Abstract: In this paper we describe how we conducted in-depth empirical research about the value-background and coping strategies of ecologically-oriented enterprises in Hungary. It is a common belief that companies that have an ecological orientation are at a disadvantage on competitive markets because ethical and environmentally-friendly behaviour can generate costs and lessen competitive advantages. Hence, a pro-ecology stance is at odds with competitiveness. The paper presents theoretical arguments and empirical results which suggest that ecologically-oriented enterprises can survive and even prosper in competitive environments. Research findings highlighted two preconditions which make the survival and prosperity of ecologically-oriented businesses possible. The first is that ecologically-oriented businesses are intrinsically motivated to follow their environmental and ethical goals. The second is that these businesses define success multi-dimensionally. Their definition of success includes consideration of whether their stakeholders are flourishing and whether the environment is being conserved and restored.

Keywords: ecologically-oriented enterprises; Hungary; empirical research; ecological orientation; competitiveness; intrinsic motivation; multi-dimensional success definition; entrepreneurship; management; sustainable development.
1 Introduction

The relationship between the competitiveness of business and their ecological orientation has scarcely been covered by business ethics. Even the issue of ethics in relation to competition is seldom researched. Reasons for this include the fact that the social contract and stakeholder paradigms (Freeman et al, 2007), which are central to business ethics, do not easily make room for consideration of the role of competition and competitors. However, some reflections on this topic have been made by authors such as Knight (1923), Sorell and Hendry (1994), Bowie (1999) and Van Luijk (2003).

Van Luijk raises the issue of the problematic relationship between corporate reputation and economic competition in the following questions: In what way and to what extent is a moral corporate reputation compatible with competitive practices? Is competition an obstacle to morality in the market – yes, or no? His conclusion is that competition is a vehicle of civilization and social progress and represents the smooth functioning of the market. A corporation that is able and willing to let its competitive activities be oriented by these endeavours establishes a solid foundation for having a moral reputation (Van Luijk, 2003, p. 159 and pp. 168-169).

Frank (2004) approaches the problem from a different perspective. He investigates how moral considerations influence the chances of survival of economic agents in competitive environments. Frank views ethics as being endogenous factors of economic life. Moral considerations are not externally forced upon economic agents but they choose them. Frank challenges the central view of our era that competitive pressures make it naïve to expect that people and organizations will restrain themselves for the common good. Both economic theory and evolutionary theory suggest that human agents are willing to make sacrifices for the common good – but only if society encourages them to act a certain way by using significant disincentives for aberrant behaviour. Using new empirical and theoretical findings, Frank shows that prosocial behaviour can emerge independently of the use of external rewards and sanctions.

Furthermore, Frank (after reviewing a number of responsible American enterprises) shows that socially responsible firms can survive in competitive environments because social responsibility can bring them substantial benefits. So in fact it may be a good business strategy to make sacrifices in the name of ethical concerns. And conversely, he writes that those actors who undertake ‘dirty’ jobs should be compensated monetarily. There could be a wage premium for morally suspect activities.

During research (Győri, 2011) about the experiences of values-driven businesses undertaken in 2008 at the Business Ethics Center at the Corvinus University of Budapest, the current author found that this positive relationship between ethics and competitiveness existed in Hungary as well.

Values-driven businesses base their whole functioning on a strong commitment to environmental, social, and ethical values and run their organizations with a mission which goes beyond a mere profit making. They desire to serve their multiple stakeholders while making money as a reward for socially beneficial activities (Cohen - Warwick, 2006).

The present research indicates, using theoretical material and empirical evidence, that ecologically-oriented businesses can be as successfully sustained as generally values-driven ones. Ecologically-oriented companies naturally have a focus on the environment, but this form of responsibility is enough to provide them with substantial benefits.
2 Methodology, hypotheses


The basic characteristics of the selected enterprises are the following: 10 of them are micro-sized (1-9 employees), two are small (10-49 employees), three are medium-sized (50-250 employees) and one, Magnet Bank, is a large company (with more than 250 employees).

Our sample is not representative but the (generally smaller) size of the companies in the sample is not accidental. Ecologically-oriented, values-driven businesses often do not have a focus on maximizing their size; they are intent rather on optimizing their operations. This may involve making efforts to become more embedded in local communities and creating closer ties with stakeholders.

A questionnaire was developed (see Appendix) to provide a structure for the in-depth interviews which were conducted with the leaders of these values-driven businesses. We used open and semi-open questions similar to those used in the research from 2008 (Győri, 2011). We employed this ‘soft’ methodological approach because of the two different aims of the research: to test the hypotheses of Frank (2004) and to reveal the culturally-specific and personal drivers of ecologically-oriented entrepreneurs.

With the semi-open questions we used a 5-grade Likert-scale and asked respondents to explain their answers. We studied each enterprise’s ethics and ecological orientation and their relations to their competitiveness. Based on Frank’s (2004) ethical commitment theory we hypothesized that an ecological orientation would lead to a competitive edge. Further hypotheses included the following:

Because of these companies’ ecological orientation...
(i) Opportunistic behaviour between owners and managers would be avoided/reduced;
(ii) Employees would be ready to work more for lower salaries (they would receive moral satisfaction as compensation);
(iii) It would be possible for our business sample to recruit high quality new employees;
(iv) A high level of customer loyalty would be established;
(v) A trusting relationship with sub-contractors would be created.

In summary, it was hypothesised that firms would be compensated for the higher cost of their ecologically-oriented behaviour by their ability to form quality relationships with owners, managers and employees and their ability to establish trust-based relationships with customers and sub-contractors.

3 Discussions

The average score reported by respondents for the intensity of competition (from the 5 grade scale) was 4.27. In the opinion of 10 respondents, competition in their sector is intensive (4 or 5). One respondent stated that competition in their sector (restaurant) was generally intensive but they felt that the competition for their particular business (an organic restaurant) was moderate.
The area of competition depends on the choices customers can make about purchases. According to the owner of the other restaurant, local-level competition is moderate but at a regional level it is quite intensive.

Almost every respondent emphasized their belief that ecologically-oriented businesses incur greater costs which must be incorporated into their pricing. This is a problem because Hungarian customers are price-sensitive. If respondents want to achieve their goal of protecting the environment they have to attract customers. As a result, they must try to reduce their prices.

According to our sample, the ecological orientation of their competitors is moderate. The average score awarded was 2.93. Three respondents awarded a mark of 4 (strong), and one of the organic farming company leaders reported that ecological orientation of their sector was very strong because of the nature of their activities. No significant correlation was found between the intensity of competition and perceptions of competitors’ ecological orientation.

The average score awarded for the statement ecological orientation is a general advantage in the respondents’ sectors was 3.44. According to four respondents having an ecological orientation represents a disadvantage (1 or 2). According to almost two-thirds of respondents (10 companies) having a commitment to ecologically-appropriate activities is an ‘advantage’ or a ‘significant advantage’.

One respondent reported that an ecological orientation was a definite marketing advantage as it differentiated them from their competitors.

It is important to note that most respondents did not interpret the term “advantage” in a financial sense only. For five interviewees having an ecological commitment pays financially, indicating that it presented a long-term advantage over the competition. In relation to the economic crisis they mentioned that their turnover had not decreased as much as that of their competitors. Respondents located this advantage in the enhanced reputation of their business, transparency of their product quality and origins, and the trust and loyalty of partners and customers.

11 respondents emphasized that having an awareness of ecological impacts is costly and represents a short-term financial disadvantage. However, seven of them emphasized that at the same time it is advantageous to them. However, respondents stated that they do not dwell on the concept of “advantage”. Being ecologically-oriented is a mission, their goal and their life purpose. The essence of their activity is personal commitment to the cause and the hope of being a part of creating a more sustainable world.

Most positive responses were given to the question ‘Does the ecological orientation of the company represent an advantage when it comes to solving owner and manager conflicts?’ This question did not apply to five businesses (as the owners and the managers were the same). From the remaining 11 businesses, nine found that having an ecological orientation is an advantage. Two found that their ecological orientation is a partial advantage in solving this agency problem. The average score was 4.36 (advantage).

Question ‘Is the impact of your businesses’ ecological orientation perceptible in the performance of employees?’ is one of the questions to which almost every respondent gave a positive answer. Only Dan Swartz (Tree-Hugger Dan’s Bookstore) indicated a low score (2) emphasizing that though environmental protection is important to his employees they remain with his company because of the prevailing fair and reasonable attitudes and high level of trust within the company. According to other respondents, having an ecological orientation represents at least a partial advantage: it is possible that employees may have started working for them not explicitly because of the company’s ecological orientation, but during daily work their values
include having respect for the environment and understanding the need for healthy food and sustainable architecture, for example. It is also not negligible in terms of working conditions that agricultural workers or other employees in such companies do not have to use chemicals harmful to their health.

Not only the before-mentioned characteristics but a clear set of internal rules which were effectively enforced played a major role in keeping employee retention rates high at these companies. For example, at one of the wineries surveyed everyone understood that stealing was prohibited and that this mandate was valid not only at the employee level but for the entire company and its owners. This meant that all social and work-related costs (taxes, benefits, etc.) were paid for each employee even if it significantly increased the company’s costs. Given the size of the black market in Hungary, this is not a foregone conclusion at many companies. Employees respond to such attitudes by performing better and having stronger commitment. The average score for the related question was a 4 (advantage).

According to half of all respondents, having an ecological orientation is an advantage and helps recruitment by attracting potential employees. However, managers of four businesses said that it was only a partial advantage. One organic farmer suggested that such a relationship was valid in connection with recruiting potential managers but not for the employment of manual workers who would respond better to financial inducements.

One of the restaurant managers surveyed stated that he thought that his commitment to environmental-friendliness and quality resulted in special standards for employees which could not always be tolerated or met. As Frank (2004) writes, cooperative, intrinsically-motivated actors are liable to recognize and find each other in the marketplace. The average score for the related question was 3.79 (advantage).

We received exceptionally positive answers to the question which concerned the relationship between having an ecological orientation and the level of consumer loyalty to the company and its products (even though the world financial and economic crisis has affected the market position of every business surveyed). Only two interviewees claimed that commitment to a pro-ecological orientation was no more than a partial advantage in this respect. According to a respondent from Magnet Bank, the most important consideration of Hungarian customers when choosing a bank is the interest rate paid by the bank – although Magnet does have some customers who specifically chose them because of their ecological orientation. One respondent said that it was hard to know whether the number of regular clients would grow in such market circumstances: “Of course, there are customers who come to us because of the fair trade coffee but most of them are not aware of this label and even do not care about it”.

In connection with the above statement, a respondent pointed out that they had to produce goods for export because of the price sensitivity and low number of ecologically-committed Hungarian customers, which in turn increased the environmental impact of the products due to the additional burden of transportation. The same respondent also drew attention to the fact that it is dealers and traders that capture the greatest portion of the profit margin. The present market structure consequently does not encourage customers to buy more organic food as market prices are kept high. However, one of the respondents of the businesses reported that they had not spent more on marketing activities since the beginning of the crisis and yet they had still managed to maintain the quantity of products sold, so customers appeared to be remaining loyal.

The two restaurant managers interviewed observed that some of their guests are dedicated environmentalists and live healthy lifestyles but others return because of the excellent flavour and quality of the food they offer. They also emphasized the fact that Hungarian people generally
do not really care about the environmental impact of the food they consume. Although these businesses have customers from abroad they are not able to export their products abroad and therefore they are in a difficult financial situation.

Respondents who considered ecological commitment to be an unequivocal advantage stressed that the high quality, purity and special features of their products and services were guaranteed by having a pro-ecological orientation. The average score for this question was 4.27 (advantage).

While the picture that was painted by respondents was favourable regarding customers, the situation was not so clear for the other end of the value chain regarding relationships with contractual partners and suppliers. Four respondents claimed that their commitment gave no advantage. However, according to seven interviewees it was a distinct advantage – due to the nature of their activity environmentally committed business operators can easily find each other on the market. One of the business managers said they had already looked for partners who shared their values, indicating that their value-commitment was serving as a kind of filter. He gave a specific example of benefitting from having this perspective: when the company had a windscreen for their car prototype produced by an aircraft manufacturer they had had enough cash available and were able to pay the creditor before the due date (per the supplier’s request, who was struggling with constrained liquidity). In return, the supplier was generous afterwards and continued delivering to them and even allowed late payments when the respondent’s company had a temporary shortage of cash. The generosity was mutual: the respondent stated that “economics should be an area for brotherhood in a healthy society”.

According to the managers of Öko-Park Panzió, Körös-Maros Biofarm Kft., Idea-Chem Kft., Bio-Drog-Berta Kft. and Ceredom Kft., suppliers do not care about ecological values so it is important to find the right partners who are willing to meet the special quality standards they demand.

The manager of Tiszta Forrás Restaurant, however, reported that an ecological orientation creates advantages both for them and the farmers supplying them. Due to the creation of long-term relationships built on trust, suppliers do not need to obtain expensive quality assurance certification. The average score for this question was 3.87 (advantage).

The last question (Does the ecological commitment of the company provide returns in the present Hungarian economic situation?) about the ecological orientation of Hungarian businesses and its returns was substantially different from question 3.3 where we asked about the impact of having an ecological orientation in the respondents’ own sectors. This more general question referred to the relationship between ecological orientation and economic success in the Hungarian economy as a whole.

From this question it turned out even more explicitly that our respondents define benefits and return multi-dimensionally. The average score for responses to the question was 3.31 which indicates that the ecological commitment of the company ‘partially does, partially does not’ provide returns in the current Hungarian business climate. Yet the businesses surveyed still maintain their activities based on the operators’ personal commitment, values and motivation.

“In human terms yes, financial terms no”. (Antro Kft.)

“Basically, this attitude is not appreciated by market partners. But that is not why we do it” (Bio-Berta Kft.)

“We want to prove – although outstanding profits cannot be made – that such a business can be sustainable in the long run” (Magnet Bank)
“In economic terms, under the circumstances, the operation of the company does not pay off at all, unfortunately, so we greatly need – while remaining loyal to our commitment – to raise additional capital from other sources to keep up the restaurant in the face of its losses” (Tiszta Forrás Restaurant)

The quantitative findings of our study are summarized in Tables 1 and 2.

**Table 1 Relationship between Competition and Ecological Orientation**

<table>
<thead>
<tr>
<th></th>
<th>Question (3.1) Intensity of competition</th>
<th>Question (3.2) Ecological orientation of competitors</th>
<th>Question (3.3) Ecological orientation as an advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gere Winery</td>
<td>3</td>
<td>2</td>
<td>2</td>
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<tr>
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<td>4</td>
</tr>
<tr>
<td>Pendits Wille-Baumkauff Biodynamic Winery</td>
<td>4</td>
<td>3</td>
<td>5</td>
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<tr>
<td>Piszei Oko Kft.</td>
<td>5</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Zöldpolc Ecological Product Webshop</td>
<td>3</td>
<td>2</td>
<td>4</td>
</tr>
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<td>Kőr Építész Stúdió Kft.</td>
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<td>4</td>
<td>3</td>
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<tr>
<td>Ceredom Kft.</td>
<td>4</td>
<td>3</td>
<td>1</td>
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<tr>
<td>Körös-Maros Biofarm Kft.</td>
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<tr>
<td>Hubai Kft.</td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Ráspi Restaurant and Winery</td>
<td>n.a</td>
<td>2</td>
<td>5</td>
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<tr>
<td>Tiszta Forrás Restaurant</td>
<td>5</td>
<td>n.a</td>
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<tr>
<td>Treehugger Dan’s Bookstore and Café</td>
<td>5</td>
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<td>Antro Kft.</td>
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<td>Bio-Drog Berta Kft.</td>
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<tr>
<td>Idea-Chem Kft.</td>
<td>5</td>
<td>n.a</td>
<td>2</td>
</tr>
<tr>
<td>Magnet Hungarian Community Bank</td>
<td>5</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td><strong>Average score</strong></td>
<td><strong>4.27</strong></td>
<td><strong>2.93</strong></td>
<td><strong>3.44</strong></td>
</tr>
</tbody>
</table>

Scores are interpreted using a 1-5 Likert scale. A higher score implies a higher level of agreement.
### Table 2 Benefits of having an Ecological Orientation

<table>
<thead>
<tr>
<th></th>
<th>Question 4.1</th>
<th>Question 4.2</th>
<th>Question 4.3</th>
<th>Question 4.4</th>
<th>Question 4.5</th>
<th>Question 4.6</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Solution to the agency problem</td>
<td>Impact on employee performance</td>
<td>Attractive to potential employees</td>
<td>Increases customer loyalty</td>
<td>Increases trust between suppliers and partners</td>
<td>Ecological orientation pays in business</td>
</tr>
<tr>
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<td>2</td>
<td>n.a</td>
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<td>Pendits Wille-Baumkauff Biodynamic Winery</td>
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<tr>
<td>Piszkei Öko Kft.</td>
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<td>4</td>
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<tr>
<td>Zöldpolc Ecological Product</td>
<td>4</td>
<td>5</td>
<td>5</td>
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<td>4</td>
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<tr>
<td>Kör Építész Stúdió Kft.</td>
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<td>5</td>
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<tr>
<td>Ceredom Kft.</td>
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<td>Hubai Kft.</td>
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<tr>
<td>Ráspi Restaurant and Winery</td>
<td>5</td>
<td>5</td>
<td>3</td>
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<tr>
<td>Tiszta Forrás Restaurant</td>
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<tr>
<td>Treehugger Dan’s Bookstore and Café</td>
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<td>Antro Kft.</td>
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<td>2</td>
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<tr>
<td>Magnet Hungarian Community</td>
<td>n.a</td>
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<td>5</td>
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<td>2</td>
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</tr>
<tr>
<td><strong>Average score</strong></td>
<td><strong>4.36</strong></td>
<td><strong>4.00</strong></td>
<td><strong>3.79</strong></td>
<td><strong>4.27</strong></td>
<td><strong>3.87</strong></td>
<td><strong>3.31</strong></td>
</tr>
</tbody>
</table>

Scores are interpreted using a 1-5 Likert scale. A higher score implies a higher level of agreement.

### 4 Summary – the Opinions of Hungarian ecologically-oriented Enterprises

All our interviewees pointed out that the company’s value commitments were based on the manager’s personal credo. At small and medium-sized enterprises the values of the company and the entrepreneur/owner (ethics, mission and core values) cannot be easily distinguished.

“We bring ethics with us … every firm reflects its manager’s commitment” (Piszkei Öko Kft.)

“You do not give up your principles” (Pendits Will-Baumkauff Winery)

“The essence of my personality and my enterprise are pretty much the same” (Ráspi Restaurant and Winery)
Five managers surveyed stressed the major importance that spirituality plays in their personal commitments to business (Pendits Wille-Baumkauff, Piszkei Öko Kft., Körös-Maros Biofarm Kft., Ráspi Restaurant and Winery, Antro Kft.). Respondents iterated their belief that at the root of their responsible attitudes are a kind of superhuman natural law, or deep respect for nature.

It can be observed from the sample group that the size of the selected enterprises is at a human scale. In several cases (eight) they often are family businesses. This makes possible the establishment of close personal relationships between internal and external stakeholders as well as keeping ecological impacts within manageable limits. However, the problem may arise that their small size and the correspondingly ‘small’ impact they have as responsible businesses will not induce greater reductions in ecological damage. The existence of the networks they are part of, their relationships with similar companies and the role they play in setting an example to other enterprises and stakeholders could help multiply their impact. Almost every respondent reported that they had the intention of setting a positive example (the ‘Healthy Solutions’ program series from Bio-Drog-Berta Kft. and Magnet Bank’s ‘Community Grant Program’ were developed specifically for this purpose).

“Our mission is to present an example of organic farming, environmental friendliness and sustainable husbandry. There must always be idealistic and committed people who do this” (Pendits Wille-Baumkauff)

“Through raising consciousness and making people think, our intrinsic motivation helps us to realize that we have to treat nature responsibly….it is nature that provides us with our living conditions” (Ráspi Restaurant and Winery)

For five businesses, other international business precedents were crucial drivers for the establishment of their ecological orientation. In our sample there are enterprises whose owners are not Hungarian (Gere Winery, Magnet Bank) and enterprises in which Hungarian managers had spent some time abroad (Zöldpolc, Pendits Wille-Baumkauff). It was decisive for the founding of one of the first organic enterprises in Hungary, Bio-Drog-Berta Kft., that the founding family had (in the 1980’s) learnt from foreign journals about the growing importance of organic agriculture.

We found that the motivation of the ecologically-oriented companies and entrepreneurs is not, or is not primarily, profit. Some of them still make adequate profits while others – particularly since the beginning of the crisis – are in financial difficulties. Nonetheless, as they do not measure success in one single dimension – money – their commitment is undiminished.

“It is not profit that is our main goal. We do not want to create artificial demand, we would like to find clients’ real needs and respond appropriately. The goal is to create mutually beneficial ways of cooperating with clients” (Kör Építész Stúdió Kft.)

“If we had not been committed to our work, we would have closed down the firm a long time ago” (Ceredom Kft.)

“This is not a question of returns. There certainly are profitable fields of environmental protection, such as energy rationalization, and there are also those which create additional expenses. When I started this business, I did not build it upon the promise of economic returns” (Öko-Park Panzió)
“It is not worth it. I still do it because I can see that the current system is unsustainable and I do not want to take part in maintaining it” (Idea-Chem Kft.)

This is a highly important finding because several respondents feel they could make profits more quickly and easily by doing other kinds of activity but these activities would not be compatible with their core values.

“It is due to our loyalty to our values that we keep ourselves away from certain profitable activities advertised and presented favourably by others” (Magnet Bank)

“It is not the point whether commitment is advantageous or not, but it is rather that I do not want to and cannot be different, and cannot choose a different way of doing things” (Ráspi Restaurant and Winery)

“A focus on profits can only be destructive” (Antro Kft.)

“In the Hungarian agricultural sector, net profit is currently below 0.5-1 percent so it is really the commitment of the owners keeps this company on this track” (Körös-Maros Biofarm Kft.)

Indeed, the selected companies can be characterized by their preference for ‘economy’ over ‘economism’. The theoretical principles of the ‘Truly Responsible Company’ (TRC) seem to be relevant to these businesses in other respects. Tóth (2007), in his description of the TRC, distinguishes five criteria for identifying committed enterprises who are taking responsibility seriously. Such companies are:

1. Minimizing the quantity of transportation required;
2. Lessening injustices, or at least not increasing them;
3. Not focusing on thrift as a primary goal but only means of reaching more important objectives (return to ‘economy’ instead of ‘economism’);
4. Pursuing the goal of being an optimal size, not constantly growing; and,
5. Finally, but critically ‘not doing everything which they are legally allowed to do’ (i.e. applying ethical dictates as well as legalistic ones in regard to the business itself, the product or service).


The majority of selected ecologically-oriented enterprises strive to minimize the amount of transportation utilized, to use local materials as much as possible and to target local markets. The goal of the wineries and restaurants, Körös-Maros Biofarm Kft., Bio-Drog-Berta Kft. and Öko-Park Panzió is to preserve Hungarian cultural and natural values and facilitate localization through healthy and environmentally-friendly business operations.

“Our goal is not to make profits but to save the countryside” (Gere Winery)

“The goal is to preserve and maintain the values of Tokaji wine and to discover the culture behind its cultivation … The discovery, revival, experience and handing on of the traditional knowledge all are part of the preservation of Tokaji values” (Pendits Wille-Baumkauff)

Organic and eco-friendly products and services are traditionally more expensive than other products so some customers cannot afford them – as was noted earlier, according to our respondents the price sensitivity of the Hungarian market is high. But, according to our findings, appreciating and paying employees and suppliers on time and doing things such as registering
employees’ salaries officially for tax purposes, ensuring high staff retention levels, providing training, employing mothers returning to work from maternity leave, ensuring fair wages and purchasing prices and upholding high levels of trust are standard practices for the companies in our sample.

It is not by chance that the selected companies are micro, small and medium-sized enterprises (Magnet Bank is an exception but they position themselves as ‘the bank of small and medium-sized companies’). Correspondingly, biodynamic, organic farming, the use of traditional varieties and breeds of animals and crops and the preservation of biodiversity is diametrically opposed to large scale agriculture and monocultural methods of production.

Regarding the product, service or the operation itself, environmentally-friendly production, the production and distribution of certified organic food or natural pesticides, construction of sustainable houses, creation of alternative automobiles or the financing of similar activities all meet real and valuable needs.

We asked all our interviewees to explain their core values and the basis of their commitment to sustainable business. József ‘Ráspi’ Horváth gave us perhaps the most interesting definition of ethics, norms and values: “You can follow principles of all kinds: there are many ways to do what you do well – but everyone knows, or should know, what is basically right or wrong”.

5 Conclusions

It can be seen that the motivation and foundation for ecologically-oriented business activities is not monetary reward. The managers of the enterprises interviewed all founded their businesses’ ecological orientation upon their personal commitment, values and their intrinsic drive to meet social, environmental and business goals. They could well make more money by carrying out different activities, but operating in an ecologically-oriented way gives their lives meaning.

Both motivation and success are multidimensional: the entrepreneurs do not just work for money and they do not measure success only in financial terms. The well-being of their customers, employee and partners and mutually-beneficial relationships with stakeholders are perceived as being part of the success of the business and indeed help determine their sense and definition of success. This cooperative attitude and the credibility which has been established by their commitment to the natural environment enable their survival even on the price sensitive and highly competitive Hungarian market.

Our research hypotheses were confirmed and we gained deeper insight into the motivations, credos and values behind the pro-ecological attitudes and orientation of the businesses surveyed. The information we collected from respondents could help stakeholders to change their attitudes and take more personal responsibility for their activities.

References


Notes

1 This paper was written as part of the Social Renewal Operational Programme "Társadalmi Megújulás Operatív Program" TÁMOP-4-2.1.B-09/1/KMR-2010-0005 research project at the Corvinus University of Budapest
Appendix

Research Survey Questions: Ecologically-oriented Enterprises

1. Profile of the company

1.1 Main characteristics of the company: foundation, activities, number of employees, annual revenue, economic situation
1.2 Is there a defined mission and vision?
1.3 What are the fundamental ethical, social and environmental values of the company?
1.4 How do they (1.3) depend on the personal commitment of the founder/leader?

2. Environmental management of the company

2.1 How does protection of the environment appear in the operations of the company? With which activities (and how) is a green approach evident? (E.g. product development, investments, production, office activity, transportation)
2.2 Which area of the businesses’ environmental performance is the strongest? Where does the company need improvement?
2.3 Do you have any certified (eco-labels, organic certification, etc.) products? If yes: why was this certification important for the company?
2.4 Does the company use any environmental management system or standard (e.g. ISO 14000)? If yes what are your experiences with it? If no: do you consider these systems to be important? If no: why are they not relevant in your case?
2.5 What was the main motivation for the pro-environment stance of the business? What was the origin of the approach? (e.g. the commitment of the owner, perceived external benefits, etc.)
2.6 What is the role of governmental regulation in fostering environmental management and ecological commitment? Do you consider it significant?
2.7 What is the role of non-governmental organizations in fostering environmental management and ecological commitment? Do you consider it to be significant? Do you have any relationships with civic organizations? If yes, please describe them.

3. Ecological orientation and competition

3.1. How would you judge the intensity of the competition in your sector?

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3.2. How would you judge the ecological orientation of competitors in your sector?

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3.3. Does having an ecological orientation generally represent an advantage or a disadvantage in your sector?
4. Does having an ecological orientation provide an advantage to your company?

4.1. Does the ecological orientation of the company represent an advantage in solving owner and manager conflicts?

4.2. Is the impact of an ecological orientation perceptible in the performance of employees?

4.3. Is the company more attractive to potential employees and managers because of its ecological orientation?

4.4. Does an ecological orientation make customers become more loyal and faithful to the company and its products?

4.5. Is an increased level of trust in relationships with contractual partners and suppliers demonstrable?

4.6. Does the ecological commitment of the company provide returns in the present Hungarian economic situation?
5. The future of ecologically-orientated businesses in Hungary

5.1 How do you see the situation regarding environmental commitment in present Hungarian businesses/economy?
5.2 How could the ecological orientation of businesses/the economy be improved?
5.3 Do you hope for any changes in 5-10 years? (Please describe).