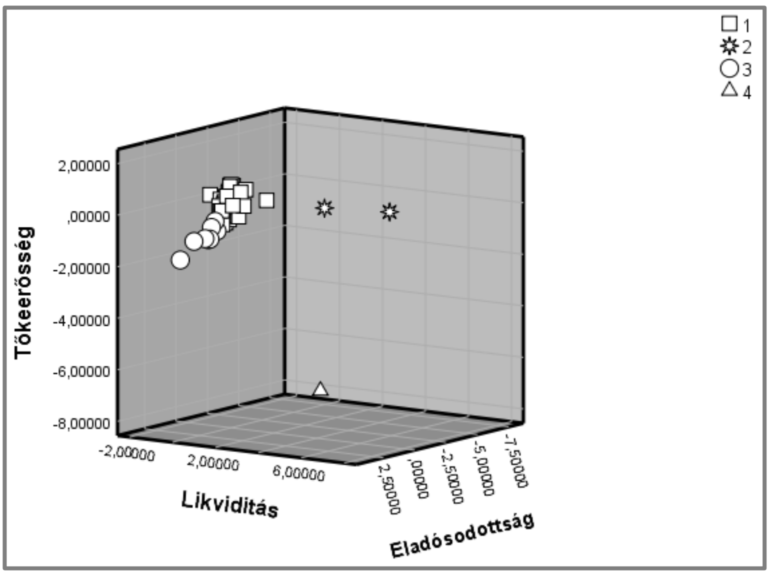
Forrás: saját számítás a 2019. évi beszámolók összesített adatai alapján

Legvégül **az eredeti klasztercsoportok alapján**, háromdimenziós térben ábrázoltam mind a három, mind a négy klaszteres struktúrát, ami tökéletesen kihozta az egymástól eltérő kórházcsoportokat. Ezt szemlélteti a *14. és a 15. ábra*. A csillaggal jelölt kórházak az Országos Onkológiai Intézet és a Petz Aladár Megyei Oktató Kórház. A háromszöggel jelölt a Szent Rókus Kórház és Intézményei. A 15. számú ábrán pedig körrel van jelölve a Gottsegen György Országos Kardiológiai Intézet, a Szabolcs-Szatmár Bereg Megyei Kórházak és Egyetemi Oktatókórház, a Nagyatádi Kórház, a Csongrád Megyei Egészségügyi Ellátó Központ Hódmezővásárhely-Makó és a Csongrád Megyei Dr. Bugyi István Kórház.



14. ábra: **Az egyes klaszterek (3) a tőkeerősség és az eladósodottság faktorváltozók alapján**

Forrás: saját számítás a 2019. évi beszámolók összesített adatai alapján



15. ábra: **Az egyes klaszterek (4) a tőkeerősség és az eladósodottság faktorok alapján**

Forrás: saját számítás a 2019. évi beszámolók összesített adatai alapján

A fentiek alapján azt a következtetést vonhatjuk le, hogy egy-egy intézmény kivételével a teljes szektor azonos gondokkal küzd, úgy mint a nem megfelelő likviditás és az eladósodottság vagy annak fenyegetése. Továbbá megállapítottam, hogy a tőkeerősség is a kórházak több mint felénél alacsony szintű, illetve azon intézmények esetében, ahol pedig megfelelő, ott sem tekinthetjük ezt stabilnak. Ez az alulfinanszírozottság és eladósodottság, ami kihat a bérekre is, felveti annak a kérdését, hogy ki lehet-e zárni a hálapénzt a rendszerből.

A hálapénz

A hálapénz egyéb jogcímen kapott olyan jövedelem, amely után **2020. július 1**-jétől 15,5% szociális hozzájárulási adót kell fizetni, amely a bevétellel szemben költségként számolható el. Valamennyi egészségüggyel foglalkozó kutatás felteszi a kérdést, hogy a hálapénz megjelenik-e az adóbevallásokban adóköteles jövedelemként. Becsülhető-e annak mértéke akkor, ha az többnyire láthatatlan a hivatalok számára. Az egészségügyi ellátórendszer tartalékai kimerültek, szükség lenne az eddig láthatatlan jövedelmek bevonására. Sokan vélik úgy, hogy az orvosi hálapénz tekintélyes része, hasonlóan a más szakmákban jelenlevő láthatatlan jövedelmekhez, elkerüli az adózást. A kutatás egyik kérdése, hogy miként vélekedik a társadalom, az érintett orvosok és a szélesebb közvélemény a hálapénz kérkedéseiről.

7. táblázat: **A hálapénz megítélése az orvosok és a lakosság körében**

	Teljesen	Inkább	Inkább	Egyáltalán	Válaszok száma
	egyetért		nem ért egyet		
A hálapénz adása megnyugtató a beteg számára, mert úgy érzi, ezzel extra figyelmet vásárol magának.					
Orvosok	20%	45%	18%	17%	124
Lakosság	26%	28%	20%	26%	180
Amíg az állam nem fizeti meg orvosait, addig az orvosok joggal fogadják el a hálapénzt.					
Orvosok	53%	26%	12%	9%	124
Lakosság	40%	28%	16%	16%	180
A hálapénz kényelmetlen és megalázó mind az orvosnak, mind a betegnek.					
Orvosok	70%	20%	7%	3%	124
Lakosság	30%	35%	21%	14%	180

Forrás: saját szerkesztés Bognár et al., (2000) alapján, 2020.09.01.–2020.10.15. közötti felmérés összesítés

Kérdőíves kutatásom összeállítása során Bognár és szerzőtársai (2000) forrására támaszkodtam. Az említett szakirodalomban a szerzők számos állítást fogalmaztak meg a hálapénz kérdéskörével kapcsolatban, ezekből választva és az ő interjúalany csoportjaikat alkalmazva készítettem el saját kutatásomat. A 2020.09.01. és 2020.10.15. között 352 db linket küldtem ki 149 egészségügyi szolgáltatónak (orvos) és 203 db a közvéleménynek, akik az egész országban az általam felnőttképzésben 2020-ban országosan oktatott hallgatók köréből került ki. A lefolytatott kérdőíves kutatás során számos válasz érkezett vissza részemre. A *7. táblázatban* jól látható, hogy orvosok tekintetében 124 fő volt a válaszadók száma, míg a lakosság vonatkozásában ez 180 fő töltötte ki a kérdőívet, amely 86,36%-os kitöltési arány kimagaslónak mondható.

A hálapénz megítélésével kapcsolatban 3 állítás vonatkozásában az egyetértés mértékére voltam kíváncsi:

- a hálapénz adása megnyugtató a beteg számára, mert úgy érzi ezzel extra figyelmet vásárol magának;
- amíg az állam nem fizeti meg orvosait, addig az orvosok joggal fogadják el a hálapénzt;
- a hálapénz kényelmetlen és megalázó mind az orvosnak, mind a betegnek.

A hálapénz megnyugtató hatásával kapcsolatban teljes az egyetértés az orvosok és a lakosság között a kérdőív során visszaérkezett válaszok alapján abban, hogy megnyugvást jelent a hálapénz, mert nagyobb mértékű törődésre, fokozottabb odafigyelésre számítanak általa. A lakosság több, mint fele (54%) nyilatkozott úgy, hogy teljes mértékben vagy inkább egyetért az állítás helyességével, az orvosok körében ez még magasabb arányban történt meg, az orvosok 65%-a szerint helyes az állítás. Az „amíg az állam nem fizeti meg orvosait, addig az orvosok joggal fogadják el a hálapénzt" megfogalmazott állítás tekintetében elmondható, hogy az orvosok több, mint fele, tehát a megkérdezett 124 fő orvos közül 65 fő értett egyet azzal, hogy joggal fogadja el egy orvos a hálapénzt, mert a fizetése nem megfelelő mértékű. A lakosság körében a teljes mértékben való egyetértés kicsit alacsonyabb szintű, de a megkérdezettek köre szintén nagy arányban, 180-ból 72 fő (40%) úgy gondolkodik, hogy az orvosi munkabér nem elégséges, így jogos a hálapénz elfogadása. Az orvosok 9%-a, a lakosságnak pedig 16%-a véli úgy, hogy egyáltalán nem ért egyet azzal, hogy a hálapénz indokolt az alacsony fizetések miatt.

A hálapénz által kiváltott érzelmek mindenkiben mások, viszont sokan érzik azt, mint ahogy a kutatás során kapott válaszok is igazolják, hogy megalázó és egyben kényelmetlen is hálából pénzt adni egy orvosnak. Az orvosok rendkívül magas százaléka (70%) ért teljesen egyet vele, hogy a hálapénz intézménye megaláztatással jár együtt. A 180 fő lakosság körében megkérdezett személy 65%-a ért teljesen vagy inkább egyet azzal, hogy a hálapénz kényelmetlen számára és az orvosok számára is. Jól látszik ezekből az adatokból, hogy mind a lakosság, mind az orvosok inkább egy kötelező rosszként tekintenek a hálapénzre.

A magyar kormány elismerte, hogy a magyar orvosok helytállásának is köszönhető, hogy Magyarország sikeresen küzdött meg a koronavírus-világjárvánnyal, ugyanakkor az egészségügyi rendszer kiadásának és lehetséges forrás összetételének megváltoztatásáról döntött a béremelésre és a hálapénz megszüntetésére vonatkozó törvény elfogadásával.

Az egészségügyi szolgálati jogviszonyról szóló 2020. évi C. törvény szerint

- csak egészségügyi szolgálati jogviszony keretében lehet egészségügyi tevékenységet és az egészségügyi szolgáltató működőképességének, illetve az egészségügyi szolgáltatások üzemeltetésének biztosítására irányuló tevékenységet végezni;
- az egészségügyi szolgáltató működőképességének, illetve az egészségügyi szolgáltatások üzemeltetésének biztosítására irányuló tevékenységek szabályait a Kormány rendeletben határozza meg.

8. táblázat: **Egészségügyi bruttó bérek szélső értékei a felsőfokú végzettségűekre (Ft)**

Szolgálati idő	Bér	Minimum	Maximum
2021. január 1-jétől			
0-2 év	481 486	385189	577 783
41 év felett	1 666 040	1 332 832	1 999 248
2022. január 1-jétől			
0-2 év	619 053	495 242	742 864
41 év felett	2 142 051	1 713 641	2 570 461
2023. január 1-jétől			
0-2 év	687 837	550 270	825 404
41 év felett	2 380 057	1 904 046	2 856 068

Forrás: 13 174. sz. törvényjavaslat, Azénpénzem.hu számítás, Lenkei (2020)

Összegzés

Az egészségügyi ellátórendszernek további tartalékai a jelenlegi struktúrában nincsenek, az egészségügyi intézmények jelentős mértékben eladósodtak. Az intézmények közül azok kevésbé tőkeerősek és jobban eladósodottak, amelyeknél a sürgősségi és baleseti ellátás igénybevétele az adott körzetben a legnagyobb. A klaszter- és a faktoranalízis módszertana alkalmas arra, hogy feltárjuk a jelentős eltéréseket, összefüggéseket keressünk az eladósodottság, a tőkeerősség és a likviditás között. A magánegészségügyi rendszerben igénybe vett szolgáltatások köre évről évre 5-6 százalékkal bővül, amelynek mértéke lassan eléri az 1.000 milliárd forintot.

A magánegészségügyi rendszer jelentős térnyerését mutatja, hogy Lantos (2018) számítása szerint a magánkiadás mértéke 2015-ben 847 milliárd forint volt.

A hálapénz törvény általi megszüntetésével egyrészt vélhetőleg több forrás áramlik az állami költségvetésbe, másrészt a közszférában dolgozó egészségügyi szakemberek jövedelme néhány év alatt megközelíti a magán egészségügyi szférában dolgozókét. A jövedelemnövekedés következménye a humánerőforrás megtartó erő mellett a szolgáltatási színvonalának emelkedése is lehet.

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Az egészségügyi szolgálati jogviszonyról szóló 2020. évi C. törvény

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Current Controlling Challenges in Small and Medium-sized Companies on the Specific Example of Falling Profits and Accurate Sales Planning in a Family Business

Moser, Martin A.[1]

ABSTRACT: The globalization of the markets is not only a challenge for large companies. Small and medium-sized companies are also becoming more involved in new markets more than assumed and statistically recorded. They are required to position themselves more strongly on foreign markets due to increased competitive pressure, insufficient potential on the domestic market and narrower fields of market activity. Small and medium-sized companies are only exposed to minimal obligations under commercial law. This is due to their size, the organizational form and the lack of reference to the capital market. Since the annual balance sheet is often created with the aim of tax directives, there is only limited adequate reflection on the business profitability of the organization. A detailed internal cost accounting only exists in exceptional cases and cost monitoring is only carried out on the basis of historical data and not on a planned cost basis. This paper deals with a concrete practical question from the topic of controlling and the analysis of an existing company based on the organization's financial documents. On the basis of the results and statements available, the objective of this paper is to develop recommendations for action for the supervisory board and then to discuss and evaluate them accordingly.

KEYWORDS: Budget planning, Controlling, Small and Medium-sized Businesses (SME)

JEL CODES: F60, F63, F65

Introduction and objectives

In view of the current far-reaching changes, controlling is confronted with a multitude of challenges. These developments not only change the role of the controller significantly, but also have a major impact on small and medium-sized enterprises (SMEs) and family businesses, which are of central importance for economic development. The effects of digitization

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on controlling not only change the range of tasks and the competence profile of the controller. The increased use of business intelligence leads to serious redesigns, for example in cost management or in the use of ERP (Enterprise Resource Planning) systems (Feldbauer-Durstmueller–Mayr, 2019, p. 1).

The globalization of the markets is not only a challenge for large companies. Small and medium-sized companies are also becoming more involved in new markets more than assumed and statistically recorded. They are required to position themselves more strongly on foreign markets due to increased competitive pressure, insufficient potential on the domestic market and narrower fields of market activity (Behringer, 2018, pp. 3-5). The professionalization of a controlling toolkit in family businesses is primarily opposed to the goal of maintaining long-term control of the owner family, although controlling can make a decisive contribution to the continued existence of the company across generations. Controlling is an important factor for a successful turnaround, especially during corporate crises as described and analyzed in this paper (Feldbauer-Durstmueller–Mayr, 2019, p. 5).

Small and medium-sized companies are only exposed to minimal obligations under commercial law. This is due to their size, the organizational form and the lack of reference to the capital market. Since the annual balance sheet is often created with the aim of tax directives, there is only limited adequate reflection on the business profitability of the organization. A detailed internal cost accounting only exists in exceptional cases and cost monitoring is only carried out on the basis of historical data and not on a planned cost basis (Ihlau–Duscha, 2019, pp. 8-10).

On the methodical basis of a case study and the elaboration of future scenarios, this paper deals with a concrete practical question and example from the topic of controlling. Based on the results and statements available and described in the "practical background" chapter, the objectives of this paper are to analyze the exemplary company and develop recommendations for action for the supervisory board and then to discuss and evaluate them accordingly in the "conclusions" chapter. This serves to show, using the example of the respective company, how such and similar controlling challenges can be approached in order to solve them accordingly.

Practical background

This paper deals with a concrete practical question from the topic of controlling. Small, autonomous snow clearing vehicles and mowing tractors in modular design are manufactured by a family company in the legal form of a Ltd. (GmbH). The products are available in a total of five different versions. The sales for 2016, as well as the list price and the number of units sold for the individual products in this year can be seen in table 1.

Table 1: **Turnover 2016**

	List price	**Number of items sold 2016**	**Of which for winter operation**	**Surcharge for winter operation**	**Turnover 2016**
Trac SW01	€ 4,990.00	115	105	€ 350.00	€ 610,600.00
Trac SW02	€ 4,390.00	95	95	€ 320.00	€ 447,450.00
Trac SW03	€ 3,890.00	150	115	€ 290.00	€ 616,850.00
Trac SW04	€ 3,590.00	160	45	€ 290.00	€ 587,450.00
Trac SW05	€ 2,990.00	210	0	€ 290.00	€ 627,900.00
					€ 2,890,250.00

Source: Author's table

The management recognizes the falling profits of the company and looks for an appropriate solution. The management thinks that it can find the solution in foreign business in Scandinavian countries (Norway, Sweden and Denmark), where the need for smaller vehicles for snow removal is very high. For this reason, marketing began on a trial basis in 2017. However, in order to be able to guarantee the readiness for delivery, a storage room had to be leased. Furthermore, separate commissions had to be paid for agents based in Scandinavia. Due to the need for pre-production, the use of materials was also higher.

Careful sales planning was carried out for 2018 (see *table 2*). As a result of the interest in buying, assuming readiness to deliver and product quality is given, an annual average growth of around 10% is expected over the next three years. To do this, however, a suitable, improved sales organization must be established. No growth is expected in the domestic market, which is why it is viewed as largely saturated. Rather, it is already good if the numbers can be maintained.

Table 2: **Sales planning 2018**

	List price	Number of items sold 2016	Of which for winter operation	Surcharge for winter operation	Turnover 2016
Trac SW01	€ 5,490.00	35	35	€ 390.00	€ 205,800.00
Trac SW02	€ 5,190.00	30	30	€ 360.00	€ 166,500.00
Trac SW03	€ 4,890.00	38	38	€ 310.00	€ 197,600.00
Trac SW04	€ 4,290.00	20	20	€ 290.00	€ 91,600.00
Trac SW05	€ 2,990.00	0	0	€ 290.00	-
					€ 661,500.00

Source: Author's table

As it can be seen in *table 2* for the planned sales for 2018, higher prices can be achieved in Scandinavia. In addition, the income statements for the last three years (2015 to 2017) shown in *table 3*, as well as the plan and the half-year results for the current financial year (2018) are available.

Table 3: **Profit and loss accounts for 2015 to 2017**

Account	Description	Var.	Actual 2015	Actual 2016	Actual 2017	Budget 2018	Actual 1st half 2018
4000	Sales	100%	€ 2,510,900.00	€ 2,890,250.00	€ 3,125,000.00	€ 3,551,750.00	€ 2,015,600.00
4100	Sales deductions (commissions)	100%	€ 250,000.00	€ 315,000.00	€ 850,000.00	€ 700,000.00	€ 336,000.00
-	**Operating performance**	-	**€ 2,260,900.00**	**€ 2,575,250.00**	**€ 2,275,000.00**	**€ 2,851,750.00**	**€ 1,679,600.00**
5000	Use of materials	100%	€ 954,142.00	€ 1,098,295.00	€ 1,187,500.00	€ 1,295,600.00	€ 608,932.00
5100	Total auxiliary and operating materials	100%	€ 213,426.50	€ 245,671.25	€ 265,625.00	€ 285,100.00	€ 133,997.00
-	**Gross profit**	-	**€ 1,093,331.50**	**€ 1,231,283.75**	**€ 821,875.00**	**€ 1,271,050.00**	**€ 936,671.00**
6000	Wages and non-wage costs	80%	€ 652,834.00	€ 751,465.00	€ 812,500.00	€ 856,500.00	€ 393,990.00
6200	Salaries and ancillary salaries	0%	€ 251,090.00	€ 289,025.00	€ 312,500.00	€ 315,000.00	€ 156,000.00
-	**Contribution margin I**	-	**€ 189,407.50**	**€ 190,793.75**	**- € 303,125.00**	**€ 99,550.00**	**€ 386,681.00**
7010	Depreciation	0%	€ 31,250.00	€ 31,250.00	€ 31,250.00	€ 35,000.00	-
7750	Legal and advisory expenses	50%	€ 6,000.00	€ 6,500.00	€ 12,000.00	€ 15,000.00	€ 5,400.00
7380	Telephone / mail	80%	€ 10,000.00	€ 9,000.00	€ 9,500.00	€ 9,000.00	€ 4,650.00
7700	Insurance	0%	€ 32,500.00	€ 32,500.00	€ 32,500.00	€ 34,000.00	-
7400	Rent / lease	0%	€ 32,000.00	€ 35,000.00	€ 61,200.00	€ 60,000.00	-
7700	Marketing	100%	€ 25,000.00	€ 25,000.00	€ 50,000.00	€ 60,000.00	€ 32,000.00
7200	Maintenance	95%	€ 22,000.00	€ 23,500.00	€ 22,400.00	€ 40,000.00	€ 21,000.00
7300	Outbound freight	85%	€ 45,000.00	€ 48,000.00	€ 56,000.00	€ 60,000.00	€ 26,500.00
7600	Other effort	95%	€ 25,000.00	€ 24,000.00	€ 24,500.00	€ 22,000.00	€ 12,000.00
-	**Profit of common business operation**	-	**- € 39,342.50**	**- € 43,956.25**	**- € 602,475.00**	**- € 235,450.00**	**€ 285,131.00**

Source: Author's table

The task describes the inclusion of a new controller in the company. This was set up as a staff unit for the management. So far, the topic of controlling has not had a high priority in the family business. Up until now, the management had hardly any documents or figures on the course of business that had to be provided by the accounting department. The decision to serve the Scandinavian market was made by the CEO before the new controller joined the company. The operating result deteriorated enormously in 2017, so that the Supervisory Board decided to examine this accordingly. The plan for 2018 has already been drawn up by the management in cooperation with the new controller. The expected values can be endorsed by the local representatives.

Based on the results and statements available, the objective of this paper is to develop recommendations for action for the supervisory board and then to discuss and evaluate them accordingly. Furthermore it describes how this task is processed according to scientific criteria and which ways to solve the problem the controller will present to the supervisory board together with the management and which difficulties the family business will likely have to overcome.

Theoretical background

Definition of terms and company description

The task describes a family company in the organizational form of a Ltd. (GmbH), in which the controlling has not been given great importance and so far only a few figures on the course of business of the management are available. The following definitions and recommendations serve to integrate the company with regard to the subsequent consideration of the other relevant aspects and special features.

According to the Austrian Chamber of Commerce (WKO) and the recommendation of the EU Commission, micro-enterprises are companies with up to 9 employees or a turnover of up to 2 million euros per year. Small companies, on the other hand, have a number of employees of up to 49 or an annual turnover of up to 10 million euros as criteria. Medium-sized companies are companies with up to 249 employees or an annual turnover of up to 50 million euros. From 250 employees or an annual turnover in excess of 50 million euros, one speaks of so-called large companies (Source: https://www.wko.at/service/zahlen-daten-fotos/KMU-definition.html/ [retrieved on: 05/08/2020]).

In the following, the qualitative aspects of SMEs (small and medium-sized enterprises) are described, which reflect the deviations from large companies. A differentiation through the organizational form or the ownership structure is not suitable. However, the qualitative characteristics shown in figure 1 influence the value and are relevant to the assessment. There is a relationship of dependency between buyers and suppliers, and changes in buying interests and competitors have a major impact on the development of the organization. SMEs are exposed to a large operational business risk (Ihlau–Barth, 2016, pp. 1068-1069).

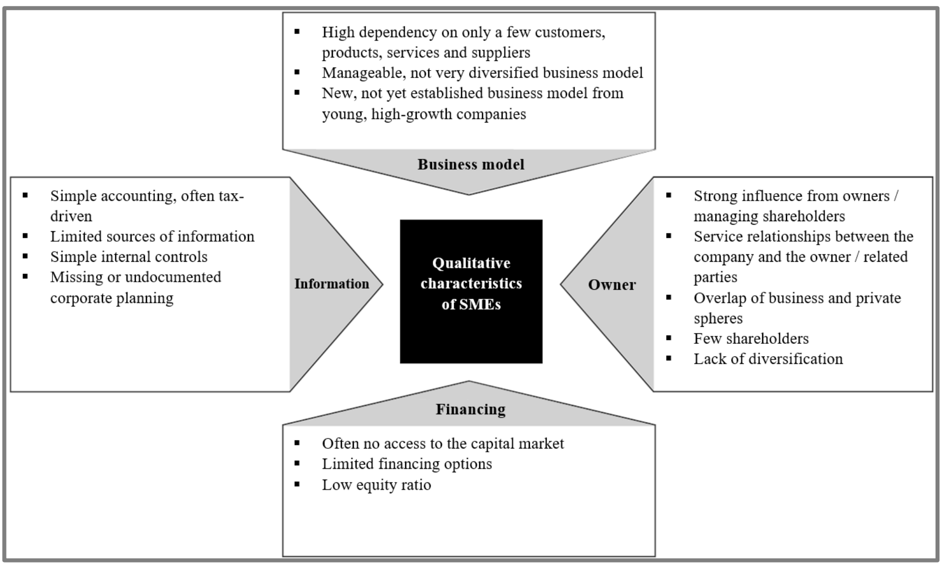

Figure 1: **Qualitative characteristics of SMEs**

Source: Ihlau-Duscha, 2019, p. 5

Small and medium-sized companies are only exposed to minimal obligations under commercial law. This is due to their size, the organizational form and the lack of reference to the capital market. Since the annual balance sheet is often created with the aim of tax directives, there is only limited adequate reflection on the business profitability of the organization (Küting–Weber, 2015, p. 226). A detailed internal cost accounting only exists in exceptional cases and cost monitoring is only carried out on the basis of historical data and not on a planned cost basis. Furthermore, there is no planning system as well as partial and overall plans or they are implemented and documented with gaps (Zieger–Schütte-Biastoch, 2008, p. 592). Data on the intended development of the company is only available to a limited extent (Ihlau–Duscha, 2019, p. 7).

Tractor Mower Ltd. (fictitious name) is an independent family company founded in 1926 and is one of the most renowned commercial enterprises in Austria. As a quality company, it is a leading manufacturer of self-propelled snow clearing vehicles and mowing tractors. It stands for pronounced customer orientation, versatility and high quality requirements. As a reliable partner, it convinces its customers with experience, in-depth specialist knowledge, high quality in all areas and the ability to react quickly to individual requirements. Based on the existing sales figures, the company is assigned to the "small business" category. It was assumed that the number of employees is less than 50.

Importance of controlling in SMEs

The globalization of the markets is not only a challenge for large companies. Small and medium-sized companies are also becoming more involved in new markets, as in the present case in the Scandinavian region, more than assumed and statistically recorded. They are required to position themselves more strongly on foreign markets due to increased competitive pressure, insufficient potential on the domestic market (as the stagnating or deteriorating earnings from the business figures for 2015 and 2016 show) and narrower fields of market activity (Feldmeier et al., 2015, p. 5). Small industrial companies, like Tractor Mower Ltd., are forced to constantly adapt to new requirements due to global production chains, short delivery times and growing market dynamics. The measurability of production and logistics is confronted with new challenges through a process-oriented alignment of the supply chain (Gottmann, 2019, p. V).

Controlling describes a concept of control that includes various functions, with the main task of success-oriented coordination of preparation and review as well as the supply of information (Horsch, 2015, p. 20). Controlling must be a fixed element of any management, regardless of the industry and size of the company (Erk, 2018, p. VIII). The study of information for planning organizational decisions is insufficiently carried out in small businesses. This is also the case with Tractor Mower Ltd.. As mentioned in the previous chapter on the definition of terms and company description, the focus is on the quality of the service provision. 20 to 30 years ago this was not a problem, because the company was located in a sellers' market in which there was a significantly higher demand compared to the existing offers. The increasing market saturation led to a change from sellers' markets to buyers' markets and was a driver of modern globalization (Zirkler et al., 2019, p. V).

Nowadays, controlling is absolutely necessary in a buyer's market, as customers can choose between different producers and profit margins fall as a result (Schmid-Gundram, 2020, pp. 1-2). From an economic point of view, Tractor Mower Ltd. can only be profitable, if the figures are known, the costs are under control and business plans are based on economic facts (Reichmann et al., 2017, p. 19). Until recently, this was only partially the case, as a controller was only accepted as a staff position for the management in 2017 and the management was only given very little information about the course of business. In small companies, the controller function is often performed by the management itself. In the case of medium-sized organizations and large companies, on the other hand, controlling is carried out by their own offices or departments (Horsch, 2015, p. 21). SMEs often completely avoid conventional controlling due to the sometimes complex data basis from bookkeeping, accounting and time records (Erk, 2018, p. VII).

Controlling at Tractor Mower Ltd. must provide facts and predictions that enable the managing director or supervisory board to react to company-specific developments and requirements, such as expansion into Scandinavian countries or stagnating or increasingly poor results and as a result to be able to ensure an effective and sustained development of the organization. The controller must focus on the day-to-day operations on the one hand and the strategic management of the company on the other hand and know the validity for internal decision-makers and external interest groups (Horvàth et al., 2015, p. 58). The controller must contribute to ensuring the rationality of the management task by providing quantitative and management-relevant information (Taschner, 2013, p. 30).

Tractor Mower Ltd. can only be managed successfully again in the long term through secure and justified and not through indiscriminate decisions by the management. The management must ensure a meaningful and informative controlling system in the company, develop appropriate studies from it and use it as a basis for strategic decisions (Reichmann, 1997, p. 13). The decision to include a controller in the company was already the first step in this direction. A comprehensive, system-supported management information system is not (yet) required in this specific example.

The managing director and the newly hired controller have to look through the current company situation and the falling results of normal business activities from 2015 to 2017 in order to be able to initiate essential strategic steps, which are described in the practical second part of this scientific work. A forecast or a plan for the next 12 months, i.e. the year 2018, has already been submitted. The 2018 plan is used to be able to make short- and medium-term choices (e.g. investment or personnel decisions). Another task is the expectation for the next three financial years (multi-year planning), which was also worked out in the practical part and controls the long-term strategic direction of Tractor Mower Ltd. Controlling is therefore a prerequisite for the strategic management of the company, which, on the other hand, is the basis for the efficient and effective development of the company (Preissler, 2014, p. 2).

In addition to the general need for strategic management of Tractor Mower Ltd., an exclusive focus on the direct provision of services by the organization is not sufficient. Increased competition in the manufacture and sale of self-propelled snow clearing vehicles and mowing tractors, as well as high personnel and material costs, especially in the domestic market compared to the Scandinavian market, lead to reduced income and require a comprehensive economic focus in all areas. Operational controlling must enable the management to understand the structure of the costs in their area of responsibility, to determine the respective cost drivers and to identify increases in costs as early as possible. This is used to initiate essential cost saving measures (Zirkler et al., 2019, p. 24). Furthermore, the effectiveness of the service provision must be continuously assessed in order to be able to manage employees and organize the company's resources. In addition, the operational success of the organization (e.g. customer satisfaction, adherence to deadlines, etc.) must be assessed in order to be able to predict the subsequent success of the company caused by its own performance and to be able to define and introduce appropriate alternatives early enough. The management of Tractor Mower Ltd. must be familiar with the sizes required by the business through a suitable reporting system and disseminate and communicate them accordingly as operational goals. In this way, the economic impact can be assessed and active participation in the success of the company can be ensured (Schmid-Gundram, 2020, pp. 4-5).

Requirements for controlling in SMEs

The controller of Tractor Mower Ltd. has the task of providing information that enables the managing director and the supervisory board to make sensible decisions for a productive and effective development of the organization. It is therefore an essential goal of controlling to pass on knowledge about the organization and thereby provide a corresponding basis for strategic decisions.

The main tasks of controlling in the present case are therefore the processing of current data and documents from the accounting department so that they can be recorded quickly and easily, as well as a comparison, in particular with regard to the previous years (2015 to 2017) and the planning for 2018 so that development processes and trends can be identified (Goodman, 1975, pp. 17-20). Another task is the assessment of the future development of the company by means of a corresponding forecast, as well as the planning for the coming financial years, so that probable possibilities and dangers in strategic decisions can be considered and evaluated. This results in different requirements, such as transparency, detailing, availability, visualization, accuracy and a corresponding future orientation of the data (Fiedler, 2016, pp. 8-12).

The resource information is not required in a homogeneous form, but has to be adapted to each user and his or her individual information needs (Taschner, 2013, p. 29). An essential prerequisite is the regular revision of all data with the least possible time delay between their occurrence and the subsequent mapping by the controller. In principle, for small businesses such as Tractor Mower Ltd., a monthly revision as part of the preparation of the monthly financial statements is appropriate. In this specific example, however, the requirement must also apply to have the controlling evaluations as quickly as possible after the end of the month in order to receive at least a partial update during the month if necessary (Schmid-Gundram, 2020, p. 8).

Apart from the continuous, fast and, at best, daily provision of the controlling system, transparency and accuracy of the same also play an essential role. In this context, “transparency” means that the origin of the information must be understandable at all times and the extent of the key figures must be clearly identifiable (Nahrstedt, 2019, pp. 73-74).

The future-oriented orientation is another essential requirement of the controller. The focus must be on further business development. This is done by means of a planning calculation, which is indispensable for every controlling, which is done by extrapolation and the constant forecast, i.e. a review of the planning calculation on the basis of the specific company development during the given planning period (Langmann, 2019, pp. 20-21).

The option of detailing certain data from the controlling system is another requirement of the controller, because understanding and analyzing figures and business developments are central tasks of controlling. However, this can only be achieved if the relevant details are assessed and, consequently, the triggers and conditions for the emergence of different values can be examined (Schmid-Gundram, 2020, p. 11).

Controlling systems in SMEs

A controlling system based on Microsoft Excel is sufficient for Tractor Mower Ltd. The scope of the controlling system is determined by the controller in relation to the size of the organization (< 50 employees), the industry (production and sale of small self-propelled snow clearing vehicles and modular mower tractors in five different variants) and the current company situation (expansion into Scandinavian countries). The dimension of the controlling system is selected in terms of depth or breadth of the information.

Figure 2 makes it clear that the depth of information determines the extent to which the requirements for the controller can be met. The breadth of the information, on the other hand, determines how coordinated the system is and consequently does justice to its forward-looking and operational character (Schmid-Gundram, 2020, p. 13).

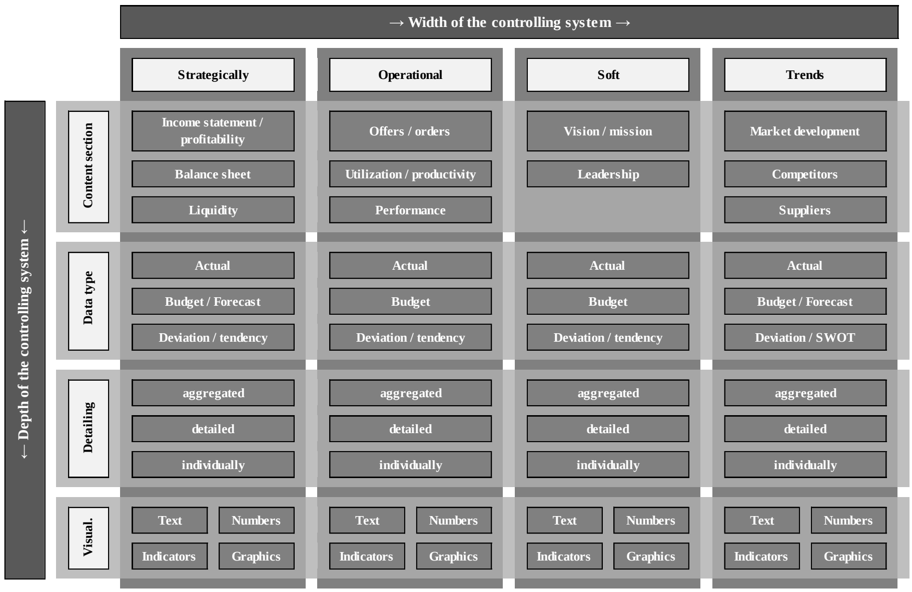

Figure 2: **Scope of controlling systems**

Source: Schmid-Gundram, 2020, p. 14

The representation of pure business figures as the scope of the controlling system is not sufficient regardless of the size of the company. Every company must at least implement a simplified controlling system with planning calculations and deviation analysis. For small businesses, a minimum amount of information is sufficient (selected base values and key figures including budget figures and monthly variance analysis) and information breadth (income statement, balance sheet, liquidity, data on offers or orders, information on productivity and capacity utilization, market development, etc.). The reporting system must be kept brief and clear (Schmid-Gundram, 2020, pp. 14-15).

For small companies like Tractor Mower Ltd., the usually necessary dimension of a controlling system increases. This is visualized in *figure 3*.

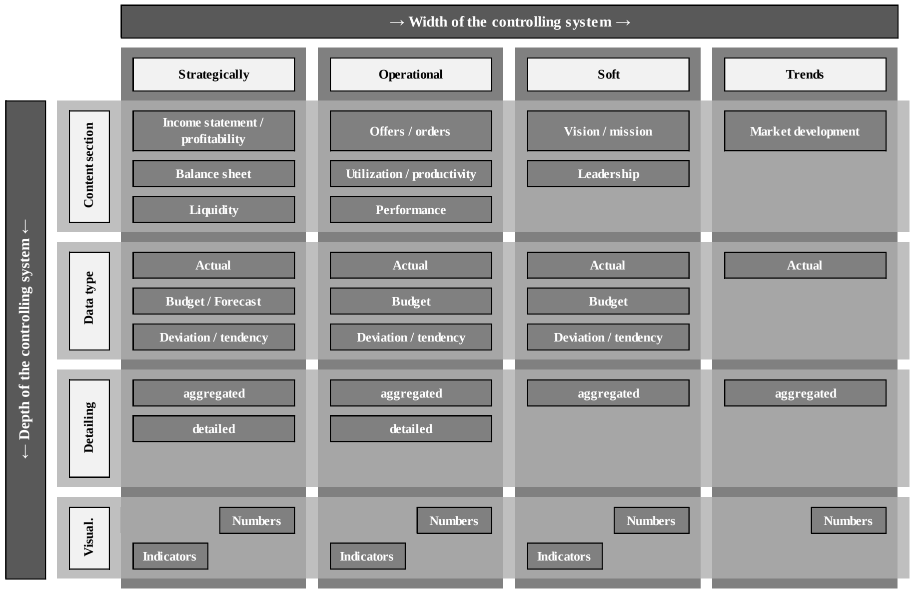

Figure 3: **Scope of a controlling system for small businesses**

Source: Schmid-Gundram, 2020, p. 16

The reporting system contains an overview of the most relevant data, trends and further developments with different types of presentation and is expanded accordingly by means of detailed studies in terms of productivity, results and solvency (Nagl, 2018, p. 122). In addition to what is already necessary for small organizations, medium-sized companies must also observe the requirements for accuracy, presentation and orientation towards the future (Schmid-Gundram, 2020, p. 16).

The main task of reporting is to depict the available data clearly and in different variants and to offer refinements, such as a concentrated illustration as a balanced scorecard (BSC) as well as detailed reports on differences and trends (Nagl, 2018, p. 48).

In the manufacturing industry in which Tractor Mower Ltd. is located, key figures for production and organizational processes must be given exceptional attention in the controlling system. This includes, for example, the acquisition and evaluation of machine data. In a manufacturing organization, certain tactical values and key figures, operational data with a focus on sales and production, soft influences (e.g. fluctuation, management of employees) and tendencies are equally relevant and must therefore also be mapped with the same contributions in reporting (Schmid-Gundram, 2020, p. 19).

The prevailing organizational situation also sets standards for the extent and focus of the controlling system. In this specific case, the company is expanding into Scandinavia. The focus of growth is, for example, on investments, on the one hand in additional employees and on the other hand in machines. Therefore, in this case, exact control of costs and detailed planning are equally relevant. In addition, the focus must also be on a targeted view of the operational data and parameters, so that the availability of resources and consequently the ability to deliver as well as customer satisfaction can be ensured. If the result is temporarily insufficient and acceptable or if there is no increase, as was largely the case at Tractor Mower Ltd. in the years 2015 to 2017, additional focal points can be defined in the reporting at any time. In any case, the controlling system has to be adapted in a crisis, which in the present case was done by adding a controller to the company, since there was no controlling system before. The focus must be on the tactical and operational reasons for the crisis situation (Behringer, 2018, pp. 14-15).

In contrast to the size of the organization, the economic sector and the situation, the users are not assigned any significant importance with regard to the extent and orientation of the controlling system. This is only relevant with regard to the adjustment or the focus of the reporting. A user-specific adaptation of the reporting system is, however, absolutely necessary in order to take into account and cover the various statements for the respective users or their requirements. For executives and the management, the essence of the reporting system must be an overview of around one sheet, which combines various forms of presentation and visually does justice to the balance of the controlling system and its information features. In addition to a general overview, the reporting system must contain detailed reports based on the respective focus. The report for the advisory board or the shareholders must be created as running text with the inclusion of certain selected key figures and images. This enables explanations and interpretations regarding the focus of the report (Funk–Rossmanith, 2017, pp. 282-283).

Controlling instruments in SMEs

The use of the instruments and tools of controlling is interrelated to the extent of the controlling system. Direct figures from the organization as well as key figures derived therefrom serve exclusively as a basis for the controlling system. A minimum of depth of information is only generated using plan values or a corresponding planning calculation and deviation analysis. If this is missing, current data and indicators are not suitable for strategic and operational management of the organization (Schmid-Gundram, 2020, p. 25).

A large number of small and medium-sized companies believe that it is sufficient to check the company figures once a month. Often the data has been generated by tax consultants and primarily contains information on the productivity of the company. In the ideal case, however, this means that only information can be given on whether the company has made profits or losses in the current financial year. However, this is not enough for a very small company either. Often only data from accounting or bookkeeping are available as current key figures for the organization. It must be ensured that in addition to a monthly profit and loss account, a balance sheet is also available. The data from inventory and success accounts alone are not sufficient information for the controlling system. They must be expanded or supplemented by means of current liquidity figures, operational figures, information on soft aspects and external figures and forecasts (Funk–Rossmanith, 2017, pp. 285-293).

The most important tool of the controller and the basis of the controlling system, in addition to the availability of current business data as an information basis, is the definition of so-called target values. Without this as a comparative value, no analysis of the deviations with regard to the expected development of the business and consequently no evaluation of the success can be carried out (Schmidt, 2016, pp. 27-28).

The planning calculation is an annual survey of the planned figures for the coming financial year as well as in the course of the so-called multi-year plan for another three years. The figures for the past financial year, which are adapted on the basis of operational expectations and the strategic target, serve as the basis for planning (Becker–Ulrich, 2016, p. 542).

The forecast is a planning update during the year based on the use of current company figures for the planning year and a corresponding update of the planning figures. The initial plan is adapted to the knowledge about the expectation of the business and the tactical objectives in the current financial year that has been added since the creation of this plan (Arnold et al., 2020, p. 31).

A deviation analysis enables essential insights for strategic and operational decisions for the effective and sustainable development of the organization. For this reason, it is an essential tool of the controller and has the task of checking and assessing the effect of current company figures, determining the causes of differences, developing suitable contrast programs and consequently providing a basis for company decisions (Nyhuis–Wiendahl, 2003, p. 180).

Practical implementation

Adapted income statement for 2018

As a first step in working through the practical example explained in the introductory chapter, the existing income statement for the first half of 2018 was adapted accordingly in *table 4* and supplemented with the missing items for which corresponding assumptions have been made.

For the position of depreciation (account 7010), insurance (account 7700) and rent / lease (account 7400), half of the budgeted value for 2018 was assumed for the 1^{st} half of 2018.

Table 4: **Adapted income statement 2018**

Account	Description	Var.	Budget 2018	Actual 1st half 2018	Actual 1st half 2018 (adapted)
4000	Sales	100%	€ 3,551,750.00	€ 2,015,600.00	€ 2,015,600.00
4100	Sales deductions (commissions)	100%	€ 700,000.00	€ 336,000.00	€ 336,000.00
-	**Operating performance**	-	**€ 2,851,750.00**	**€ 1,679,600.00**	**€ 1,679,600.00**
5000	Use of materials	100%	€ 1,295,600.00	€ 608,932.00	€ 608,932.00
5100	Total auxiliary and operating materials	100%	€ 285,100.00	€ 133,997.00	€ 133,997.00
-	**Gross profit**	-	**€ 1,271,050.00**	**€ 936,671.00**	**€ 936,671.00**
6000	Wages and non-wage costs	80%	€ 856,500.00	€ 393,990.00	€ 393,990.00
6200	Salaries and ancillary salaries	0%	€ 315,000.00	€ 156,000.00	€ 156,000.00
-	**Contribution margin I**	-	**€ 99,550.00**	**€ 386,681.00**	**€ 386,681.00**
7010	Depreciation	0%	€ 35,000.00	-	€ 17,500.00
7750	Legal and advisory expenses	50%	€ 15,000.00	€ 5,400.00	€ 5,400.00
7380	Telephone / mail	80%	€ 9,000.00	€ 4,650.00	€ 4,650.00
7700	Insurance	0%	€ 34,000.00	-	€ 17,000.00
7400	Rent / lease	0%	€ 60,000.00	-	€ 30,000.00
7700	Marketing	100%	€ 60,000.00	€ 32,000.00	€ 32,000.00
7200	Maintenance	95%	€ 40,000.00	€ 21,000.00	€ 21,000.00
7300	Outbound freight	85%	€ 60,000.00	€ 26,500.00	€ 26,500.00
7600	Other effort	95%	€ 22,000.00	€ 12,000.00	€ 12,000.00
-	**Profit of common business operation**	-	**- € 235,450.00**	**€ 285,131.00**	**€ 220,631.00**

Source: Author's table

In the next step, the first half of 2018 was calculated back to the "old" business model (domestic market) on the basis of the 2016 profit and loss account, which represents the last year before the start of exports to Scandinavian countries. As a result, the first half of 2018 was divided into the original business in the domestic market and the export business in Scandinavian countries. This division can be seen in *table 5*.

Table 5: **Separation between domestic market and Scandinavia**

Account	Description	Var.	Actual 2016	1st half 2018 (domestic market)	1st half 2018 (Scandinavia)
4000	Sales	100%	€ 2,890,250.00	€ 1,445,125.00	€ 570,475.00
4100	Sales deductions (commissions)	100%	€ 315,000.00	€ 157,500.00	€ 178,500.00
-	**Operating performance**	-	**€ 2,575,250.00**	**€ 1,287,625.00**	**€ 391,975.00**
5000	Use of materials	100%	€ 1,098,295.00	€ 549,147.50	€ 59,784.50
5100	Total auxiliary and operating materials	100%	€ 245,671.25	€ 122,835.63	€ 11,161.38
-	**Gross profit**	-	**€ 1,231,283.75**	**€ 615,641.88**	**€ 321,029.13**
6000	Wages and non-wage costs	80%	€ 751,465.00	€ 375,732.50	€ 18,257.50
6200	Salaries and ancillary salaries	0%	€ 289,025.00	€ 144,512.50	€ 11,487.50
-	**Contribution margin I**	-	**€ 190,793.75**	**€ 95,396.88**	**€ 291,284.13**
7010	Depreciation	0%	€ 31,250.00	€ 15,625.00	€ 1,875.00
7750	Legal and advisory expenses	50%	€ 6,500.00	€ 3,250.00	€ 2,150.00
7380	Telephone / mail	80%	€ 9,000.00	€ 4,500.00	€ 150.00
7700	Insurance	0%	€ 32,500.00	€ 16,250.00	€ 750.00
7400	Rent / lease	0%	€ 35,000.00	€ 17,500.00	€ 12,500.00
7700	Marketing	100%	€ 25,000.00	€ 12,500.00	€ 19,500.00
7200	Maintenance	95%	€ 23,500.00	€ 11,750.00	€ 9,250.00
7300	Outbound freight	85%	€ 48,000.00	€ 24,000.00	€ 2,500.00
7600	Other effort	95%	€ 24,000.00	€ 12,000.00	€ 0.00
-	**Profit of common business operation**	-	**- € 43,956.25**	**- € 21,978.13**	**€ 242,609.13**

Source: Author's table

Assessment of the 2018 budget

To assess the budget, the deviation for further assessment was calculated from the plan for 2018 and the adapted first half of 2018 (or the forecast for the whole year 2018) and visualized in *table 6*.

Table 6: **Assessment of the budget 2018**

Account	Description	Var.	Budget 2018	Actual 1st half 2018 (adapted)	Forecast 2018	Difference Δ
4000	Sales	100%	€ 3,551,750.00	€ 2,015,600.00	€ 4,031,200.00	€ 479,450.00
4100	Sales deductions (commissions)	100%	€ 700,000.00	€ 336,000.00	€ 672,000.00	- € 28,000.00
-	**Operating performance**	-	**€ 2,851,750.00**	**€ 1,679,600.00**	**€ 3,359,200.00**	**€ 507,450.00**
5000	Use of materials	100%	€ 1,295,600.00	€ 608,932.00	€ 1,217,864.00	- € 77,736.00
5100	Total auxiliary and operating materials	100%	€ 285,100.00	€ 133,997.00	€ 267,994.00	- € 17,106.00
-	**Gross profit**	-	**€ 1,271,050.00**	**€ 936,671.00**	**€ 1,873,342.00**	**€ 602,292.00**
6000	Wages and non-wage costs	80%	€ 856,500.00	€ 393,990.00	€ 787,980.00	- € 68,520.00
6200	Salaries and ancillary salaries	0%	€ 315,000.00	€ 156,000.00	€ 312,000.00	- € 3,000.00
-	**Contribution margin I**	-	**€ 99,550.00**	**€ 386,681.00**	**€ 773,362.00**	**€ 673,812.00**
7010	Depreciation	0%	€ 35,000.00	€ 17,500.00	€ 35,000.00	€ 0.00
7750	Legal and advisory expenses	50%	€ 15,000.00	€ 5,400.00	€ 10,800.00	- € 4,200.00
7380	Telephone / mail	80%	€ 9,000.00	€ 4,650.00	€ 9,300.00	€ 300.00
7700	Insurance	0%	€ 34,000.00	€ 17,000.00	€ 34,000.00	€ 0.00
7400	Rent / lease	0%	€ 60,000.00	€ 30,000.00	€ 60,000.00	€ 0.00
7700	Marketing	100%	€ 60,000.00	€ 32,000.00	€ 64,000.00	€ 4,000.00
7200	Maintenance	95%	€ 40,000.00	€ 21,000.00	€ 42,000.00	€ 2,000.00
7300	Outbound freight	85%	€ 60,000.00	€ 26,500.00	€ 53,000.00	- € 7,000.00
7600	Other effort	95%	€ 22,000.00	€ 12,000.00	€ 24,000.00	€ 2,000.00
-	**Profit of common business operation**	-	**- € 235,450.00**	**€ 220,631.00**	**€ 441,262.00**	**€ 676,712.00**

Source: Author's table

The deviation analysis shows that the market growth in the Scandinavian region is greater than originally assumed. Due to the strong growth in Scandinavia, there is a positive deviation in the use of materials and the share of wages and salaries, which is shown in *table 7*. The promising tendency announced by the management is thus endorsed.

Table 7: **Comparative analysis of material input, wages and salaries**

Account	Description	Var.	1st half 2018 (domestic market)	Quantity	1st half 2018 (Scandinavia)	Quantity
4000	Sales	100%	€ 1,445,125.00	-	€ 570,475.00	-
4100	Sales deductions (commissions)	100%	€ 157,500.00	-	€ 178,500.00	-
-	**Operating performance**	-	**€ 1,287,625.00**	**100%**	**€ 391,975.00**	**100%**
5000	Use of materials	100%	€ 549,147.50	43%	€ 59,784.50	15%
5100	Total auxiliary and operating materials	100%	€ 122,835.63	-	€ 11,161.38	-
-	**Gross profit**	-	**€ 615,641.88**	-	**€ 321,029.13**	-
6000	Wages and non-wage costs	80%	€ 375,732.50	29%	€ 18,257.50	5%
6200	Salaries and ancillary salaries	0%	€ 144,512.50	11%	€ 11,487.50	3%
-	**Contribution margin I**	-	**€ 95,396.88**	-	**€ 291,284.13**	-

Source: Author's table

The use of materials in relation to the operating performance in the first half of 2018 in the domestic market (based on the 2016 financial year) is 43%. In comparison, the use of materials in the Scandinavian market is only 15%. The share of wages and salaries in the Scandinavian market is also significantly lower than in the domestic market. The wage share in the domestic market is 29%, in Scandinavia only 5%. The proportion of salaries is similar. Here, 11% in the domestic market are compared to only 3% in the Scandinavian market.

Future scenarios

This chapter presents future scenarios, which are used for solution approaches and advice for the advisory board, which form the conclusion of this paper. Initially, for the presentation and assessment of future scenarios, there is a breakdown into fixed and variable costs for the domestic market and the Scandinavian market for 2018 (see *table 8*). Furthermore, it was assumed that the fixed costs on the domestic market cannot be reduced in the short term. This is due, among other things, to the many years of existence and the family management of Tractor Mower Ltd., which does not provide for the rapid termination of employment relationships, long-term rental contracts, etc. Furthermore, fixed costs remain unchanged and no inflation adjustment is made.

Table 8: **Breakdown into fixed costs and variable costs**

Account	Description	Var.	Forecast 2018	Forecast 2018 (domestic market)		Forecast 2018 (Scandinavia)	
				Fixed costs	Variable costs	Fixed costs	Variable costs
4000	Sales	100%	€ 4,031,200.00	€ 0.00	€ 2,890,250.00	€ 0.00	€ 1,140,950.00
4100	Sales deductions (commissions)	100%	€ 672,000.00	€ 0.00	€ 315,000.00	€ 0.00	€ 357,000.00
-	**Operating performance**	-	**€ 3,359,200.00**	**€ 0.00**	**€ 2,575,250.00**	**€ 0.00**	**€ 783,950.00**
5000	Use of materials	100%	€ 1,217,864.00	€ 0.00	€ 1,098,295.00	€ 0.00	€ 119,569.00
5100	Total auxiliary and operating materials	100%	€ 267,994.00	€ 0.00	€ 245,671.25	€ 0.00	€ 22,322.75
-	**Gross profit**	-	**€ 1,873,342.00**	**€ 0.00**	**€ 1,231,283.75**	**€ 0.00**	**€ 642,058.25**
6000	Wages and non-wage costs	80%	€ 787,980.00	€ 150,293.00	€ 601,172.00	€ 7,303.00	€ 29,212.00
6200	Salaries and ancillary salaries	0%	€ 312,000.00	€ 289,025.00	€ 0.00	€ 22,975.00	€ 0.00
-	**Contribution margin I**	-	**€ 773,362.00**	**- € 439,318.00**	**€ 630,111.75**	**- € 30,278.00**	**€ 612,846.25**
7010	Depreciation	0%	€ 35,000.00	€ 31,250.00	€ 0.00	€ 3,750.00	€ 0.00
7750	Legal and advisory expenses	50%	€ 10,800.00	€ 3,250.00	€ 3,250.00	€ 2,150.00	€ 2,150.00
7380	Telephone / mail	80%	€ 9,300.00	€ 1,800.00	€ 7,200.00	€ 60.00	€ 240.00
7700	Insurance	0%	€ 34,000.00	€ 32,500.00	€ 0.00	€ 1,500.00	€ 0.00
7400	Rent / lease	0%	€ 60,000.00	€ 35,000.00	€ 0.00	€ 25,000.00	€ 0.00
7700	Marketing	100%	€ 64,000.00	€ 0.00	€ 25,000.00	€ 0.00	€ 39,000.00
7200	Maintenance	95%	€ 42,000.00	€ 1,175.00	€ 22,325.00	€ 925.00	€ 17,575.00
7300	Outbound freight	85%	€ 53,000.00	€ 7,200.00	€ 40,800.00	€ 750.00	€ 4,250.00
7600	Other effort	95%	€ 24,000.00	€ 1,200.00	€ 22,800.00	€ 0.00	€ 0.00
-	**Profit of common business operation**	-	**€ 441,262.00**	**- € 552,693.00**	**€ 508,736.75**	**- € 64,413.00**	**€ 549,631.25**

Source: Author's table

Scenario A (see *table 9*) describes a conservative approach for the budget for 2019, which continues the previous strategy as described in the introduction and assumes an average annual growth of 10% in Scandinavia. The domestic market is largely saturated and no growth is expected. Any increases in costs, such as collective bargaining increases, were not taken into account. These would have to be included in all scenarios and would consequently have no relevance in the subsequent comparison and selection.

Table 9: **Scenario A**

Account	Description	Forecast 2019 (domestic market)		Forecast 2019 (Scandinavia)		Budget 2019
		Fixed costs	Variable costs	Fixed costs	Variable costs	
4000	Sales	€ 0.00	€ 2,890,250.00	€ 0.00	€ 1,255,045.00	€ 4,145,295.00
4100	Sales deductions (commissions)	€ 0.00	€ 315,000.00	€ 0.00	€ 392,700.00	€ 707,700.00
-	**Operating performance**	**€ 0.00**	**€ 2,575,250.00**	**€ 0.00**	**€ 862,345.00**	**€ 3,437,595.00**
5000	Use of materials	€ 0.00	€ 1,098,295.00	€ 0.00	€ 131,525.90	€ 1,229,820.90
5100	Total auxiliary and operating materials	€ 0.00	€ 245,671.25	€ 0.00	€ 24,555.03	€ 270,226.28
-	**Gross profit**	**€ 0.00**	**€ 1,231,283.75**	**€ 0.00**	**€ 706,264.08**	**€ 1,937,547.83**
6000	Wages and non-wage costs	€ 150,293.00	€ 601,172.00	€ 7,303.00	€ 32,133.20	€ 790,901.20
6200	Salaries and ancillary salaries	€ 289,025.00	€ 0.00	€ 22,975.00	€ 0.00	€ 312,000.00
-	**Contribution margin I**	**- € 439,318.00**	**€ 630,111.75**	**- € 30,278.00**	**€ 674,130.88**	**€ 834,646.63**
7010	Depreciation	€ 31,250.00	€ 0.00	€ 3,750.00	€ 0.00	€ 35,000.00
7750	Legal and advisory expenses	€ 3,250.00	€ 3,250.00	€ 2,150.00	€ 2,365.00	€ 11,015.00
7380	Telephone / mail	€ 1,800.00	€ 7,200.00	€ 60.00	€ 264.00	€ 9,324.00
7700	Insurance	€ 32,500.00	€ 0.00	€ 1,500.00	€ 0.00	€ 34,000.00
7400	Rent / lease	€ 35,000.00	€ 0.00	€ 25,000.00	€ 0.00	€ 60,000.00
7700	Marketing	€ 0.00	€ 25,000.00	€ 0.00	€ 42,900.00	€ 67,900.00
7200	Maintenance	€ 1,175.00	€ 22,325.00	€ 925.00	€ 19,332.50	€ 43,757.50
7300	Outbound freight	€ 7,200.00	€ 40,800.00	€ 750.00	€ 4,675.00	€ 53,425.00
7600	Other effort	€ 1,200.00	€ 22,800.00	€ 0.00	€ 0.00	€ 24,000.00
-	**Profit of common business operation**	**- € 552,693.00**	**€ 508,736.75**	**- € 64,413.00**	**€ 604,594.38**	**€ 496,225.13**

Source: Author's table

In order to represent the profitability of this scenario with a key figure, the result was calculated in relation to the operating performance, which in the present case results in a value of 14.4%. With a realistic growth of 10% in the Scandinavian market, the minus on the domestic market will be compensated.

Scenario B (see *table 10*) describes an optimistic approach for the budget for 2019, which continues the previous strategy, as described in the introduction, but assumes an above-average annual growth of 50% in Scandinavia. The domestic market is still largely saturated and no growth is expected. Any increases in costs, such as collective bargaining increases, were not taken into account.

Table 10: **Scenario B**

Account	Description	Forecast 2019 (domestic market)		Forecast 2019 (Scandinavia)		Budget 2019
		Fixed costs	Variable costs	Fixed costs	Variable costs	
4000	Sales	€ 0.00	€ 2,890,250.00	€ 0.00	€ 1,711,425.00	€ 4,601,675.00
4100	Sales deductions (commissions)	€ 0.00	€ 315,000.00	€ 0.00	€ 535,500.00	€ 850,500.00
-	**Operating performance**	**€ 0.00**	**€ 2,575,250.00**	**€ 0.00**	**€ 1,175,925.00**	**€ 3,751,175.00**
5000	Use of materials	€ 0.00	€ 1,098,295.00	€ 0.00	€ 179,353.50	€ 1,277,648.50
5100	Total auxiliary and operating materials	€ 0.00	€ 245,671.25	€ 0.00	€ 33,484.13	€ 279,155.38
-	**Gross profit**	**€ 0.00**	**€ 1,231,283.75**	**€ 0.00**	**€ 963,057.38**	**€ 2,194,371.13**
6000	Wages and non-wage costs	€ 150,293.00	€ 601,172.00	€ 7,303.00	€ 43,818.00	€ 802,586.00
6200	Salaries and ancillary salaries	€ 289,025.00	€ 0.00	€ 22,975.00	€ 0.00	€ 312,000.00
-	**Contribution margin I**	**- € 439,318.00**	**€ 630,111.75**	**- € 30,278.00**	**€ 919,269.38**	**€ 1,079,785.13**
7010	Depreciation	€ 31,250.00	€ 0.00	€ 3,750.00	€ 0.00	€ 35,000.00
7750	Legal and advisory expenses	€ 3,250.00	€ 3,250.00	€ 2,150.00	€ 3,225.00	€ 11,875.00
7380	Telephone / mail	€ 1,800.00	€ 7,200.00	€ 60.00	€ 360.00	€ 9,420.00
7700	Insurance	€ 32,500.00	€ 0.00	€ 1,500.00	€ 0.00	€ 34,000.00
7400	Rent / lease	€ 35,000.00	€ 0.00	€ 25,000.00	€ 0.00	€ 60,000.00
7700	Marketing	€ 0.00	€ 25,000.00	€ 0.00	€ 58,500.00	€ 83,500.00
7200	Maintenance	€ 1,175.00	€ 22,325.00	€ 925.00	€ 26,362.50	€ 50,787.50
7300	Outbound freight	€ 7,200.00	€ 40,800.00	€ 750.00	€ 6,375.00	€ 55,125.00
7600	Other effort	€ 1,200.00	€ 22,800.00	€ 0.00	€ 0.00	€ 24,000.00
-	**Profit of common business operation**	**- € 552,693.00**	**€ 508,736.75**	**- € 64,413.00**	**€ 824,446.88**	**€ 716,077.63**

Source: Author's table

In order to represent the profitability of this scenario with a key figure, the result was calculated in relation to the operating performance, which in this case results in a value of 19.1%.

Scenario C (see *table 11*) describes the closure of the domestic market and exclusive distribution in the Scandinavian countries. An average annual growth of 10% was assumed in Scandinavia in the next three financial years. Any increases in costs, such as collective bargaining increases, were not taken into account.

Table 11: **Scenario C**

Account	Description	Forecast 2019 (domestic market)		Forecast 2019 (Scandinavia)		Budget 2019
		Fixed costs	Variable costs	Fixed costs	Variable costs	
4000	Sales	€ 0.00	€ 0.00	€ 0.00	€ 1,255,045.00	€ 1,255,045.00
4100	Sales deductions (commissions)	€ 0.00	€ 0.00	€ 0.00	€ 392,700.00	€ 392,700.00
-	**Operating performance**	**€ 0.00**	**€ 0.00**	**€ 0.00**	**€ 862,345.00**	**€ 862,345.00**
5000	Use of materials	€ 0.00	€ 0.00	€ 0.00	€ 131,525.90	€ 131,525.90
5100	Total auxiliary and operating materials	€ 0.00	€ 0.00	€ 0.00	€ 24,555.03	€ 24,555.03
-	**Gross profit**	**€ 0.00**	**€ 0.00**	**€ 0.00**	**€ 706,264.08**	**€ 706,264.08**
6000	Wages and non-wage costs	€ 0.00	€ 0.00	€ 7,303.00	€ 32,133.20	€ 39,436.20
6200	Salaries and ancillary salaries	€ 0.00	€ 0.00	€ 22,975.00	€ 0.00	€ 22,975.00
-	**Contribution margin I**	**€ 0.00**	**€ 0.00**	**- € 30,278.00**	**€ 674,130.88**	**€ 643,852.88**
7010	Depreciation	€ 0.00	€ 0.00	€ 3,750.00	€ 0.00	€ 3,750.00
7750	Legal and advisory expenses	€ 0.00	€ 0.00	€ 2,150.00	€ 2,365.00	€ 4,515.00
7380	Telephone / mail	€ 0.00	€ 0.00	€ 60.00	€ 264.00	€ 324.00
7700	Insurance	€ 0.00	€ 0.00	€ 1,500.00	€ 0.00	€ 1,500.00
7400	Rent / lease	€ 0.00	€ 0.00	€ 25,000.00	€ 0.00	€ 25,000.00
7700	Marketing	€ 0.00	€ 0.00	€ 0.00	€ 42,900.00	€ 42,900.00
7200	Maintenance	€ 0.00	€ 0.00	€ 925.00	€ 19,332.50	€ 20,257.50
7300	Outbound freight	€ 0.00	€ 0.00	€ 750.00	€ 4,675.00	€ 5,425.00
7600	Other effort	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
-	**Profit of common business operation**	**€ 0.00**	**€ 0.00**	**- € 64,413.00**	**€ 604,594.38**	**€ 540,181.38**

Source: Author's table

In order to show the profitability of this scenario with a key figure, the result was calculated in relation to the operating performance, which in the case of scenario C results in a value of 62.6%. Closing the domestic market completely from 2019, so that both fixed and variable costs of the domestic market are eliminated, is in reality not feasible or only feasible in the long term, as in this case the entire business activity would have to be relocated to Scandinavia. Therefore, the assumption mentioned at the beginning was made that the fixed costs on the home market cannot be reduced in the short term.

Scenario D (see *table 12*) describes an optimistic approach for the budget for 2019, with the closure of the domestic market, exclusive distribution in the Scandinavian countries and an annual above-average increase of 50% in Scandinavia. Since the domestic market is largely saturated, no growth is expected. Any increases in costs, such as collective bargaining increases, were not taken into account.

Table 12: **Scenario D**

Account	Description	Forecast 2019 (domestic market)		Forecast 2019 (Scandinavia)		Budget 2019
		Fixed costs	Variable costs	Fixed costs	Variable costs	
4000	Sales	€ 0.00	€ 0.00	€ 0.00	€ 1,711,425.00	€ 1,711,425.00
4100	Sales deductions (commissions)	€ 0.00	€ 0.00	€ 0.00	€ 535,500.00	€ 535,500.00
-	**Operating performance**	**€ 0.00**	**€ 0.00**	**€ 0.00**	**€ 1,175,925.00**	**€ 1,175,925.00**
5000	Use of materials	€ 0.00	€ 0.00	€ 0.00	€ 179,353.50	€ 179,353.50
5100	Total auxiliary and operating materials	€ 0.00	€ 0.00	€ 0.00	€ 33,484.13	€ 33,484.13
-	**Gross profit**	**€ 0.00**	**€ 0.00**	**€ 0.00**	**€ 963,087.38**	**€ 963,087.38**
6000	Wages and non-wage costs	€ 0.00	€ 0.00	€ 7,303.00	€ 43,818.00	€ 51,121.00
6200	Salaries and ancillary salaries	€ 0.00	€ 0.00	€ 22,975.00	€ 0.00	€ 22,975.00
-	**Contribution margin I**	**€ 0.00**	**€ 0.00**	**- € 30,278.00**	**€ 919,269.38**	**€ 888,991.38**
7010	Depreciation	€ 0.00	€ 0.00	€ 3,750.00	€ 0.00	€ 3,750.00
7750	Legal and advisory expenses	€ 0.00	€ 0.00	€ 2,150.00	€ 3,225.00	€ 5,375.00
7380	Telephone / mail	€ 0.00	€ 0.00	€ 60.00	€ 360.00	€ 420.00
7700	Insurance	€ 0.00	€ 0.00	€ 1,500.00	€ 0.00	€ 1,500.00
7400	Rent / lease	€ 0.00	€ 0.00	€ 25,000.00	€ 0.00	€ 25,000.00
7700	Marketing	€ 0.00	€ 0.00	€ 0.00	€ 58,500.00	€ 58,500.00
7200	Maintenance	€ 0.00	€ 0.00	€ 925.00	€ 26,362.50	€ 27,287.50
7300	Outbound freight	€ 0.00	€ 0.00	€ 750.00	€ 6,375.00	€ 7,125.00
7600	Other effort	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
-	**Profit of common business operation**	**€ 0.00**	**€ 0.00**	**- € 64,413.00**	**€ 824,446.88**	**€ 760,033.88**

Source: Author's table

In order to show the profitability of this scenario with a key figure, the result in relation to the operating performance was calculated again, which in this case results in a value of 64.6%. Closing the domestic market completely from 2019, so that both fixed and variable costs of the domestic market are eliminated, is in reality not feasible or only feasible in the long term, as in this case the entire business activity would have to be relocated to Scandinavia. Therefore, the assumption mentioned at the beginning was made that the fixed costs on the domestic market cannot be reduced in the short term. Otherwise this would be the preferred scenario.

Scenario E (see *table 13*) describes the closure of the domestic market under the assumption that the fixed costs remain and that sales take place exclusively in the Scandinavian countries. Average annual growth of 10% was assumed in Scandinavia for the next three financial years. Any increases in costs, such as collective bargaining increases, were not taken into account.

Table 13: **Scenario E**

Account	Description	Forecast 2019 (domestic market)		Forecast 2019 (Scandinavia)		Budget 2019
		Fixed costs	Variable costs	Fixed costs	Variable costs	
4000	Sales	€ 0.00	€ 0.00	€ 0.00	€ 1,255,045.00	€ 1,255,045.00
4100	Sales deductions (commissions)	€ 0.00	€ 0.00	€ 0.00	€ 392,700.00	€ 392,700.00
-	**Operating performance**	**€ 0.00**	**€ 0.00**	**€ 0.00**	**€ 862,345.00**	**€ 862,345.00**
5000	Use of materials	€ 0.00	€ 0.00	€ 0.00	€ 131,525.90	€ 131,525.90
5100	Total auxiliary and operating materials	€ 0.00	€ 0.00	€ 0.00	€ 24,555.03	€ 24,555.03
-	**Gross profit**	**€ 0.00**	**€ 0.00**	**€ 0.00**	**€ 706,264.08**	**€ 706,264.08**
6000	Wages and non-wage costs	€ 150,293.00	€ 0.00	€ 7,303.00	€ 32,133.00	€ 189,729.20
6200	Salaries and ancillary salaries	€ 289,025.00	€ 0.00	€ 22,975.00	€ 0.00	€ 312,000.00
-	**Contribution margin I**	**- € 439,318.00**	**€ 0.00**	**- € 30,278.00**	**€ 674,130.88**	**€ 204,534.88**
7010	Depreciation	€ 31,250.00	€ 0.00	€ 3,750.00	€ 0.00	€ 35,000.00
7750	Legal and advisory expenses	€ 3,250.00	€ 0.00	€ 2,150.00	€ 2,365.00	€ 7,765.00
7380	Telephone / mail	€ 1,800.00	€ 0.00	€ 60.00	€ 264.00	€ 2,124.00
7700	Insurance	€ 32,500.00	€ 0.00	€ 1,500.00	€ 0.00	€ 34,000.00
7400	Rent / lease	€ 35,000.00	€ 0.00	€ 25,000.00	€ 0.00	€ 60,000.00
7700	Marketing	€ 0.00	€ 0.00	€ 0.00	€ 42,900.00	€ 42,900.00
7200	Maintenance	€ 1,175.00	€ 0.00	€ 925.00	€ 19,332.50	€ 21,432.50
7300	Outbound freight	€ 7,200.00	€ 0.00	€ 750.00	€ 4,675.00	€ 12,625.00
7600	Other effort	€ 1,200.00	€ 0.00	€ 0.00	€ 0.00	€ 1,200.00
-	**Profit of common business operation**	**- € 552,693.00**	**€ 0.00**	**- € 64,413.00**	**€ 604,594.38**	**- € 12,511.63**

Source: Author's table

To represent the profitability of this scenario with a key figure, the result was calculated in relation to the operating performance, which in this case results in a value of - 1.5%.

Scenario F (see *table 14*) describes an optimistic approach for the budget for 2019, with the closure of the domestic market, assuming that the fixed costs will remain, an exclusive distribution in the Scandinavian countries and an annual above-average increase of 50% in Scandinavia. Since the domestic market is largely saturated, no growth is expected. Any increases in costs, such as collective bargaining increases, were not taken into account.

Table 14: **Scenario F**

Account	Description	Forecast 2019 (domestic market)		Forecast 2019 (Scandinavia)		Budget 2019
		Fixed costs	Variable costs	Fixed costs	Variable costs	
4000	Sales	€ 0.00	€ 0.00	€ 0.00	1,711,425.00	€ 1,711,425.00
4100	Sales deductions (commissions)	€ 0.00	€ 0.00	€ 0.00	€ 535,500.00	€ 535,500.00
-	**Operating performance**	**€ 0.00**	**€ 0.00**	**€ 0.00**	**€ 1,175,925.00**	**€ 1,175,925.00**
5000	Use of materials	€ 0.00	€ 0.00	€ 0.00	€ 179,353.50	€ 179,353.50
5100	Total auxiliary and operating materials	€ 0.00	€ 0.00	€ 0.00	€ 33,484.13	€ 33,484.13
-	**Gross profit**	**€ 0.00**	**€ 0.00**	**€ 0.00**	**€ 963,087.38**	**€ 963,087.38**
6000	Wages and non-wage costs	€ 150,293.00	€ 0.00	€ 7,303.00	€ 43,818.00	€ 201,414.00
6200	Salaries and ancillary salaries	€ 289,025.00	€ 0.00	€ 22,975.00	€ 0.00	€ 312,000.00
-	**Contribution margin I**	**- € 439,318.00**	**€ 0.00**	**- € 30,278.00**	**€ 919,269.38**	**€ 449,673.38**
7010	Depreciation	€ 31,250.00	€ 0.00	€ 3,750.00	€ 0.00	€ 35,000.00
7750	Legal and advisory expenses	€ 3,250.00	€ 0.00	€ 2,150.00	€ 3,225.00	€ 8,625.00
7380	Telephone / mail	€ 1,800.00	€ 0.00	€ 60.00	€ 360.00	€ 2,220.00
7700	Insurance	€ 32,500.00	€ 0.00	€ 1,500.00	€ 0.00	€ 34,000.00
7400	Rent / lease	€ 35,000.00	€ 0.00	€ 25,000.00	€ 0.00	€ 60,000.00
7700	Marketing	€ 0.00	€ 0.00	€ 0.00	€ 58,500.00	€ 58,500.00
7200	Maintenance	€ 1,175.00	€ 0.00	€ 925.00	€ 26,362.50	€ 28,462.50
7300	Outbound freight	€ 7,200.00	€ 0.00	€ 750.00	€ 6,375.00	€ 14,325.00
7600	Other effort	€ 1,200.00	€ 0.00	€ 0.00	€ 0.00	€ 1,200.00
-	**Profit of common business operation**	**- € 552,693.00**	**€ 0.00**	**- € 64,413.00**	**€ 824,446.88**	**€ 207,340.88**

Source: Author's table

In order to represent the profitability of this scenario with a key figure, the result was calculated in relation to the operating performance, which in this case results in a value of 17.6%.

Table 15: **Overview of scenarios**

Scenario	Growth Scandinavia	Operating performance Budget 2019	Profit of common business operation Budget 2019	Profitability
Scenario A	+ 10%	€ 3,437,595.00	€ 496,225.13	14.4%
Scenario B	+ 50%	€ 3,751,175.00	€ 716,077.63	19.1%
Scenario C	+ 10%	€ 862,345.00	€ 540,181.38	62.6%
Scenario D	+ 50%	€ 1,175,925.00	€ 760,033.88	64.6%
Scenario E	+ 10%	€ 862,345.00	- € 12,511.63	- 1.5%
Scenario F	+ 50%	€ 1,175,925.00	€ 207,340.88	17.6%

Source: Author's table

Table 15 summarizes the scenarios described above as an overview and explanatory basis for the CEO and the advisory board. It served as the starting point for the recommendation for a scenario, on the basis of which the budget for the next three years (period 2019 to 2021) was then drawn up.

Scenario A was selected for the recommendation to the advisory board and the preparation of the budget planning for the next three years, as the fixed costs on the domestic market cannot be reduced immediately (exclusion of scenarios C and D) and the growth in the Scandinavian market with an average of 10% per year is realistic (exclusion of scenarios B and F). Scenario E is also excluded for 2019 due to the negative profitability.

Budget planning 2019 to 2021

Table 16: **Budget planning 2019 to 2021**

Account	Description	Budget 2019	Use of materials	Budget 2020	Use of materials	Budget 2021	Use of materials
4000	Sales	€ 4,145,295.00	-	€ 4,259,390.00	-	€ 4,373,485.00	-
4100	Sales deductions (commissions)	€ 707,700.00	-	€ 743,400.00	-	€ 779,100.00	-
-	**Operating performance**	**€ 3,437,595.00**	-	**€ 3,515,990.00**	-	**€ 3,594,385.00**	-
5000	Use of materials	€ 1,229,820.90	**35.8%**	€ 1,241,777.80	**35.3%**	€ 1,253,734.70	**34.9%**
5100	Total auxiliary and operating materials	€ 270,226.28	-	€ 272,458.55	-	€ 274,690.83	-
-	**Gross profit**	**€ 1,937,547.83**	-	**€ 2,001,753.65**	-	**€ 2,065,959.48**	-
6000	Wages and non-wage costs	€ 790,901.20	-	€ 793,822.40	-	€ 796,743.60	-
6200	Salaries and ancillary salaries	€ 312,000.00	-	€ 312,000.00	-	€ 312,000.00	-
-	**Contribution margin I**	**€ 834,646.63**	-	**€ 895,931.25**	-	**€ 957,215.88**	-
7010	Depreciation	€ 35,000.00	-	€ 35,000.00	-	€ 35,000.00	-
7750	Legal and advisory expenses	€ 11,015.00	-	€ 11,230.00	-	€ 11,445.00	-
7380	Telephone / mail	€ 9,324.00	-	€ 9,348.00	-	€ 9,372.00	-
7700	Insurance	€ 34,000.00	-	€ 34,000.00	-	€ 34,000.00	-
7400	Rent / lease	€ 60,000.00	-	€ 60,000.00	-	€ 60,000.00	-
7700	Marketing	€ 67,900.00	-	€ 71,800.00	-	€ 75,700.00	-
7200	Maintenance	€ 43,757.50	-	€ 45,515.00	-	€ 47,272.50	-
7300	Outbound freight	€ 53,425.00	-	€ 53,850.00	-	€ 54,275.00	-
7600	Other effort	€ 24,000.00	-	€ 24,000.00	-	€ 24,000.00	-
-	**Profit of common business operation**	**€ 496,225.13**	-	**€ 551,188.25**	-	**€ 606,151.38**	-

Source: Author's table

For the budget planning for 2019 to 2021 (see *table 16*), the variable costs of the Scandinavian business were increased by 10% per year based on the assumptions for scenario A (growth). The domestic market was viewed as saturated and no growth was taken into account. The numbers were kept. The use of materials improved only slightly in the three years under review, as the majority is determined by the high percentage of the domestic market.

Solution approaches and problem areas

The significantly poorer result in 2017 is associated with the trial marketing and export to Scandinavian countries, which required the rental of a warehouse, additional high sales commissions for local dealers and a high level of material input due to the need for pre-production.

The planning for 2018 was too conservative after the results for the first half of 2018 were available and analyzed. The Scandinavian market is more profitable than the domestic market due to lower wage and salary costs and lower use of materials, which is why the focus for the next few years must be on the development and expansion of this market as well as an optimized and efficient sales organization. At the same time, the fixed costs on the domestic market must be reduced so that it is no longer in deficit.

A long-term strategy consists in closing the domestic market and relocating the business to Scandinavia, whereby an identified problem area in this case would be any remaining fixed costs in the home market (e.g. overheads).

Conclusions

The analysis of the exemplary organization Tractor Mower Ltd. has been carried out on the company's financial documents. The organization was assigned to the "small business" category based on the existing sales figures. It was and is required to position itself more strongly on foreign markets due to insufficient potential on the domestic market.

Several controlling challenges, like i.e. the investigation of information for planning organizational decisions, were neglected at Tractor Mower Ltd. Controlling had to provide data and forecasts that enable the managing director or supervisory board to react to the expansion into Scandinavian countries and stagnating or increasingly poor results and, as a result, to ensure sustainable, successful corporate development. A forecast or plan for the next 12 months has been submitted. The professionalization of a controlling toolkit in family businesses like this is primarily opposed to the goal of maintaining long-term control of the owner family, although controlling makes a decisive contribution to the continued existence of the company across generations. It is an important factor for a successful turnaround, especially during corporate crises as described and analyzed before (Feldbauer-Durstmueller–Mayr, 2019, p. 5).

The existing income statement for the first half of 2018 was initially adapted accordingly and the missing items were added. The first half of 2018 was then calculated back to the domestic market on the basis of the 2016 profit and loss account, thus dividing the first half of 2018 into the original business in the domestic market and the export business to Scandinavian countries. For the assessment of the budget, the deviation for further assessment and assessment was calculated from the plan for 2018 and the adapted first half of 2018 or the forecast for 2018.

The deviation analysis showed that the market growth in the Scandinavian region is greater than assumed. Due to the considerable deviations between the 2018 plan and the first half of 2018, the planning was too conservative. Due to the strong growth in Scandinavia, there is a positive deviation in the use of materials and the share of wages and salaries.

For the presentation and assessment of the future scenarios, there was a breakdown into fixed and variable costs of the domestic market and the Scandinavian market. The fixed costs on the domestic market cannot be reduced in the short term. In order to meet the controlling challenge of showing the profitability of the future scenarios with a key figure, the result was calculated in relation to the operating performance.

The identified scenarios were summarized as an overview and explanatory basis for the CEO and advisory board. It served as the starting point for the specific recommendation, on the basis of which the budget for the next three years was then drawn up. A conservative approach was chosen for the budget for 2019, which continues the previous strategy and assumes an average annual growth of 10% in Scandinavia. The scenario was chosen because the fixed costs on the domestic market cannot be reduced immediately and the growth in the Scandinavian market with an average of 10% per year is realistic.

For the budget planning for 2019 to 2021, the variable costs of the Scandinavian business were increased by 10% per year based on the assumptions for the selected scenario. The domestic market was viewed as saturated and no growth was taken into account. The use of materials improved only slightly in the three years under review, as the majority is determined by the high percentage of the domestic market.

The Scandinavian market is more profitable than the domestic market due to lower wage and salary costs and lower use of materials, which is why the focus for the next few years must be on the development and expansion of this market as well as an optimized and efficient sales organization. At the same time, the fixed costs on the domestic market must be reduced so that it is no longer in deficit.

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An Examination of the Involvement Level in Purchasing Processes for Non-prescription Pain Relivers in Austria

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ABSTRACT: The involvement level of customers in the buying process influences the information search of a potential customer to a huge extent. An understanding of the involvement level from consumers in a purchasing process can increase the efficiency and effectivity of communication efforts from companies. This study examines the level of involvement from consumers in the purchasing processes of non-prescription pain relivers in Austria. The objective of this paper is to detect potential differences in the level of involvement among customers with different demographic characteristics.

An online-questionnaire was used to collect data from consumers in Austria. Responses from 406 participants were collected through a non-probability sampling method. Results revealed that people between 18–38 have a rather moderate involvement level in purchasing processes of non-prescriptive pain relivers. Moreover, there were no significant differences between people from different social classes and people with different education levels. Men and women do not have different involvement levels in this age group as well. Additionally, this study revealed that recommendations from experts are seen as a very important information source. People with a high involvement level towards the purchase of non-prescription pain relivers are collecting online information about pain relivers more often than people with a low involvement level.

KEYWORDS: Consumer behaviour, Consumer involvement, pharmaceutical industry, non- prescription medication

JEL Codes: M30, M31, M37

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Introduction

An understanding of a consumers' decision-making process is an essential factor to the creation of marketing communication activities (Kotler–Armstrong, 2016). According to Gore, Madhavan, McClung and Riley (1994), the extent of information search and the extent to evaluate different product alternatives varies according to the perceived importance of a decision for the customer. This is based on the fact that people are making a lot of decisions each day, meaning only a few of them are of significant importance (Zaichkowsky, 1985). From a marketing perspective, involvement is seen as an element to understand the relationships between a consumer and a product or a product category. It is an element to activate the motivation of consumers to buy a specific product from a product category. Therefore, an increase of the involvement level from potential customers does have the tendency to increase the effect of marketing activities from companies (O'Cass, 2000). Previous researches identified, that a higher level of involvement usually results in a more active level of information processing and more knowledge from customers towards specific products (Zaichkowsky, 1985; Pettigrew–Charters, 2006; Solomon, 2011; Schiffman–Kanuk–Hansen, 2012).

Marketing in the pharmaceutical area has always been a subject of considerable interest for research investigations. This research deals with the product category of non-prescription pain relivers. Therefore, it is important to understand the market environment more in detail. The product range in this scholar fall under the category of "Over the counter" (OTC) drugs. OTC drugs are defined as medications which does not require a doctor's prescription. These drugs are offered by registered medical practitioners or licensed pharmacies. Non-prescription medicines are used for the self-treatment of symptoms. (Berry, 2001) Austrian industry reports indicate that the distribution of OTC products is less liberal compared to other countries. The Austrian law defines that every drug, which potentially harms the healthiness of a customer, requires a prescription from a medical doctor. (BWB, 2018).

A positive development of the OTC market in Austria is also an indicator for the importance to conduct research in the area of OTC products. According to the yearly IGEPHA (2018) report, the OTC-market in Austria has a volume of approximately 800 million euro per year. A sustainable growth rate could be detected in the area of OTC products in the years before.

With a market share of 11,8% and a market volume of 103 million-euro, pain relivers are one of the most important OTC product categories in Austria (IGEPHA, 2017). A high percentage of the population use pain relivers. Statistics indicate, that 50,7% of the German population consumes pain relivers at least once within three months (Statista, 2017a).

Additionally, Taylor (2011, pp. 763-764) identifies, that so called first world are confronted with an increasing number of citizens who suffer from chronic pain. Kamiński, Łoniewski and Marlicz (2020, p. 354) reports that up to 22% of the population are confronted with chronic pain and up to 60% experience pain on a regular basis (e.g. once a month). Wójta-Kempa–Krzyżanowski (2016, p. 350) see trends like a more liberal accessibility to products, an increasing number of limited medical services and a reduction of information from medical doctors due to cost and time pressure as drivers for an increasing consumption of non-prescription pain reliver.

The market of pain relivers can be described as very complex. It is influenced by various macro- and micro environmental factors like governmental and private insurance companies, lawmakers and the healthcare system in a country (Taylor, 2011, pp. 763-764). The product category of pain reliver in general can be divided into two different product categories. Category one summarizes anaesthetics. Products of this category are operating in the central nervous system of the human body and they deal with strong pain. The majority of this pain reliver fall under the category of prescription drugs. The second category of pain relivers is called 'not narcotic' drugs. They operate directly in or on the central source of pain. Products of this category have almost no negative side effects and they also have a broad usage area. Almost all of them do not require a prescription of a physician. Nureflex, Mexalen and Thomapyrin are described as examples of the most common non-prescription pain reliver brands on the Austrian market. (Österreich Apotheke, 2020)

Research in the area of marketing for pharmaceutical products are focused on prescription drugs. Scholars in marketing and communication strategies for OTC drugs, especially in the area of pain reliver received far less empirical attention. DeLorme, Huh, Reid and An (2010) identified just twenty-four studies with a focus on non-prescription drugs compared to more than 160 studies in the area of prescription drugs. Regarding studies from the year 2010 onwards, a search through various research data bases (Sciencdirect and Emerald Insights) revealed that this trend did not change (Faerber–Kreling, 2012; Calamusa et al., 2012; Kohli–Buller, 2013; Lee–King–Reid, 2015).

The objective of the paper is to investigate consumer and purchase behaviour patterns in the area non-prescription pain relivers more in detail. It will help companies in the pharmaceutical area to gain more information about target customers and potential segmentation variables for the development of marketing efforts. Results of the scholar will also help companies to set up communication activities in more detail. One aspect of this paper deals with the identification of the involvement level from people in the age group between 18–38 in Austria. An analysis of statistical data leads to the conclusion, that people in this age group are also confronted with pain related problems. An Austrian health report detected, that 9,2% of people below 30 are had neck and back pain within one year. Furthermore, 7,8% of this age group is confronted by chronical headache (Statistik Austria, 2014). In order to understand this age group more in detail this paper identifies whether there are differences in the involvement level towards the purchase of OTC pain relivers based on demographic factors like gender, level of education and income.

This research also analyses whether the involvement level has an impact on the importance of various information sources, or not. On the one hand, the importance of the internet as an information source in a buying process from OTC pain reliever is detected. On the other hand, this research takes a look at the relevance of different personal information sources. The impact of the involvement level from customers towards a product on such a word-of-mouth (WOM) communication has been discussed in the academic literature in various areas (Kotler–Armstrong, 2016). Research has revealed that the involvement level towards a product is increasing the intensity of WOM communication and the relevance of recommendations from personal information sources (Solomon, 2011).

Literature Review

The literature review describes, how the concept of involvement is defined and used in this scholar. Therefore, two different types of involvement called enduring and situational involvement are explained and compared. Afterwards, the impact of the involvement level on the information gathering process within the buying process is clarified. The last part of the literature review includes an overview about current studies in OTC industry and the level of consumer involvement.

The involvement level is a very important variable in the decision-making process of customers, especially in the information search phase. Basic elements of the involvement theory can be found in the motivation theory. Motivation is a dynamic construct that shapes a person's behaviour on how to accomplish a specific need or a goal. The perceived relevance of a message influences the level of motivation to process the content of a message. For example, a person who is suffering from a migraine will collect more information about possible ways to treat symptoms than a person without this issue. Therefore, advertising messages from pain relieving products have a higher chance to be recognised by the potential customer.

Academic scholars include a lot of different definitions, conceptualizations and dimensions for the concept of involvement. Especially the way the construct is measured is a controversial discussion in the academic literature. There are uni- and multidimensional measurement approaches given by various scholars (Schiffman et al., 2012). This paper uses the widespread definition from Zaichkowsky which defines involvement as "a person's perceived relevance of the object based on inherent needs, values and interest" (Zaichkowsky, 1985). The definition from Zaichkowsky is coherent with the definitions of other consumer psychologists.

Enduring versus situational Involvement

In general, scholars differentiate between two different forms of involvement. Consumers can establish a specific involvement level towards a product or towards a purchase decision. Product related involvement is also called enduring involvement. This type of involvement is more resistant against adoptions and changes (Pettigrew–Charters, 2006). Buying processes with a high level of enduring involvement is characterised by an intensive phase of information search. In a lot of cases it goes hand in hand with a high brand commitment. According to Michaelidou and Dibb (2008), this type of involvement arose from a high level of a so-called ego related involvement. Therefore, it can be seen as more stable compared with involvement levels towards a purchase decision. Marketing researchers agree that enduring involvement reflects a high level of ongoing interest in a specific product or a product category. People who are communicating their high involvement level towards a product are often seen as an important information source for other people in order to develop product expertise. Therefore, such people are also important for companies in order to act as opinion leaders (Bloch–Commuri–Arnold, 2009).

Purchase decision involvement is associated with the involvement level in a specific purchasing process. This type of involvement is less stable compared with product related involvement (Pettigrew–Charters, 2006). Consumers are involved more temporarily and therefore it has a rather short-term nature (Mittal, 1989). Therefore, this concept is also called situational involvement (Im–Ha, 2011). Both concepts of involvement can be found in various consumption processes as well. A customer can have a low level of involvement towards a specific product class while the level of involvement in a specific buying situation is high. For example, a consumer might perceive the whole product category of medication in general as not relevant. In case of a sickness, the person tends to consider the situation as more relevant (Dholakia, 2001). Additionally, the price and complexity of a product affects the level of involvement in a buying situation as well (Houston–Rothschild, 1978).

Matzler (1997) identified that the two major forms of involvement have similarities and differences. On the one hand, situational and enduring involvement result in a more intensive information collection process and a higher degree of attention towards product- or situation related messages. Both forms usually lead to a more complex decision-making process. The differences are characterised through the length of duration and type of interaction. Both forms of involvement require distinct conditions. Enduring involvement causes consumers to perceive a specific product as more important. That causes a higher level of interest and a more emotional commitment. This is especially relevant for badge products. Situational involvement demands a high perceived purchase risk and/or a greater badge value. Although both forms are mostly considered as independent from each other, Laurent and Kapferer (1985) mentioned that situational involvement can result in enduring involvement, whereas the opposite is not possible.

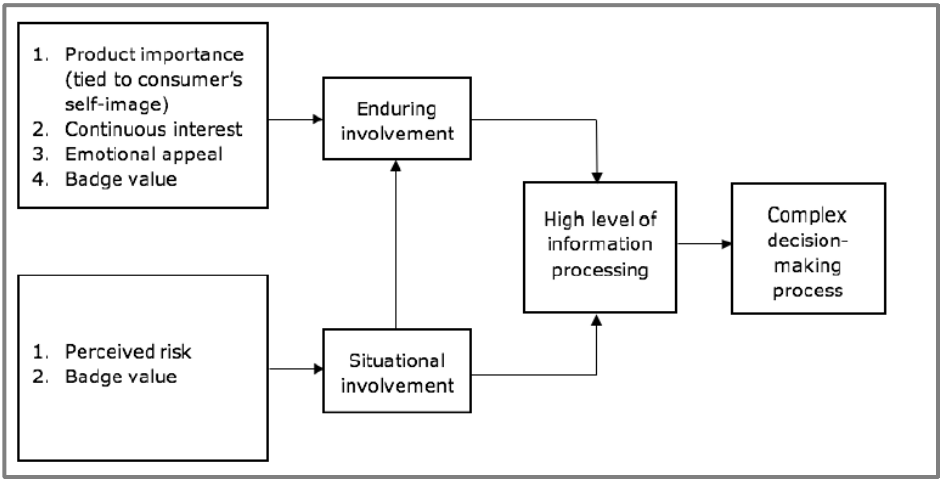

Figure 1: **Enduring/Situational involvement and information processing.**

Source: Adapted from Matzler (1997, p. 196)

The impact of the involvement level on the buying process

Various scholars describe a more intensive information seeking process as the most important consequence of a high involvement level. Additionally, a buying decision is influenced by more variables (Zaichkowsky, 1985; Laurent–Kapferer, 1985; Pettigrew–Charters, 2006). Therefore, the involvement level of customers towards a product influences the market communication strategy from companies. Potential customers with a high involvement level have more information about products in a specific product category. Therefore, the demand for basic information about product features and product benefits is lower. Additionally, a higher involvement level also results in a higher responsiveness toward communication activities from companies (Punj–Staelin, 1983).

Laroche, Bergeron and Goutaland (2003) stated that the involvement level also influences the level of the perceived risk from a purchase. A higher involvement level and more knowledge about a product category has the tendency to reduce a person's risk perception. This aspect is especially important for products in the OTC area. Products in this area are normally not tested by potential customers. The absence of a product test is compensated through the tendency to collect more information from various sources about a specific product. Furthermore, research has also discovered an association between consumer involvement and the confidence level of customers in a decision-making process (Park–Moon, 2003).

According to Schiffman et al. (2012), individuals who have a stronger perception towards risk tend to stay more loyal to their already favoured product or brand. This is especially interesting for health-related issues, since decisions which concern a person's well-being are associated with a higher risk level.

The level of Involvement from in health-related purchasing decisions

Non-durable consumer products with a low price and high purchasing frequency have the tendency to result in a rather low level of involvement in buying situations. More expensive products with a lower purchasing frequency are characterised by a rather high level of involvement in purchasing processes (Mueller, 2006). In order to understand purchasing processes in the OTC area more in detail, it is important to analyse scholars which are deal with the involvement level of purchasing process from customers related to products in the medical care area. An analysis of previous scholars indicates that the buying process with health-related products tends to be characterised by a rather higher level of involvement, especially compared with low-priced durable consumer goods (Yang et al., 2006; Sansgiry–Cady–Sansgiry, 2001; Gore et al., 1994).

This assumption goes hand in hand with scholars such as Mueller (2006) and Kautsar et al. (2012), who investigated a particular high involvement level in decision making process for plastic surgeries and pharmaceuticals. This is based on the fact that these decisions deal with the well-being of a person to a great extent. Additionally, Kautsar et al. (2012) investigated a positive relationship between the satisfaction of a customer with a purchase decision for non-prescription drugs and the involvement level in upcoming purchasing processes.

Gore et al. (1994) identified, that buying decisions from non-prescription medications are characterised by a rather high level of involvement. They also investigated, whether differences among demographic variables from customers could be detected or not. The study showed that the involvement level decreases with a higher level of income and education. Moreover, females show a higher involvement level than males. A difference in the involvement level among different age groups could not be detected. Given that elderly citizens are a large growing market segment for the pharmaceutical industry, it is quite surprising that the involvement level did not differ in that regard (The Geronological Society of America, 2014).

The results of the investigation from Gore et al. (1994) differ from the research results from Sansgiry and Cady (1996). Sansgiry and Cady (1996) focused their research on differences among the involvement level from different age groups in purchase decisions for OTC products as well. The result revealed, that elderly citizens have a higher involvement level than younger citizens. This can be influenced by the fact, that elder people spend more money on OTC products than younger generations. They also read product labels more often and they also require more in-depth information about the product. Additionally, Gore et al. (1994) could not detect differences among people with different purchase patterns. Another result from this research was the development of a scale in order to measure the involvement level with non-prescription medicines.

Independent from the general involvement level of customers in purchasing processes for medical products, scholars identified an impact of the involvement level on the information seeking process. The importance of various types of information which are collected in purchasing processes for health-related products differ for people with a high level of anxiety. Customers with a high level of involvement are building a specific level of trust towards a product based on collecting a huge amount of valid information. Customers with a low level of involvement in such buying processes rely more often on heuristic cues in communication efforts from companies (Perepelkin–Di Zhang, 2011; Yang et al., 2006). In this context Sansgiry, Cady and Sansgiry (2001) investigated, that people with a high involvement level compare information from various OTC product labels more in detail.

Methodology

This research deals with the identification of the involvement level of consumers in Austria in purchasing processes for non-prescription pain killers. Two research questions and seven hypotheses are formulated to develop the field of investigation further.

The **first research question** deals with the identification of the general involvement level from consumers in purchasing processes of non-prescriptive pain relivers. Therefore, the following research question is developed: “What is the level of involvement from people between 18–38 in purchase processes for non-prescription pain reliever in Austria?" Existing studies delivered contradictory results regarding the involvement level in purchasing processes for similar product categories. As already mentioned in a previous part of the paper, some scholars revealed that purchase processes for health-related products, like pharmaceuticals or plastic surgeries, are characterised with a high level of involvement (Mueller, 2006; Perepelkin–Di Zhang, 2011). Gore et al., (1994) investigated, that younger people have a lower involvement level compared with people from elderly generations. Therefore, the objective of the first research question is to develop more in-depth knowledge regarding the involvement level especially for a younger generation. Four hypotheses were developed in order to answer the first research question more in detail:

- H1: Buying process of non-prescription pain killer from people between 18–38 are not characterized by a high level of involvement.
  Results of previous investigations illustrated, that the level of consumer involvement in the purchase processes can be affected by demographic variables like gender, education and income. Researches show for example, that females tend to have a higher level of involvement than males in purchasing process of OTC products in general. Scholars also demonstrated, that the involvement level decreases with a higher level of education and income (Gore et al., 1994; Sansgiry–Cady, 1996). This scholar is dealing with the impact of demographic factors on the level of involvement in the age group between 18–38 more in detail. Therefore, the following hypothesis were developed:
- H2: The level of involvement in purchasing processes for non-prescription pain relivers from people between 18–38 does not differ regarding the level of education.
- H3: The level of involvement in purchasing processes for non-prescription pain relivers from people between 18–38 does not differ regarding the level of household income.
- H4: The level of involvement in purchasing processes for non-prescription pain relivers from people between 18–38 does not differ between men and women.

An analysis of the academic literature also showed, that the involvement level in a purchasing process influences the way information about a product is collected. Therefore, the second **research question** deals with the identification of the impact from the involvement level on the usage of different information sources: “How does the information seeking process for people with a different level of involvement in non-prescription pain reliever purchasing processes differ?” Gore et al. (1994) identified three different main channels for the distribution of information about medications. The first information source includes communication efforts from companies like radio-, television- and newspaper advertising, information at the point-of-sale and product labels. The type of commercial information which was investigated in the research from Gore et al. (1994) did not include information from online sources. Statistics show, that the importance of online sources which consists of information about medications differs between different customer groups (Statista, 2017d). Based on the lack of research regarding the importance of information from the internet, this study develops the knowledge base in this area further. Another important information source for customers in a buying process of OTC products are other people. This category can be divided into two different sub categories. Category one includes experts such as physicians, pharmacists or nurses. Category two includes laypersons like family members, colleagues and friends.

An answer to the second research question enables marketers to adapt and improve their communication efforts. Customer groups with different involvement levels can be targeted more efficiently. The aim is to identify more or less important information sources for customers with a different level of involvement. Therefore, the following hypothesis were developed:

- H5: The acceptance of recommendations from family members and friends does not differ between people with different involvement levels.
- H6: People with a rather low level of involvement in buying processes of non-prescription pain reliever are using recommendations from experts more often than people with a moderate or high level of involvement.
- H7: People with a rather low level of involvement in buying processes of non-prescription pain reliever are using information from the internet less often than people with a moderate or high level of involvement.

Primary data was collected between the 1st and 22nd of August 2018. The survey tool ‘core XM’ ,which is offered by the company Qualtrics, was used for the development of an online questionnaire. This IT system offers the development and visualisation of various different types of questions. Therefore, it helps to create a customized data collection platform which is appropriate for the usage of various scales in this research. Respondents have the possibility to complete 'core TM' questionnaires on various IT tools like personal computers, notebooks and mobile phones. (Qualtrics, 2020).

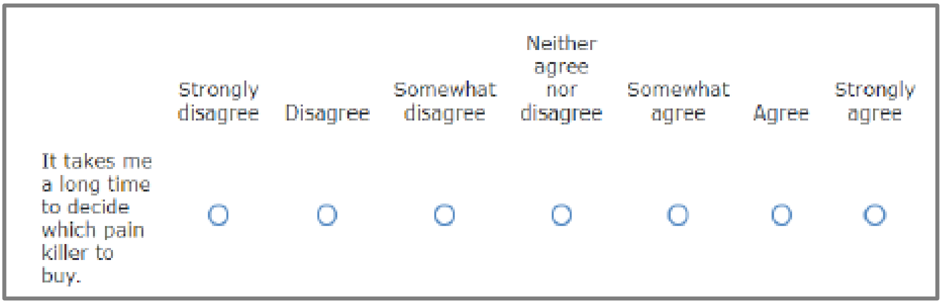

Figure 2: **Example of a question visualisation in the survey tool 'core XM', offered by the company Qualtrics.**

Source: Own source

The average duration time from respondents in the survey was 4 minutes, 30 seconds. The survey was available in two languages, (German and English) in order to improve the response rate. Five potential customers of OTC products pre-tested the questionnaire in German and English. SPSS was used in order to analyse the data and to test the hypothesis. Convenience and snowball sampling were used to distribute the questionnaire among potential participants. The questionnaire was distributed to address lists of educational institutions in Austria and to different address lists of small and medium-sized companies.

After three weeks 435 responses were collected. In total, twenty-nine cases were deleted based on missing values in the questionnaire. 328 out of 406 respondents where between 18 – 39 years old. Therefore, the sample size for research questions one is 328. The sample size of the research questions two is 406.

Measurement of consumer involvement

Gore et al. (1994) developed a scale for the measurement of the involvement level from consumers in the purchasing process of non-prescription medicines. This scale is the basis for measuring the involvement level of people in this study. Gore et al. (1994) adopted an already existing scale for the measurement of the involvement level from Zaichkowsky (1985) in order to make it more reliable for a pharmaceutical context. Therefore, they developed two new items which further dealt with the information search characteristic of the involvement construct in the medical area. The items of the scale, which were used to measure the measurement level in non-prescription pain relivers are summarized in *Table 1*.

Involvement items for non-prescription medicine purchases
1. Take a long time to decide before buying non-prescription medicines.
2. Get as much information as possible before buying a non-prescription medicine.
3. Interested in reading information about how non-prescription medicines work.
4. Compared product characteristics among brands of non-prescription medicines.
5. Perceive product characteristics among brands of non-prescription medicines.
6. Would be interested in reading a Consumer Reports article about a needed non-prescription medicine.
7. Have a most-preferred brand for the different kinds of commonly used non-prescription medicines.

Figure 3: **Involvement items for measuring consumers' involvement with non-prescription medicine purchases.**

Source: Adapted from Gore et al. (1994)

Gore et al. (1994) used a 7-point Likert scale for every item. Each item was rated from “strongly disagree” to “strongly agree”. An overall involvement score was established by the calculation of every mean value of the seven single items. Afterwards, an overall mean value of the total involvement level was calculated. After an assessment of the involvement level, respondents were asked questions regarding their purchase behaviours in the second part of the questionnaire. Questions about the importance of various information sources are stated in the 2nd part of the questionnaire. These questions were measured with a 5-point Likert scale. Additionally, demographic factors like age, gender, and the highest completed education where asked.

The validity and reliability of the already developed scale from Gore et al. 1994 was tested with a Cronbach test. A Cronbach α reliability coefficient with 0, 77 was calculated. A factor analysis was conducted in order to evaluate items from the second part of the questionnaire.

Findings

The first hypothesis investigated the extent of consumer involvement from people between 18-38 in purchasing processes of non-prescription pain relivers. A t-Test was chosen in order to test the average involvement level (Hypothesis 1). The mean value from the 7-point Likert scale (M=4.00) was chosen as a reference point for answering the hypothesis. The test showed a significant result ($t(327)=-5.127$, $p<.001$, $d=0.283$). Respondents between 18–38 showed a rather average level of consumer involvement. Therefore, hypothesis one has be accepted. People between 18–38 have an average level of involvement in purchase processes of non-prescription pain relivers.

	N	Mean Value	Standard Deviation	Standard error of the mean value
CI_M	328	3,6616	1,19546	,06601

Figure 4: **General involvement level, One Sample Statistics**

Source: Own source

	Test value = 4					
					95% confidence interval of the difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
CI_M	-5,127	327	,000	-,33841	-,4683	-,2086

Figure 5: **Test general involvement level, One Sample Test**

Source: Own source

In order to investigate the involvement level of the age group more in detail, potential differences among demographic variables were analysed. An analysis was conducted in order to investigate, whether the difference among people with different education levels exists or not. Therefore, participants were divided into three different education groups. The first group consists of respondents with a rather low education level. People from this group graduated from a compulsory school, an apprenticeship or an Austrian trade school without an a-level. This group shows the highest mean involvement score (3,890; SD 1,555). Respondents with an average education level (completing the a-level) have an average involvement level of 3,65 (SD = 1,111) in purchase processes of non-prescription pain relivers. Respondents with the highest education level (graduates from a university) have the lowest consumer involvement level with a mean value of 3,621 and a standard deviation of 1,188. In conclusion, the involvement level decreases with the increasing level of education. Nevertheless, hypothesis two is tested with an analysis of variance (ANOVA). Even though small differences could be detected, the results of the ANOVA do not show significant results ($F(2,81.9)=0.427$, $p=.654$, $\eta^2=.004$). A post-hoc analysis according to Games-Howell does not show a significant difference too. Therefore, hypothesis two can be accepted.

	N	Mean	Std. Deviation	Std. Error	95%-confidence interval for mean	
					Lower Bound	Upper Bound
Lower Education	32	3,8906	1,55463	,27482	3,3301	4,4511
Higher School Certificate	139	3,6547	1,11093	,09423	3,4684	3,8410
University degree	157	3,6210	1,18793	,09481	3,4337	3,8083
Total	328	3,6616	1,19546	,06601	3,5317	3,7914

Figure 6: **Involvement level and different education levels**

Source: Own source

Hypothesis three investigates, whether differences among people with a different financial background exists. Therefore, participants of the survey are clustered based on their household income into three different groups. The hypothesis is tested with an analysis of variance (ANOVA). No significant results could be detected $F(2,325)=0.934$, $p=.394$, $\eta^2=.006$). A post-hoc analysis according to Bonferroni did not show significant differences ($p>.050$) as well. Therefore, hypothesis three can be accepted. The involvement level of people between 18 and 38 does not show differences among people with a different financial background.

	N	Mean	Std. Deviation	Std. Error	95%-confidence interval for mean	
					Lower Bound	Upper Bound
≤ €20.000	132	3,7715	1,16955	,10180	3,5701	3,9728
€20.001 - €49.999	140	3,5905	1,15598	,09770	3,3973	3,7836
≥ €50000	56	3,5804	1,34652	,17994	3,2198	3,9410
total	328	3,6616	1,19546	,06601	3,5317	3,7914

Figure 7: **Involvement level and different income levels**

Source: Own source

Hypothesis four deals with differences of the involvement level in purchase processes of non-prescription pain reliver regarding gender. A t-test could not detect differences among the involvement level between women and men (t(326)=1.033, p=.302, d=0.131). Therefore, hypothesis four has to be rejected.

	Gender	N	Mean	Std. Deviation	Std. Error mean
CI_M	Male	84	3,7778	1,26886	,13844
	Female	244	3,6216	1,16917	,07485

Figure 8: **Involvement level gender, Group Statistics**

Source: Own source

Research question two deals with the collection of information in a buying process of non-prescription pain relivers. The importance of different information sources for people with different involvement levels is analysed. Differences regarding the acceptance of recommendations from laypersons (family members & friends) and recommendations from experts (physicians and pharmacists) for people with different levels of involvement are analysed with an analysis of variance (ANOVA). In general, the experts (MEAN= 3,96) are much more often consulted than laypersons (MEAN = 2,81).

An ANOVA test does not show significant differences from the importance of recommendations from family members and friends among people with different levels of involvement (F(2,403)=0.302, p=.740, η^2=.001)). A post-hoc analysis according to Bonferroni did not show significant differences (p>.050) too. Therefore, hypothesis five has to be accepted.

	N	Mean	Std. Deviation	Std. Error	95%-confidence interval for mean	
					Lower Bound	Upper Bound
low CI	72	2,81	1,229	,145	2,52	3,09
average CI	263	2,78	1,158	,071	2,64	2,92
high CI	71	2,90	1,173	,139	2,62	3,18
total	406	2,81	1,171	,058	2,69	2,92

Figure 9: **Acceptance of family members and friends as an information source from people with different involvement levels.**

Source: Own source

This result goes hand in hand with the importance of recommendations from experts. An ANOVA test shows no significant differences between people with different involvement levels ($F(2,189.1)=1.892$, $p=.154$, $\eta^2=.010$). A post-hoc analysis according to Games-Howell did not show a significant difference. Therefore, people with a rather low level of involvement in buying processes of non-prescription pain relivers are not using recommendations from experts more often than people with a moderate or high level of involvement. Therefore, hypothesis six must be rejected.

	N	Mean	Std. Deviation	Std. Error	95%-confidence interval for mean	
					Lower Bound	Upper Bound
low CI	72	4,07	1,039	,122	3,83	4,31
average CI	263	3,98	,899	,055	3,87	4,09
high CI	71	3,76	,992	,118	3,53	4,00
total	406	3,96	,944	,047	3,86	4,05

Figure 10: **Acceptance of experts as an information source from people with different involvement levels.**

Source: Own source

The importance of the internet as an information source for pain reliver (Hypothesis 7) was tested with a Chi² Test. This test shows significant differences among the importance of the internet for people with different levels of involvement.

Results show that 23,6% of respondents with a low level of consumer involvement are using the Internet as an information source. This is much lower compared to respondents with an average amount of involvement (46%) and a high amount of involvement (60,6%). Therefore, hypothesis seven has to be accepted. The level of involvement does have an impact on the information gathering process from customers.

			CI_M_Groups			total
			low CI	average CI	high CI	
Place of information search - Internet	No Internet consultation	Number	55a	142b	28b	225
		% within CI_M_Groups	76,4%	54,0%	39,4%	55,4%
		% total	13,5%	35,0%	6,9%	55,4%
	Yes Internet consultation	Number	17a	121b	43b	181
		% within CI_M_Groups	23,6%	46,0%	60,6%	44,6%
		% total	4,2%	29,8%	10,6%	44,6%
total		Number	72	263	71	406
		% within CI_M_Groups	100,0%	100,0%	100,0%	100,0%
		% total	17,7%	64,8%	17,5%	100,0%

Figure 11: **Information search in the internet from people with different involvement levels.**

Source: Own source

Conclusion

An understanding of the involvement level of customers in purchase process helps companies to identify more or less relevant communication strategies. The involvement level of a customer influences their information search in the first part of the purchasing process. Companies can adopt their communication messages and communication channels for customers with different levels of involvement (Gore et al., 1994; Sansgiry–Cady, 1996).

The first research question deals with the involvement level of consumers between 18–38 for non-prescriptive pain relivers. The investigation proved that people in this age group in Austria have an involvement score below the scale's midpoint. Such an average involvement level is surprising. Especially based on the fact that statistics show an increasing number of pain related problems (neck- and backpain, chronical headache) in age groups below forty years old (Statistik Austria, 2014). A moderate level of involvement could be based on the fact that products fall under the category of low-cost packaged goods. Customers might not consider an occasional headache or neck-pain as a serious health problem. Nevertheless, in the end it can be assumed that the general involvement level of representatives from this age group will rise in the future. This assumption is based on an increasing number of people with chronic or regular pain, especially in younger age-groups. Also, an easier accessibility to OTC pain relivers can be seen as a potential indicator which increases the level of involvement in the future. (Koniewski–Marlicz, 2020, p. 354; Wójta-Kempa–Krzyżanowski ,2016, p. 350).

As a consequence of the investigated moderate level of involvement, companies who are targeting customer between 18-38 just have to distribute a moderate level of information about the product. The complexity of the information and the intended message should be rather low. Meaning that companies have to focus on more persuasive messages in their communication efforts (Sherif–Sherif–Nebergall, 1965). In this context, Apte–Markale (2018, 360) recommend that communication strategies should combine advertisements and in-depth information about pain relivers. These findings are also an additional indicator, that separate communication messages should be created for different age groups.

The study did not detect significant differences of the involvement level based on other demographic aspects like gender, education and the financial background from people in this age group. Slight differences could be detected related to the financial aspects. It is surprising, that no difference between the involvement from men and women could be detected in this study. Pickover, Messina, Correia and Murphy (2016, p. 45) detected a higher consumption usage and consumption insensitivity among young male adults compared with you female adults.

Respondents with a high-income level have a lower involvement level than people with a lower income level. Additionally, a tendency could be detected that a higher education implies a lower level of involvement. A consequence of this result for the development of marketing strategies could be, that it does not make sense to segment the market in this age group based on other demographic variables. This has to be seen in contrast to other scholars which revealed different involvement levels from people with different demographic characteristics in other age groups in purchase processes for OTC products in general.

The level of consumer involvement also influences the information search from potential customers. The second research question identifies the relevance of different communication sources for people with different levels of involvement. Wójta-Kempa–Krzyżanowski (2016, p. 359) highlight the importance of physicians and nurses as a source of information about this product category. Especially the education of consumers about potential consequences and side effects is described as an important task for experts. This view is strengthened through the results of this paper as it detects, that experts are significantly more often consulted than laypersons (3,96 mean value compared with 2,81 on a 5-point likert scale). Other scholars indicate, that the importance from laypersons as an information source should not be under estimated. In addition to trustworthiness, Apte and Markale (2018, p. 361) detected, that the easiness to access information plays an important role as well. This is especially relevant for people in younger age groups.

The internet as a source of information was selected more often than family and friends, especially from people with a high involvement level. The importance of the internet as an information source for non-prescription pain relivers can be explained by a scholar which detects, that 80% of internet user rate health-related information as credible (Kamiński–Łoniewski–Marlicz, 2020, p. 355). Several other scholars support findings of this research as well. Kim (2011) for example also argues that the internet has become an indispensable source of information for products in the health and medication area. Wójta-Kempa and Krzyżanowski (2016, p. 350) observe an increasing trend that OTC products, especially pain reliever, are self-administered more often by consumers. This trend is influencing the importance of the internet as an information tool as well.

Online and social media communication tools offer a lot of possibilities to target people more specifically. More in-depth information can be especially tailored and targeted for people with a higher involvement level. Though this information must be rather educational than promotional. Kamiński, Łoniewski and Marlicz, (2020, p. 355) recommend, that pharmaceutical companies have to take forums and social media platforms, where people share their experiences and recommendations about pain relivers, more into consideration from marketing perspective. This is especially relevant for customers with a higher involvement level. The openness towards online information also enhances the chance for pharmaceutical companies, to offer additional services and mobile applications. Geraghty et al. (2015, p. 4) report that a mobile app which delivers in-depth information about products, services and self-management advices for the treatment of pain also reduces the level of pain from consumers significantly. This goes hand in hand with previous findings about the usage of non-prescription pain relivers and pain management strategies from consumers.

Study limitations

The study investigated the involvement level of customers for one specific product category, non-prescription pain killers in detail. The decision to limit the research to one product has been made due to various reasons. First of all, statistics show that the relevance of this product category is increasing in general, especially among younger people. Therefore, the first part of the research deals with an investigation of the involvement level from this target group in detail. Nonetheless, because of this narrow focus the applicability of the findings to other age groups and medications is limited. Another limitation of this investigation is that data was collected through convenience sampling. Hence, it is recommended that future investigations examine a more demographically diverse group. Thus, not that much is known about involvement with non-prescription medications, especially pain killers. A better understanding of consumers' involvement with non-prescription pain killer purchase decisions might also be generated from further investigations with a qualitative research approach. Employing focus-groups or in-depth-interviews could offer deeper knowledge since respondents are enabled to thoroughly explain their underlying thoughts.

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List of Abbreviations:

OTC = Over the counter

WOM = word of mouth

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The Level of Corporate Social Responsibility Implementation in all Social Responsibility Aspects in Jordan's Zain Telecommunication Company

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ABSTRACT: A relatively new concept in the business world, corporate social responsibility (CSR) has resonated widely in the global economy. As well as integrating into the cultures of many organizations, CSR has become an important business strategy component of corporations worldwide. Many large companies in Jordan realize the importance of adopting social responsibility, especially companies that help build society as well as develop and increase productivity by providing distinct programs for small projects, as these contribute to solving problems of unemployment and poverty. This study explores the extent to which Zain Telecom in Jordan covers the three aspects of social responsibility in the same depth and level. The research methodology is qualitative analytical and is based on secondary data such as previous studies and the analysis of Zain's annual report of social responsibility for 2018. The study concluded that the abovementioned company is significantly concerned with the social and employee aspects of CSR, but pays little attention to environmental aspects. The study made a number of recommendations, including focusing on all dimensions of social responsibility equally.

KEYWORDS: Corporate social responsibility (CSR), Jordan, telecommunication sector, Zain Company

JEL Codes: M14, A13, A14

Introduction

Until quite recently, the primary goal of most institutions and companies was the achievement high profits and the maximization of high profits for the benefit of owners and shareholders. As a result, the needs of customers, employees, society, and the environment were often overlooked during policy formulation as well as internal and external corporate structuring. Much of this can be attributed to the rise of organizations within the

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classical economic philosophy model and its primary goal of achieving profitability.

Nevertheless, the era of globalization has initiated many social, political and economic changes including the necessity to separate management from ownership and the emergence of giant multinational and transcontinental companies in conjunction with the growth of community organizations. Since the 1950s, various factors have influenced institutional decision-makers to adopt different policies and strategies in business planning, including the concept of corporate social responsibility. These factors include increasing environmental and social awareness among global consumers via technology, and the rapid access to information concerning the work of international and local companies. The ability to monitor the impact organizations have on the environment and the extent of their contribution to the society in which they operate ensure that they take society and the environment into account.

Consequently, the concept of social responsibility has become an integral part of corporate policy formulation, which comprises strategies and business plans for ethical management that actively considers the impact corporate activities have on the environment as well as customers, suppliers, employees, shareholders, societies, and all other stakeholders. These initiatives not only help to ensure individuals live in a healthy and clean environment, but they also boost a company's image and reputation, thereby benefitting a company's bottom line.

As is the case in all countries of the world, the social role of private companies in Jordan becomes increasingly prevalent as the public sector continues shedding many of its economic, social, and service roles. These developments have motivated many companies to seek and adopt effective social responsibility programs that consider societal conditions and challenges. Through its focus on poverty reduction, environmental protection, resource efficiency, recruitment initiatives, and human development, CSR can help alleviate many of the financial and economic crises that have surfaced from the dominance of globalization in Jordan.

Business organizations in Jordan began increasing their interest in spending on various social activities after being severely criticized for prioritizing profit without considering the requirements of society and the environment in which they operate. Corporate social responsibility arose as organizations aimed to improve internal working conditions through increased wages and health care provision. The concept evolved more fully and deeply when businesses began focusing on improving the quality of life for communities in general by providing increased social stability and social solidarity.

Promotion is an important aspect of corporate social responsibility for companies. By providing information about various social and environmental actions taken, organizations not only gain moral capital and competitive advantages, but also improve their and social images. Hence, the publication of corporate social responsibility reports has significantly increased in importance in recent years. These reports affirm that companies are responsible for their actions because society has become interested in organizations committed to reporting their principles and responsible activities. Nevertheless, in general, the number of studies on social responsibility in the Middle East and Jordan is limited.

Though telecommunication companies, as business organizations, are part of the daily life of societies, they are not isolated from corporate social responsibility developments. This study aims to determine the reality of corporate social responsibility in Jordan’s Zain Company, which operates in the telecommunications sector, considered one of the dynamic sectors in the Hashemite Kingdom of Jordan.

In summary, and in accordance with the arguments outlined above, the current study conducted the following research to answer the following question: Does the Zain Company apply all three aspects of CSR in its CSR strategy to the same degree? The researcher analyzed the CSR report to find out if the company’s CSR activities form an integral part of its business. The company’s efforts in empowering youth, education, healthcare, charitable donations, work with needy communities, infrastructure, and empowering women were also examined. In addition, the current work endeavored to discover the extent of the company’s focus on each CSR category and whether its interest was equally weighted across the various CSR categories.

Literature review

In modern society, the state has proven increasingly incapable of addressing social issues and needs arising from an expanding, interconnected, and highly complex environment (Parker–Braithwaite, 2003).

The dynamics of modern societies have led to the growing realization that states cannot solve social conflicts and coordination issues alone, and that the classical division of labor between business and the state needs to be revisited (Scherer et al., 2006). It is precisely this realization, coupled with the increasing prominence of the business corporation that has compelled various scholars, managers, and shareholders to abandon the classical model and evolve towards the modern paradigm. According to Kreitner (2001), ‘‘many think the time has come to revamp what they believe to be an obsolete, classical economic model.’’

CSR principles have long been part of enlightened business practice, but the concept has witnessed an astounding ascendancy and resurgence in recent years. Nevertheless, the concept has not been uniformly embraced, with lingering diverging views about its potential usefulness and applicability. To skeptics, CSR is antithetical to sound business practice and serves to dilute its focus on wealth creation (Clement-Jones, 2005; Murray, 2005). Proponents, however, characterize CSR as essential for successful business operations and as an opportunity for businesses to look beyond narrow economic returns and consider the wider social concern (Jackson–Nelson, 2004; Rudolph, 2005).

In today's business world, the role of global companies goes beyond making a profit. Companies must conduct their business in a manner that ensures responsibility to society and stakeholders (Harrison–Freeman, 1999). In addition, Davis (1973) argues that CSR requires “consideration of issues beyond the narrow economic, technical, and legal requirements of the company”.

CSR is a multi-dimensional concept, studied through several aspects by the field’s researchers (Taghizadeh–Shokri, 2015). CSR could be considered a “trend” aiming to redirect the business approach towards profit optimization rather than maximization by focusing on long-term goals rather than short-term goals (Moravcikova et al., 2015).

There is no single commonly accepted definition of corporate social responsibility. CSR generally refers to business decision-making linked to ethical values, compliance with legal requirements, respect for people, communities, and the environment. Hence, CSR is defined as operating a business in a manner that meets or exceeds the ethical, legal, and social expectations that society has of business (*BSR and the State of CSR*, n.d.). A World Bank study on roles of strengthening corporate social responsibility defines CSR in the following manner: “Corporate Social Responsibility (CSR) is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve quality of life, in the ways that are both good for business and good for development” (Fox et al., 2002).

The Green Paper (Communities, 2001) defined CSR as “a concept whereby firms decide voluntarily to contribute to a better society and a cleaner environment.” The paper also states that this can be performed by merging “social and environmental aspects into business operations and their interaction with stakeholders” (Communities, 2001), whereas the EU focuses on social responsibility as a voluntary action (Akinyomi, 2013). UNIDO (2013) defines CSR as a “concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.”

Carroll (1979) offers a more detailed definition of CSR: ‘‘The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time.” Carroll observes that a lack of social responsibility leads to increased government laws and regulations, which will thus reduce the efficiency of organizations. Therefore, it must be emphasized that if organizations are righteous, then the economy as a whole will be good. On the other hand, if organizations are corrupt, then a large number of economic and societal segments may be negatively affected (Buhmann, 2011).

Milton Friedman stated that the only social responsibility a corporation has is to increase profits, but his ideas are no longer fully accepted by society or the business science world (Friedman, 1970).

Friedman explained that the application of social responsibility reduces an organization’s profitability and benefits. Instead, he focused on the theory of stakeholders and their importance in the administrative areas, which concentrated on the relationship between the organization and the surrounding environment. The organization should, according to Friedman, span its interest and concentration from shareholder shares to other groups that have a connection with the organization (Buhmann, 2011).

CSR has several benefits: (1) access to resources; (2) improved human resources; (3) better marketing; (4) an increase in opportunities; and (5) competitive advantage (Barnett–Salomon, 2006).

According to Jiang & Wong (2016), the key factors or activity areas to engage CSR are environmental protection, construction quality and safety, CR, employees, consumers, and CSR management. Important motives for companies to participate in the activities of social responsibility include a company's reputation, image, and strong customer expectations. CSR turned out to be a very important tool for maintaining a positive corporate image and reputation (Zhao et al., 2012).

Reporting corporate social responsibility is defined as the process of disclosing everything related to the social and environmental activities to which organizations are bound, and to get this reporting to specific interest groups within society and society as a whole (Campbell, 2004; Gamerschlag et al., 2011; Gray et al., 2001).

In conjunction with the development of corporate social responsibility practices, several literature reviews regarding corporate social responsibility reports have been published in the past few years, assuming that this indicates the responsibility of the company for its actions (Perrini, 2005). Society gives great attention to organizations and institutions that are committed to disclosure through their published reports on socially responsible principles and activities that they undertake (Fisher et al., 2001).

Organizations post their information in a variety of ways including newspapers, radio or television websites, e-mails to stakeholders, and in-person contact with the company. A common method used by all companies is to disclose annual reports. Together with social media and ease of communication that is available in the age of technology, all of these methods are important avenues through which companies can spread information to the public (Arnold et al., 1984).

It may seem clear that there are differences in the disclosure of social responsibility information between developing and developed countries and, therefore, what may be appropriate for one country may not be suitable for another. The phenomenon of corporate social responsibility disclosure (CSRD) began in the West and many measures are being implemented in developed countries to push companies to disclose policies and businesses related to corporate social responsibility. For example, there have been many social indexes in the United States since 1990 (Domini Social Index). Furthermore, the European Commission declared that the CSRD should be implemented in European countries from 2005 (Luetkenhorst, 2004). The UK has created the position of Corporate Social Responsibility Minister, while the law in France obliges major corporations to issue corporate social responsibility reports (Wanderley et al., 2008).

The institutions, standards and legal systems that support CSRD in Western countries are relatively weak (Kemp, 2001). Corporate social responsibility in developed countries is encouraged by societal pressures that compel companies toward socially responsible actions. Moreover, the concept of corporate governance is developed in these countries, and this means a further stimulation of corporate social responsibility (Mallin et al., 2005).

In developing countries, no initiative to make disclosure of corporate social responsibility mandatory exists yet. Also, the number of studies on corporate social responsibility in developing countries is limited, and it is not difficult to conclude that many obstacles prevent the implementation of corporate social responsibility in developing countries (Jamali, 2007). Although these countries are in the process of growth and progress, their disclosure and studies are still rather few (Imam, 2000; Kamla, 2007; Mirfazli, 2008; Rizk et al., 2008; Uwuigbe–Egbide, 2012).

In general, the level of CSRD in developing countries is very low, incomplete, and less than the required level, and this applies to most Arab countries including Kuwait, Qatar, Bahrain, Saudi Arabia, United Arab Emirates, Oman, Syria, and Jordan (Kamla, 2007).

It can be said that the level of corporate social responsibility disclosure is higher in developed countries than in developing countries for reasons related to low economic development, weak legal systems, or because the concept of corporate governance is new or the demands of stakeholders are low (Imam, 2000; Kamla, 2007; Mirfazli, 2008; Rizk et al., 2008; Uwuigbe–Egbide, 2012). In fact, companies in different countries have differentiated and contrasting views on the importance of being considered socially responsible and on issues of corporate social responsibility that should be prioritized and disclosed (Maignan–Ralston, 2002).

Empirical studies on CSR reporting revolve around firm characteristics and the factors affecting the level of CSR reporting. Adam (2002) and Prado-Lorenzo et al., (2009) also confirmed that it is possible to classify the factors that are likely to have an impact on the level, quantity, and quality of CSR reports in three categories: (1) the characteristics of the company, for example, size and industry; (2) contextual factors such as the country of origin, time, stakeholder pressure and media and (3) internal factors, such as the appointment of a CEO or a social reporting committee. The number of studies in the third category is limited.

It is worth mentioning that the level of disclosure of corporate social responsibility increases with the size of the company (Morhardt, 2010). Companies use different technologies to disclose corporate social responsibility information to different stakeholders. Therefore, the appropriate method must be chosen depending on the type of stakeholder, as some prefer to use websites and emails to inform them of the operations of the organization. However, the researchers found that most users prefer to use annual reports as a primary source of information to reinforce their investment decisions (Abu-Nassar & Rutherford, 1996).

Previous studies also revealed that annual reports are the easiest and most important way to obtain information about a company and that 88% of investors use it to guide their decisions. In addition, compared to other methods, annual reports are a reliable and valid way to obtain information (Al Shattarat et al., 2013).

Content analysis is a means through which to analyze the level of corporate social responsibility disclosure by a company that specializes in it. The analysis of the content of annual reports is a tool for collecting data, as qualitative and quantitative information is organized into different groups. It has been used a great deal in previous studies to determine the properties and modality of CSR disclosure (Guthrie–Farneti, 2008; Krippendorff, 2004).

CSR in Jordan

Jordan is considered a Middle Eastern country, and its market is considered one of the smallest compared to its neighboring countries. Jordan suffers from a severe shortage of resources such as water, oil, and other natural resources that support most of the world's economies. These resource shortages constitute an impediment to economic and social development and lead to other problems such as high poverty and unemployment rates, as well as to the persistent state budget deficits, all of which drives the country to rely heavily on foreign aid, which in turn raises public debt(Central Intelligence Agency, 2020).

The cultural and organizational environment and economic considerations in Jordan differ from those in developed countries (Barakat et al., 2015; Ibrahim–Hanefah, 2016). Jordan is also a country of law and institutions and is characterized by a high level of security and political stability compared to other countries in the region (Naser et al., 2002; Ismail–Ibrahim 2008; Barakat et al., 2015).

Jordan occupies a strategic location among Arab countries, but this location did not spare it from the negative impacts of the Arab Spring period. The Arab revolutions, which started in Tunisia in 2011 and then extended to Egypt and Libya before moving to Yemen and Syria, led to Jordan being a country of asylum for those fleeing the affected countries (Ali, 2014).

Jordan has a population of 10,820,644 people, and the outbreak of the civil war in Syria was an urgent social and economic challenge in the region, specifically in Jordan, where a crisis resulted from the influx of Syrian refugees into Jordan. According to United Nations figures, approximately 660,000 refugees flocked to Jordan’s borders. Official Jordanian statistics estimated the number of Syrian refugees to be 1.3 million as of early 2016 (Central Intelligence Agency,2020). More than 80% of these refugees reside in urban areas in Jordan and constitute a significant burden on the Jordanian economy due to competition in the labor market and competition for other resources (Haddad et al., 2017).

Before 1999, corporate social responsibility was in its early stages and considered voluntary. The practice stemmed mostly from the direct influence of religious and cultural beliefs and prevailing social values such as solidarity. According to Elian: “In the Middle East and North Africa (MENA) region, CSR is not an alien concept; it has historical witness as the organizations which achieve extraordinary profit are not welcomed due to the religious beliefs that prohibit exploitation” (Khalil Elian, 2004). However, social responsibility was taken as a comprehensive approach after 2000, and despite this, social responsibility activities in Jordan cannot be considered a strategic approach to sustainability, but are still considered part of volunteerism (Al-Daaya, 2017).

According to Almaghribi (1996), Muslim societies are obligated to apply social responsibility, whether at the individual or group level. This includes companies, as they are owned by individuals who hold this thought and these beliefs.

According to previous studies, the concept of corporate social responsibility in Jordan is new (Elian, 2005). A study conducted by the Vision Institute for Civil Studies in 2014 showed that institutions in Jordan tend to implement social responsibility to serve their own interests, and that these institutions do not have the institutional mentality to distinguish between intermittent charitable work and sustainable development projects that have a lasting impact on society (Mkheimer, 2018). Also Abdelrahim (2014) indicated that “CSR in Jordan is a mixture of ethical voluntary actions and legally binding through political and legislation pressure.”

Previous studies also showed that Jordanian institutions that adopt social and environmental initiatives have a positive image and high reputation within all segments of society. This enables them to establish a broad and strong relationship base, which allows them to attract the most skilled employees in addition to increasing the ability to attract more clients (Lin, 2009).

The economic transformation that took place in Jordan in the late 1990s, which included privatization and orientation to open market policies, as well as permitting investments and concluding international trade agreements and granting facilities to improve the investment environment, led to the creation of partnerships between the private and government sectors. The purpose of these partnerships was to improve economic and social aspects. Consequently, in terms of managing aspects of life and keeping pace with rapid changes, the state’s role decreased and the role of other sectors increased: “the old paradigm that the state is the only entity responsible for the wellbeing and livelihood of the nation is becoming obsolete” (Al-Daaya, 2017).

Therefore, the role of the private sector has become increasingly visible and present. Jordan’s efforts in affirming and achieving the concept of social responsibility for institutions have increased, and the state has undertaken some social responsibility activities for local institutions through other institutions specialized in achieving sustainable development (Al-Daaja, 2017).

In his research, Ararat (2006) stated that the engine to enhance corporate social responsibility in Jordan was the move toward a liberal economy and liberalization as well as increasing competition internationally and locally.

Over time, many Jordanian institutions, such as telecommunications companies and some local commercial banks, have placed social responsibility within their tasks and strategic vision in an optional manner without any legal obligation. However, it is often believed that these trends are nothing but activities that seek to improve public relations or to improve corporate images. Social responsibility activities and programs have also been implemented for several companies in cooperation with NGOs that have solid knowledge about how to deal with the problems and needs of society. Although this form of social responsibility is voluntary work, a number of large companies have disclosed their orientations in terms of social responsibility within their strategies in their desire and not obligation by any other party as mentioned in the studies conducted in this field. Jordanian companies tend to report their socially responsible activities and include them with human resource data (health and safety) and community affairs (charity work, public donations) (Al Shattarat et al., 2013).

A recent study by Abdelrahim (2014) that focused on a targeted sample of large companies out of 190 joint-stock companies in Jordan has shown the following motives behind corporate social responsibility (in descending order): cultural ethics, a company law, customary rules, state law, political or societal pressures, competitors, and non-governmental pressure. Interestingly no firm considered pressure from clients to be a motivational factor.

Also, preparing social and environmental reports for companies is one of the most important priorities of the Jordanian government (Barakat et al., 2015; Ibrahim–Hanefah 2016). This is because preparing company reports on their activities in this field is considered a means to attract domestic and foreign investment in Jordan. Therefore, the government issued laws and regulations to improve social responsibility reports in corporate annual reports (Ibrahim–Hanefah 2016; Haddad et al., 2017).

Despite the many behaviors the Jordanian government undertakes to establish corporate social responsibility practices, studies in this field are still limited and insufficient (Al-Khadash–Al-Yarmouk, 2003).

At the same time, there are few available studies to determine the extent to which companies exercise social responsibility in Jordan, and this may be due to the process of disclosing social responsibility for companies in Jordan, which is still new and is considered in its primary stages (Abu-Baker–Naser, 2000; Khasharmeh–Suwaidan, 2010).

Studies also show that the CSRD in Jordan does not receive enough annual report attention from companies listed on the Amman Stock Exchange. The published reports indicated that most companies are interested in disclosing information about human resources and societal participation. The disclosure regarding environmental activity was sparse and requires more attention from Jordanian companies (Abu-Baker–Naser, 2000).

In Jordan, many companies in various fields took the initiative to participate in social responsibility and community support programs. One example is the “Ruwwad” initiative presented by the private sector and adopted by Aramex in 2005 with the help young people eager to positively influence sustainable development. Another example is the launch of the "Together" initiative presented by the Arab Bank, which aims to integrate the local community in the development process. Also, in 2012 multinational pharmaceutical company Al-Hikma won the Client Leadership Award offered by International Finance Corporation (IFC). This award is given to companies that adhere to the principles of transparency, good corporate governance, high production quality, and sustainable development projects (Suwaidan et al., 2004).

In 2014, 444 social programs and activities were implemented by various business sectors in Jordan, with the banking sector being at the forefront in support of these activities. Social responsibility programs in Jordan targeted eight different areas, namely: protecting health and the environment; sponsoring activities; developing local community; helping the poor; combating unemployment, sponsoring sports activities; art, and culture; supporting company employees; and national political affairs (Al-Daaya, 2017).

CSR in the Zain Company

The Jordanian market is considered attractive for investments because of its important potential compared to the markets of the region, and this is what drives the growth of the telecommunications sector in recent years. With its three licensed telecommunications companies – Zain, Umniah and Orange – Jordan was ranked the second most competitive communications market in the Middle East after the Saudi market (Arab Advisors Group, 12:25:32 UTC). According to a report prepared by the Arab Advisors Group, the market share of Zain Jordan is 40%, which is the largest share in this sector. While its competitors Orange and Umniah own a market share of 31% and 29%, respectively, Zain Jordan is the first and largest among the telecom companies in Jordan (Obeidat et al., 2015).

Zain is also one of the pillars of the national economy as it employs 1181 full time workers, provides thousands of indirect job opportunities, and is the preferred employer of 3,723,000 customers. In January 2003, Zain Group acquired Zain Jordan in “the largest single acquisition in the Middle East region and the largest private sector investment in Jordan” (*About Us - Zain Jordan*, n.d.).

The company became the property of the Zain brand, a subsidiary of the Mobile Telecommunications Company (KSC), listed on the Kuwait Stock Exchange (Stock ticker: ZAIN). It is currently the fourth largest telecom company in the world in terms of geographical, covering 22 countries in the Middle East and Africa (*About Us - Zain Jordan*, n.d.).

Zain revolutionized the telecommunications sector in the Kingdom in 1995 by offering mobile telecommunications services. It also offers many new services and integrated communications technology solutions to keep pace with the latest developments in this field, exceeding the aspirations and needs of its customers (*About Us - Zain Jordan*, n.d.).

In conjunction with its investment in the latest technologies and technology services, Zain has developed one of the most active social responsibility programs in the Kingdom, which is reflective of the company's approach to managing economic, social, and environmental impacts by supporting many vital sectors such as education, health care, youth, sports, and community innovation (Harb–Abu-Shanab, 2009).

When Zain prepares its annual CSR reports, it is guided by the principles of materiality, comprehensiveness, and responsiveness of the AA1000 Standard Accounting Principles. It uses the Global Reporting Initiative (GRI) standards, which is a reporting standard for triple bottom-line reporting, and its standards are the leading international guideline framework for sustainability reporting, with the primary 'conforming' option. The contents of Zain's sustainability report also align with the United Nations Guiding Principles (UNGP) on the Business and Human Rights Reporting Framework launched in February 2015 (*https://www.zain.com/en/sustainability/global-goals/*, n.d.).

Furthermore, the company continues to actively address Sustainable Development Goals (SDGs) to further achieve the 2030 agenda. In 2018, Zain further developed the way it conducts business in order to address SDG targets. By addressing and raising awareness of SDGs, the company also takes into consideration the context in which it is operating. Therefore, the company has introduced the concept of Planetary Boundaries and Social Thresholds. This concept provides a clear direction for the company to set suitable and impactful sustainability related milestones (*https://www.zain.com/en/sustainability/global-goals/*, n.d.).

Zain also supports the "Madrasati" initiative, and has allocated $600,000 to maintain and construct infrastructure and support for government school educational projects. Thus far, zain has adopted eight schools through this initiative (*https://www.zain.com/en/sustainability/global-*

goals/, n.d.). Also in 2010, Zain provided 25 scholarships to beneficiaries of the Al-Aman Fund for the future of orphans, and in 2012 the company increased the number of grants to 31 scholarships. Moreover, in 2013 Zain increased the number of grants to 34 scholarships, and by the end of 2017, the number of grants for 46 scholarships that cover university tuition fees. The initiative also includes funding for the professional development of orphans by providing some job and training opportunities that provide orphans with the necessary skills to guarantee them a source of income (*https://www.zain.com/en/sustainability/global-goals/*, n.d.).

Zain is interested in supporting and developing youth energies. One example is its support for the Injaz initiative by sending its employees to participate in volunteer programs alongside school and university students, in addition to the participation of its management team in the Business Leaders Campaign Program. Zain also supported the LoYAC Center for Youth Achievement in the establishment phase of the center. Furthermore, it allowed training for several employees of the program in the various departments and offices of the company to enable them to acquire practical experience and skills that facilitate their entry into the labor market. Also, the company opened its doors to students benefiting from the "My Opportunity For Excellence" program, which was launched by the Jordanian Education Initiative to enhance employment opportunities for ICT graduates as it included recent graduates who did not graduate more than two years ago (*https://www.zain.com/en/sustainability/global-goals/*, n.d.).

Based on Zain's belief in the necessity of youth development with a focus on the importance of providing practical experience and nurturing independence, the company launched a program to employ university students in the subscriber service center and telemarketing in addition to the company's exhibitions, as it benefited from this program. Since its inception in 2008 until the end of 2014, more than 1500 students participated in the program (*Corporate Entrepreneurship Responsibility - Zain Jordan*, n.d.).

In 2014, Zain launched the "ZINC Creativity Platform" (ZINC), which forms an umbrella for all the company's initiatives and programs in the field of entrepreneurship responsibility. Established on an area of more than 630 square meters in the King Hussein Business Park, the platform provides an environment suitable for creativity. It contains everything Jordanian entrepreneurs require from advanced technological facilities and services, to consulting and guidance. In cooperation with more than 100 strategic partners for the platform, Zain aims to help young people convert their creativity into production projects for local, regional, and global marketing purposes. This initiative expanded from Zain's creativity to open branches in several universities throughout the Kingdom (*Corporate Entrepreneurship Responsibility - Zain Jordan*, n.d.).

On September 25, 2015, 193 world leaders committed to achieve 17 global goals in 15 years. Zain expressed their commitment to adopting the UN Post-2015 Sustainable Development Goals (SDGs) by ensuring that their initiatives and projects are in line with the 17 goals (*https://www.zain.com/en/sustainability/global-goals/*, n.d.).

Given the previous literary reviews on corporate social responsibility, it seems clear that Zain has taken a very important role in corporate governance and policy-making in past decades, and this importance has begun to increase in several areas including globalization and technology; social and economic changes at the level of companies; individuals and governments; and an increase in customer awareness. Consequently, it became an integral part during the planning and implementation of the business of global and multinational companies.

It is also clear that developing countries are still in the beginning of applying the concept of corporate social responsibility compared to developed countries in the world, as there are few studies on their importance, how to implement them, and companies' point of view about them in developing countries. Also, the studies that have been completed so far show that developing countries focus on some aspects of social responsibility more than others for reasons related to culture and society.

Hence, the importance of this research is to examine the extent to which Zain, a multinational communications company, applies the concept of corporate social responsibility in Jordan, a developing country in the Middle East. This study evaluates the ways in which Zain applies the CSR concept and whether it applies the different CSR dimensions at the same level and to the same degree. The current study then proceeds to analyze the obtained results.

Research

Hypotheses and Methodology

Zain Multinational Telecommunication Company in Jordan practices CSR strategy at the same level in all CSR aspects. This research is an qualitative study in order to measure the performance of social responsibility in Zain Telecom Jordan, and it was conducted through a review of the previous literature and the secondary data of the annual CSR report issued by the company's social responsibility activities in 2018 to conclude whether this company applies the CSR strategy in all three aspects of CSR to the same degree.

Analysis

The researcher studied the social responsibility data report of Zain Telecom Jordan published in 2018, and analyzed it based on the GRI standard as an indicator to evaluate CSR initiatives, which is the framework the company uses to support its sustainability reports, as it ensures the transparency and completeness of the information disclosed.

The report is open access and is published annually by the company on its official website to show how it manages and measures corporate social responsibility goals, and how it builds their responsible business strategies to meet the expectations of stakeholders around the world.

The analysis indicated that the company focuses on aspects of social responsibility in different degrees, and showed that the company's social activities relate to its employees at a high level (Index 2). This includes protection of human and children's rights represented in preventing child and compulsory labor. Other measures are related to anti-corruption and protecting employee rights of justice, equality, development, training, education, diversity, equal opportunity, and non-discrimination between different groups (gender, race, religion and ethnicity). Initiatives also focus on providing greater opportunities to local residents to occupy senior positions in all fields. The company also conducts annual surveys to assess employee satisfaction, commitment, and loyalty. The company also submits regular employee performance reviews, career development, and builds professional relationships at work in addition to maintaining a high level of labor/management relationships with a positive relationship between the various categories of staff. The company also conducts an annual corruption survey of all major Zain operations.

Furthermore, the company encourages in-house social dialogue by creating internal electronic platforms to encourage employee initiatives and ideas and to stimulate creativity. Moreover, the company seeks to provide a safe work environment, avoid any accidents, and cover all employees with comprehensive health insurance. This initiative mirrors the attention the company has invested into customer health safety, customer privacy, data protection, and social and economic compliance. The company also has high-level activities in empowering women through its commitment to diversity and gender equality projects, tracking wage ratios, increasing the proportion of women workers at all levels, and considering the needs of working mothers. Zain is also concerned with external suppliers by ensuring their commitment to working in an ethical manner and following policies and procedures related to child labor.

In addition, the company's related activities to society were of a high-level (Index 3), as the company was interested in alleviating the effects of poverty through indirect financial performance, supporting poor societies, and protecting children's rights within international agreements. The company also supports school and university education by building up electronic platforms to support school students, enrich educational content, foster creativity and knowledge, and encourage and develop talents in various fields. In addition to multiple activities in university education support for economically underserved groups, the company empowers young people by providing support for startup projects and free spaces for work as business incubators in different cities. Zain also provides vocational training opportunities for young university graduates. The company employs many electronic platforms for community health and welfare, supports medical consultations, and supplies electronic payment platforms to facilitate financial services.

As for the environment, the activities were between medium and low (Index 1), as the company is trying to follow the necessary measures to reduce emissions by installing hybrid and solar solutions, but emissions increased nonetheless due to the expansion of the network in the current sites, which caused a slight increase in energy consumption, leading to an increase in carbon dioxide emissions for each base station. Zain also follows the guidelines of the Environmental and Social Management Plan (ESMP) to conserve biological diversity by regularly testing Zain equipment to ensure the protection of the environment, biological diversity, and community from radiation and electromagnetic fields. The plan also seeks to protect historical sites from damage, but procedures in this area have been weak. Moreover, there is no mention of Zain's policies for using clean energy in its facilities or rationalizing water consumption or reuse, nor are there policies for waste disposal or recycling. Nevertheless, the company did launch a group-wide campaign on the risk of climate change and environmental pollution. No information was reported regarding product use or product end-of-life.

Findings

The study showed that the concept of social responsibility in Zain Jordan telecommunications Company is a comprehensive concept that includes all economic, social, humanitarian, and environmental sectors in the local community and the country as a whole, and examples of this are mentioned in the annual report of the company's activities, which included various environmental awareness campaigns, environmental protection measures, health care platforms, support for scientific research projects, stimulation of creativity, training, employment, educational activities, social solidarity, and the provision of charitable assistance in order to reduce poverty. The company also displays an interest in providing a safe work environment within conditions of justice and equality, in addition to supporting different groups including women's empowerment and child protection.

The analysis of the company's activities clarified that Zain Jordan is concerned with activities related to corporate social responsibility in all sectors, but in varying degrees, as the level of interest in social activities and employees was high, while it was low in environmental activities. The social responsibility activities of companies that have gained higher interest fall under charitable, legal, and social activities, as well as other activities related to the ethical dimensions of the work environment and economic activities. At the same time, environmental activities are also given attention, but not at the same level as the previously mentioned dimensions.

These findings are consistent with the results of Abdelrahim, 2014, a study that showed that 79% of companies in Jordan deal with social responsibility as the company's responsibility towards society. This is evident from the companies' responses in the sample of that study, which state that about 50% of companies focus their activities in the field of social responsibility on poverty alleviation and targeting low-income groups, followed by society and poor students. The study explains this is because of the lack of government incentives, the high costs of corporate social responsibility, and competing behavior. Also, the biggest obstacle facing the development of active corporate social responsibility is the belief in government responsibility primarily for social affairs (Abdelrahim, 2014).

Results of another study conducted on the Qatari telecommunications sector in Qatar as a developing country showed that the telecom companies there are interested in activities related to corporate social responsibility. The Qatari study considers that the existence of such activities and the participation of organizations within them to be very important. The study also found that corporate social responsibility activities that appear to have gained more attention are activities that fall under charitable and legal activities with a social dimension. As for environmental activities, they receive the least amount of awareness and attention. In the current study, the researcher has found that dimensions of corporate social responsibility that are the most highly regarded by customers tend to receive more attention, while other areas of social responsibility receive less attention. This corresponds with the search results in Zain Jordan (Al-Abdallah–Ahmed, 2018).

In Jordan, which is considered a developing country in the Middle East, the beliefs of the Islamic religion and Arabic culture encourage giving and endowments, and Arab values and morals such as generosity, are the biggest drivers of CSR activities in Jordan. This study discovered that the customer is going to deal with organizations that are socially-oriented rather than the profit-driven, and this trend makes companies seriously consider adopting social responsibility in their operations and activities. Also, some CSR practices in Jordan are legally mandatory such as anti-corruption, labor rules, anti-monopoly activities, and social security for employees; while other CSR practices, for example, supporting orphans, the poor, the elderly; providing university scholarships to poor students; and helping to disadvantaged areas are considered voluntary. Consequently, CSR in Jordan is a mix between ethical volunteer work and compulsory work influenced by domestic and international pressure (Mkheimer, 2018).

This justifies Zain Jordan's focus on the social, ethical and charitable side more than other CSR aspects. This is due to the social motives rooted in the Jordanian Arab Islamic culture, because these aspects are the most viewed and visible to customers, and also because of the existence of mandatory laws that focus on the company's internal practices in its operations. On the other hand, environmental protection does not receive mandatory legal attention within social culture. This indicates that some of the remaining CSR categories that receive less attention need more effort from the company.

Summary

This research focused on Jordan, a country that has received little interest in literature. The current work examined previous research and reviews about social responsibility in Jordan, especially in the telecommunications sector. In addition, it engaged in an in-depth evaluation of the annual corporate social responsibility report for Zain Telecommunication Company in Jordan to analyze its strategies and goals of corporate responsibility social, and the extent to which social responsibility policies are applied in all of its dimensions with the same depth, focus, and level in the company's practices. These annual corporate reports are the most reliable way to disclose information, and are one of the most accessible ways to gather data quickly and at low cost.

The researcher sought to examine the hypothesis by analyzing the annual corporate social report of Zain Company at all levels of corporate social responsibility. The study investigated the level of implementation of practices in different dimensions of social responsibility and compared these.

In this paper, the hypotheses were rejected because the company does not cover the three aspects of corporate social responsibility to the same degree, but rather focuses on one aspect more than others. The company maintains a high focus on social and labor aspects, but medium-to-low focus on environmental aspect.

Study limitations

The researcher faced the following study limitations. First, there are a few and limited studies on social responsibility in Jordan and the measurement of corporate social responsibility in the Jordanian telecommunications sector. Second, this study used content analysis in which the methods used are subject to human error and should be taken into consideration. Third, through a literature review, few studies that have developed an accredited tool for distinguishing corporate social responsibility were found.

Future studies

Future research studies are needed to enhance the outcome of the current study and increase the ability to generalize results. Hence, this study recommends that future studies employ more than one method to explain the results of this study, and the reason the company focuses on its activities.

First, future research can use the questionnaire method to determine the motives and perceptions of managers more accurately towards the policies of social responsibility activities that the companies follow, the aspects they focus on, and explain the reasons for that. In addition, future research may study customer viewpoints about companies that practice social responsibility activities and if these customer viewpoints affect the decisions of managers during policy development. Second, this study focused on the annual report solely to collect data, while future research can use other sources to collect data in order to determine the level of application of social responsibility such as questionnaires and personal interviews. Third, future research can be a comparative and cross-sectional study between Jordan and developed countries to compare between the areas that companies focus on in different cultural and social contexts and the impact of this on strategy planning and design. In addition to comparing customer perception of social responsibility activities in different countries, futures studies could also explore how different cultures contribute to building individual behaviors, perceptions, and attitudes.

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The Process of Re-joining: Reconstruction of Social and Economic Relations between Two Hungarian Villages on Both Sides of the Ipoly River

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ABSTRACT: After 1920 the Ipoly river has become the country border between Hungary and Slovakia. Villages that were organically linked to each other cut off the official social and economic connections for almost a hundred years. In the study, we show the survey results in two border villages that support the persistence of unofficial relations between the two villages despite the country border.

The study explains how the human, social and economic relationships were reconstructed on both sides of Ipoly river between the two villages, Ipolyhídvég and Drégelypalánk, after joining the European Union. The reconstruction of the organic unity of the two villages may not merely be the result of the economic cooperation between them. However, it is primarily the effect of living traditions and the trust created by families, relatives, and friends.

KEYWORDS: Border study, cross-border culture, reconstruction of social and economic relations, tradition, trust

JEL Codes: N00, Z13

Introduction

As the vision of a "world without borders" created in the 1990s collapsed, the border studies have become more strongly at the center of interest in geopolitics, regional sciences, sociology, and cultural anthropology over the past decade. There are several reasons for this phenomenon. Thus, for example, geopolitical changes in the world, conflicts, and on the other hand, the changed border conditions due to the enlargement of the European Union to the East. Among these, the territorial changes that took

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place a hundred years earlier and mainly affecting the Kingdom of Hungary, including the Hungarian and Slovak border issues, are particularly significant factors. All of these factors indicate that, as Kolossov and Scott (2013) noted, boundaries are not permanent institutions but rather products of endless processes.

Our study aims to examine the development of a Hungarian-Slovak border micro-region relationship along the Ipoly river before and after joining the European Union, approaching sociology and cultural anthropology.

Literature background

The volume on border studies, edited by Wilson and Donnan (2012), discusses the phenomena of interest in the topic on more than six hundred pages. This scope in itself indicates the multifaceted nature of the issues at stake and the multifaceted scientific approach that may be adequate in analyzing border areas. Border studies can be divided into several types. Sorting can also take place in several dimensions. We can talk about regional, cross-border economic relations and cooperation, which the European Union strongly promoted at the same time within the framework of the Euroregions, especially after the enlargement to the East.

Another essential part of border studies is the writings that consider the natural or the political definition of a region's borders as a starting point and social or even mental issues. This view, represented by, for example, Houtum (1999) and Müller (2011), is very close to the concept of our study. As we will see, our results also emphasize the importance of this approach.

We can talk about the study of inequalities. This approach has expanded the economic and geographical perspective with ethnic and cultural dimensions (Szczepański 1998). Still, we can also talk about the importance of border as a factor of conflict, which in many cases have led to armed conflicts in many other parts of the world.

A particular type is the group of border studies, which deals with the most violently "redrawn" border, which tore apart nations, ethnic groups, and the cultures they represent. They mostly tried to force the people living there to assimilate, contrary to political rhetoric, through processes. The ethnic groups in such a situation attempted to respond to the forced assimilation with the motherland's help by building their institutions and making their relations closer. In this situation, in response to the threat to identity, the role of historical and cultural events and persons became more active in the community, in the public consciousness (Scott, 2012). We can see its representations like symbolic occupations of spaces (Bodó, 2007), expansions and "against occupations, expansions" such as the conflict of setting up of the Štúr statue Párkány (Štúrovo). The torn territories have lost a significant part of their economic and social relations. In several cases, the loss of this economic and cultural background also resulted in drifting to the periphery. This peripheral or semi-peripheral situation had a serious impact on development possibilities even after regime change (Pásztor, 2016; Lelkes, 2019). In this situation, a new element appeared as the European Union regulation, which aimed to eliminate internal borders. Cooperation within the new framework in border areas has not taken place without problems. Most of the highly anticipated Euroregions are now vacant, especially in the countries affected by Eastern enlargement. Jaschitz (2017) considered the role of European Territorial Associations to be promising rather than Euroregions, although he also reported cooperation problems in this area. The same language and culture is an advantage in the field of collaborations, according to Jaschitz, but other research findings (Péti et al., 2015 – cited by Jaschitz) are contradictory. Knotter (2002-2003) called the "border paradox" the totality of factors that hinder cross-border cooperation, such as different legal systems, living standards, price systems, languages and cultures, and differently judged and lived histories. However, he also pointed out that these inequalities also bring certain benefits to those concerned, such as shopping, services, social and cultural relations. Frątczak-Müller and Mielczarek-Żejmo (2016), like Jaschitz, were skeptical about the willingness of different language communities to cooperate in the Euroregion they studied in the German-Polish border region, mainly due to different culture and other "lived history".

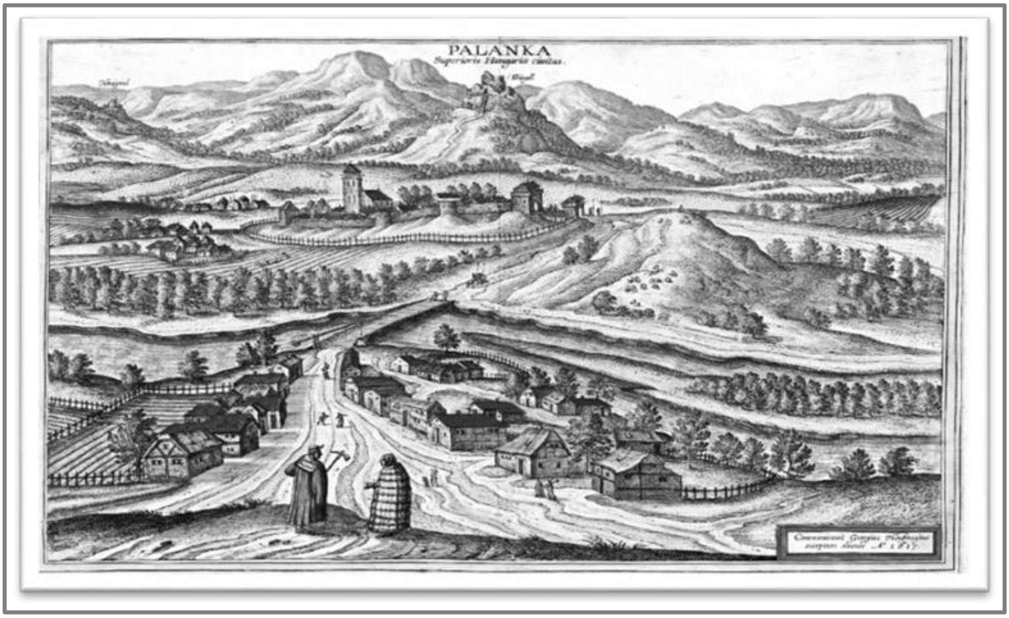
Belonging to the Schengen area, the openness of borders does not eliminate cultural boundaries in people's consciousness and thinking. Matusková et al. (2018) also pointed out this specific context in their analysis on Euroregions, as this change takes a long time in consciousness. As we have seen, cultural differences, prejudices, and the historical roots of aversion to cross-border cooperation are still very deep in people. Can even the cohesive, positive elements of the same culture and identity live and live just as profoundly after a long artificial separation? This question motivated our research as to how in a significant turn of history, from the

Great War to the new situation created by the EU membership, the series of events affected human, economic, cultural, everyday relations, the survival and revival of relations in settlements separated by an artificially created new border.

The relation of the frontier zones from the visual angle of the cooperations was examined by Martinez (1994). Many authors used his known typology, for example, Ilyés (2003), Wróblewski (2013), Hardi (2017), and more people complimented it in the years. Martinez assigned the frontier areas' relation into four types. The first type (1) is characterized by alienated, fundamentally conflict, secluding relation feature of the frontier areas, partly due to the different language, culture, history, and the two states' hostile relation. The motion between the borders, which can be observed often in this type, is becoming impossible. In the background of political rhetoric supporting the cooperation, serious counter-interests, frustrations last long many times. The second type (2), the kind of frontier zones beside each other, are characterized by emotional, cultural contacts making everyday life easier. The mutual interdependence represents the third type (3). Cultural, economic and social connections have developed, and this is especially important in underprivileged settlements. The fourth type (4) is the integrated frontier zone, where the most important feature is the free flow of people, services, products, and capitals in the interest of mutual insurance. Martinez typology's dynamism in our case is given because the processes of transformation of each type over history can be modeled.

The research field and method

The locations of our research were villages: Ipolyhídvég can be found along the river Ipoly, and Drégelypalánk situated on the opposite side. The population of Ipolyhídvég was 633 people, of which 79% were of Hungarian nationality in 2011. The number of inhabitants of Drégelypalánk was 1459,91% of Hungarian nationality in 2019. Before 1920, the two villages belonged to the integrated area, according to the Martinez category, although without border character. This situation meant that its family, social, economic, and cultural contacts were intensive with complementary characters from the beginning of the Middle Ages. A bridge connected the two settlements with heavy traffic, and the economic and military significance of this crossing was already recognized by the Turkish army leadership (*Picture 1*).



Picture 1: **Ipolyhídvég and Drégelypalánk (Palánka) 1617.**

Source: Ipolyhídvég and Drégelypalánk Houfnagel 1617. Repr. by K. Csáky

Picture 1 shows the bridge connecting the two settlements, which functioned in its modern form until the end of World War II, connecting people, cultures, and economies on both sides of the river. Picture 2 shows the stone bridge from the 1930s, which fell victim to the war's destruction. Sociological-anthropological research was carried out in a village research camp framework in two phases in 2018-2019 in the two villages[3]. Semi-structural in-depth interviews (24) and a personal questionnaire survey (252) was conducted[4]. Older residents, the leaders of local governments and cultural institutions were interviewed, and the survey sample was based on a random selection of households in both villages. In the study, we show the results that support the persistence of relations between the two villages only.

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3 The organization and operation of the research camp was supported by the National Strategy Research Institute, Budapest.

4 The research camp was attended by university students from Miskolc, Budapest, Sopron and Nitra under the guidance of authors. Special thanks to teacher Éva Sipos.

Results

Time is on their side

Political processes that grossly interfered in the two settlements' everyday life, including the accession of Ipoly to the border, could even have abolished the organic unity of the two villages. It could have made the revival of relations and cooperation unpromising. Elite groups in the majority nation tend to take such "solutions", such as resettlement policies that change the population's composition. However, our research results showed that the cooperation and interdependence between the two settlements over the centuries provided a factual basis for the revival of more complex collaboration (*Table 1*).

Table 1: **Relationships between the inhabitants of the two villages (%)**

Existing family relations and friendships	Family relations	Friendships
In the past and at present	48.4	52.2
In the past, only	10.3	10.0
In the present, only	2.4	14.7
Do not exist	38.9	23.1
Total	100.0	100.0

Source: own research

Half of the asked people have relational and friendly contacts in the other village, which takes action today. The inhabitants of the two villages form a close attachment to each other. There was not enough time to develop new family contacts yet, but anyway, new friendly contacts already started in a considerable measure. The inhabitants of Ipolyhídvég visit the other side on averagely 2.4 occasions monthly. For people from Palánka (Drégelypalánk) it is an averagely of 2.0 events monthly. These numbers mean frequent contact keeping. The 20.5% of asked people go through Ipoly to the neighboring settlement on three or more occasions monthly. The living family and friend connections created the opportunity to restore the former organic relationship between the two villages.

Figure 1 shows that according to the inhabitants of Ipolyhídvég, people from the other village come to them primarily due to their relationships, community events, and entertainment. In addition to the above, the inhabitants of Drégelypalánk mentioned the motives of buying and working. Examining the purposes of the passage from the other side, we obtained the same order. Ipolyhídvég's inhabitants also listed their reasons for visiting an equal extent as they were characterized by the people living in Drégelypalánk. Conversely, the situation was similar, so the other village's characterization was almost the same as they described themselves in terms of the visits' purposes. The corresponding views represent the established and realistically valued system of the relation between the two villages. On the other hand, it is also essential that the representation of the settlement regarding the motives of the relations coincides with the representation of the other village. This coincidence is a necessary condition for organically organized collaborations because it eliminates significant sources of tension.

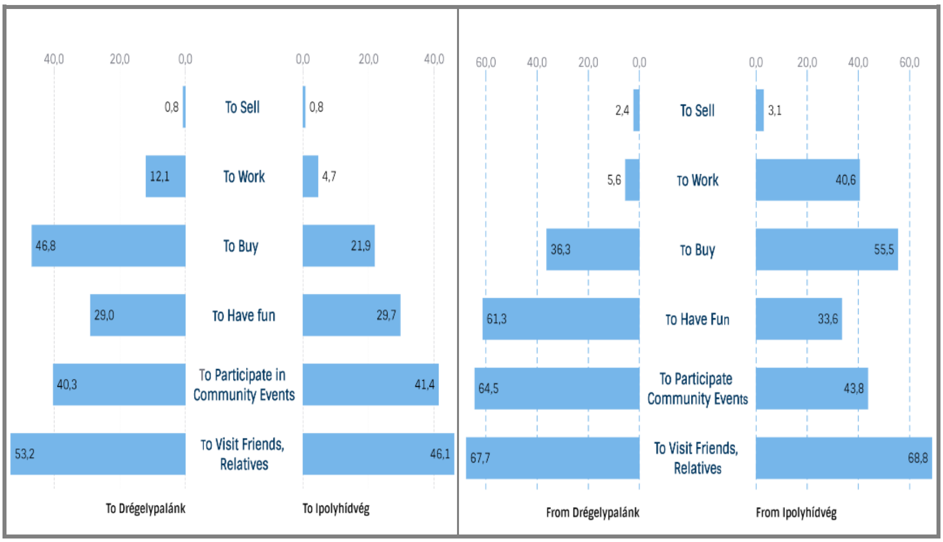

Figure 1. **Opinions about the motives of the visit (%)**

Source: own research

The bridge is no longer 'too far'

The bridge, which was blown up in World War II and has not been rebuilt since meant a severe problem in the two villages' relationship. As the river became a border, the usual contacts along the whole of Ipoly tore apart the networks of relations that had formed organically over many years and centuries, which adversely affected the economy and in a short time classified the region as a periphery.

Picture 2: **The old bridge that connected the two settlements**[5]

The in-depth interviews revealed that people consider perhaps the most significant problem to be the fragmentation of the Hungarian communities on both sides of the river and the human, family, and community disadvantages that come with it. However, the organic relationship between the two villages' communities has not faded in the last hundred years. For the first time, they tried to take advantage of illegal border crossing opportunities, visiting and trade between them (see Knotter's category of "border paradox"). In the Martinez typology, this condition was closest to the second type. After the Schengen regulations took effect, the communities of the two villages, with the local governments' support, created one of the most critical conditions for the revitalization of relations independently. The inhabitants of the two villages built a bridge (they said "love bridge") without any state administrative or border police permit to freely cross the border without traveling many kilometers. This act was legally dubious, but it had particular sociological and anthropological significance. The bridge became the symbol of cohesion for the two villages. Some holidays (Christmas, New Year's Eve, etc.) are celebrated together on and around the bridge (see *Picture 3*). This period corresponds to the third Martinez type, approaching type 4. It also indicates that this typology

[5] The pictures were provided by the local government of Ipolyhídvég.

is not without its dynamics. The future will determine how the relationship between the two settlements develops towards the fourth type.

Picture 3: **New Year's Eve festive meeting on the 'love bridge'**

The construction of a new official road across the river will be co-financed over the next 1-2 years by the two countries and supported by the European Union. According to the vast majority of people (Drégelypalánk: 92.8%, Ipolyhídvég: 79%), the construction of the new official road bridge would not have any adverse consequences. Most of those who also indicated disadvantages mentioned the negatives of increased traffic – e.g., noise, congestion, "stink". Still, many also said that the probable increase in crime and theft was mainly due to the easy passage of Gypsies. However, what would be the benefits of restoring the bridge according to people? The answer to this question is given in the following diagram (*Figure 2*). In both settlements, people highlighted the same two aspects: the change in transport and human relations development. Many of the inhabitants of Ipolyhídvég are even waiting for the expansion of job opportunities. The orientation is still pointing towards Hungary, as it did a hundred years ago.

It can be seen that the population of the two settlements attaches great importance to any change that revives their previous contact system of family and friends, of course regarding changes in society and the economy.

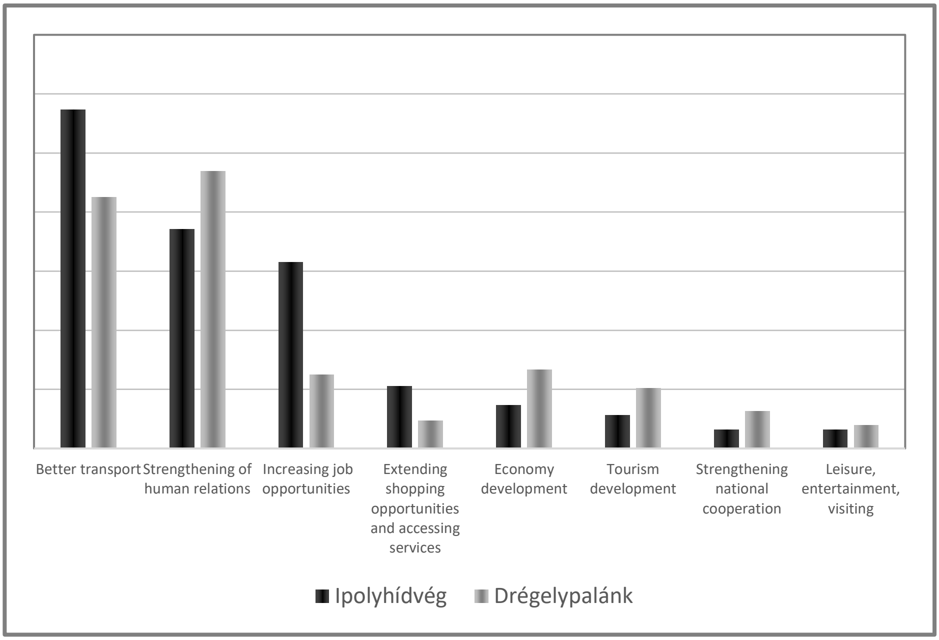

Figure 2. **What are the benefits of restoring the bridge between Ipolyhídvég and Drégelypalánk?**

Source: own research

Summary

Therefore, it is apparent that the inhabitants of the two villages attach great importance to the changes giving rise to the revival of former family and friendship networks while also considering the changes taking place in society and the economy. The study provides an excellent example for the saying “that which belongs together grows together”. The centuries of togetherness implying organic socio-economic and cultural relations cannot be easily destroyed, though it can easily be revived. As has also been asserted by Jeřábek et al. (2018), one of the significant contributions of the accession to the European Union is that relations have become closer and more intensive, with particular regard to the cases where there is historical and cultural “affinity” present. The studied region is exactly the case here. Human relationships are becoming enriched at a fast rate and, with all probability, this is also followed by the rise of economic and political relations to higher levels.

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ABSTRACTS IN ENGLISH

The Economic Condition of Health Care Sector and the Role of Doctor's Gratuity

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ABSTRACT: Health is one of the conditions for an individual's quality of life and self-fulfilment, which has a decisive impact on family, work and thus on the entire national economy. The question that often arises during the COVID 19 pandemic is whether the financing of curative - pre-ventive services in Hungarian health care is sufficient, and whether the gratitude money sys-tem can be included in the financing system. All stakeholders in society agree that the current gratuity system lacks guarantee elements, has a demoralizing effect on patients' trust in doctors, and distorts the proportionate and necessary distribution of public burdens. As a result of the COVID-19 epidemic, there will inevitably be an increase in spending on drug care, outpatient and inpatient services. The major questions are: do health care providers have a reserve to meet increased demands, is the hidden economy working in health care, and can part of it be funded? Can cluster and factor analysis be used to identify which healthcare providers are working in the most vulnerable areas?

KEYWORDS: hidden economy, shadow economy, economic bleaching

JEL Codes: I00, K32

Current Controlling Challenges in Small and Medium-sized Companies on the Specific Example of Falling Profits and Accurate Sales Planning in a Family Business

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ABSTRACT: The globalization of the markets is not only a challenge for large companies. Small and medium-sized companies are also becoming more involved in new markets more than assumed and statistically recorded. They are required to position themselves more strongly on foreign markets due to increased competitive pressure, insufficient potential on the domestic market and narrower fields of market activity. Small and medium-sized companies are only exposed to minimal obligations under commercial law. This is due to their size, the organizational form and the lack of reference to the capital market. Since the annual balance sheet is often created with the aim of tax directives, there is only limited adequate reflection on the business profitability of the organization. A detailed internal cost accounting only exists in exceptional cases and cost monitoring is only carried out on the basis of historical data and not on a planned cost basis. This paper deals with a concrete practical question from the topic of controlling and the analysis of an existing company based on the organization's financial documents. On the basis of the results and statements available, the objective of this paper is to develop recommendations for action for the supervisory board and then to discuss and evaluate them accordingly.

KEYWORDS: Budget planning, Controlling, Small and Medium-sized Businesses (SME)

JEL Codes: F60, F63, F65

An Examination of the Involvement Level in Purchasing Processes for Non-prescription Pain Relievers in Austria

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ABSTRACT: The involvement level of customers in the buying process influences the information search of a potential customer to a huge extent. An understanding of the involvement level from consumers in a purchasing process can increase the efficiency and effectivity of communication efforts from companies. This study examines the level of involvement from consumers in the purchasing processes of non-prescription pain relievers in Austria. The objective of this paper is to detect potential differences in the level of involvement among customers with different demographic characteristics.

An online-questionnaire was used to collect data from consumers in Austria. Responses from 406 participants were collected through a non-probability sampling method. Results revealed that people between 18–38 have a rather moderate involvement level in purchasing processes of non-prescriptive pain relivers. Moreover, there were no significant differences between people from different social classes and people with different education levels. Men and women do not have different involvement levels in this age group as well. Additionally, this study revealed that recommendations from experts are seen as a very important information source. People with a high involvement level towards the purchase of non-prescription pain relievers are collecting online information about pain relievers more often than people with a low involvement level.

KEYWORDS: Consumer behaviour, Consumer involvement, pharmaceutical industry, non- prescription medication

JEL Codes: M30, M31, M37

The Level of Corporate Social Responsibility Implementation in all Social Responsibility Aspects in Jordan's Zain Telecommunication Company

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ABSTRACT: A relatively new concept in the business world, corporate social responsibility (CSR) has resonated widely in the global economy. As well as integrating into the cultures of many organizations, CSR has become an important business strategy component of corporations worldwide. Many large companies in Jordan realize the importance of adopting social responsibility, especially companies that help build society as well as develop and increase productivity by providing distinct programs for small projects, as these contribute to solving problems of unemployment and poverty. This study explores the extent to which Zain Telecom in Jordan covers the three aspects of social responsibility in the same depth and level. The research methodology is qualitative analytical and is based on secondary data such as previous studies and the analysis of Zain's annual report of social responsibility for 2018. The study concluded that the abovementioned company is significantly concerned with the social and employee aspects of CSR, but pays little attention to environmental aspects. The study made a number of recommendations, including focusing on all dimensions of social responsibility equally.

KEYWORDS: Corporate social responsibility (CSR), Jordan, telecommunication sector, Zain Company

JEL Codes: M14, A13, A14

The Process of Re-joining: Reconstruction of Social and Economic Relations between Two Hungarian Villages on Both Sides of the Ipoly River

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ABSTRACT: Nowadays the cultural and creative industries play a central role in the increasing competitiveness, inducing such benefits which are unparalleled in other areas. The segment includes such activities, which are based on creative abilities and skills and have a cultural and economic impact at the same time. A typical example of this is the world of the film, which can be defined as film art and film industry as well, depending on whether we approach it from the creative or the business perspective/point of view. Film industry, as a broad segment of creative economy, is capable to stimulate the economy, which is clearly influenced by the regulatory, financial and economic environment, so it is also advisable to scrutinize the national specificities. The performance of the film industry in Hungary has increased almost twenty-fold since 2004, with HUF 125.5 billion spent on film production in 2016 and HUF 72 billion in 2015, which has a quantifiable tax revenue-generating and GDP-increasing effect. When examining the Hungarian film industry, it is worth to mention the transformation of the economic environment, the changes in the performance of the film industry sector, and the effects of legal regulations and legislative amendments. To get to know the current situation, it is also worth to examine the film production, film financing, film distribution and cinema operation markets. The research basically relies on secondary data; the aim is to provide a comprehensive picture of supply-side changes in the sector and to provide a comparative analysis about the region's film industry in terms of competitiveness. Summarizing all the information, the factors of the success of the Hungarian film industry, may become obvious.

KEYWORDS: border study, cross-border culture, reconstruction of social and economic relations, tradition, trust

JEL Codes: N00, Z13

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