

tunities abroad, differences between living costs and tax systems, wage rigidity, a bloated system of social assistance and unemployment benefits, and a strong position of trade unions. The situation is further aggravated by relatively inflexible labour markets and wages. It is significant that the degree of their flexibility varies among particular member states of the euro zone. Differences in flexibility may cause problems with member states' economic policy (among other things, the risk of asymmetric shocks) [Bukowski 2007a, pp. 179–180]. These issues are particularly important because of the previously discussed mechanism of economies adapting to conditions created by asymmetric shocks, a mechanism dependent on the mobility of production factors and the labour market's flexibility.

In light of the above, it should be emphasised that, although Economic and Monetary Union does not meet the criteria for an optimum currency area, it is a solution of particular significance for the development of the European and the global market. The recent turmoil over the euro zone, particularly the problems faced by the PIIGS countries, point to the area's serious structural problems and suggest various scenarios, including the collapse of the euro zone [Orłowski 2010]. Seen from the perspective of the EU-integration project, however, an elimination of the common currency and a return to national currencies would reverse Europe's economic integration process by several decades. This is rather impossible for purely political reasons. The current problems are caused not by the weakness of the currency itself but by an inconsistent application of the principles underpinning the euro zone. What is definitely expected, therefore, is to institutionally strengthen the euro zone and establish rules whose violation may entail exclusion from this elite group. Another thing of the past will be relaxed public-finance discipline, based on the belief that euro-zone membership enables a country to consume more than the flows of national income would suggest. Only the medium-term sustainability of the public-finance sector can guarantee sustainable economic growth. This rule applies to all countries, irrespective of the currency which is in circulation.

4. An analytical scheme of the influence of Poland's accession to the euro zone on the international competitiveness and internationalisation of Polish companies

Marian Gorynia, Barbara Jankowska

In the present chapter we attempt to build an analytical scheme showing the mutual relationship between Poland's adoption of the euro and the competitiveness and internationalisation of Polish companies. The scheme will subsequently be used in the second part of the book to conduct an empirical study.

4.1. An analytical scheme as a research tool

An analytical scheme is one of the basic cognitive and methodological categories in economic sciences and social sciences, broadly understood. Having reconstructed and summarised the extensive discussion on the topic in the subject literature [Gorynia 2002, pp. 11–17; Gorynia, Jankowska 2008, pp. 99–104], one can state that an analytical scheme is a research tool which – in simple terms – consists in determining significant features or variables which describe a given phenomenon, process or theoretical category, or which – in more complex terms – additionally involves, apart from identifying variables, determining the variability area of these variables and outlining the directions of relationships between them.

An analytical scheme should be distinguished from three other related cognitive and methodological categories: model, pattern and ideal type. The definitions of the categories are as follows:

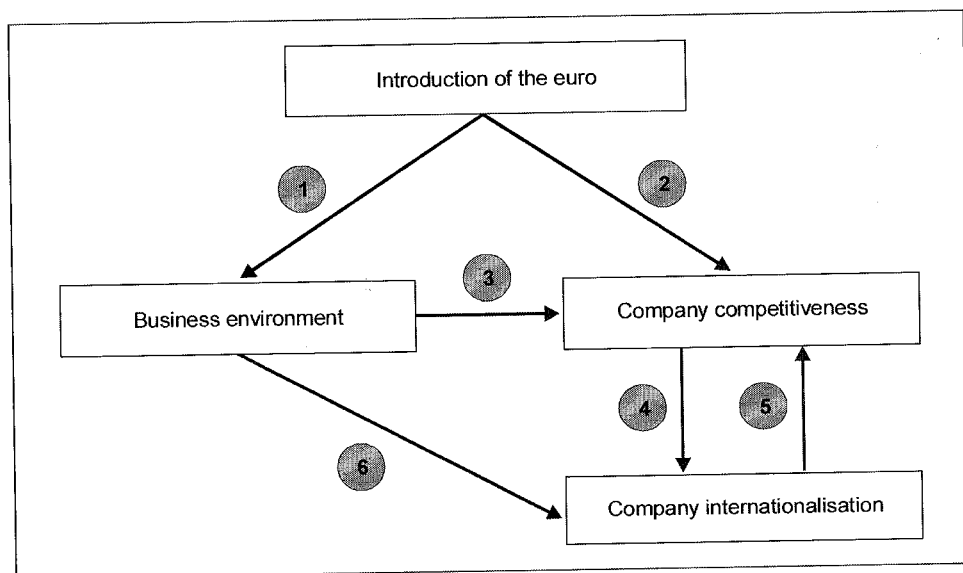
- a model is a representation of the most important actual features of the object under research (variables and relationships between them),
- an ideal type is such a description of the object examined that the variables describing the object have extreme values,
- a pattern is a description of the object under research which is a set of the most relevant desirable values of the object's features.

At this point, it is assumed that an analytical scheme is a research tool for identifying the relevant features (variables) of a phenomenon or process (analytical category), showing the spectrum of variability of these features, and outlining the directions of the relationships between variables. The present authors refer to the concept of an analytical scheme because it allows them to synthetically present the essence of the research problem and a set of key research categories.

4.2. An analytical scheme of the influence of joining the euro on the international competitiveness and internationalisation of Polish companies

The impact of joining the euro on competitiveness is presented in the simplest way in Figure 9. The relationship between the introduction of the euro on the one hand and competitiveness and internationalisation on the other is outlined in Figure 10. Figure 8, which is a synthesis of Figures 9 and 10, comprehensively shows what the authors have identified as a system of relationships between the adoption of the euro and Polish companies' competitiveness and internationalisation.

Figure 8. The introduction of the euro and the competitiveness and internationalisation of Polish companies – an analytical scheme



Source: own study.

First of all, it should be emphasised that the present authors are of the opinion that the influence of the euro on companies' competitiveness will be direct and indirect. An indirect influence (Figure 8, arrow 1 and arrow 3) will take place through changes in a broadly defined business environment, particularly in companies' relations with institutions of the finance and insurance sector, but also in macroeconomic indices describing the state of the Polish economy. A direct influence (Figure 8, arrow 2) is the euro's impact on the company's competitive position, competitive potential and competitive strategy, which is composed of, and determined by, the implemented functional strategies.

The key variable in Figure 8 then is competitiveness. This is a theoretical concept related to a market method of regulation. This is because, in a market system of regulation, the essence of business entities' behaviour boils down to competing, rivalry and confrontation in the market. Competitiveness means the ability to compete, that is, to act and survive in a competitive environment. In the long run, competitiveness is a quality of an organisation which can survive. In the short run, competitiveness means having an advantage in some respect over the rivals.

The present research project focuses on competitiveness at the microeconomic level, which is company level. It could be added that what is investigated is the supply side of the market, and not just the domestic market but also foreign

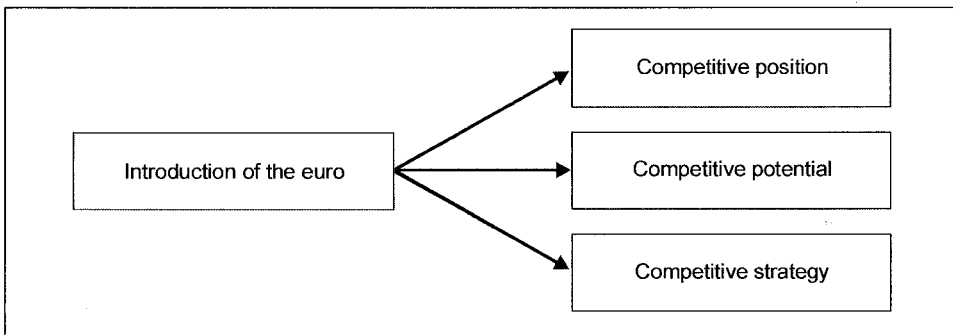
ones. As for explicating company competitiveness, it should be pointed out that, first, the concept will be described by means of some indices, which is when the company's competitive position will be discussed. Second, the concept will be described by means of determinants: factors predisposing the company to gain a specific competitive position in the future. The authors, therefore, will refer to the concepts of competitive potential and competitive strategy, which involves exploiting the company's competitive potential.

To determine the euro's impact on company competitiveness, we assume that the competitiveness can be examined on three planes (dimensions) as [Gorynia 2002]³⁷:

- competitive position, i.e., result-based competitiveness,
- competitive potential, i.e., resource-based competitiveness,
- competitive strategy (competitive instruments), i.e., functional (process-based) competitiveness.

In an initial, simplified form, the influence of joining the euro on the company's competitiveness, or in fact on its three dimensions (components) listed above, is outlined in Figure 9.

Figure 9. The influence of introducing the euro on company competitiveness – a simplified approach



Source: own study.

The company's competitive position is the result of the market's (especially the buyers') evaluation of what the company has to offer on it. The most basic and synthetic measures of every company's competitive position is its market share and achieved financial standing.

³⁷ For more details on the concept of competitiveness see Chapter 1 of this book and: Gorynia, Łaźniewska (eds.) [2009].

The company's competitive potential can be understood in a narrow and in a broad sense. In a narrow sense, competitive potential is all the resources which are used or can be used by the company. In a broader sense, the company's competitive potential includes, apart from resources, its corporate culture, organisational structure, strategic vision and unique behaviour (strategy development process).

Competitive strategy is, to put it simply, a set of competitive instruments used to achieve competitive advantage. Competitive instruments include quality, price, range of products, advertising, sales promotion, etc.

When analysing the euro's influence on the competitiveness of Polish companies, it is useful to examine the euro's impact on each of the three dimensions of competitiveness listed above. It is important to answer the following questions:

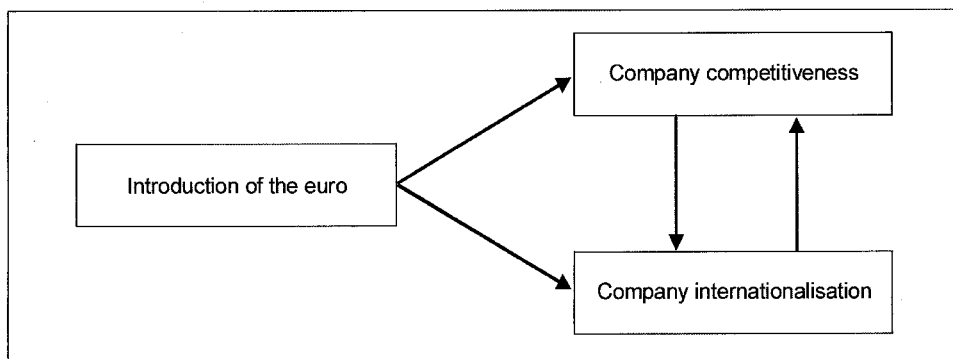
- How will the introduction of the euro influence the company's competitive position?
- How will the introduction of the euro influence the company's competitive potential?
- How will the introduction of the euro influence the company's competitive strategy?

It is also important that we not only determine the ways (means, methods) the adoption of the euro will influence these dimensions of competitiveness but also ascertain the direction and strength of this influence.

The introduction of the euro also has implications for companies' operation on a national scale, but above all on an international scale. This is why no discussion or study can overlook the issue of how the introduction of the euro will influence companies' internationalisation. The question is how the euro can help to achieve/lose international competitiveness, which codetermines companies' propensity to internationalise their business activities. Figure 10 presents, in a simplified way, the relationships between the adoption of the euro and competitiveness on the one hand and company internationalisation on the other. In addition to the impact of the introduction of the euro both on the company's competitiveness and on its internationalisation, the relationship between competitiveness and internationalisation is also indicated.

We can see here a bilateral relationship, which is that, on the one hand, high competitiveness is a basis for undertaking international expansion (Figure 8, arrow 4). On the other hand, internationalisation makes it possible to constantly improve competitiveness; this is possible, for instance, thanks to economies of scale which may result from entering foreign markets (Figure 8, arrow 5).

Figure 10. The influence of introducing the euro on company competitiveness and internationalisation



Source: own study.

The main issue is to answer the question whether joining the euro zone will stimulate or hinder the internationalisation of, first, companies not internationalised yet; second, companies internationalised to a small extent; and third, active and advanced internationals. From the viewpoint of the research problem to be solved, it is important that we identify the current forms of company internationalisation and possible changes in this area which are expected by companies themselves to take place after the introduction of the euro. It is also advisable to identify the changes in market portfolios anticipated/planned by companies. The impact of internationalisation on competitiveness can also take place through the need to increase the quality of products (services), a need which results from dealing with discerning and sophisticated foreign customers. It is the present authors' assumption that the influence of competitiveness on internationalisation is a bilateral, interactive process which increases in intensity with time. It is difficult to say which comes first: whether competitiveness precedes internationalisation, or whether internationalisation strengthens competitiveness. It seems, however, that the moment international expansion begins, it is necessary to have an initial level of competitiveness sufficient to face foreign rivals. Internationalisation having been launched, the following mechanism starts to work: internationalisation improves competitiveness, which in turn makes further expansion possible. Finally, the euro's influence on company internationalisation will take place through changes in the business environment and the macroeconomic indices describing the economy of the company's country of origin and the economy of the host country receiving the Polish company – a direct investor or at least an exporter (Figure 8, arrow 6).

4.3. Poland's accession to the euro zone – implications for the international competitiveness and internationalisation of Polish companies – a deductive and literature-based approach

The influence of Poland's adoption of the euro on companies' competitiveness has not yet been the subject of a wide-ranging and exhaustive discussion in the literature. Belka [2007] argues that Poland's staying outside the euro zone is a threat to the economy's stability. A consequence of such a move would be a loss of competitive advantage and a necessity of reducing inflationary pressures. In an article published in "Ekonomista," Lis [2008] makes an assessment of the benefits gained and the losses suffered by the Polish economy after joining the euro zone. The danger is a possible short-term increase in prices, whereas the benefit for Polish business entities is reduced interest rates owing to the elimination of exchange-rate risk. This should increase demand for investment loans, which, in turn, should translate into growth in investment, production and employment. Trying to reach conclusions about the effects of adopting the euro, it might also be useful to study the opinions formulated by the European Commission's Directorate for Economic and Financial Affairs [2008]. In a report produced to assess the outcome of the introduction of the euro after 10 years of Economic and Monetary Union (EMU), the body states that it is difficult to give a clear verdict. Undoubtedly, the macroeconomic stability of EMU member states is greater, but a number of optimistic forecasts did not materialise. One of the failures is low economic growth, a fall in productivity, persistent differences in labour costs between countries, which exacerbates the external imbalance, the euro's limited role in the globalisation of international markets, and the still-negative image of the euro as a currency responsible for price rises.

Poland's accession to the euro zone has concrete implications for both the economy as a whole and individual companies. Microeconomic consequences will become apparent in practically all aspects related to the company's operation. Kaikati [2000, p. 68] is of the opinion that introducing the euro costs companies four to five times as much as preparing and implementing solutions related to the year 2000. The author believes that the implications of a country's accession to the euro zone can be found in the following areas of company activity:

- marketing, distribution and purchasing,
- production,
- accounting and finance,
- information systems,
- human resources,
- legal aspects.

Each of these areas has elements of competitive potential, which is one of the dimensions of company competitiveness.

A survey conducted in November 2007 by the Institute for Market, Consumption and Business Cycles Research among processing-sector exporters shows that Poland's accession to the euro zone is perceived as an opportunity by large companies which entered into commercial contracts with EU partners, which have foreign capital in their ownership structure, and whose exports account for more than 50% of their sales revenues [Marczewski 2008, p. 147]. A similar picture emerges from a study by Grant Thornton Frąckowiak, an advisory firm: six out of seven companies want the EU currency to be adopted soon [<http://waluty.onet.pl/-firmy-czekaja-na-euro>, 18893,3204551,1,prasa-detel, 4 July 2010]. 85% of the large and medium-sized company managers surveyed expect the zloty to be replaced with the euro. In the experts' view, such radical opinions result from the great volatility of the zloty exchange rate during the economic crisis.

Poland's adoption of the euro should benefit Polish companies virtually automatically the moment the national currency is eliminated [Rogut, Tchorek 2008, p. 4]. The Polish zloty's limited importance and instability causes Polish contractors to be burdened with higher transaction costs. Their reduction should have a favourable impact on the financial potential of Polish companies. However, estimating the extent to which transaction costs will be reduced is very difficult or even impossible [Rogut, Tchorek 2008, p. 4]. Some guidance may be provided by information about the value of transactions settled in euros (or in other currencies) on the basis of the balance of payments [NBP 2009a], but it will always be macroeconomic-level estimates. Data for 2004 show that transaction costs associated with the EUR/PLN exchange were approximately 0.2% of GDP, as were the estimates for Slovenia and Slovakia [NBP 2004]. There is no doubt that the effects at the macroeconomic level will be a consequence of changes at company level. The benefits of Poland's accession to the euro zone as forecast by experts are indicated also by business practitioners. Exporters participating in the research by the Institute for Market, Consumption and Business Cycles Research [Marczewski 2008, p. 146] stressed the elimination of exchange-rate risk in trade with the euro area and the reduction of transaction costs. Some companies hope that the conversion rate of the zloty to the euro will be more favourable than the present exchange rate of our national currency. Highlighting the elimination of exchange-rate risk is typical of companies with a small share of exports in sales, which could indicate that the fear of risk is so great that it effectively hinders the internationalisation of these firms. The reduction of transaction costs is a key benefit for companies with a share of foreign capital. Poland's accession to the euro zone is also intended to improve companies' competitive position in the EU market; this is particularly important to small compa-

nies and those which get less than 50% of sales revenues from export sales and intra-community supplies.

Positive shifts in the financial sphere of companies' competitive potential may be caused also by lowering the interest rate. It can be expected that foreign investors who lend capital to the Polish economy will expect a lower interest rate, and the capital will continue to be available to companies at lower costs. As the experiences of Portugal, Greece and Spain demonstrate, the reduction in interest rates following the introduction of the euro was about 3–4 percentage points [Rogut, Tchorek 2008, p. 6]. Changes in companies' financial potential can also be caused by changes in the volume of exports. However, as the research by the Institute for Market, Consumption and Business Cycles Research [Marczewski 2008, pp. 146–148] demonstrates, nearly 30% of the respondents cannot determine what changes will take place in companies' exports. A possible increase in exports is expected generally by companies providing intra-community supplies and by entities with domestic capital. Particular difficulty in estimating changes in the volume of exports is experienced by companies which send goods to eastern markets. Managers cannot say how joining the euro zone will change the volume of Poland's exports to the east.

A report by the National Bank of Poland on the benefits and costs of Poland's accession to the euro area [2009] emphasises that one of the key processes at the macroeconomic level will be the Polish financial market's integration with EU markets. The integration is to manifest itself as foreign entities' easier access to the Polish market, and Polish entities' easier access to the EU market. This effect, however, is key not only for companies in the financial services sector, but also for other companies, which will be offered a wider range of financial services. Their quality and availability may improve thanks to increased competitive pressure.

The exchange of the zloty to the euro will facilitate price comparisons, which will make Polish companies operate under greater pressure from rivals, something that is not irrelevant to the position and stability of the competitive advantage achieved. Intense rivalry often lowers the price to the level required in those euro-zone countries where it is the lowest. When competitors operate in different currency systems, comparing prices is much more difficult for the customer. Companies frequently take advantage of this fact and conduct a diversified pricing policy. Research commissioned by Lehman Brothers in 1998 and conducted on a sample of 53 homogeneous goods in the euro zone demonstrated that prices deviated from the mean even by 24% [Scott, Neal, Rooney 1998]. Opportunities for price manipulation and consequences of this will differ, depending on whether the effects of this phenomenon are assessed from the viewpoint of the selling company or the buying one. The lack of opportunities for

price manipulation, from the perspective of the selling company, is unfavourable, and may affect market share and return on sales in particular markets, and ultimately the company's competitive position. From the viewpoint of the purchasing entity, however, this is a favourable situation which may generate savings and improve the company's competitive potential. Going back to the situation of the selling company, it is worth adding that greater price transparency to some extent reduces the significance of this competitive instrument and simultaneously increases the role of other tools as part of competitive strategy, such as service quality, after-sales service quality, and terms of warranty, payment or delivery.

Taggart [1997] lists many benefits derived by companies from having a currency which facilitates transactions between companies whose headquarters are situated in two different countries. In his view, the problems which most frequently confront companies (on a macro-scale) are the volatility of exchange rates and their impact on prices of goods and services in countries where the companies carry out the transaction. Unfortunately, exchange-rate volatility is caused by linear and nonlinear short-term or long-term random incidents, which disturb the balance of the whole market and destabilise the level of these prices. These constraints translate into the volatility of fixed and variable costs, particularly the costs of labour, production, maintenance of property (fixed assets), logistics and even those best visible from the outside, namely marketing undertakings.

Operating outside the euro zone continues to be a source of exchange rate risk. It is common knowledge that uncertainty about exchange rate levels can effectively thwart companies' internationalisation ambitions [Hooper, Kohlhausen 1978, pp. 483–511; Kroner, Lastrapes 1993, pp. 298–318]. Exchange-rate risk discourages exporters from seeking buyers in foreign markets and causes concern among importers purchasing goods from foreign partners and among entities which are ready, in terms of competitive potential, to engage in more advanced forms of internationalisation. The significance of this risk increases with the length of the contract and the value of the investment [Currie, Williamson 1990, pp. 1–16].

The safety of the company's activities is enhanced by foreign market forecasts, an analysis of the political situation and a thorough assessment of long-term prospects for a given country's macroeconomic development. However, forecasting is not free from the aforementioned linear and nonlinear random disruptions by which markets are affected; neither does it neutralise the effects of exchange rate risk. In the case of international-trade transactions in which Polish companies participate, the risk is all the greater that, as mentioned already, the zloty is not one of the world's major currencies. Replacing the zloty with the euro will free companies from investing in mechanisms protecting their foreign

transactions, which, in turn, is directly related to changes in the financial sphere of competitive potential. It will also eliminate one of the factors which hinder companies' both active and passive internationalisation. It should be added that benefits in the sphere of risk, which translate into the level of company internationalisation, result from two aspects of the zloty's replacement with the euro. First, Polish companies will use the currency of their key partners; second, it will be one of the world's major currencies – international money.³⁸ Using a stable, major currency enhances business partners' image, which again may be conducive to internationalisation. The effect of the partner's country of origin is of great significance in the case of international transactions. If a company represents an economy affected by unstable prices and public finances, and underdeveloped financial markets, it is perceived unfavourably by its business partner. The problem is reflected in the company's internationalisation and competitive position. Despite having an above-average competitive potential (in terms of value and quality) and a well-planned competitive strategy, it may be difficult for a company to increase its share in the international market. Daras and Hagemajer [2008] show that, in the short term, there may be a temporary increase in imports and a decrease in exports owing to a possible increase in domestic demand. Exporters may temporarily reduce their interest in foreign markets because of greater domestic consumption. In the long term, however, we should expect a growth in exports, an effect of Polish companies' increased competitiveness.

Joining the euro zone may be an opportunity to improve Polish companies' competitive potential because of foreign investors' more massive entry into our market. This will provide, first of all, an opportunity for improvements in technology. This depends on the extent to which Polish companies will be able to absorb foreign companies' solutions. Absorption capacity, in turn, is determined by the size of the technological gap which separates Polish companies from foreign ones, and by the quality of human capital. Foreign investment as part of the internationalisation of a company's business activities is made primarily in those countries which, in addition to stable money, meet at least several conditions, namely:

- they have an extensive manufacturing and social infrastructure, particularly access to the sea, airports, an efficient system of communication and internal transport,
- their economies are linked to the world's main industrial centres (the US, Japan and, of course, the European Union),
- they have a workforce with the desired qualifications,

³⁸ For the benefits of the euro's attaining the status of international money, see Portes and Rey [1998, pp. 307–342].

- trade unions do not exist; they passively execute the authorities' decisions and their role is generally marginal,
- they have a well-developed network of commercial and financial services,
- they have achieved a relatively high level of urbanisation,
- they have created sufficiently large and absorbent internal markets.

Poland's accession itself to the euro zone will not boost the inflow of FDI. Only some combination of circumstances could cause the entry into the euro zone to act as a stimulus to this process. Studying the impact of Poland's EU membership on foreign investment, Żołnowski [2009] indicates that Polish companies will be bound by certain rules of the game on account of agreements based on franchising, joint ventures, strategic alliances or greenfield investment. Companies will be able to establish foreign subsidiaries or branches, which (owing to high costs of entering a market and gaining market position) is now done only by the biggest ones: mainly corporations and well-known firms operating globally, or at least regionally. According to Żołnowski [2009], other benefits which Polish companies will enjoy after Poland's entry into the euro zone include:

- modernisation of companies which cannot succeed in the local European market; the companies will either transform into effectively managed firms selling sophisticated products or have to leave the market,
- creation in Poland of business parks with a big potential of international know-how; companies which gain experience and knowledge from foreign markets will be the driving force behind the development of domestic companies, not least in related areas of production,
- improvement in work quality at companies' Polish headquarters, i.e., enriching jobs in terms of equipment, staff qualifications, etc.,
- technological progress in the area of production, which will be integrated with the transformation of the staff education system, thereby helping to improve local staff's qualifications,
- popularisation of positive standards in new management styles and pro-market (i.e., marketing) orientation through transferring them to Polish companies from socially, culturally and economically better developed countries.

The playing out of an optimistic scenario after Poland's accession to the euro area is dependent on many factors at the macroeconomic and the microeconomic level. Rogut and Tachorek [2008, p. 16], who refer to the macroeconomic level, emphasise that the balance of benefits and costs associated with this move depends on:

- the suitability of the European Central Bank's monetary policy for Polish economic conditions,
- the scope of Poland's influence on decisions concerning the common monetary policy,

- the effectiveness of the current national monetary policy,
- the nominal exchange rate's effectiveness in easing asymmetric shocks.

As for the microeconomic level, it seems that we should pay attention especially to how companies are prepared for adopting the euro, and what changes they will have to make in their strategies. The changes are, to a large extent, enforced by the costs of introducing the euro. Kaikati [2000, p. 73] cites a study by Ernst&Young which found that, of 200 international companies headquartered in the United States, only 45% were prepared for the changes in their behaviour which will be caused by the introduction of the euro in the European Union. Companies must be ready to cover the costs of conducting information and promotional campaigns which will let their customers know how new prices in euros compare with previous prices in the national currency. Companies must accept the need to quote prices in both currencies. Some costs may also be generated by previously concluded long-term contracts, where the parties have agreed a specific price of the product but, under price transparency, it turns out that the price is unacceptable to the customer, which may require renegotiation [Livingston, Hutchings 1997; Gruson 1997, pp. 65–107]. Companies will have to meet the considerable cost of changes in accounting and computer systems, without which they will not be able to operate. Banks will need to adapt cash machines. In other industries, especially in the retail sector, companies using vending machines will carry additional costs. All these costs will affect Polish businesses' competitive potential and, as such, must be taken into account in competition strategy and functional ways of building competitive advantage. Taking action to prepare companies for operating in the euro zone could be stimulated by making it possible to conclude transactions between domestic entities in euros even before Poland joins the euro zone. The aforementioned study by Institute for Market, Consumption and Business Cycles Research [Marczewski 2008, p. 149] found that the exporters taking part in the survey are interested in such a solution. It is especially attractive to big companies and those with foreign capital.

To summarise, the effects of Poland's accession to the euro zone will clearly and directly manifest themselves as part of companies' competitive potential, and to a lesser extent will apply to their competitive position and competitive strategy (Table 11). The implications of our economy's entry into the monetary union will undoubtedly be reflected also in the level and stage of companies' internationalisation, although it seems that an influence on internationalisation will tend to be exerted through a value and quality transformation of competitive potential.

Table 11. Potential effects of Poland's accession to the euro zone and areas influenced by them – company perspective

Microeconomic perspective	
Potential effects of Poland's accession to the euro zone	Areas influenced by the effects of Poland's accession to the euro zone
Reduction in transaction costs Lower interest rates Polish financial market's integration with EU markets Inflow of FDI Costs of adapting computer and accounting systems Costs of staff training	Competitive potential
Costs of promotional and information campaigns	Competitive potential and competitive strategy
Ease of price comparison	Competitive potential, competitive position and competitive strategy
Reduction in exchange-rate risk	Competitive potential and internationalisation
Changed perception of Poland in the international arena	Internationalisation

Source: own study.

4.4. The influence of Poland's accession to the euro zone on the international competitiveness and internationalisation of Polish companies - exploratory research³⁹

4.4.1. The methodology, assumptions, characteristics and method of data analysis

In late August and early September 2008, on account of Poland's planned entry into the euro zone, an exploratory study was conducted in Wielkopolska region on Polish companies' competitiveness in the European market. The empirical research was based on primary data. The data were obtained from a survey of four types of companies, grouped by employment size:

- from 50 to 99 employees,
- from 100 to 249 employees,
- 250 to 499 employees,
- more than 499 employees.

These company categories were selected from a database which contained a list of companies from Wielkopolska region, and which was developed by Panorama Firm. While the study was in progress, it turned out that the data from the database was not consistent with the facts. Consequently, the number of companies listed in the above publication was increased twofold in such a way

³⁹ Based on Gorynia, Jankowska, Pietrzykowski, Tarka [2009, pp. 1–23].

that the companies ultimately selected the research covered all the previous research criteria adopted by the authors at the design and implementation stage of the whole project. Finally, the sample size was 50 subjects.

The characteristics and assumptions of the study

For the purposes of the study, a single questionnaire pattern was designed for all the companies. The assumption of the research objective was that only companies with over 50 employees have enough knowledge and relevant information on actions taken (including the generation of strategic plans significant for the company) concerning future conditions, opportunities and threats in the context of Poland's accession to the euro zone.

The survey questionnaire contained questions about the research subject itself. They concerned five key research issues: the benefits and risks associated with Poland's planned accession to the euro zone; the euro and the company's competitive position; the euro and the company's competitive potential; the euro and the company's competitive strategy; and the euro and company internationalisation.

The selection of respondents was made on the basis of three recruitment questions presented at the beginning of the questionnaire. The study used a selection method of purposive sampling (the sample size was determined arbitrarily). The sampling consists in a completely subjective selection of subjects for the sample in the hope of obtaining the most extensive and complete information possible. Survey respondents are usually people with a special ability to provide information: in the case of this study, they were middle and senior managers [Brandt 1974, pp. 68–72]. The sizes of particular companies grouped according to specific research criteria are presented in Table 12.

Table 12. The number of companies surveyed in the Poznań conurbation

Company size	Research criteria for the number of companies before the study	The number of companies after the study
From 50 to 99 employees	15	23 (66%)
From 100 to 249 employees	15	10 (20%)
From 250 to 499 employees	10	10 (20%)
Over 499 employees	10	7 (14%)
Total	50	50 (100%)

Source: own study.

The above quantitative list and the sample size of $n = 50$ subjects do not provide a sufficient basis for ensuring a high representativeness of research results, but they allow for a thorough exploration of the topic. Studies of this type

not only make it possible to tweak the research mechanism itself and its research tools, but they help to develop (in further studies) those research topics which are significant (from the viewpoint of the issue investigated) or have been inadvertently omitted by researchers. The studies carried out in Wielkopolska are a starting point for research on a national scale, based on a representative sample.

The sampling of respondents focused on those people in the companies selected who could provide relevant information on the companies' competitiveness, strategies being developed and trade policy adopted. This is why those selected for the sample were mainly people holding senior and middle positions, i.e., company managers and executives (Table 13).

Table 13. The number of respondents by position

Types of positions occupied by respondents in the companies surveyed	Number of respondents
Chairperson/ chief executive officer	10
Deputy chairperson/ deputy chief executive	10
Functional manager	10
Human resources executive	10
Financial director	10
Total	50

Source: own study.

Primary data were collected using a transparent method. Before starting a direct interview, the interviewer informed all the respondents by telephone about the purpose of the survey. Thanks to their standardisation, the questions put to respondents had the same wording and style. The standardisation allowed for a quick synthesis and interpretation of responses from the questionnaires collected. Another advantage of the standardisation was the fact that the respondents could easily indicate responses and articulate them quickly. As early as this stage, therefore, the survey results were characterised by a high level of reliability.

The method of data analysis

During data analysis, a problem of quantitative heterogeneity of the sample emerged. Particular quantities of the sample and sizes of the companies they contained were not equal. It was necessary to use weights (within the range of 50–99 employees and over 499 employees) in order to obtain unbiased estimators. Only within the brackets of 100–249 and 250–499 employees were the numbers identical: $n = 10$. Formula 1 shows how the weights were calculated using the weighted mean:

$$\bar{X}_w = \sum_i p_i \bar{X}_i = \sum_i p_i \frac{1}{n_i} \sum_j X_{ij} \quad (1)$$

The analysis consisted mainly of comparing measurement results for all the companies taken as a total and partially (in selected questions: 1, 2, 3, 4, 11, 16 and 17) among company categories identified according to employment size. The basic statistical technique employed to analyse the responses to questions 1, 2, 3, 4, 11, 16 and 17 was the Kruskal-Wallis nonparametric analysis of variance. To deal with the responses to questions 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, descriptive statistics was used.

Since the survey questions were not designed as positions of a summation measurement scale, it was not possible to establish a scale with a sufficiently high coefficient of reliability. Therefore, responses to the questions were considered separately and treated as measurement results. In the questions, two types of measurement scales were used.

1. A rating scale in a set of values contained in set R_+ , with an absolute natural zero point, which means a total absence of the characteristic measured [Walesiak 1996, pp. 31–33]. On this scale, the respondent expressed his/her attitude towards the questions:
 - q9, q10 and q15 (0% – “zero share” 100% – “maximum share”),
 - q14 (0% – “totally unimportant market,” 100% – “extremely important market”).
2. An ordinal scale [Green, Tull and Album 1988, pp. 305–308] for the following questions:
 - q1 (1 – “the level of competitiveness will definitely not rise”; 2 – “the level of competitiveness is unlikely to rise”; 3 – “hard to say”; 4 – “the level of competitiveness will probably rise”; 5 – “the level of competitiveness will definitely rise”),
 - q2 (1 – “will improve to a large extent”; 2 – “will improve only slightly”; 3 – “will neither improve nor deteriorate”; 4 – “will deteriorate only slightly”; 5 – “will deteriorate to a large extent”),
 - q3, q4, q11, q16 and q17 (1 – “definitely not”; 2 – “probably not”; 3 – “hard to say”; 4 – “probably yes”; 5 – “definitely yes”),
 - q5, q6 and q12 (1 – “we are (will be) much worse than the key rival”; 2 – “we are (will be) worse than the key rival”; 3 – “we are (will be) neither worse nor better than the key rival”; 4 – “we are (will be) better than the key rival”; 5 – “we are (will be) much better than the key rival”).

The style and wording of the above scales were adjusted, respectively, to the style and wording of particular questions so that the respondent would not feel discomfort while giving responses and indicating values on the scale.

4.4.2. Characteristics of the sample under study

Over half (52%) of the respondents are limited liability companies. The second largest group is individual proprietorships (18%), and joint-stock companies rank third (14%). The majority of the businesses surveyed are manufacturing companies (80%) and those involved in exports (66%), which sadly were reluctant to answer the question about the level of their gross revenue. 66% of the respondents refused to disclose their gross revenue. Those who decided to give an estimate of their gross revenue are dominated by entities with revenues of more than PLN 5,000,000 (24%). The respondents interviewed are mostly people with a university degree (86%).

Table 14. The mean total response and group responses according to employment size [$n = 50$]

The influence of Poland's adoption of the euro on company competitiveness	Total	<50-99	100-249	250-499	>499
	3.24	3.26	3.10	3.70	2.71

Source: own study on the basis of empirical research results.

The entities surveyed found it difficult to determine whether Poland's adoption of the euro will have a positive or negative effect on the level of their competitiveness (Table 14) (rating: 3.24). Only companies employing more than 250 but fewer than 500 people were inclined to say that the influence will be positive (rating: 3.70). The financial situation of the companies under study shortly after Poland's accession to the euro zone is expected to be rather positive (Table 15) (rating: 2.82). The most pessimistic opinions in the group surveyed are those held by larger, though not the largest, companies (rating: 3.70), which state that their situation will deteriorate only slightly, a fact which stands in contradiction to the anticipated fairly positive impact of Poland's adoption of the euro on company competitiveness. The respondents probably find it hard to translate the potentially positive aspects of Poland's participation in the euro zone into their own competitiveness.

Table 15. The mean total response and group responses according to employment size [$n = 50$]

Assessment of companies' financial situation shortly after Poland's accession to the euro zone	Total	<50-99	100-249	250-499	>499
	2.82	2.96	2.90	3.70	2.71

Source: own study on the basis of empirical research results.

4.4.3. The influence of Poland's accession to the euro zone on Polish companies' competitive potential

The resource base in the form of the financial and cost-related elements of competitive potential were generally rated at the level of the key rival in the domestic market at present and after joining the euro zone (Table 16). On the other hand, the competitive potential of the companies under study in the other EU markets is rated a little below the key rival (ratings below 3.00). A cause for optimism is higher ratings for the financial and cost-related elements of the respondents' competitive potential in the other EU markets after joining the euro. It should be observed, however, that the improvement indicated is not considerable.

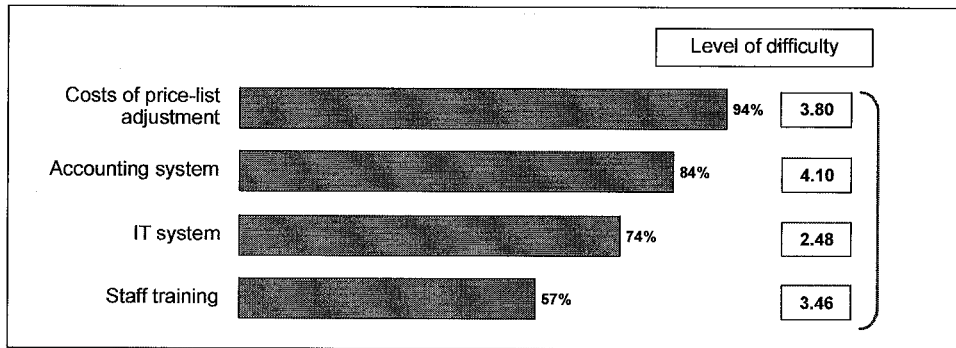
Table 16. Means for the total responses category [employment sizes] according to the financial and cost-related elements of companies' competitive potential in relation to the key rival [$n = 50$]

Companies' competitive potential in terms of...	Polish market		The other EU markets	
	at present we are	euro zone we will be	at present we are	euro zone we will be
1. Funding current activities with own resources	3.28	3.30	2.98	3.08
2. Funding current activities with external resources	3.04	3.14	2.92	2.98
3. Research and development outlays	2.76	2.88	2.62	2.62
4. Level of material costs and labour costs	3.30	3.28	3.22	3.10
5. Efficiency of collecting amounts due	3.26	3.24	3.02	3.14
6. Transaction costs (including those of currency exchange) as percentage of annual turnover	3.26	3.32	2.68	3.00
7. Costs of hedging against exchange-rate risk	3.20	3.16	2.66	3.02
8. Accounting systems in the company	3.34	3.28	3.02	3.04
9. IT systems in the company	3.10	3.16	2.88	2.94

Source: own study on the basis of empirical research results.

Poland's accession to the euro zone will require companies to introduce changes to some elements of their competitive potential (Chart 11). According to those surveyed, the greatest difficulty will be caused by the adjustment of the accounting system (rating: 4.10). Changes in the IT system will present the least difficulty (rating: 2.48).

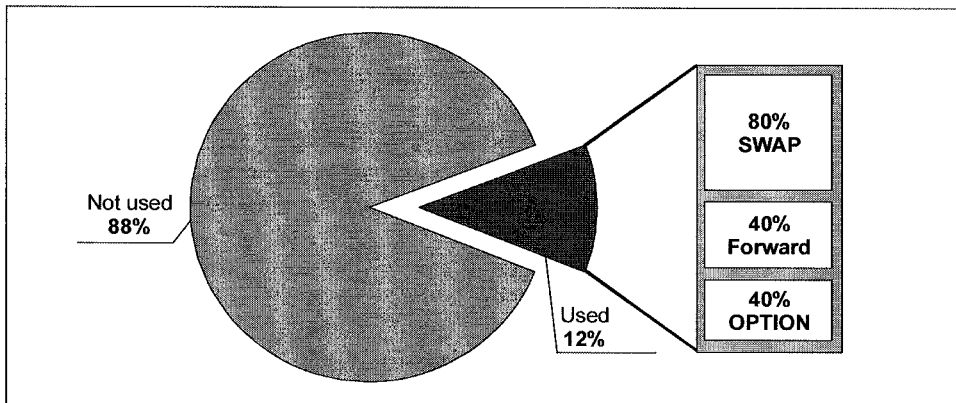
Chart 11. Elements of competitive potential to which companies will introduce changes on account of Poland's accession to the euro zone, and the mean difficulty of introducing these changes⁴⁰



Source: own study on the basis of empirical research results.

It seems that companies' operation in foreign markets which do not participate in the monetary union should encourage business entities to use instruments protecting them from exchange-rate risk. However, only 12% of the respondents admit that they use such instruments, and that they usually use SWAPs (Chart 12) (80%).

Chart 12. Instruments used by Polish companies to hedge against exchange-rate risk [$n = 50$]⁴¹



Source: own study on the basis of empirical research results.

⁴⁰ [M] – mean; The responses do not add to 100%. The respondents could indicate several answers [$n = 50$].

⁴¹ The responses do not add to 100% within the hedging categories identified. The respondents could indicate several answers.

4.4.4. The influence of Poland's accession to the euro zone on Polish companies' competitive strategy

According to the companies surveyed, Poland's accession to the euro zone will not cause revolutionary changes in their competitive strategies (Table 17). The absence of these changes seems to be a worrying phenomenon because it may suggest that companies are not fully aware that joining the euro zone will radically change the conditions in which business entities will operate. The lack of changes in competitive behaviour could be a sign of the inability to translate specific opportunities, but also risks, associated with the euro into the company's actual operation. The responses are in the 2–3 bracket, which means that companies stated that changes are unlikely to take place, or that they could not anticipate them. The modifications in competitive strategy with reference to which there were responses that they will probably occur, which may be indicated by the rating of above 3, include:

- an increased role of competing on price at the expense of competing on differentiation (e.g., on quality, warranty terms, terms of payment and delivery, service) (3.32),
- an increasing share of job order manufacturing under the brand of companies from the other EU markets (other than Poland) (3.28),
- increased job order manufacturing under the brand of companies from what are called other markets (foreign markets from outside the European Union) (3.16).

Table 17. Means for the total responses and the group responses categories [employment sizes] according to companies' opinions on competitive strategy [$n = 50$]

Changes in strategy will result in...	Total	<50–99	100–249	250–499	>499
1. An increased role of competing on price at the expense of competing on differentiation (e.g., on quality, warranty terms, terms of payment and delivery, service)	3.32	3.04	3.50	3.30	4.00
2. An increased share of supplies of raw materials and components from the other EU markets	2.96	2.78	3.60	3.00	2.57
3. An increased share of supplies of raw materials and components from "other markets"	2.82	2.57	3.30	3.00	2.71
4. An increased share of job order manufacturing under the brand of companies from the other EU markets	3.28	3.26	3.70	3.00	3.14

5. An increased share of job order manufacturing under the brand of companies from "other markets"	3.16	3.09	3.70	2.90	3.00
6. Cooperation in technology development with entities from the other EU markets	2.70	2.26	3.40	2.80	3.00
7. Cooperation in technology development with entities from "other markets"	2.54	2.09	3.40	2.70	2.57
8. The company more often than previously choosing to cooperate with partners from the other EU markets in the area of management support systems	2.56	1.91	3.50	2.90	2.86
9. The company more often than previously choosing to cooperate with partners from "other markets" in the area of management support systems	2.30	3.30	2.70	2.29	2.30
10. The company more often cooperating in human resources management (e.g., temporary work, staff leasing, training) with entities from the other EU markets	2.44	2.00	3.00	2.70	2.71
11. The company more often cooperating in human resources management (e.g., temporary work, staff leasing, training) with entities from "other markets"	2.38	1.87	3.10	2.70	2.58
12. Manufacturing operations being outsourced with the participation of/ in favour of partners from the other EU markets	2.80	3.00	3.10	2.40	2.29
13. Manufacturing operations being outsourced with the participation of/ in favour of partners from "other markets"	2.68	2.78	3.00	2.40	2.29

Source: own study on the basis of empirical research results.

Large companies especially are of the opinion that Poland's accession to the euro zone will increase the significance of competing on price, at the same time reducing the importance of differentiation strategy. Such an opinion seems to be quite surprising. On the other hand, the projected increase in Polish companies' involvement in manufacturing under the brand of other companies from the EU or from other foreign markets seems to be a natural consequence of introducing the single currency, whose presence reduces transaction risk and stimulates company internationalisation.

4.4.5. The influence of Poland's accession to the euro zone on Polish companies' competitive position

The companies surveyed were asked to diagnose their competitive position in relation to the key rival in the Polish market and in the other EU markets at present and after Poland joins the euro (Table 18). In terms of market share, the companies surveyed believe that they are worse than the key rival, both in the Polish and in the other EU markets. As for profitability, they are at the level of the key rival in the Polish market, and worse in the other EU markets, and the situation will not change radically after Poland joins the euro. Only profitability in the other EU markets may deteriorate after Poland's accession to the euro zone.

Table 18. Mean ratings of companies' competitive position in relation to the key rival (KR) in markets (at present and in the euro zone) [$n = 50$]

Measures of companies' competitive position in relation to the rival, in terms of...	Polish market		The other EU markets	
	at present <i>we are</i>	euro zone <i>we will be</i>	at present <i>we are</i>	euro zone <i>we will be</i>
Market share	2.94	2.90	2.58	2.66
Sales profitability	3.18	3.10	2.90	2.98

Source: own study on the basis of empirical research results.

4.4.6. The influence of Poland's accession to the euro zone on the internationalisation of Polish companies

After 1989, the vast majority of Polish companies had difficulty operating in foreign markets, where competitors' technological and capital advantage was significant. In the transition period, companies tried to gradually overcome barriers such as the low capacity of capital accumulation, high costs of obtaining the loan, high investment risk, unsettled ownership status, the state's inconsistent macroeconomic policy and vague laws.

Starting from the assumption that basic company internationalisation strategies are market, financial, ownership and coalition strategies, the authors asked the companies under study in what forms of internationalisation they engaged most frequently. Almost all of the entities questioned declared export expansion as a basic type of business internationalisation; only one in ten companies sought cooperators abroad avoiding a capital merger. Even fewer respondents (7%) undertook joint ventures with foreign companies. Taking into account the aforementioned low capacity of capital accumulation and Polish companies' lim-

ited capital resources, it should not be surprising that only one in thirty entities surveyed opted for direct investment and acquisitions.

Companies' export strategies must be adapted to a given market. An analysis of the empirical research results suggests that the most important market for Polish enterprises continues to be the German one. Table 19 shows that the main area of Polish companies' expansion are European Union countries. The exception is Russia, which is among countries of great significance to product strategies pursued.

Table 19. Key export markets of the companies surveyed [$n = 50$]

Significance of the market	Most important markets listed by respondents according to their significance	Mean rankings of the markets [0-100]
1.	Germany, Russia, UK, Hungary, Lithuania, Netherlands, France, Spain	83.00
2.	Ireland, Italy, Slovakia, Czech Republic	73.78
3.	Croatia, Belarus, Ukraine, Latvia	65.79

Source: own study on the basis of empirical research results.

The companies surveyed got less than 30% of their revenues from export activity (Table 20). One in three products reach the euro-zone market; one in four came from it. These proportions are different from foreign-trade data for the whole of Poland, which suggest much stronger links between Polish companies and euro-zone countries.

Table 20. Companies' share in exports and imports [$n = 50$]

Companies' involvement in export and import	Mean ratings [0-100]
Current share of exports to the euro-zone market in total sales	32.92
Current share of imports from the euro-zone market in total purchases	24.09
Current share of exports in companies' total revenues (to all possible markets, not just the euro-zone)	28.40

Source: own study on the basis of empirical research results.

The next question concerned the expected changes in company internationalisation after Poland's adoption of the common currency (Table 21). The

changes most frequently indicated were increased total exports to EU markets and increased export expansion to foreign markets in general. The least expected, and thus quite loosely associated with the process of introducing the euro to Poland, are changes in franchising and licensing relationships.

Table 21. Means for the *total responses* and the *group responses* categories [employment sizes] in connection with Poland's accession to the euro zone, and changes in company internationalisation [$n = 50$]

Areas related to competitiveness	Total	<50-99	100-249	250-499	>499
1	2	3	4	5	6
1. The share of exports to the other EU markets in the company's total exports will increase	3.00	3.13	2.90	2.40	3.57
2. The share of exports to "other markets" in the company's total exports will increase	2.94	2.87	3.00	2.60	3.57
3. The company will expand its market portfolio to include EU markets previously not taken into consideration	2.92	2.74	3.00	2.90	3.43
4. The company will expand its market portfolio to include non-EU markets previously not taken into consideration	2.82	2.48	3.20	2.70	3.57
5. The company will undertake more capital-intensive and risky forms of international expansion than export	2.28	2.09	2.90	1.80	2.71
6. The company will choose to establish a joint venture company with a partner from the other EU markets	2.32	2.00	2.90	2.10	2.86
7. The company will choose to establish a joint venture company with a partner from "other markets"	2.28	1.87	3.10	2.30	2.43
8. The company will opt for a strategic alliance with a partner from the other EU markets	2.38	1.83	3.00	2.70	2.86
9. The company will opt for a strategic alliance with a partner from "other markets"	2.30	1.70	3.20	2.70	2.43
10. The company will adopt the role of a franchisee in its relations with a franchisor company from the other EU markets	2.52	2.22	3.00	2.40	3.00

1	2	3	4	5	6
11. The company will adopt the role of a franchisor in its relations with a franchisee company from the other EU markets	2.48	2.09	2.90	2.60	3.00
12. The company will adopt the role of a franchisee in its relations with a franchisor company from "other markets"	2.30	1.87	3.00	2.30	2.71
13. The company will adopt the role of a licensee in its relations with a licensor company from the other EU markets	2.28	1.87	2.90	2.50	2.43
14. The company will adopt the role of a licensor in its relations with a licensee company from the other EU markets	2.22	1.65	3.00	2.50	2.57
15. The company will adopt the role of a licensee in its relations with a licensor company from "other markets."	2.24	1.70	3.00	2.60	2.43
16. The company will adopt the role of a licensor in its relations with a licensee company from "other markets"	2.16	1.57	3.00	2.50	2.43
17. The company will establish its own subsidiary in the other EU markets	2.62	2.48	3.00	2.30	3.00
18. The company will establish its own subsidiary in "other markets"	2.50	2.30	3.00	2.20	2.86

Source: own study on the basis of empirical research results.

4.5. Accession to the euro zone and Polish companies' competitiveness and internationalisation – the current state of knowledge and exploratory research results – an attempt at confrontation

Literature research conducted to determine potential areas and directions of the influence of adopting the euro on company competitiveness and internationalisation have shown that the euro's impact on competitiveness will generally take place in competitive potential, and that the effects will apply to a lesser extent to competitive position and competitive strategy (Tables 16, 17 and 18, respectively). According to the companies participating in the study, accession to the euro zone should help them to develop their competitive potential, which is also demonstrated by the results of literature research. What may be somewhat de-

pleted is financial resources, which are also a component of the potential. Adjustment of accounting and IT systems and the costs of promotional and advertising campaigns will require companies to commit financial resources. This is what is suggested by the results of exploratory research and literature research. It may be worrying that the companies surveyed are not considering any major changes in the competitive strategies employed after Poland's accession to the euro zone, which may be indicative of a lack of reliable knowledge about the real consequences of the integration process. A critical review of the literature demonstrates that changes in this area will probably be necessary. They will result particularly from the ease of price comparison, and thus from the need to use competitive instruments other than price. However, according to the respondents participating in the exploratory research, it is competing on price whose significance will increase (Table 17).

The implications of our economy's entry into the monetary and currency union will undoubtedly also be reflected in the level of and progress in company internationalisation behaviour, although it seems that the influence on internationalisation will tend to be exerted through qualitative transformation in competitive potential. In companies' view, the most important benefit of adopting the common currency is reduced exchange-rate risk (rating: 4.26) (Table 22). This opinion is consistent with other researchers' theses which can be found in the subject literature. This benefit ranks first, irrespective of whether we are dealing with small or large companies. Companies decidedly point to this advantage of joining the euro zone, although only a small percentage of them hedge against exchange-rate risk. This may be caused by the high cost of derivatives and small businesses' unfamiliarity with these instruments. However, NBP statistics confirm the rapid development of derivatives markets, of CIRS transactions in particular, although it is currency swaps that are most popular. As for the other potential benefits, it is difficult to find a positive relationship with the respondents' competitive position. The greatest scepticism was expressed about a reduced manufacturing cost per unit (rating: 3.02). Companies could not say whether this reduction will take place and have an impact on their competitive position.

Companies do not count on a considerable reduction in manufacturing costs after accession to the euro zone, an attitude which can be explained by their declared concerns about price rises which will "consume" savings resulting from facilitated settlements and will reduce Polish consumers' purchasing power. Unfortunately, this observation is reflected in the conviction, popular in the media, about an inevitable increase in prices of goods after adopting the single currency, which, however, is not confirmed by statistics on inflation levels in the euro-zone countries after 1999.

Table 22. Means for the *total responses* and the *group responses* categories [employment sizes] in connection with the assessment of Polish companies' financial standing shortly after Poland's accession to the euro zone [$n = 50$]

Benefits of Poland's accession to the euro zone and companies' competitive position	Total	<50-99	100-249	250-499	>499
1. Reduced exchange-rate risk through the introduction of the single currency – the euro	4.26	4.13	4.20	4.30	4.71
2. Reduced transaction costs (including those of currency exchange)	4.14	4.30	4.20	3.30	4.47
3. Reduced supply costs thanks to greater market transparency and better comparability of offers	3.28	2.78	3.30	3.90	4.00
4. New trade relations established on better terms with other companies in euro-zone countries	3.20	2.91	3.40	3.60	3.29
5. Increased capital availability, i.e., increased tangible/ intangible assets helpful in developing the company and its money resources	3.28	3.43	3.60	3.10	2.57
6. Reduced cost of credit, i.e., cost of obtaining and servicing credit	3.46	3.65	3.20	3.20	3.57
7. Increased trade, i.e., a measure of trade activity, through increased activity in a given period of time	3.32	3.48	3.40	3.20	2.86
8. Facilitated trade settlements, i.e., transferring monetary and non-monetary resources between companies	3.70	3.48	3.70	4.10	3.86
9. Reduced manufacturing cost per unit	3.02	2.91	3.10	3.40	2.71

Source: own study on the basis of empirical research results.

As far as risks are concerned, the respondents had difficulty identifying them clearly (Table 23). However, were we to name the risk with the highest rating, it would be increased prices in relation to earnings, and consequently Polish consumers' reduced demand (rating: 3.54). The respondents tend to think that Poland's accession to the euro zone will result in the aforementioned reduction in Polish consumers' demand. Such a situation can become a stimulus to seeking buyers in new markets, and thus to internationalisation. The latter – under considerably lower exchange-rate risk and under lower transaction costs, the reduction of which is emphasised by the subject literature – may be attractive to Polish businesses. Since Poland joined the EU, we have seen an increasingly clear emer-

gence of the dynamic effects of integration, which are reflected in a multiple growth in trade. After the adoption of the euro, companies expect trade to increase further. The German market, which accounts for a third of Poland's foreign trade, will maintain its strong position among foreign markets; Russia will maintain a strong position among non-EU markets (Tables 19 and 20). The issue of internationalisation is directly related to the problem of the way Poland and Polish business partners are perceived in the international arena. Although the exploratory research did not raise this topic, it is indicated in the subject literature that entry into the euro zone should have a positive effect on the image of Polish trade partners, which, in turn, should intensify international trade cooperation.

Table 23. Means for the *total responses* and the *group responses* categories [employment sizes] in connection with Polish companies' financial standing after Poland's accession to the euro zone [$n = 50$]

<u>Risks</u> associated with Poland's accession to the euro zone and companies' competitive position	Total	<50-99	100-249	250-499	>499
1. Slow development of internal demand (e.g., consumers' purchasing power) in the euro zone in relation to countries and members which are outside the zone	3.14	3.30	3.00	3.10	2.86
2. Lack of independence in matters of national monetary policy, which is mainly the responsibility of the Polish central bank	2.92	3.35	2.90	2.40	2.29
3. Increased prices in relation to people's earnings, and consequently reduced (consumer) demand in Poland	3.54	3.57	3.50	3.20	4.00
4. Increased manufacturing cost per unit	2.98	2.96	3.30	2.90	2.71
5. Unfavourable systemic solutions introduced by the euro zone	3.04	3.09	3.10	3.20	2.57
6. Risk of setting an unfavourable conversion rate (zloty to euro conversion)	3.34	3.48	3.20	3.30	3.14

Source: own study on the basis of empirical research results.

The spectrum of benefits and risks associated with Poland's accession to the euro zone which has been built on the basis of deduction and literature research is broader than the set of benefits and risks identified by exploratory research. The fact points to the need for a study conducted on a larger group of respondents and with a wider range of possible implications of our country's entry into the monetary and currency union. The results of such research are presented in the second part of this book.