ISSN 2392-1641

Economics and Business Review

Volume 1 (15) Number 4 2015

CONTENTS

ARTICLES

A turnpike theorem for non-stationary Gale economy with limit technology. A particular case
Emil Panek

Product market cooperation under efficient bargaining with different disagreement points: a result
Domenico Buccella

Banks, non-bank companies and stock exchange: do we know the relationship?
Binam Ghimire, Rishi Gautam, Dipesh Karki, Satish Sharma

Measuring the usefulness of information publication time to proxy for returns
Itai Blitzer

Business tendency survey data. Where do the respondents' opinions come from?
Sławomir Kalinowski, Małgorzata Kokocińska

Does outward FDI by Polish multinationals support existing theory? Findings from a quantitative study
Marian Gorynia, Jan Nowak, Piotr Trąpczyński, Radosław Wolniak

The complex relationship between intrinsic and extrinsic rewards
Orni Gov

Improvement of the communication between teachers and students in the coaching programme and in a process of action research
Michal Lory

BOOK REVIEWS

Barney G. Glaser, *Choosing Classic Grounded Theory: a Grounded Theory Reader of Expert Advice*, CA: Sociology Press, Mill Valley 2014 (*Gary Evans*)

Poznań University of Economics Press

Editorial Board

Ryszard Barczyk
Witold Jurek
Cezary Kochalski
Tadeusz Kowalski (Editor-in-Chief)
Henryk Mruk
Ida Musiałkowska
Jerzy Schroeder
Jacek Wallusch
Maciej Żukowski

International Editorial Advisory Board

Udo Broll – School of International Studies (ZIS), Technische Universität, Dresden
Wojciech Florkowski – University of Georgia, Griffin
Binam Ghimire – Northumbria University, Newcastle upon Tyne
Christopher J. Green – Loughborough University
John Hogan – Georgia State University, Atlanta
Bruce E. Kaufman – Georgia State University, Atlanta
Steve Letza – Corporate Governance Business School Bournemouth University
Victor Murinde – University of Birmingham
Hugh Scullion – National University of Ireland, Galway
Yochanan Shachmurove – The City College, City University of New York
Richard Sweeney – The McDonough School of Business, Georgetown University, Washington D.C.
Thomas Taylor – School of Business and Accountancy, Wake Forest University, Winston-Salem
Clas Wihlborg – Argyros School of Business and Economics, Chapman University, Orange
Jan Winiecki – University of Information Technology and Management in Rzeszów
Habte G. Woldu – School of Management, The University of Texas at Dallas

Thematic Editors

Economics: *Ryszard Barczyk, Tadeusz Kowalski, Ida Musiałkowska, Jacek Wallusch, Maciej Żukowski* • **Econometrics**: *Witold Jurek, Jacek Wallusch* • **Finance**: *Witold Jurek, Cezary Kochalski* • **Management and Marketing**: *Henryk Mruk, Cezary Kochalski, Ida Musiałkowska, Jerzy Schroeder* • **Statistics**: *Elżbieta Gołata, Krzysztof Szwarc*

Language Editor: *Owen Easteal* • **IT Editor**: *Piotr Stolarski*

© Copyright by Poznań University of Economics, Poznań 2015

Paper based publication

ISSN 2392-1641

POZNAŃ UNIVERSITY OF ECONOMICS PRESS
ul. Powstańców Wielkopolskich 16, 61-895 Poznań, Poland
phone +48 61 854 31 54, +48 61 854 31 55, fax +48 61 854 31 59
www.wydawnictwo-ue.pl, e-mail: wydawnictwo@ue.poznan.pl
postal address: al. Niepodległości 10, 61-875 Poznań, Poland

Printed and bound in Poland by:
Poznań University of Economics Print Shop

Circulation: 300 copies

Economics and Business Review, Vol. 1 (15), No. 4, 2015: 84–101
DOI: 10.18559/ebr.2015.4.6

Does outward FDI by Polish multinationals support existing theory? Findings from a quantitative study[1]

Marian Gorynia,[2] Jan Nowak,[3] Piotr Trąpczyński,[2] Radosław Wolniak[4]

Abstract: This study identifies and investigates the relationships between FDI motives and establishment modes in the context of outward foreign direct investment (OFDI) undertaken by companies from Poland. It is based on survey data collected in 2013 from Polish companies engaged in FDI. A number of hypotheses, derived from pertinent outward FDI literature, are tested using quantitative analysis tools. Its main findings show that almost half of the surveyed firms preceded their first FDI project with exports, but at the same time a similar proportion of firms had no host-country experience prior to their initial FDI project. The study indicates the leading role of market-seeking motives in Polish OFDI followed by efficiency-seeking and strategic asset-seeking motives, with only a marginal role being left to resource-seeking.

Keywords: outward foreign direct investment, FDI motives, FDI establishment modes, emerging multinationals, Central and Eastern Europe, Poland.

JEL codes: F21, F23, P20.

Introduction

Outward foreign direct investment (OFDI) is a phenomenon with important economic consequences. The investing firms can develop economies of scale and scope which lead to their increased profitability and market power. Secondly, investing firms can enhance their capabilities through asset acquisition abroad and the synergistic combination of the acquired assets with their own capabili-

[1] Article received 02 January 2015, accepted 15 September 2015. This study has been financed with the funds of the National Science Centre, granted with the decision no. DEC-2012/07/N/HS4/00283. Piotr Trąpczyński is supported by the Foundation for Polish Science (FNP).

[2] Poznań University of Economics, Faculty of International Business and Economics, Department of International Competitiveness, al. Niepodległości 10, 61-875 Poznań, Poland; corresponding author: piotr.trapczynski@ue.poznan.pl.

[3] IBD Business School, Panieńska 9, 03-704 Warsaw, Poland.

[4] University of Warsaw, Faculty of Economic Sciences, Department of Development Economics, Długa 44/50, 00-241 Warsaw, Poland.

ties, thus also possibly contributing to an upgrade of domestic firms [Buckley et al. 2010]. Moreover Visser [2006] argues that OFDI normally leads to a shift from lower to higher-skilled jobs at home. However the empirical evidence regarding the impact of OFDI on domestic investment and employment remains mixed [Gorynia et al. 2014]. Hence this topic is subject to debate by scholars and policy-makers alike.

The volume of OFDI by firms originating from Central and Eastern European (CEE) economies has raised the question about number of issues related to the specific character of this category of firm, including their competitiveness [Jaworek, Szałucka, and Szóstek 2009], foreign expansion motives [Rosati and Wiliński 2003] or entry modes [Gorynia et al. 2013a]. Amongst CEE-related studies a macroeconomic perspective has prevailed [Antalóczy and Éltető 2003; Bohata and Zeplinerova 2003; Varblane, Reiljan, and Roolaht 2003; Svetličič and Jaklič 2003; Gorynia, Nowak, and Wolniak 2008, 2010; Kalotay 2004; Radlo and Sass 2012], although studies combining macro-level with firm-level analysis can also be found [Svetličič, Rojec, and Trtnik 2000; Rugraff 2010; Zemplinerová 2012; Gorynia et al. 2013a, b]. All of them point to the geographic concentration of CEE firms' outward FDI in neighbouring European countries. Prominent amongst them are the reports on emerging multinationals from Hungary, Poland, Russia and Slovenia that have been published in recent years within the Emerging Market Global Players (EMGP) Project [Kaliszuk and Wancio 2013; Kuznetsov 2013; Jaklič and Svetličič 2009]. They recognize that the vast majority of these firms have become regional, rather than global, players and many of them remain state-controlled. They focus on Europe and Central Asia as their FDI destinations. Their transnationality index (TNI) is not high: it ranges on average from 30% for firms from Poland to 53% for firms from Hungary.

Although these companies' FDI motives and modes were not extensively covered by those reports certain patterns can nevertheless be discerned. The predominant FDI motive is market-seeking (even among Russian multinationals), followed by resource- and efficiency-seeking. Strategic-asset seeking is quite important only for Russian multinational enterprises (MNEs). The most common FDI mode is acquisition although there seems to be a growing importance of green-field investment. Zemplinerová [2012] concludes that Czech companies invest in other countries not only to exploit their firm-specific advantages but also to access new markets. In general, although investing companies may pursue multiple motives, market- and efficiency-seeking predominate. Svetličič, Rojec and Trtnik's [2000] study reveals a predominance of market-seeking motives of Slovene OFDI, however their study also points to the emergence of OFDI in Slovenia as a result of lack of ownership advantages of local firms and their desire to improve competitiveness through FDI. Despite the existence of several studies devoted to FDI motives of emerging multinationals from the CEE region none of them systematically examines how these motives affect strategic choices. Whilst studies in the Asian context devoted to the relationship between FDI motives and the specific modes of entry have indicated that the choice of acquisitions is frequently related to the strategic asset-seeking motive [Cui and Jiang 2010; Yamakawa, Peng, and Deeds 2008] This relationship has not been examined across a broader set of different FDI motives.

The present paper addresses this research gap by attempting to examine the relationship between different FDI motives and FDI establishment modes (understood as the dichotomous choice between acquisitions and greenfield investments). By explicitly accounting for the underlying motives of FDI projects and attempting to link them with the selected establishment modes this study contributes to the ongoing debate in international business research on the specific character of emerging multinational motivation for FDI. It also addresses a fundamental issue of the internationalization process of emerging multinationals by considering FDI projects in the context of the earlier foreign operations of the sample firms.

The paper starts with a review of key literature on OFDI with focus on its motives and entry modes as well as the character of the internationalization trajectories of emerging multinationals. The ensuing sections introduce research hypotheses and present the results of their verification by using quantitative analysis. The final sections offer discussion about the relevance and implications of the findings, and finally, a summary of final conclusions and suggestions for future studies.

1. Firm internationalization, FDI motives and establishment modes: the theoretical background

Any study of FDI motives and FDI modes should first be placed in a broader context of firm internationalization, addressing the question whether firms precede their direct investment abroad with non-equity entry modes, such as exporting, licensing, franchising or contract manufacturing. According to the Uppsala Model developed by Johanson and Wiedersheim-Paul [1975] and Johanson and Vahlne [1977, 1990], firm internationalization is a sequential and gradual process of increasing resource commitments in foreign markets. These authors postulated that internationalizing firms will first select foreign countries with market conditions and cultures similar to those of their home country and introduced the concept of "psychic distance" between home and host countries. Thus, according to the Uppsala Model, FDI modes are expected to be used by firms that have already internationalized through non-equity entry modes, notably by exporting [Fonfara 2011; Trąpczyński and Wrona 2013]. However critics of the Uppsala and similar models point to their weaknesses and limited explanatory power [e.g. Turnbull 1997] and call for the development of a theory with better predictive ability and more in line with recent changes in the international business environment [Vissak, Ibeh, and Paliwoda 2007]. In the context of the present study it is therefore germane to also investigate how the FDI establishment modes of the companies studied relate to their non-equity entry modes.

Although there are many specific motives for undertaking FDI, Dunning [1998] conveniently classified them, and the respective types of MNE activity, into the following four groups: resource seeking; market seeking; efficiency seeking; and strategic-asset seeking. Dunning argues that resource and market seeking motives typically characterize initial FDI, while those of efficiency and strategic asset-seeking characterize sequential FDI. He also argues that "[…] as strategic asset-acquiring investment has become more important, the locational needs of corporations have shifted from those to do with access to markets, or to natural resources, to those to do with access to knowledge-intensive assets and learning experiences which augment their existing O specific advantages"[5] [Dunning 1998: 54]. It should be pointed out in this context that the link between FDI motives and FDI establishment modes has not been an intensively researched issue in IB studies as compared to other determinants of choice between green-fields, acquisitions or joint ventures [see e.g. Barkema and Vermeluen 1998; Larimo 2003; Hennart and Reddy 1997; Chen and Hennart 2002; Buckley and Casson 1998; Gorg 2000; Kogut and Singh 1988; Padmanabhan and Cho 1995; Slangen and Hennart 2008]. More importantly the said relationship does not have a long and intensive research tradition in the context of developing country MNEs as it does for those in developed country.

Multinational enterprises from emerging economies may lack ownership advantages to be exploited and sustained abroad and thus may seek strategic assets abroad in order to close this gap and enhance their international competitiveness [see e.g. Cui and Jiang 2010; Yamakawa, Peng, and Deeds 2008; Makino, Lau, and Yeh 2002]. Mathews [2006] proposed in his „LLL" (linkage, leverage, learning) concept that emerging multinationals skip conventional stages of foreign expansion in order to catch up with international rivals in the sphere of technology. Likewise Luo and Tung [2007] proposed in their „springboard" approach that the latecomer disadvantage of firms from emerging markets can be overcome by acquisitions of intangible assets from developed country MNEs. According to the imbalance theory of Moon and Roehl [2001] FDI is undertaken to increase productivity of existing assets or to acquire complementary assets in order to balance out the asset portfolio. Imbalance stands for a situation whereby the latecomer does have certain firm-specific assets for which the current marginal value is below the market rate. However whilst there have been several studies in the Asian context highlighting the relationship between the intention of acquiring strategic assets and the preference of emerging mul-

[5] Ownership advantages.

tinationals for selecting acquisitions in more developed countries as an establishment mode [see e.g. Deng 2007; Luo and Tung 2007] this relationship has not been investigated in a systematic manner for a broader range of different motives. In their qualitative study based on a sample of foreign investors in Poland, Gorynia et al. [2007, 2012] shed some light on this relationship and postulated further research using larger samples and quantitative methods.

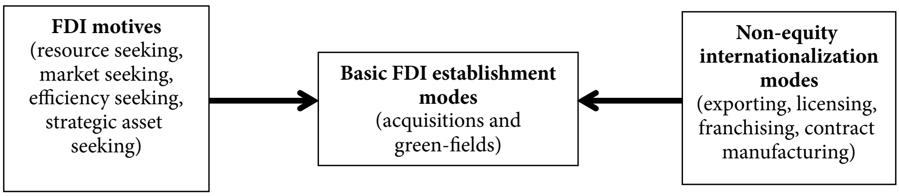

Figure 1. Analytical framework for studying FDI motives and modes

To summarize, the authors' analytical framework, presented in Figure 1, is derived from conventional IB literature in order to provide a basis for analyzing the context of firms from an advanced emerging market – Poland. Thus whilst the strategic decisions in the internationalization process discussed above are not a novel, nor context-specific phenomenon in themselves, it is their application to the Polish context on which the present study will focus. The analytical framework shows the variables investigated in this paper and their basic relationships which will be formalized in the form of hypotheses in Section 3.

2. Research hypotheses

Based on the literature review presented in Sections 1 and 2, as well as the findings from a qualitative study carried out by the authors [Gorynia et al. 2013a, b], several hypotheses were formulated. They were grouped into three subject areas: FDI in the internationalization process; FDI motives and FDI motives vs. FDI establishment modes.

The first area deals with the place of FDI in the firm's internationalization process. Consistent with the stages of the internationalization models reviewed in the previous section and the results of the previous qualitative study Polish companies tend to expand – with several exceptions – gradually, by preceding equity entry modes with exports, also in line with previous research in the CEE context [see e.g. Antalóczy and Éltető 2003; Śliwiński 2012]. This phenomenon has been increasingly visible since the opening of former centrally planned economies in the CEE region at the beginning of the 1990s. Whilst initially Slovenia displayed the highest dynamics of the emerging outgoing investment Poland already appeared as the new dominant source of OFDI in the early 2000s. This gradual expansion could be attributed to several factors including inter alia Poland›s large domestic market size, allowing local firms to benefit from economies of scale. Moreover whilst Poland gradually liberalized its foreign trade and investment policy the introduction of support measures for the internationalization of domestic firms remained limited [Gorynia et al. 2013b]. This evolutionary behaviour can also be interpreted by the exploitation of previous business connections, frequently established before the transition process in the region [Bartosik-Purgat and Schroeder 2014]. In fact the studies of Rosati and Wilinski [2003] and Gorynia, Nowak, and Wolniak [2011] reveal a geographic concentration of Polish OFDI in neighbouring European countries. The experience of doing business in the CEE region, but also in more developed EU economies, is often perceived by managers as a key advantage as compared to foreign competitors.[6] Hence, the following hypothesis is formulated:

H1: *FDI in a given host country is preceded by non-equity entry modes.*

Strong evidence was found in both the authors' previous study [Gorynia et al. 2013a, b] and other empirical research [see e.g. Kaliszuk, Błaszczuk-Zawiła, and Wancio 2012; Svetličič, Rojec, and Trtnik 2000; Zemplinerová 2012] that the most important FDI motive for investors from CEE countries was the market seeking one, whilst efficiency-seeking and strategic asset-seeking motives were less prevalent. Jaworek, Szałucka, and Szóstek [2009] found that for Polish outward investors the search for new markets was the dominant motive whilst other motives varied with the host country's level of development. Likewise Radło [2012] found a predominance of market-seeking motives for the largest Polish companies investing abroad and confirmed the geographic concentration of their investment in Europe. This is in line with the notion of Dunning and Lundan [2008] that such a motive usually appears in strategies of firms embarking on a move into foreign markets in the early, extensive stages of the internationalization process.

Accordingly, the second hypothesis is as follows:

H2: *The main motives for undertaking FDI fall into the market-seeking category, followed by efficiency-seeking and strategic asset-seeking motives.*

Although empirical literature on the relationship between FDI motives and FDI establishment modes remains scarce the argument appearing in research on emerging-market MNEs is that these enterprises seek strategic assets abroad through acquisitions to overcome their lack of firm-specific advantages [see e.g. Peng 2012; Cui and Jiang 2010; Svetličič, Rojec, and Trtnik 2000]. The authors' previous study also indicated that there might be an interdependency between the two variables, which is especially visible for Polish investments in targets located in more advanced economies [Gorynia et al. 2013a, b]. On the

[6] For a review of experience effects on internationalization success see: [Trąpczyński 2013].

other hand a significant portion of investments made by CEE firms, including those from Poland, has geographically focused on neighbouring country markets, which are either similar or less developed in economic and institutional terms. The authors also found cross-case patterns between efficiency-seeking motives and FDI establishment modes. In FDI projects driven by these motives the firms studied preferred green-field investments as establishment modes allowing them to exploit firm-specific advantages and to better adjust the scale of operations relative to the home country and, if applicable, to other host country operations.

The above arguments lead to the formulation of the following two hypotheses:

H3a: *The dominance of efficiency-seeking motives increases the propensity to choose green-field investment as the FDI establishment mode.*

H3b: *The dominance of strategic asset-seeking motives increases the propensity to choose acquisition as the FDI establishment mode***.**

3. Research methods

3.1. Data collection

Data were obtained from a sample of firms investing abroad and registered in Poland. In order to maximize the available pool of Polish foreign investors several data sources were combined such as Amadeus, Kompass Poland, BPR Benchmark Poland and Deal Watch, as well as press articles and company reports. The triangulation of sources led to the creation of a proprietary database of 910 firms. Between May and June 2013 an invitation to participate in the study with a link to a web-based survey was sent to top managers directly responsible for foreign operations or other managers with a request to forward it to responsible colleagues.

The survey, originally written in Polish, was designed for a larger project on Polish OFDI and thus contained a number of aspects not investigated in this study, including location choice criteria or foreign affiliate performance. Due to frequent concerns about technical reliability, response rates or security of electronic surveys [Kim and Gray 2008], an IT services agency was entrusted with the preparation of the survey, its execution and repeated reminders. An automated survey management system was supported by a substantial number of personal contacts with the sample firms in order to identify and persuade appropriate respondents to take part in the survey. Moreover additional interviews and secondary sources, including annual reports, were used to complete missing survey data. Thus a total sample of 60 complete surveys was obtained, which corresponds to a usable response rate of 6.6%.

3.2. Sample structure

Whilst the sample size can by no means be regarded as representative for the total population and allowing for generalizations, the response sample distribution is largely similar to that of the entire population with regard to industry classification and parent nationality [see GUS 2013]. Thus the collected data make it possible to conduct a detailed exploration of the sectoral, geographic, modal and organizational structure of Polish OFDI (see Tables 1a–c).

Table 1a. Sectoral distribution of major FDI of the sample firms (N = 60)

Sector	Total manufacturing	Total services	Other
Number of FDI	29	27	7
Percentage	48.0	45.0	7.0

Source: Survey data.

Table 1b. Geographic distribution of major FDI of the sample firms (N = 60)

Country	Germany	Ukraine	Romania	Czech Republic	Slovakia	Russia	Other
Number of FDI	12	10	7	6	4	3	18
Percentage	20.0	17.0	12.0	10.0	7.0	5.0	30.0

Source: Survey data.

Table 1c. Firm size distribution of FDI in the sample (N = 60)

Size (employment)	0–49	50–99	100–249	250–499	500–999	1000–1999	>2000
Number of firms	5	3	10	11	9	6	16
Percentage	8.0	5.0	17.0	18.0	15.0	10.0	26.0

Source: Survey data.

Whereas in order to qualify for the study the firms had to be registered in Poland their ultimate owners might be located abroad. Therefore firms with more than 10% of foreign capital constituted 47% of the sample. With regard to the FDI forms used, 58% of the firms had previous experience with wholly-owned green-field subsidiaries, whilst 20% had established joint ventures abroad. Notably 48% of the sample firms had made foreign acquisitions, out of which 12% could be classified as brownfield investments [Meyer and Estrin 2011]. The firms studied located their major FDI projects mostly in Germany

(20%), Ukraine (17%), Romania (12%) and the Czech Republic (10%) (see Table 1b). This was based on a request to respondents to refer to subsidiaries engaged only in manufacturing and distribution, thus omitting special purpose entities/vehicles and other similar elements of corporate financial structure, and as a consequence, diminishing the significant role of such locations as Luxembourg, Switzerland or the Netherlands [Zimny 2011]. The current limited scope of foreign operations was reflected in the fact that 70% of the firms had foreign subsidiaries in up to 3 countries only, where sales and marketing activities were predominant. This finding remains in line with earlier studies in the CEE context outlined in Section 1.

3.3. Data operationalization

The FDI establishment mode is that of the largest foreign affiliate in terms of total assets in the last fiscal year. It assumes a value of 0 if it is a greenfield subsidiary and 1 if it is an acquisition [Dikova and van Witteloostuijn 2007; Slangen and Hennart 2008]. Whilst there are studies jointly comparing joint ventures, green-fields and acquisitions [e.g. Kogut and Singh 1988; Anand and Delios 1997], establishment modes can be perceived as a separate decision problem in international expansion. Thus ownership choices (joint ventures vs. wholly-owned subsidiaries) were not analyzed here [see also Gorynia, Nowak, and Wolniak 2007].

The motives for establishing the largest foreign affiliate of the outward investor were measured on a five-point Likert scale for each of the four motive categories [Dunning and Lundan 2008]: market-seeking (foreign market share increase and expansion to further markets, Cronbach's $\alpha = 0.67$), efficiency-seeking (lower production costs, economies of scale and access to low cost labour, Cronbach's $\alpha = 0.55$), strategic asset-seeking (new brands, new distribution channels, human resources and new technology, Cronbach's $\alpha = 0.62$) and resource-seeking (access to raw materials and components; no Cronbach value since only one item was used for measurement). Table 2 summarizes the data operationalization.

Whilst different studies have used secondary data to measure host-country and firm-level variables, Brouthers [2013] suggests that antecedents of managerial decisions such as entry modes need to be measured as perceptions of the decision-makers as opposed to objective variables which affect post-entry performance, as they refer to the actual environment for foreign operations. Obviously perceptual measures are burdened with the limitation of respondent subjectivity. However, in the context of FDI decisions, prior research suggested that the use of subjective measures is particularly appropriate in exploring the behaviour of firms from emerging economies and that such measures significantly correlate with objective indicators [Luo and Peng 1999]. Moreover, in the context of this research, reference to survey questions addressed to repre-

Table 2. Operationalization of motives

Question	Scale	Cronbach's Alpha
Motives for establishing the largest foreign subsidiary: 1. Market-seeking (foreign market share increase, expansion to further markets) 2. Efficiency-seeking (lower production costs, economies of scale, access to labour) 3. Strategic asset-seeking (new brands, distribution channels, personnel and technology) 4. Resource-seeking (access to raw materials and components)	Five-point Likert scale (1-no importance, 5-key importance)	0.67 0.55 0.62

Source: Survey data.

sentatives directly responsible for FDI decisions in firms allows an evaluation of the relevant decision determinants instead of merely inferring them.

4. Findings

In order to test to Hypothesis 1 the data on firms' foreign expansion were aggregated and summarized (Tables 3a and 3b). As many as 48% of the sample firms preceded their first FDI project with exports and 7% with contract man-

Table 3a. Host-country experience prior to the first FDI project (N = 60)

Operating mode	Exports	Contract manufacturing	Licensing	No experience
Number of firms	29	4	1	29
Percentage	48.0	7.0	2.0	48.0

Source: Survey data.

Table 3b. Host-country experience prior to subsequent FDI projects (N = 41)

Operating mode	Exports	Contract manufacturing	Licensing	Franchising	Another FDI	No experience
Number of firms	24	2	2	1	4	12
Percentage	59.0	5.0	5.0	2.0	10	29.0

Source: Survey data.

ufacturing. Moreover from the 41 firms which also made further investments in other countries, 59% previously operated in these host-countries through exports, 5% by contract manufacturing and another 5% through licensing. Therefore support could be found for Hypothesis 1. At the same time it is worth noticing that 48% of firms did not have any host-country experience prior to their initial FDI project, nor did 29% of those investing in more than one country.

In order to address Hypothesis 2 mean scores of the motive categories were computed (Table 4). In line with this hypothesis market-seeking motives appeared as the dominant driver of Polish OFDI, followed by efficiency-seeking and strategic asset-seeking motives, with only a marginal role left to resource-seeking motives.

Table 4. The significance (1 – low, 5 – high) of FDI motives (N = 60)

FDI motive category	Market-seeking	Efficiency-seeking	Strategic asset-seeking	Resource-seeking
Mean score	3.55	2.72	2.05	1.57
SD	1.25	0.94	0.87	1.14

Source: Survey data.

Additionally, in order to address Hypotheses 3a and 3b, a chi-square test was run for the relationship between the motives and FDI establishment modes (Table 5). No statistically significant relationship was found between these variables thus providing no support for Hypotheses 3a and 3b.

Table 5. Chi-square tests for the FDI motive-mode relationship

		Motive				Total
		Market-seeking	Efficiency-seeking	Strategic asset-seeking	Resource-seeking	
FDI Mode	Green-field	27	7	1	1	36
	Acquisition	16	2	3	3	24
Total		43	9	4	4	60
Pearson Chi-Square		5.408				
Likelihood Ratio		5.464				
Linear-by-Linear Association		2.543				

Source: Survey data.

In conformity with existing theory and research on the internationalization of firms from emerging and transition economies most Polish companies expanded gradually by preceding equity entry modes with exports to target markets. This corresponds with previous findings in the CEE context [see e.g. Antalóczy and Éltető 2003] but also to some of those related to advanced economy environments [see e.g. Holmlund, Kock, and Vanyushyn 2007]. However, in the case of firms originating from CEE countries, the evolutionary behaviour in the internationalization process can be interpreted as a phenomenon driven by the exploitation of previous business connections frequently established before the beginning of the transition process in the early 1990s. Previous experience with doing business in the CEE region can be regarded as a key advantage in embarking on capital expansion there [Gorynia et al. 2013a]. At the same time a significant number of the largest FDI projects undertaken by the sample firms were made without any prior experience in the target country or elsewhere. Given the predominance of market-seeking motives in the said investments it cannot be concluded that these investments were driven by the need to acquire deficient resources quickly, which characterized OFDI generated by Asian firms [Luo and Tung 2007]. Rather the non-linear character of Polish firms' internationalization, which becomes more apparent with a careful scrutiny of case-by-case evidence, can arguably be attributed to the fact that most CEE countries share a similar, historically shaped institutional background, which tends to facilitate foreign expansion and omit certain stages of the gradual expansion sequence [Del Sol and Kogan 2007]. Nonetheless this aspect of CEE firm internationalization still requires further investigation in order to understand the relevance of the advantages stemming from a similar institutional context. Moreover this accelerated internationalization is a known phenomenon in the case of developed country multinationals also which can be traced back to a number of explanatory variables, such as home market size or firm size [Dimitratos and Jones 2005]. Thus it is yet to be determined on a larger sample of companies as to what extent the phenomenon of OFDI from emerging markets is specifically related to their origin rather than other factors which are independent of this country context.

As for the role of particular FDI motives most foreign investment projects belong to the market seeking category thus confirming the argument of Dunning that this category usually appears in strategies of firms embarking on a move into foreign markets in the early, extensive stages of the internationalization process and also corroborates some earlier studies of FDI from CEE [Varblane, Reitjan, and Roolaht 2003; Czaplewski and Wiśniewska 2007; Karpińska-Mizielińska and Smuga 2007]. However no support could be found for the argument that the predominance of efficiency-seeking motives increases the propensity to choose green-field investment as the FDI mode, nor for the impact of the strategic asset-seeking motive. Both motive categories are normally indicative of strategies followed by mature MNEs, reflecting their intensive approach to continued internationalization, hence the limited scope of Polish firms' internationalization does not yet permit any firm conclusions.

However the argument about the link between acquisition and the need to capture new intangible assets abroad remains consistent with the evidence of other emerging multinationals, especially those from China, where OFDI is capable of fulfilling the strategic goals of both the investors and government [Cui and Jiang 2010; Yamakawa, Peng, and Deeds 2008]. A case-by-case analysis of the present sample provides indications that this relationship holds true also for Polish firms to some extent, particularly the investment in more advanced economies.

Conclusions

The findings of the quantitative analysis on a sample of outward investors based in Poland presented in this paper can be summarized as follows. Whilst foreign expansion of Polish firms is mostly of a gradual character, i.e. FDI projects are preceded with other modes of foreign expansion and many investments also skip the earlier, non-equity stages of internationalization. The study points to the fact that market-seeking motives explain most of the FDI undertaken by these latecomer firms. No clear support was found for the relationship between the motives for FDI and the choice of FDI establishment modes. Nonetheless the analysis provided some preliminary evidence that strategic asset-seeking motives tend to be at the heart of foreign acquisitions, although this relationship received little support here.

The study is clearly subject to certain limitations, the key one being its limited sample size. Thus the present analysis cannot properly account for factors such as sector of activity, firm size, or host-country characteristics, which seem to be relevant from the point of view of specific FDI motives. Nonetheless it is part of a broader research project and therefore these initial results should first of all be regarded as the exploration of the international expansion patterns of Polish firms. Another limitation pertains to the unique use of subjective measures in order to probe the concepts investigated. Although the intention was to capture managerial perceptions which are crucial to expansion decisions, the use of secondary data might have improved the reliability and robustness of the research results obtained.

Further studies on the expansion of firms from CEE countries could investigate the role which different FDI motives have in different locations, notably economically and institutionally less or more advanced than the home country. These motives might affect both the entry mode itself as well as location choice. Sub-sample analysis would be an appropriate research project, requiring however a larger total sample. Another relevant research problem is the multitude of motivations underlying FDI decisions. Hence the adopted categorization of motives inevitably leads to certain oversimplification and does not fully reflect, from the perspective of the parent firm, the complexity of roles attributed to outward FDI. Thus a more nuanced approach to identifying a higher number of motives behind the investment can provide more meaningful insights. In the same vein the role of subsidiaries in the value chain of the parent firm should be taken into account in future investigations. The present study did not look into the effects of the industry sector on foreign expansion decisions, which also constitutes a promising avenue for future studies.

References

Anand, J., Delios, A., 1997, *Location Specificity and the Transferability of Downstream Assets to Foreign Subsidiaries*, Journal of International Business Studies, vol. 28, no. 3: 579–603.

Antalóczy, K., Éltető, A., 2003, *Outward Foreign Direct Investment in Hungary. Motivation and Effects*, in: Svetličič, M., Rojec, M. (eds.), *Facilitating Transition by Internationalization: Outward Direct Investment from Central European Economies in Transition*, Ashgate, Aldershot: 155–174.

Barkema, H.G., Vermeulen, F., 1998, *International Expansion Through Start-up or Acquisition: A Learning Perspective*, Academy of Management Journal, vol. 41, no. 1: 7–26.

Bartosik-Purgat, M., Schroeder, J., 2014, *Polish Exporters' Use and Perception of Various Sources of Market Information*, Poznań University of Economics Review, vol. 14, no. 2: 97–117.

Bohata, M., Zeplinerová, A., 2003, *Internationalization of Czech Companies via Outward Investment*, in: Svetličič, M., Rojec, M. (eds.), *Facilitating Transition by Internationalization: Outward Direct Investment from Central European Economies in Transition*, Ashgate, Aldershot: 111–132.

Brouthers, K.D., 2013, *Retrospective: Institutional, Cultural and Transaction Cost Influences on Entry Mode Choice and Performance*, Journal of International Business Studies, vol. 44, no. 1: 14–22.

Buckley, P.J., Casson, M.C., 1998, *Analyzing Foreign Market Entry Strategies: Extending the Internalization Approach*, Journal of International Business Studies, vol. 29, no. 3: 539–562.

Buckley, J., Clegg, J. L., Cross, A. R., Voss, H., 2010, *What Can Emerging Markets Learn from the Outward Direct Investment Policies of Advanced Countries?*, in: Sauvant, K.P., McAllister, G., Maschek, W.A. (eds.), *Foreign Direct Investments from Emerging Markets. The Challenges Ahead*, Palgrave Macmillan, New York: 243–276.

Busse, M., Hefeker, C., 2007, *Political Risk, Institutions and Foreign Direct Investment*, European Journal of Political Economy, vol. 23, no. 2: 397–415.

Chen, S.-F.S., Hennart, J.-F., 2002, *Japanese Investors' Choice of Joint Ventures versus Wholly-Owned Subsidiaries in the US: The Role of Market Barriers and Firm Capabilities*, Journal of International Business Studies, vol. 33, no. 1: 1–18.

Cui, L., Jiang, F., 2010, *Behind Ownership Decision of Chinese Outward FDI: Resources and Institutions*, Asia Pacific Journal of Management, vol. 27: 751–774.

Cuervo-Cazurra, A., Genc, M., 2008, *Transforming Disadvantages into Advantages: Developing-country MNEs in the Least Developed Countries*, Journal of International Business Studies, vol. 39: 957–979.

Czaplewski, L., Wiśniewska, E., 2007, *Zamierzenia i motywy podejmowania bezpośrednich inwestycji zagranicznych przez polskie przedsiębiorstwa*, in: Karaszewski, W. (red.), *Bezpośrednie inwestycje zagraniczne w budowaniu potencjału konkurencyjności polskich przedsiębiorstw i regionów*, Wydawnictwo Uniwersytetu Mikołaja Kopernika, Toruń: 229–244.

Del Sol, P., Kogan, J. 2007, *Regional Competitive Advantage Based on Pioneering Economic Reforms: The Case of Chilean FDI*, Journal of International Business Studies, vol. 38: 901–927.

Deng, P., 2007, *Investing for Strategic Resources and Its Rationale: The Case of Outward FDI from Chinese Companies*, Business Horizons, vol. 50: 71–81.

Dikova, D., Van Witteloostuijn, A., 2007, *Foreign Direct Investment Mode Choice: Entry and Establishment Modes in Transition Economies*, Journal of International Business Studies, vol. 38, no. 6: 1013–1033.

Dimitratos, P., Jones, M., 2005, *Future Directions for International Entrepreneurship Research*, International Business Review, vol. 14: 119–128.

Dunning, J.H., 1998, *Location and the Multinational Enterprise: A Neglected Factor?*, Journal of International Business Studies, vol. 29: 45–66.

Dunning, J.H., Lundan, S., 2008, *Multinational Enterprises and the Global Economy*, Edward Elgar Cheltenham, U.K.

Fonfara, K., 2011, *A Typology of Company Behaviour in the Internationalisation Process (a Network Approach)*, Poznań University of Economics Review, vol. 11, no. 2: 5–25.

Gorg, H., 2000, *Analysing Foreign Market Entry – The Choice between Greenfield Investment and Acquisitions*, Journal of Economic Studies, vol. 27, no. 3: 165–181.

Gorynia, M., Nowak, J., Trąpczyński, P., Wolniak, R., 2013a, *Internationalization of Polish Firms via Foreign Direct Investment: A Multiple-Case Study Approach*, in: Marinov, M.A., Marinova, S.T. (eds.), *Successes and Challenges of Emerging Economy Multinationals, Houndmills*, Palgrave Macmillan, New York: 184–216.

Gorynia, M., Nowak, J., Trąpczyński, P., Wolniak, R., 2013b, *The Internationalization of Polish Firms: Evidence from a Qualitative Study of FDI Behavior*, in: Turkina, E., Thai, M.T.T. (eds.), *Internationalization of Firms from Economies-in-transition: The Effects of Politico-economic Paradigm Shift*, Edward Elgar Publishing: 39–66.

Gorynia, M., Nowak, J., Trąpczyński, P., Wolniak, R., 2014, *Should Government Support Outward FDI? The Case of Poland*, in: Marinova, S. (ed.), *Institutional Impacts on Firm Internationalization*, Palgrave Macmillan, pp. 120–145.

Gorynia, M., Nowak, J., Wolniak, R., 2007, *Motives and Modes of FDI in Poland: An Exploratory Qualitative Study*, Journal for East European Management Studies, vol. 12, no. 2: 132–151.

Gorynia, M., Nowak, J., Wolniak, R., 2008, *Poland's Evolving Net Outward Investment Position: A Cross-industry Analysis*, Poznań University of Economics Review, vol. 8, no. 2: 5–25.

Gorynia, M., Nowak, J., Wolniak, R., 2010, *Foreign Direct Investment in Central and Eastern Europe: The IDP Trajectories of Selected Countries*, Poznań University of Economics Review, vol. 10, no. 1: 5–26.

Gorynia, M., Nowak, J., Wolniak, R., 2011, *Outward Foreign Direct Investment of Poland: Exploring Geographic and Industry Trends and Patterns*, paper presented at the Annual Conference of the European International Business Academy, 8–10.12.2011, Bucharest, Romania.

Gorynia, M., Nowak, J., Wolniak, R., 2012, *Emerging Profiles of Polish Outward Foreign Direct Investment*, Journal of East-West Business, vol. 18, no. 2: 132–156.

GUS, 2013, *Polskie inwestycje bezpośrednie w 2011 roku*, Departament Strategii i Analiz, Warszawa: 5–47.

Hennart, J.-F., Reddy, S., 1997, *The Choice between Mergers/Acquisitions and Joint Ventures: The Case of Japanese Investors in the United States*, Strategic Management Journal, vol. 18: 1–12.

Holmlund, M., Kock, S., Vanyushyn, V., 2007, *Small and Medium-sized Enterprises' Internationalization and the Influence of Importing on Exporting*, International Small Business Journal, vol. 35: 459–475.

Jaklič, A., Svetličič, M., 2009, *Emerging Markets Global, Players EMGP Project*, Vale Columbia Center on Sustainable Investment, Columbia University, New York.

Jaworek, M., Szałucka, M., Szóstek, A., 2009, *Knowledge and Skills as Competitiveness Factors of Polish Direct Investment Companies*, in: Karaszewski, W. (ed.), *Foreign Direct Investment of Polish Companies: Its Scale, Structure, Determinants, Influence on the Competitiveness*, Wydawnictwo Naukowe UMK, Toruń: 41–62.

Johanson, J., Vahlne, J.E., 1977, *The Internationalization Process of the Firm – A Model of Knowledge Development and Increasing Foreign Market Commitments*, Journal of International Business Studies, vol. 8, no, 1: 23–32.

Johanson, J., Vahlne, J.E., 1990, *The Mechanism of Internationalisation*, International Marketing Review, vol. 7, no. 4: 11–24.

Johanson, J., Vahlne, J.E., 2009, *The Uppsala Internationalization Process Model Revisited: From Liability of Foreignness to Liability of Outsidership*, Journal of International Business Studies, vol. 40: 1411–1431.

Johanson, J., Wiedersheim-Paul, F., 1975, *The Internationalization of the Firm – Four Swedish Cases*, Journal of Management Studies, vol. 12, no. 3: 305–323.

Kaliszuk, E., Błaszczuk-Zawiła, M., Wancio, A., 2012., *Polish Multinationals Go Beyond Europe*, Vale Columbia Center on Sustainable Investment, Columbia University, New York, Institute for Market, Consumption and Business Cycles Research, Warsaw.

Kaliszuk, E., Wancio, A., 2013, *Polish Multinationals: Expanding and Seeking Innovation Abroad*, Vale Columbia Center on Sustainable Investment, Columbia University, New York, Institute for Market, Consumption and Business Cycles Research, Warsaw.

Kalotay, K., 2004, *Outward FDI from Central European Countries*, Economics of Planning, vol. 37: 141–172.

Karpińska-Mizielińska, W., Smuga, T., 2007, *Determinanty bezpośrednich inwestycji polskich przedsiębiorstw na rynkach zagranicznych*, Gospodarka Narodowa, vol. 9: 31–53.

Kępka, H., 2011, *Struktura geograficzna polskich bezpośrednich inwestycji*, in: Pałys, L. (red.): *Polskie inwestycje za granicą*, Studia i Materiały, no. 92, Instytut Badań Rynku, Konsumpcji i Koniunktur, Warszawa: 18–47.

Kim, Y., Gray, S.J., 2008, *The Impact of Entry Mode Choice on Foreign Affiliate Performance: The Case of Foreign MNEs in South Korea*, Management International Review, vol. 48, no. 2: 165–188.

Kogut, B. Singh, H., 1988, *The Effect of National Culture on the Choice of Entry Mode*, Journal of International Business Studies, vol. 19, no. 3: 411–432.

Kuznetsov, A., 2013, *Global Expansion of Russian Multinationals after the Crisis: Results of 2011*, Vale Columbia Center on Sustainable Investment, Columbia University, New York, Institute of World Economy and International Relations MEMO of Russian Academy of Sciences, Moscow.

Larimo, J., 1993, *Foreign Direct Investment Behaviour and Performance: An Analysis of Finnish Direct Manufacturing Investments in OECD Countries*, Acta Wasaensia, 32, University of Vaasa, Vaasa.

Larimo, J., 2003, *Form of Investment by Nordic Firms in World Markets*, Journal of Business Research, vol. 56, no. 10: 791–803.

Luo, Y., Peng, M.W., 1999, *Learning to Compete in a Transition Economy: Experience*, Environment and Performance, Journal of International Business Studies, vol. 302: 269–295.

Luo, Y., Tung, R., 2007, *International Expansion of Emerging Market Enterprises: A Springboard Perspective*, Journal of International Business Studies, vol. 38: 481–498.

Makino, S., Lau, C.-M, Yeh, R.-S., 2002, *Asset-Expoitation versus Asset-Seeking: Implications for Location Choice of Foreign Direct Investment from Newly Industrialized Economies*, Journal of International Business Studies, vol. 38: 481–498.

Meyer, K., Estrin, S., 2011, *Brownfield Acquisitions. A Reconceptualization and Extension*, Management International Review, vol. 51: 483–509.

Mathews, J.A., 2006, *Dragon Multinationals: New Players in 21st Century Globalization*, Asia Pacific Journal of Management, vol. 23: 5–27.

Moon, H.C., Roehl, T.W., 2001, *Unconventional Foreign Direct Investment and the Imbalance*, International Business Review, vol. 10: 197–215.

Narula, R., 2006, Globalization, *New Ecologies, New Zoologies, and the Purported Death of the Eclectic Paradigm*, Asia Pacific Journal of Management, vol. 23, no. 2: 143–151.

Obłój, K., Wąsowska, A., 2012, *Strategiczne wybory polskich firm – motywy i kierunki budowania powiązań zewnętrznych drogą kapitałowego umiędzynarodowienia działalności*, in: Morawski, W. (red.), *Powiązania zewnętrzne. Modernizacja Polski*, Wolters Kluwer, Warszawa: 102–120.

Padmanabhan, P., Cho, K.R., 1995, *Methodological Issues in International Business Studies: The Case of Foreign Establishment Mode Decisions by Multinational Firms*, International Business Review, vol. 4, no. 1: 55–73.

Padmanabhan, P., Cho, K.R., 1996, *Ownership Strategy for a Foreign Affiliate: an Empirical Investigation of Japanese Firms*, Management International Review, vol. 36, no. 1: 45–65.

Peng, M.W., 2012, *The Global Strategy of Emerging Multinational from China*, Global Strategy Journal, vol. 2: 97–107.

Radło, M.-J., 2012, *Emerging Multinationals and Outward FDI Development: the Case of Poland*, Eastern European Economics, vol. 50, no. 2: 59–84.

Radło, M.-J., Sass, M., 2012, *Outward Foreign Direct Investments and Emerging Multinational Companies from Central and Eastern Europe. The Case of Visegrád Countries*, Eastern European Economics, vol. 50, no. 2: 5–21.

Rosati, D., Wilinski, W., 2003, *Outward Foreign Direct Investments from Poland*, in: Svetličič, M., Rojec, M. (eds.), *Facilitating Transition by Internationalization:*

Outward Direct Investment from Central European Economies in Transition, Ashgate, Aldershot: 175–204.

Rugraff, E., 2010, *Strengths and Weaknesses of the Outward FDI Paths of the Central European Countries*, Post-Communist Economies, vol. 22, no. 1: 1–17.

Slangen, A.H.L., 2005, *Studies on the Determinants of Foreign Entry Mode Choices and Performance*, Doctoral Dissertation, University of Tilburg, Tilburg.

Slangen, A.H.L., Hennart, J.-F., 2008, *Do Multinationals Really Prefer to Enter Culturally Distant Countries Countries through Greenfields Rather than through Acquisitions?*, Journal of International Business Studies, vol. 39: 472–490.

Svetličič, M., Jaklič, A., 2003, *Outward FDI by Transition Economies: Basic Features, Trends and Development Implications*, in: Svetličič, M., Rojec, M. (eds.), *Facilitating Transition by Internationalization: Outward Direct Investment from Central European Economies in Transition*, Ashgate, Aldershot: 49–76.

Svetličič, M., Rojec, M., Trtnik, A, 2000, *The Restructuring Role of Outward Foreign Direct Investment by Central European Firms: The Case of Slovenia*, Advances in International Marketing, vol. 10: 53–88.

Śliwiński, R., 2012, *Internationalization Strategies of Polish Fast Growing Enterprises*, Poznań University of Economics Review, vol. 12, no. 1: 17–39.

Trąpczyński, P., 2013, *Does Foreign Direct Investment Theory Explain Subsidiary Performance? A Critical Literature Review*, Poznań University of Economics Review, vol. 13, no. 2: 47–64.

Trąpczyński, P., Wrona, T., 2013, *From Going International to Being International – Strategies for International Competitiveness*, Poznań University of Economics Review, vol. 13, no. 1: 89–114.

Turnbull, W., 1987, *A Challenge to the Stages Theory of the Internationalization Process*, in: Reid, S., Rosson, P. (eds.), *Managing Export Entry and Expansion*, Praeger, New York.

Varblane, U., Reiljan, E., Roolaht, T., 2003, *The Role of Outward Foreign Investments in the Internationalization of Estonian Firms*, in: Svetličič, M., Rojec, M. (eds.), *Facilitating Transition by Internationalization: Outward Direct Investment from Central European Economies in Transition*, Ashgate, Aldershot: 133–154.

Vissak, T., Ibeh, K., Paliwoda, S., 2007, *Internationalising from the European Periphery: Triggers, Processes, and Trajectories*, Journal of Euromarketing, vol. 17, no. 1: 35–48.

Visser, H., 2006, *Outward Foreign Direct Investment: Is It a Good Thing?*, in: Meijert, G., Heijman, W.J.M., van Ophem, J.A.C., Verstegen, B.H.J. (eds.), *Heterodox Views on Economics and the Economy of the Global Society*, Wageningen Academic Publishers, Wageningen,.

Yamakawa, Y., Peng, M.W., Deeds, D.L., 2008, *What Drives New Ventures to Internationalize from Emerging to Developed Economies?*, Entrepreneurship Theory and Practice vol. 32: 59–82.

Zemplinerová, A., 2012, *Czech OFDI: Investment Strategies and Motivation to Invest Abroad*, Eastern European Economics, vol. 50, no. 2: 22–40.

Zimny, Z., 2011, *Outward FDI from Poland and its Policy Context*, Columbia FDI Profiles, Vale Columbia Center on Sustainable International Investment, New York.

Aims and Scope

Economics and Business Review is the successor to the Poznań University of Economics Review which was published by the Poznań University of Economics Press in 2001–2014. The Economics and Business Review is a quarterly journal focusing on theoretical and applied research work in the fields of economics, management and finance. The Review welcomes the submission of articles for publication dealing with micro, mezzo and macro issues. All texts are double-blind assessed by independent reviewers prior to acceptance.

Notes for Contributors

1. Articles submitted for publication in the Economics and Business Review should contain original, unpublished work not submitted for publication elsewhere.
2. Manuscripts intended for publication should be written in English and edited in Word and sent to: review@ue.poznan.pl. Authors should upload two versions of their manuscript. One should be a complete text, while in the second all document information identifying the author(s) should be removed from files to allow them to be sent to anonymous referees.
3. The manuscripts are to be typewritten in 12' font in A4 paper format and be left-aligned. Pages should be numbered.
4. The papers submitted should have an abstract of not more than 100 words, keywords and the Journal of Economic Literature classification code.
5. Acknowledgements and references to grants, affiliation, postal and e-mail addresses, etc. should appear as a separate footnote to the author's name[a, b, etc] and should not be included in the main list of footnotes.
6. Footnotes should be listed consecutively throughout the text in Arabic numerals. Cross-references should refer to particular section numbers: e.g.: See Section 1.4.
7. Quoted texts of more than 40 words should be separated from the main body by a four-spaced indentation of the margin as a block.
8. Mathematical notations should meet the following guidelines:
   - symbols representing variables should be italicized,
   - avoid symbols above letters and use acceptable alternatives (Y*) where possible,
   - where mathematical formulae are set out and numbered these numbers should be placed against the right margin as... (1),
   - before submitting the final manuscript, check the layout of all mathematical formulae carefully (including alignments, centring length of fraction lines and type, size and closure of brackets, etc.),
   - where it would assist referees authors should provide supplementary mathematical notes on the derivation of equations.
9. References in the text should be indicated by the author's name, date of publication and the page number where appropriate, e.g. Acemoglu and Robinson [2012], Hicks [1965a, 1965b]. References should be listed at the end of the article in the style of the following examples:

   Acemoglu, D., Robinson, J.A., 2012, *Why Nations Fail. The Origins of Power, Prosperity and Poverty*, Profile Books, London.

   Kalecki, M., 1943, *Political Aspects of Full Employment*, The Political Quarterly, vol. XIV, no. 4: 322–331.

   Simon, H.A., 1976, *From Substantive to Procedural Rationality*, in: Latsis, S.J. (ed.), *Method and Appraisal in Economics*, Cambridge University Press, Cambridge: 15–30.
10. Copyrights will be established in the name of the E&BR publisher, namely the Poznań University of Economics Press.

More information and advice on the suitability and formats of manuscripts can be obtained from:

Economics and Business Review
al. Niepodległości 10
61-875 Poznań
Poland
e-mail: review@ue.poznan.pl
www.puereview.ue.poznan.pl

Subscription

Economics and Business Review (E&BR) is published quarterly and is the successor to the Poznań University of Economics Review. The E&BR is published by the Poznań University of Economics Press.

E&BR is listed in ProQuest, EBSCO, and BazEkon.

Subscription rates for the print version of the E&BR: institutions: 1 year – €50.00; individuals: 1 year – €25.00. Single copies: institutions – €15.00; individuals – €10.00. The E&BR on-line edition is free of charge.

Correspondence with regard to subscriptions should be addressed to: Księgarnia Uniwersytetu Ekonomicznego w Poznaniu, ul. Powstańców Wielkopolskich 16, 61-895 Poznań, Poland, fax: +48 61 8543147; e-mail: info@ksiegarnia-ue.pl.

Payments for subscriptions or single copies should be made in Euros to Księgarnia Uniwersytetu Ekonomicznego w Poznaniu by bank transfer to account No.: 96 1090 1476 0000 0000 4703 1245.