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Understanding Social and
Economic Change

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Editorial

Special Edition: Understanding Social and Economic Change

This special edition of International Journal of Management Cases presents collection of cases from Poland. They have been written by people who work at the University of Szczecin, in the Department of Marketing at the Faculty of Economics and Management.

The papers in this special issue of IJMC cover a broad spectrum. They are drawn from a range of different industries, but mainly addressing the economic and social changes in Polish society and business. The collection of seven cases involves entrepreneurship, healthcare, banking services, marketing efficiency, retail, and consumption. Their authors are themselves representative of the discipline of economy and management, particularly marketing.

Jolanta Witek presents a case concerning the issue of the self-employment and entrepreneurship in the Polish households. She explores the determinants of building a new socio-economic system in Poland. The paper shows also selected aspects of the living conditions of the households of the self-employed.

Next two cases report on the primary research studies conducted in the service markets. They have been written from the managerial perspective. Iga Rudawska identifies the differences between public and private healthcare providers in respect of motivation system as well as determines the relative importance of attributes associated with this system in healthcare settings. Next, Edyta Rudawska presents a case concerning shaping a bank's value. She evaluates the impact of changed market conditions on the aims and operating strategies of banks in Poland. She also discusses the issue of increasing of values for the clients and shareholders in the strategies of banks.

Mateusz Wiścicki and Krzysztof Błoński show the problem of assessing the marketing effort from the perspective of marketing matrix. Their conceptual case tackles the problem of surveying marketing operation, both in theory and in practice. The authors present several concepts of assessing marketing actions. They focus on surveying

methods and techniques of marketing actions efficiency and effectiveness.

Magdalena Soboń presents tendencies in Polish retail trade. She analyses the structure of trade in Poland since 1999 and its economic situation. The paper focuses also on e-commerce and its impact on the development of Polish trade.

Last two cases report on the changes at the social and economic level that have been occurring in the Polish society. Augustyna Burlita explores the relations between working time and leisure time and assesses the position of these activities in the hierarchy of values as well as Poles' budget of time. She analyses Poles' behaviour at the workplace and in leisure time and their attitude to these two activities from the perspective of civilisation changes. Next, Sylwia Bąkowska discusses the issue of creative class potential in Poland. The study concerns the measure methods of a global creative class index, as well as the estimation of the creative class potential in Poland. There are some statistical data provided.

I hope that the variety of the topics which covered in this issue you will find interesting and beneficial. All of them include some questions so they can be used in the teaching process.



Guest editor:

IGA RUDAWSKA

MOTIVATION SYSTEM IN PUBLIC AND NON-PUBLIC HEALTHCARE PROVIDERS

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Abstract

This paper presents a methodology for identifying and describing motivation system in healthcare in West Pomeranian Region in Poland. The presented paper is based on preliminary research conducted on 126 healthcare providers located in West Pomeranian Region. It aims mainly at:

1. determining the relative importance of attributes associated with motivation system in healthcare providers both in public and private sector,
2. identifying and describing the differences between public and private healthcare providers in respect of motivation system,

In order to answer the above-stated inquiry, a variance analysis (ANOVA) was used, wherein the argument is the status of a (public, non-public) healthcare institution. The equality of averages was verified in distributions conditioned by the categories of the controlled factors. The conducted calculations made it possible to quantify the significant differences between public and non-public institutions for a number of factors describing motivation system.

ANOVA analysis lets the author draw the conclusion that several motivation incentives like reward system, social bonds and professional education are stronger in healthcare providers with non-public status. The outcome of the study creates a reliable representation of differences in motivation system and, at the same time, challenges the widespread claims of the alleged superiority of non-public institutions stemming solely from higher salaries. Generally speaking, it can be stated that bodies representing the non-public sector – considering their attitude to employees – are better adjusted to the demands of competition in the health services market. Results of this study can be used to improve motivation system in healthcare settings.

Keywords: Motivation System, Healthcare Sector, Poland, ANOVA.

Introduction

Professionals in the medical field carry out a profession of particular value. Their activity concerns human health and life. Hence their profession is related in part with a calling or mission to serve man, than earnings. This does not mean, however, that the motivation of health care workers should concentrate only and exclusively on exposing the ethos of their work. Observing the Polish health protection sector it is difficult to not be left with the impression that we have to deal with a heavy crisis in this regard. It is evidenced by unappeasable earnings expectations, which as a consequence has led to a drop in medical worker morale, their migration abroad, and strikes. In the hereby article the difficult matter of motivating medical personnel is undertaken thorough the presentation of empirical research comparing public and private health protection institutions.

Theoretical Basis for Analysis

Motivation is a driving force that stimulates guides and maintains the behaviour of individuals fix on a specific goal. Motivation is also the readiness to incur large efforts aimed at realizing organizational goals, to a certain degree, in which these efforts can at the same time favour satisfying the needs of members of that organization (Robbins, DeCezano 2002, p 29).

Literature in the area of organization and management, as well as human resources management provides a basis for a theoretical explanation of the motivation process (Armstrong 2000, p 12; Griffin 1999, p 53). Earlier motivation theories, such as McGregor's X and Y theory, Maslow's hierarchy of needs or Herzberg's bi-

factor theory, evolved on the basis of the human relations and management science schools. In turn, contemporary motivation theories appeal to the social system school, portraying man as a system of biological needs, psychological motives, values and opinions. Besides these widely described in Polish literature theories – like Vroom's expectation theory, McClelland's needs theory and Skinner's reinforcement theory under observation – in the context of forming a strong organizational culture – deserves Rokeach's relatively seldom mentioned in literature theory of personal worth.

According to this theory, systems that create values declared by individuals are a strong behaviour motivator. Values are described in the context of universal expectations of individuals to satisfy biological needs, social interactions and matching requirements presented to the individual through the organization (Kamakura, Novak 1992, p 119). People use values adopted in a given culture as standards permitting them to specify their own competences in reference to other members of the organization, defining one's own image and substantiating one's own convictions, attitudes and behaviour. According to Rokeach, values produce greater stability and have greater importance on an individual's cognitive system than attitudes. In this regard one can consider it as determinants of an individual's attitudes and behaviours, also in the framework of a given organization.

One can therefore accept that at the basis of the explanation of a given working entity lies in its values system (Wiener 1989, p 536). This system creates a specific favourable organizational culture, elevating the work efficiency of personnel and forms the entity's identity. One of the essential methods of exerting influence on an organizational culture is respected in a given entity's worker motivation system (Kerr, J.W. Slocum 1987, p 99). It allows for specific control on the behaviour of organization members and through this obtains control upon them. A motivation system defines relations between organizations as a less or more formalized structure and its members through the specifying of exchange conditions.

It defines the expectations from the side of worker contributions, as well as expresses values and standards for which exist widespread consensus in the organization. On the other side it defines a feedback loop, a specific organizational reaction

to the desirable behaviour of the worker. An organization's motivation system makes up a respected manifesto in organizational values and convictions. As such it is essential to understand the corporate culture. Its form in turn is a vital factor having an effect both on the internal motivation of a worker and the external incentive system used in a given entity, and these have an influence on the effects attained by the organization (Marcoulides, Heck 1993, p 211). From this, what kind of an organization it is and how one motivates workers in it, results not only from the efficiency of their work but the organization's image.

Personnel Motivation System in Health Care Institutions

Unique characteristics of health care manifested in the so called inducing demand through supply, which causes that what occurs in patient-service provider relations to be a predominant measure of the effect of the supply side influence. This, as a final accepted form of this relation depends not only on external conditions, mainly economic-legal, but on an incentive system that motivates the service provider to work effectively and like organizational culture is subordinate. A strong culture favours the efficient function of the health care institution through improvement in communication, efficient decision making and implementation of solutions – workers who share specific values reach a consensus faster.

The creation of bonds of community type and implantation of worker standards and values for a given organization guides and stimulates the work of personnel, through which formal methods significantly drop for assuring the accordance of these workings with the goals of the entity (Szczupaczynski 2004, pp 70-77). Secondly, a strong organizational culture ensures its members a feeling of affiliation and identification, which is conducive for building loyalty in relation to the workplace and through this its effective workings. An appropriate motivational system for health care institution workers is conducive not only to the realization of their mission, but also has an influence on the efficient functioning of the external health services market. This occurs because the degree of service provider competition remains in close union with the power of motivating these entities to operate effectively. In turn it has an

influence on relations formed through the service provider with the service receiver.

The strong interpersonal nature of patient-service provider relations renders that the majority of that which occurs during a patient's interrelations with the service provider remains under the influence of the individual predisposition of the professional and motivation of the contact personnel (Bopp 1990, p 12). This from people in a dominating measure is dependent on the quality of the service relationship, on which attitudes, behaviours and operations of personnel have an influence. In each service sector, at least in particular in one such as health care services, external client satisfaction and internal client satisfaction are strongly interconnected with each other (Razzouk, Brown 1994, p 9). Medical personnel representatives highly value the ethos of work. Taking under consideration historical-cultural conditions, such as the social prestige of the doctor profession, motivation for carrying out the work goes far beyond the financial sphere. Proof of this claim is provided by empirical research showing the essential role of non-financial motivational factors (Jedrzejczak, Zarzeczna-Baran 2004, pp 221-222). This has nothing to do with the continuous recalling of the Hippocratic Oath, but with the recognized essential elements of the calling as internal motivation. If one adds to this that medical personnel, in particular doctors, are strongly autonomous in their work and depend on their own judgement, than this group with difficulty submits to the compulsion to use rules or procedures that are not accepted by them.

In connection with this, essential importance is taken up by motivating medical personnel to effective work. The object of the author's investigation is however not repeatedly discussed in literature on motivation (Klich 2004, pp 14-18), though the difference in medical personnel motivation is identified in a status section in health care institutions. This issue, present as a field of interest in academic environments, mainly in the United States of America (Savas 1992, p 125), to this time was not touched on in Polish literature. In the hereby article, the author attempts to evaluate the inter-group difference in motivational incentives used in health care posts. The results of this research give particular value

in perspective to past events having a place in the Polish health care sector (doctor and nurse strikes), as well as considering the relationship between effective motivation system and the effective functioning of a given entity.

Methodology of the research

One of the dogmatic foundations of practitioners engaged in the economic aspects of the functioning of the health care sector is the assertion of superiority of private over public ownership (Witter, Enson 1997, p 173; Klich 2004, p 59). This superiority manifests itself in the great competition in the non-public sector, its economic efficiency and ability to improve the quality of health services. Still however largely theoretical, similar to empirical research results they do not provide clear premise confirming greater effectiveness of non-public health care entities in comparison to public. In this perspective issue up for judgement is not the influence of health care institution ownership alone on its market efficiency, but rather the effect of its ownership form motivational incentives to efficient operation. One of these fundamental incentives is the level of medical health protection post personnel motivation. The aim of the empirical research is therefore identifying the inter-group difference (public workers versus non-public workers at health care institutions) in the area of motivation level.

The research was conducted using the interview method with standardized questionnaire-survey, which was comprised of health service providers in the West Pomeranian region. Respondents were made up of medical workers at health care institutions. The sample had a simple random character, which allowed for estimating a statistical error forecast at a level of 0.05. The operator of the drawing in the presented research was the health care institution registry. 126 doctors employed in health protection posts in the region took part in interviews - 56 of had a public status (SPZOZ) and 70 non-public (NZOZ). The structure of the sampled health care institutions at which the workers researched were recruited is shown in Table 1.

Table 1. The structure of research sample

Characteristics	Percentage of healthcare providers taking part in the research
Legal status of the provider: - public (SPZOZ) - non-public (NZOZ)	44% 56%
Owner of the healthcare provider (refers only SPZOZ): - regional government - state government (MZ, MSWiA, MON) - Academy of Medicine	86% 11% 3%
Basic kind of activity: - general practitioners - specialists of ambulatory healthcare - hospitals - rehabilitations and sanatoriums - laboratories	45% 35% 13% 5% 2%
Location: - cities - towns, districts - municipalities, parishes	36% 50% 14%

Source: primary research.

The research goal was to determine the inter-group (public versus non-public healthcare units) significant differences related to motivation system. The differences between organizations were explored at the significance of 95 per cent level. The returns were analyzed using Statistica 6.0. software.

Statistical Analysis of the Research Results

With the aim of reaching the research goal formulated above, served to analyze variances in which the variable was accepted as independent of the health care institution status. The analysis of variances (ANOVA) was conducted on factors singled out through the analysis of factors. Leven and Brown-Forsythe tests served to verify the methodological foundations of homogeneous variances. Both tests appeared to be non-essential, and therefore there was no basis to rejecting the hypothesis of variance equality.

In the results a factor analysis was used that singled out four factors with the following non-negative values: 2.60 (factor 1), 0.25 (factor 2), 0.20 (factor 3) and 0.15 (factor 4). The load structure schedule checked for the two first factors suggested through a "scree" graph (fig. 1). In regards to that the factor loads, factor no. 2 was low, further interpretation was given for factor no. 1 (tab. 2).

The scree graph (fig. 1) shows that in further analysis it is enough to interpret factor no. 1 – the "scree" already starts beside the second factor. The first factor – 1 – conventionally called "motivation" – also renders 40% general variability explained through the outbound set of seven features describing the motivation system of a given health care institution (see variable A-G from tab. 3). From here one can accept that on the basis of motivational factors in a health care institution lies one hidden factor, explaining the correlation between observed variables.

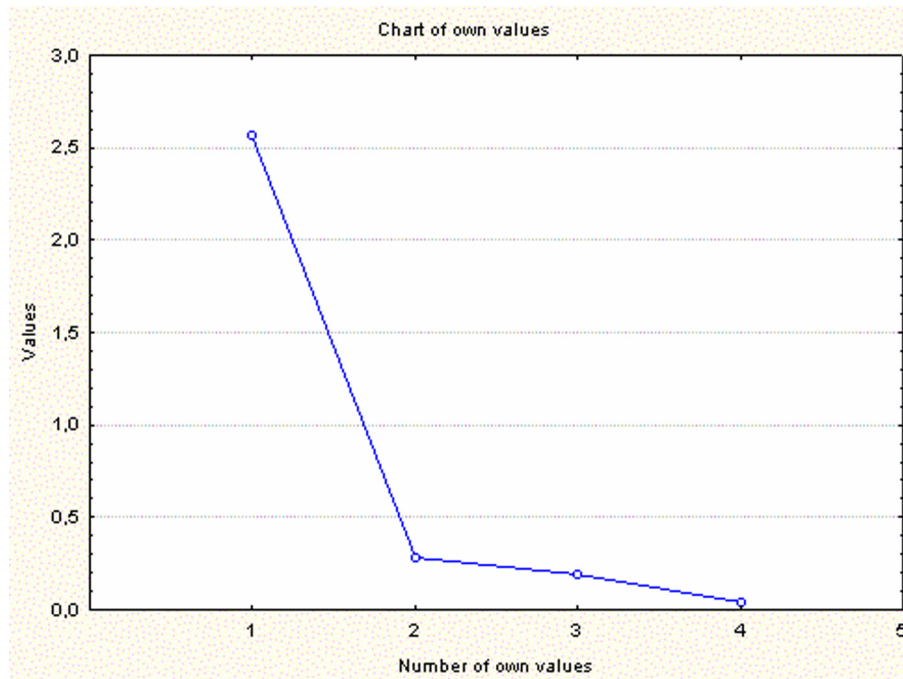
An analysis of the variables shows an essential difference in the value of factors specified for the "motivation" factor in classification groups according to the institution status ($F=4.4542$, $p=0.0368$). From the correlation analysis (tab. 2) between factor values for "motivation" factors and the original variables connected with the level of motivation it results that the correlations are strong and negative. Therefore the higher the factor value, the lower the level of motivation. In turn the median line (fig. 2) shows that in the public institution group (group 1) factor values (their average for the group) are higher than in the non-public institutions group (group 2). It lets us draw the conclusion that the motivation level in the public healthcare providers is lower then in the private ones.

Table 2. Factor loadings for factor number 1 and correlation coefficients (motivation system level)

Items	Factor 1	Correlation coefficient
A	-0,478354	-0,53
B	-0,657833	-0,73
C	-0,685127	-0,75
D	-0,553423	-0,62
E	-0,622589	-0,70
F	-0,508384	-0,57
G	-0,703809	-0,78
Start value	2,569180	
Cover	0,367026	

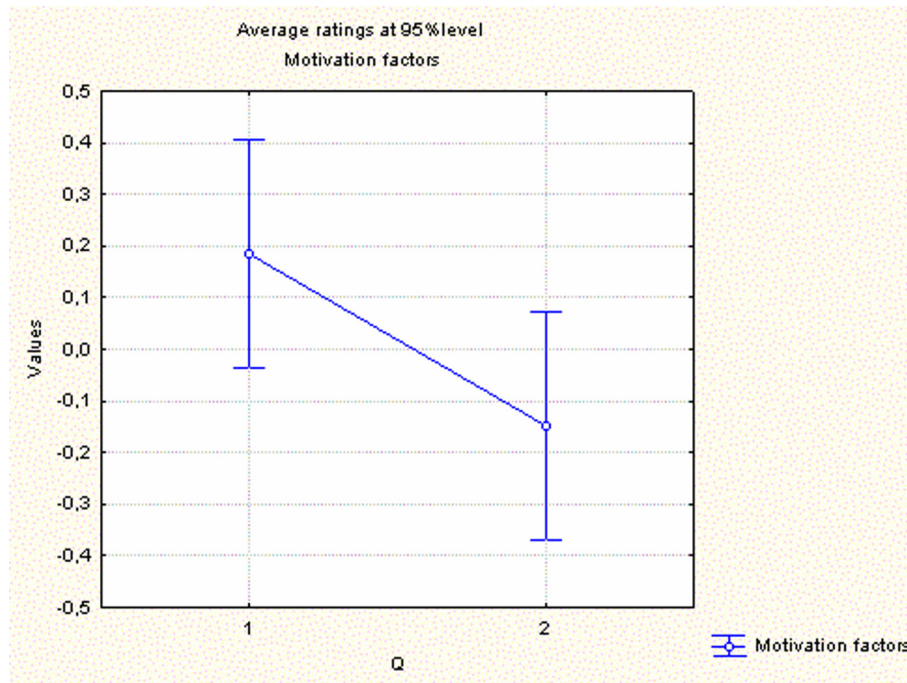
Source: own study based on the printout from the Statistica 6.0.

Figure 1. Scree chart – own values for factors No. 1-4.



Source: own study based on the printout from the Statistica 6.0.

Figure 2. Average ratings of motivation level of public and non-public healthcare providers



Source: own study based on the printout from the Statistica 6.0.

Table 3. Results of ANOVA on motivation system – differences between public and non-public healthcare organizations

Motivation factor	F ratio	Significance of F	Average ratings for public units (SPZOZ) \bar{X}_1	Average ratings for non-public units (NZOZ) \bar{X}_2
A. Ensured work stability	0,1493	0,7011	3,196	3,071
B. Payment system	8,6262	0,0033	2,392	3,428
C. Non-financial reward system	9,8561	0,0017	1,696	2,471
D. Department education development	1,1806	0,2793	2,839	3,185
E. Professional education	4,2840	0,0385	2,053	2,614
F. Personnel integration	3,9813	0,0482	2,035	2,528
G. Professional promotions	2,1336	0,1466	2,232	1,928

Source: own study based on the printout from the Statistica 6.0.

As to more precisely recognize factors laying at the basis of differences in the motivation systems in the two types of institutions the variable analysis was deepened. It enabled verifying the equality average in institutions controlled conditioned factor categories. The calculations carried out enabled statistically defining the essential difference (at $p < 0.05$) between public and non-public institutions for several factors described in their motivation system (variable A-G, tab. 3).

On the basis of the above table one can affirm that the statistically essential difference in motivation in both types of institutions occurs in the area of compensation policies (variable B,C), professional education (variable E) and personnel integration (variable F). Not noted however is the essential statistical difference in reference to such motivation system elements as: ensured work stability (variable A), department education development (variable D) and professional promotions (variable G).

Discussion

With the descriptive statistical cross-section (average value in the sub-group SPZOZ and NZOZ) it results that in non-public health care institutions are motivated by money is partly used in comparison to public institutions ($1=2.392$ versus $2=3.428$). Motivation with money leads to rising of financial constraints between the employer and employee, which however holds the lowest spot in the hierarchy of advanced constraints, alongside the premise that personnel compensation is at a satisfactory level. On the basis of pay postulates of the National Doctor Congress (minimum compensation for doctors without specialization: 2- times the average monthly compensation gross in the enterprise sector published by GUS – 2,575.41 PLN for the 3rd quarter of 2006; salary for doctors with a specialty: 3-times the average; compensation for a senior nurse/midwife: 1.7-times; pay for nurses/midwives: 1.2-times) one can affirm that this level was not attained. Judgements resulting from strong pressure in the medical environment – particularly represented by public health care institutions – in the direction of satisfying basic worker needs result from an earnings character under taken by their representative activities.

The next divergence between public and non-public health care institutions – to the advantage of the second – exists in the use of non-financial

rewards ($1=1.696$ versus $2=2.471$). Despite the essential statistical difference one should remember that rewards, like penalties, are little effective in attaining long-lasting changes in the attitudes and behaviour of personnel – goes to obtaining one short-lived effect. Rewards motivate people to obtain rewards, but are not conducive to personnel commitment. However the research proved that non-public health care institutions willingly reached out for incentives of this type. At non-public posts the frequency of tools that build the commitment and loyalty of workers through financed professional education is also larger ($1=2.053$ versus $2=2.614$). A bond of this variety has a structural character, since further personal development, professional competence of workers, which produce human capital. Intellectual capital is a matter that has a particular influence on internal motivation. This motivation should be recognized for persistence in comparison with external incentives (rewards, penalties).

One of the most important conditions of the high results of personal activities is creating a conducive, good atmosphere in the workplace. It fulfils the role of a community bond built on transparent communication, contributions of individuals in team work and a feeling of membership in a group of professionals. Similarly to the previous element this is often appreciated in non-public institutions through caring of strengthening group bond ($1=2,035$ versus $2=2,528$), for example integration meetings. Bonds of this type are particularly important in cultures of clan type, characterized by a feeling of autonomy created by its members, dependent on personal evaluation and strong professional solidarity. A culture of this variety is the close medical professions, who organize themselves in a formal professional association and non-formal groups with support from motives other than only material interests.

Building social bonds, beyond its motivation function, is an essential element conducive to the creation of valuable relationships with clients, particularity through an increase in the quality of functional health service process benefits. Numerous empirical studies have shown that such medical personnel characteristics as: empathy towards patients, ease of communicating, kindness, politeness, commitment, readiness to

provide help or respecting patient privacy belong to the most valued receipts of patients.

From the research presented it results unambiguously that professional satisfaction for medical workers employed in institutions with non-public status is greater than those feelings of personnel at public institutions. The issue is deeper than only and exclusively the compensation system in as employment agreement or contract. It also encompasses a system of rewards and distinction system, professional promotion path, professional training, educational development, building community bonds or building a feeling of work stability. In this last case – according to the research carried out – between the institutional subgroups analyzed no essential statistical differences were noted. Beyond this the form of health care institution ownership is not a strong determinant of a feeling of work safety, which is due to be connected with system changes and increases in competition on the employment market for medical personnel, particularly doctors. This is particularly disturbing in that context that a feeling of work stability is one of the key elements of high activity results of professional workers.

Conclusion

The research carried out unambiguously shows that form of ownership differentiates the research of health care institutions in terms of motivational incentive programs addressed to medical personnel. Incentives launched in entities of non-public status are conducive to attaining better economic efficiency. At the same time one should remember that the possibility of using external motivation for public health care institution personnel is limited. These barriers are related not only with identity for the entire medical environment, specifically a feeling of professional distinction, but rather manifested in internal motivation and also poor financial conditions in parts of these entities, which in a way obviously complicates satisfying the basic needs of workers concerning compensation. Beyond this influential force of beneficial factors in connection with an organizational values system in some institutions gets limited – as is shown by professional experience – through informal financial and personal dependence between the non-public and public entities.

Questions

1. Which do you think are the most important elements of motivation system both in public and non-public healthcare providers in Poland?
2. Which do you think are the most outstanding differences between public and non-public healthcare providers referring reward system?
3. What general managerial implications can be drawn from the primary research findings?
4. If you were the HR manager in a public healthcare provider, what changes would you apply to improve motivation system in your company?
5. If you were the HR manager in a non-public healthcare provider, what changes would you apply to improve motivation system in your company?

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POLISH RETAIL – CONDITION AND PERSPECTIVES

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Abstract

The Polish retail trade has been changing since the beginning of the market economy. Since that moment it has changed from the nationalized trade supplemented by private sector to modern forms of sale dominated by private trade. Modern Polish trade is characterized by various forms of trade, modern technologies, attention to customers and constant structural changes and therefore it is very interesting to observe how the Polish retail trade has evolved and in what direction it goes. This paper presents the situation and perspectives of the Polish retail. It shows quantitative and qualitative changes and trends according to other authors and based on observations.

Trends in the Polish retail are similar to the global ones, but not identical. Despite certain common features, these are nevertheless different kinds of retail. The present situation is similar to the situation in retail in other European countries some years ago when new forms of trade came into existence.

The value of the paper is that it shows comprehensively the situation in Polish retail in the past and at present. It discusses characteristic changes and trends.

Key words: Trade, retail outlets, e-commerce

Introduction

Since 1989 retail trade in Poland has undergone gradual and remarkable transformations. Not only have the number and size of retail outlets, standards and kinds of services changed, but also the property structure has been reorganized. There have been different changes in the trade in the last twenty years, but the most characteristic have been privatization, reorganization, decentralization, internationalization, concentration, consolidation and outvestment processes.

Polish retail trade at the end of the 20th century

Transformations of the retail trade in Poland originated from the reorganization and privatization which led to a rapid and fundamental change in the structure and ownership of the retail trade. Five years after the market economy had been built almost 98% of retail companies were private. Before dismantling monopolies and privatization processes private sector constituted only 18% (Klosiewicz, 1995).

The beginning of the nineties was marked by a huge fragmentation of the retail market. A great number of outlets came into existence then. In the overwhelming majority of cases (almost 90%) they were smaller than 50 m², for example kiosks, stands and small shops owned by individual people. Chains of more than 20 outlets made only 0,4%. Examples of such chains were among others Spółdzielnia Spożywców Społem and Samopomoc Chłopska as well as a few privately-owned chains based on Polish capital (for example Pam Market, U Stanczyków, U Brzezińskich) and foreign capital (for example Billa, Globi, Rema 1000) (Klosiewicz, 1995).

The first half of the nineties was marked by a noticeable and rapid increase in a number of retail chains. Such a situation was caused by an expansion of the biggest European and global chains. In the biggest Polish urban agglomerations large format stores were built. They changed the organizational and technological aspects of the trade for better. Although the number of large format stores increased sharply until the mid-nineties (several dozen outlets), their share in the structure was still little. The size of an outlet area per head index placed Poland very low in Europe. Between 1992 and 2000 investments in the trade reached \$7.6 billion (Stefaniak, 2002). That trend continued on account of such favourable conditions as a great capacity of the Polish market,

a growing tendency of many trade markets, liberal conditions of entering the market and lack of a system protecting domestic trade against too severe competition (Slawinska, 2004).

Organizational fragmentation of the Polish trade made it divergent from the European standards. That fact had a negative influence on the streamlining of distribution channels because companies were independent. The appearance of chain stores initiated concentration and integration processes of the Polish trade. However, that tendency did not apply to merchants who were not inclined to unite and tried to act on their own.

Although the number of outlets decreased and the average area of commercial outlets increased, the Polish retail was still one of the most fragmented markets. In 1999, every third in 377,000 shops operating on the market dealt in foodstuff.

Towards the end of the nineties the number of shops did not drop significantly (e.g. in 1999 there are fewer grocery stores than in 1998 by only 3%) and for that reason the concentration process was proceeding slowly.

Changes in the trade structure were more noticeable. New large format stores were built, that is the number of hypermarkets (mainly foreign) increased by 67%, discount stores by 20%, supermarkets by 2-3%.

The 21st century in Polish retail

Between 2000 and 2007 the retail trade underwent further changes. The number of shops stabilized, although in the previous years it decreased, and the structure was transformed.

Compared to the previous year the number of large outlets in 2002 increased. The number of hypermarkets increased by 25%, supermarkets by 5-6%, discount stores by 14%. Surprisingly, the number of traditional shops increased as well. However, traditional trade thrived only in small towns and villages due to lack of competition from large format stores. Specialist outlets tend to disappear not because they were closed

down but because they offered a wider range of products and changed into multiples.

At the end of 2006 there were 384,000 shops in Poland. The number compared to the previous year was greater by 3.5%. The number of shops with 10 or more employees increased by 7.1%, while the number of shops with 9 or fewer employees increased by 2.9%. 94% of Polish retail outlets had a sale area of 99 m². In 2005 the number of shops with an area of 400 m² and more increased by 11.5% and an average size of a shop increased by 10.9%. The number of hypermarket and supermarket chains increased by 10.7% and 15.7% respectively.

Between 2000 and 2006 the number of supermarkets in Poland increased rapidly and they played the key role compared to other large format stores.

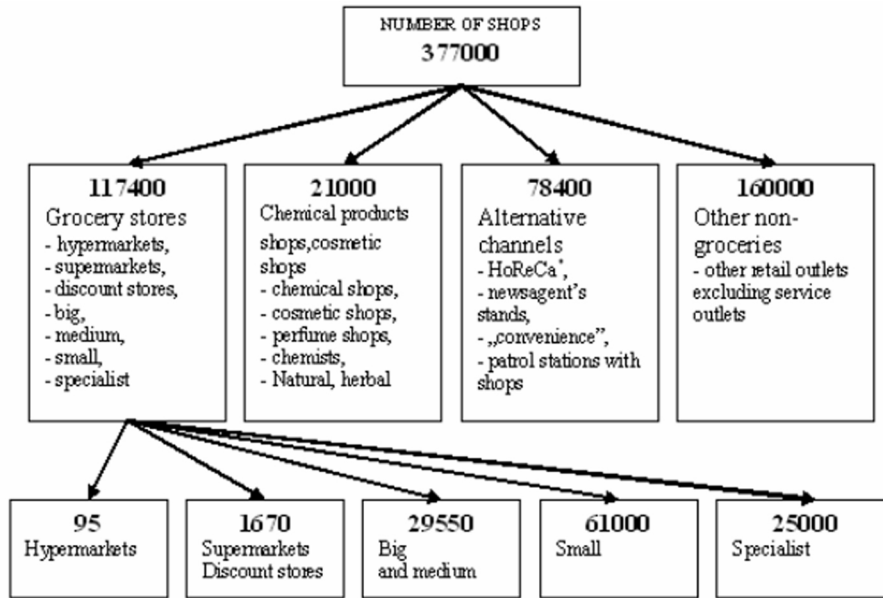
Between 2000 and 2006 there was an upward trend in sales, however in 2005 there was a slight drop in turnover. A relatively small number of companies dealing with retail generated a substantial part of sales. Those big and strong companies set trends in the Polish trade development.

Recent years in the Polish trade have been marked by mergers and takeovers. In 2006 Grupa Metro AG, which owns among others Real chain, took over Geant chain, in 2007 Carrefour bought 183 Albert supermarkets and 15 Hypernova minihypermarkets, while Leader-Price was taken over by Tesco.

Economic situation in retail trade in Poland

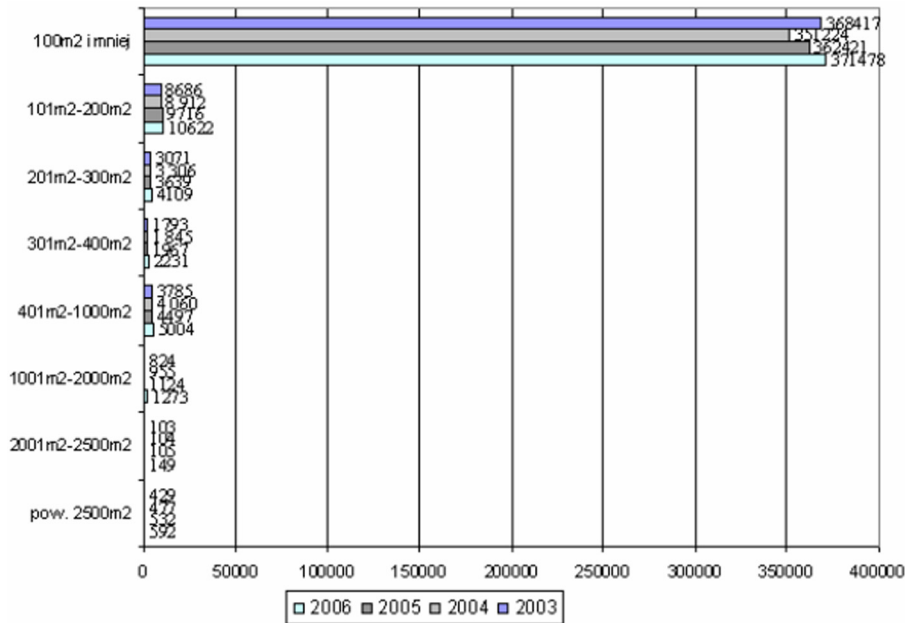
The economic situation in the retail trade has been fluctuating since transformations began. Although trends of transformations coincided, managers of trading companies perceived the economic situation in different ways. Companies with employment of 250 people and more were in the best economic situation, while the situation of the smallest shops was the worst. They were most sensitive to changes on the market and worried about competition from large outlets.

Figure 1: The structure of trade in Poland in 1999



Source: Raport Strategiczny CAL, Dystrybucja FMCG w Polsce, 1999

Figure 2: Shops according to the shop floor area in Poland between 2003 and 2006



Source: Self-study on the basis of : Rynek Wewnętrzny w 2005 r. Informacje i opracowania statystyczne, GUS, Warszawa 2006; Rynek Wewnętrzny w 2006 r. Informacje i opracowania statystyczne, GUS, Warszawa 2007.

Table I: Large format stores in retail trade in Poland between 2000 and 2006

Specification	2000	2001	2002	2003	2004	2005	2006
Total number of shops	431991	449339	450434	387108	370883	384001	395458
Department stores	135	137	106	102	99	95	91
Shopping centres	500	510	499	517	501	462	431
Supermarkets	1602	1739	1863	2043	2347	2716	3003
Hypermarkets	99	190	216	293	338	374	410

Source: Opracowanie własne na podstawie: Rynek Wewnętrzny w 2006 r. Informacje i opracowania statystyczne, GUS, Warszawa 2007; Rynek Wewnętrzny w 2005 r. Informacje i opracowania statystyczne, GUS, Warszawa 2006.

Table II: Top 10 of Polish retail outlets in 2006

Item no	Company name	Traded goods	Retail chains	Sale in 2006 in mln zł	Number of retail outlets	Number of employees
1.	Metro Group in Poland	FMCG, RTV/AGD, electronics	Real Media Markt Saturn	13.600	84	25.200
2.	Jeronimo Martins Dystrybucja	FMCG	Biedronka	6.600	905	15.500
3.	Tesco Polska	FMCG and industrial goods	Tesco Savia	6.500	280	25.000
4.	Carrefour Polska	FMCG and industrial goods	Carrefour Champion/ Globi	5.280	125	18.000
5.	Auchan Polska	FMCG and industrial goods	Auchan	4.550	20	10.000
6.	Ruch	The press, cigarettes, FMCG	Ruch	4.052	9.500	5.500
7.	Grupa Eldorado	FMCG	Groszek Stokrotka Berti share in 5 others	4.000	600	7.000
8.	Eurocash	FMCG	ABC Delikatesy Centrum	3.800	1416	6.019
9.	Lewiatan	FMCG	Lewiatan	3.500	1850	13.000
10.	Ahold Polska	FMCG and industrial goods	Hypernova Albert	3.150	193	9.500

Source: „Detal Dzisiaj Network”, <http://sn.tradepress.com.pl>, 20.05.2007

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Until 1997 the economy experienced an upturn followed by a stabilization and a downturn which got strongest between 2000 and 2007, but it boomed again in the following years. The slump in the economy affected mostly small and medium-sized shops. At that time the following factors restricted commercial activities (GUS, 2007):

- stronger competition after 1997 due to an expansion of large retail outlets practicing low price policy. Thus, customers were attracted by other outlets and lost their interest in traditional shops,
- falling demand and traders' fear of its further fall,
- taxes decreasing profitability of undertakings,
- employment costs greatly affecting total costs of trade.

In 2007 commercial enterprises noticed existing barriers to development. Although an assessment of the economic situation has been more favourable, basic barriers have not disappeared. The following factors adversely affect business (GUS, 2007):

- competition on the market (this barrier is reported by 71% of questioned companies),

- employment costs (63%),
- high costs paid to the Budget (54%),
- insufficient demand (36%).

E-commerce in the development of Polish trade

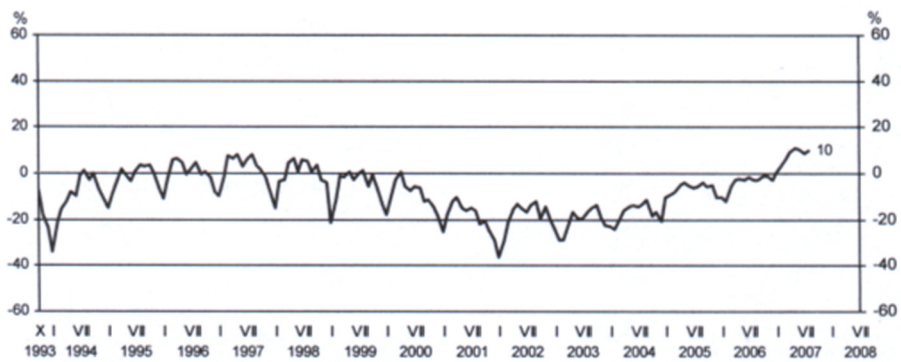
E-commerce has been developing rapidly in Poland in recent years. More and more Poles are trading through electronic means. This is possible due to the development and popularization of modern technologies, for example the Internet, computers which have become widespread, network-digital television and interactive kiosks (de Kare-Silver, 2002).

The Internet with its multimedia potential is the all-purpose tool of e-commerce. It influences the globalization of trade and makes distant shopping possible, it creates favourable conditions for the implementation of innovative cooperation methods between companies and it is a factor increasing the competitiveness of companies. Online shopping is becoming more and more popular with Polish internet users, because the Internet has become easily accessible, online shopping has been safer, and Internet shops have more to offer than traditional shops. Moreover, online shopping can be done non-stop and that is the chief asset which makes e-shops more competitive than traditional shops. In Poland there were 1000 e-shops last year while now there are more than 1,500 e-shops (Walczak, 2007).

The number of customers of e-shops and internet auctions grows – it has risen by one third, from 41% to 55% (Gemius, 2007) since 2005. Online shopping is usually done by 25-34 year-old men with post-secondary or higher education, who earn more than 3,000 zlotys net salaries. Compared to previous years two things have changed, that is the number of women doing online shopping has risen and the number of people not holding university degrees has risen as well.

The range of products bought online is wide ranging from software, books, holidays to food. However, the most popular online products in Poland are cheap airline tickets.

Figure 3: Indexes of the general economic situation in the retail trade in Poland between 1993 and 2007

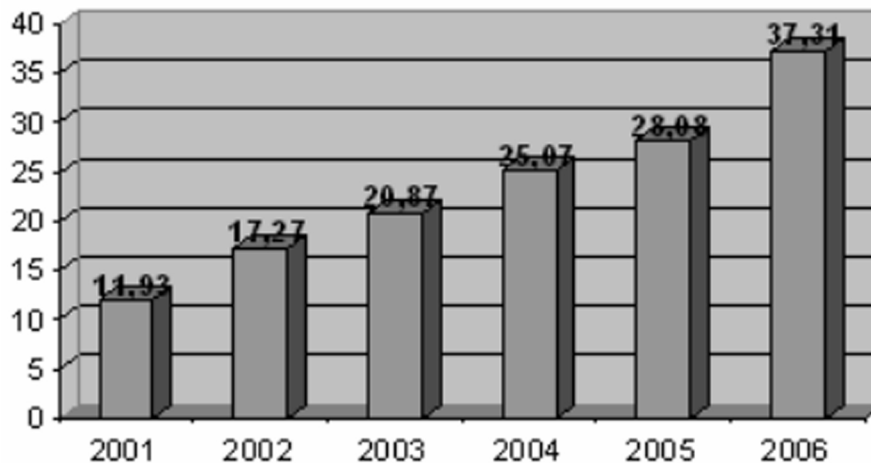


Source: Koniunktura gospodarcza – handel detaliczny. August 2007. No 8/2007, GUS, Warszawa 2007, p.1

Figure 4: Trading companies according to size classes in Poland between 1993 and 2007



Source: Koniunktura gospodarcza – handel detaliczny. August 2007. No 8/2007, GUS, Warszawa 2007, p.1.

Figure 5: Percentage of Polish internet users

Source: Raport Gemius Rynek e-commerce w Polsce 2006, <http://www.gemius.com/pl/glowna>, 15.05.2007.

Rapid development of e-commerce makes shopping, forms of payment and delivery more modern, easier and safer. E-shops change as well, they offer a wider range of products and advertise them better. All these factors make them more competitive than traditional shops (Gacki, 2006).

Polish e-commerce is not the leader on the global online market. Its value placed Poland eighth in Europe in 2005. The turnover of Polish e-commerce greatly exceeded one billion euros. It is predicted that by 2010 Polish e-commerce will have risen by 300%, thus increasing its participation in total retail trade to over 4%. This should allow Poland to outdistance such countries like Holland and Sweden (Gemius, 2006).

Trends in the development of retail in Poland

The retail trade in Poland is still undergoing quantitative and qualitative changes and trends similar to the global ones.

New forms of the retail trade and its combinations appear. In supermarkets there are bank branches and post office counters. In petrol stations there are groceries. The changes are introduced to ensure the customers' convenience and to meet their expectations. Contemporary Poles want to have their requirements fulfilled by comprehensive

solutions. The number of very popular with customers shopping centres is rising dramatically.

Polish trade is characterized by an increase in competition among various types of shops. There are varied forms of trade, for example discount stores, hypermarkets, shopping centres, department stores, specialist shops, e-shops, etc. In practice all these outlets aim at attracting the same customer, who depending on the situation chooses a particular outlet. Therefore, shops practice more and more sophisticated methods of attracting customers. They offer promotions, loyalty cards, convenient opening hours, free parking spaces.

In Poland big chain stores, both domestic and foreign, make their presence felt. Striving for an expansion they develop by creating huge chains which, due to modern technologies, can provide good service and a great amount of products. Lately a lot of smaller companies have been taken over by bigger ones. This shows that a strategy of spreading on the market, taking advantage of the scale effect and driving weaker companies out of the market has been implemented. This process is going to grow stronger in the following years because the level of consolidation measured with the share of the three biggest retail companies constituted only 15% in 2006. This index places Poland nineteenth in Europe, where Denmark

91% and Sweden 85% have the greatest consolidation.

Outvestments are noticeable in the Polish trade. They mark the change in the merchants' strategy, who either quit some activities (e.g. they close down particular kinds of shops) because they cannot see themselves as important parts of the market, or they want to focus on a chosen form of trade. Merchants invest in technology. They use cash register systems, computers to predict and monitor stock, place orders with suppliers, communicate and trade. Merchants buy modern economy of storage systems, create computer networks within their branches.

A wide range of products on offer is not the only thing that retailers look after. Impressions are another thing that is sold. Outlets offer entertainment and are places of social gatherings. Cafés, playgrounds, bowling alleys, waterfalls, aquariums and pubs come into existence.

The Polish trade is marked by stronger competition between retail trade in outlets and trade outside shops. The popularity of mail-order sale, telesales, TV shops and the Internet is growing. TV shops and e-commerce attract more and more Internet users.

Rapidly developing online trade can be further boosted by new opportunities and conditions. First of all it is the electronic signature law, the popularization of electronic payment cards, greater accessibility of the internet, i.e. new, better and cheaper ways of using it, or the popularization of the wireless Internet. Alternative ways of internet connections, e.g. through sockets, are being tested.

Conclusion

The Polish retail trade is trying to comply with European standards and its development is accompanied by processes seen in the global trade. Changes has been persisting since the beginning of the market economy. Since it is an important field of economics as it makes 17% of the gross domestic product, the developing Polish retail trade is worth checking on. Contemporary trade develops towards greater satisfaction and

convenience of buyers. Thereat it characterizes by various forms, new technologies and increasing role of e-commerce.

Questions

1. Can you explain differences between polish and European retail?
2. Which do you think are mainsprings differentiating polish retail from the European retail?
3. If you were an retailer in Poland, what kind of retail trade would you open to be successful and competitive?
4. What do you think polish e-commerce will be like in the future?

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RELATIONSHIPS BETWEEN WORK AND LEISURE TIME AS FIELDS OF POLES' ACTIVITY

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Abstract

The purpose of the article is to analyse and assess relations between working time and leisure time, as important areas in human life, but also opposite, and at the same time mutually conditioning and supplementary elements of the human time budget. Relationships between them, due to the possibility of satisfying specific needs of a person, significantly determine how he or she is functioning in all spheres of life (professional, family, social, personal, etc.) and bring along consequences that are unique for the individual and his or her family (positive and negative).

The article presents findings of research carried out by the author, being based on the analysis of secondary sources of information on relations between work and leisure time as areas of Poles' activity, in the context of social and economic changes in the transition process of the Polish economy and the accompanying civilisation changes. They can constitute one of the meters assessing the pace and direction of changes in the political system and civilisation development in Poland and be useful for entities interested in different aspects of consumer behaviour.

Keywords: work, leisure time, behaviors, research, budget of time.

Introduction

Social and economic transformations in the transition process and the accompanying civilisation changes related to moving from the industrial era to the times of services and information, affect most aspects of Poles' life, including, among others, the way of managing the budget of time. Time, as the most inevitable and least flexible factor of the human existence, in contemporary

living conditions has become not only a value, but also a source of values, depending on the type of occupations initiated by the human, their duration and frequency. Opposite but mutually conditioning and supplementary elements of the budget of time of a person are work and leisure time. Working time is the time in which the employee remains at the disposal of the employer in the plant or in a different place designated for performing work (Labour Code, 2006). On the other hand, leisure time "includes all occupations which an individual may perform from their own initiative or for rest, entertainment, extension of one's knowledge, disinterested education or voluntary participation in social life, after fulfilling professional, family and social obligations".

In contrast to working time that for most people is mandatory and independent from them, leisure time is related to the (subjectively felt) requirement of three "D"s, i.e. freedom, voluntariness and discretion, so it is "this particular time that, thanks to free choices, is filled out by activities (situations or states) performed for their own sake" (Cieloch, Kuczyński, Rogoziński, 1992).

Relationships between these two areas of the human activity, due to their association and complementary nature, have a significant effect on functioning of a person, determining the possibility of satisfying his or her many different needs, including, among others, those related to affiliation to a given socio-professional or social group, achievement of success, recreation, entertainment, development and self-fulfillment. The type of and time of the work performed, the way of its organization, place in the system of values, level of income earned, the possibility of self-fulfillment and development as well as satisfaction (or not) from work, all determine both the resource of free time, its place within the structure of needs of a person and ways of using this time. On the other

hand, the volume of leisure time and the type of activity taken in it, being a source of specific values for the individual, condition the possibilities of physical and mental regeneration as well as individual development, and hence the person's functioning also in the field of professional activity. At the same time, degree of satisfaction from work, subjectively felt by people, as well as the quantity and the way of using leisure time are substantial areas of the human life quality.

Work and leisure time in the hierarchy of values as well as Poles' budget of time

The importance attached to individual occupations in the budget of time depends on the specific situation of an individual, their household and closest environment, and the latter results from impacts of many, often interrelated economic, social and demographic variables. However, without doubt one of the most important temporal determinants of the human behaviour, including shaping of relations between working time and leisure time is the material situation and the represented system of values.

Work may determine the content, and sometimes even the sense of life, but for most people in the working age it is first for all a need being realized to obtain as high as possible funds for consumption, including consumption of goods and services necessary to spend leisure time. At the same time, one should remember that the man makes allocation decisions concerning spending of his or her time and money in a manner ensuring maximum usability and satisfaction, within their resources, both time and financial resources. Therefore, with low income making it impossible to satisfy basic needs and spare a fund for free decisions to spend leisure time in accordance with one's preferences, the balance is disturbed between the amount of leisure time and the material level of life. One of possible effects of such a situation can be spending all or part of leisure time for additional work for economic purposes.

The factor activating work is also, typical of Poles, increased inclination to expenses and consumption, being on the one hand an effect of the past under-investment in the sphere of consumption and reaction to a large selection of products (after troubles of inadequate supply

before the transition process), on the other hand, however, arising from comparisons with others and the growing consumer aspirations.

Hence, financial difficulties but also the desire to increase the material standard of living are the main reasons for working overtime or taking additional paid work by members of many households, significantly reducing their leisure time resources. More than 20% of Polish households admits taking additional work, with varying frequency (Czapiński, Panek, 2005). On the other hand, according to the research of the National Statistical Office, more than one third of professionally active Poles work in principle every day for more than 8 hours, approx 13% works for more than 3 – 4 times per week and the same number - 1 - 2 times per week (Diversity..., 2002).

More and more often longer working time is also forced by the employer and is accepted (on the labour market being more and more competitive on the supply side) in fear of the possibility of its loss or also from the desire to show one's determination, receive promotion or emphasize "indispensability" of the employee for the company. This is especially true in view of the fact that as many as 55% of working Poles are afraid of growing competition and rivalry at the workplace (Reports..., 2006).

At the same time, the possibility to work at home and from distance, arising from the technological development, as well as the anticipation that one should be available, as a person potentially working at any time and the need to meet constantly new requirements, related, among others, to achieving higher and higher qualifications and new skills, have made the boundaries between work and leisure time become unclear, and enhanced competition between work and private life of a person. "Flexibility of the "new work" effectively, more and more often, deprives people of flexibility of their time, which is becoming more filled than ever before" (Eriksen, 2003).

The relations between work and leisure time have also been affected by growing unemployment and the related possibility of losing a job as well as problems with finding one. They have shaken the sense of economic security in Polish households but at the same time have raised the importance of work in Poles' systems of values. Having permanent employment is important for

as many as 43% of Poles, particularly educated people. It is often more important than the effects of work, satisfaction from it or obtaining higher qualifications. Work has ranked fourth place in the hierarchy of values determining the sense of life of Poles (after successful family life – 70% of answers, health - 67% of answers as well as love and friendship - 54% of answers). At the very end of this hierarchy, with the response ratio of approx. 10%, one may find such aspects in human life as: self-fulfilment and development of one's own interests, contact with culture and art, travelling and learning the world as well as other activities not having any direct effect on the material position, most of which are related to leisure time of a person (Sense..., 2004).

Apart from the increased value of work, also satisfaction from it, as one of domains in human life, has slightly improved. While in 1992 the average degree of satisfaction from work was 3.04 point (in scale of 1 - 6 where: 1-very satisfied, and 6-very dissatisfied), in 2005 it reached the level of 2.96 point (Czapiński, Panek, 2005).

In the light of the aforementioned discussion, it is no wonder a statistically professionally active Pole is rather a busy person, since he or she spends on average 6 hours a day and 51 minutes for work, what gives more than 47 hours a week (Budget..., 2005). According to the Organization for Economic Cooperation and Development (OECD), Poles work on average 1984 hours annually, what ranks us on the second place after Koreans (2390 hours annually), and before Mexicans (1908 hours), Czechs (1882 hours), Japanese (1828 hours), Greeks (1811 hours) and Hungarians (1777 hours) (Working..., 2004). This means that a considerable group among professionally active people exceeds the statutory specified (40 hours in a five-day work week) working time, most often at the expense of leisure time but also sleep or time devoted to the family.

Hence, is the volume of leisure time left to Poles after fulfilling professional, family and social obligations, sufficient not just for restoration of spent physical and mental forces but also for the development of a person? This is especially true in view of the fact that on the one hand technology development has shortened the time of performing some occupations (e.g. related to works at home or travel), what theoretically

should increase the quantity of leisure time, on the other hand, it has much accelerated the pace of human life. Therefore, having leisure time and the possibility to manage it in an interesting way is one of significant problems not only of individuals, but also social groups in a "civilisation subservient to clock".

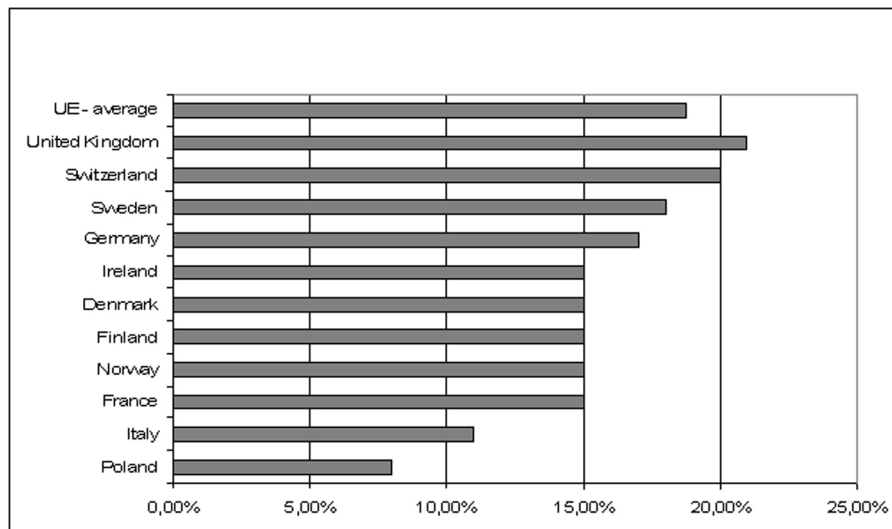
A statistical Smith has 5 hours and 7 minutes of leisure time a day. But one should remember that this time is most often split into smaller portions throughout the whole day as well as varies depending on days of the week (we have most leisure time on Sundays - more than 7 hours, i.e. by 1 hour and 22 minutes more than on Saturdays and almost 2 and a half hours more than on business days), what determines the way of spending this time, and hence the realizability of its health and development functions. Dominant for most Poles is home-centered use of leisure time, and particularly use of the mass media (mainly watching television), being enclosed in the circle of family and closest friends. At the same time, one can note still small, but progressing diversity of the Polish society with regard to the quantity and ways of using leisure time, being an outcome of changes in the transition process and civilisation development as well as a result of the growing polarisation of households in terms of the income earned (determining availability of certain forms of activity) and changes in life styles whose important element is the way of spending leisure time (Budget..., 2005). However, on the whole the average ratio of Poles' satisfaction with leisure time varies between the statements: rather satisfied, and rather dissatisfied, what proves that their needs in this respect remain unsatisfied to a significant extent (Czapiński, Panek, 2005; Table I). Without doubt, this assessment has been influenced by material aspects (mainly determining the way of spending leisure time), especially when we take into account that in the period 1990 - 2005 more than twofold decrease occurred (from 15 to 8%) as compared to 1989 in the share of spending on leisure time in total expenses in Polish households. Also when compared to states of the European Union, these expenses are on average twice as small, at comparable leisure time resources. Therefore, the pattern of spending leisure time pursued by Poles is not entirely consistent with their preferences and growing consumer aspirations (Burlita, 2006).

Table I. Average level of Poles' satisfaction with work and spending of leisure time (scale: 1-very satisfied, 6-very dissatisfied) in 1991-2005, in % of total answers.

Satisfaction with:	1991y.	1992y.	1993y.	1994y.	1995y.	1996y.	1997y.	2000y.	2003y.	2005y.
Work	3,04	3,03	2,96	2,97	2,91	2,88	2,82	3,07	2,99	2,96
The way of leisure time spending	3,20	3,26	3,29	3,26	3,19	3,21	3,05	3,31	3,11	3,02

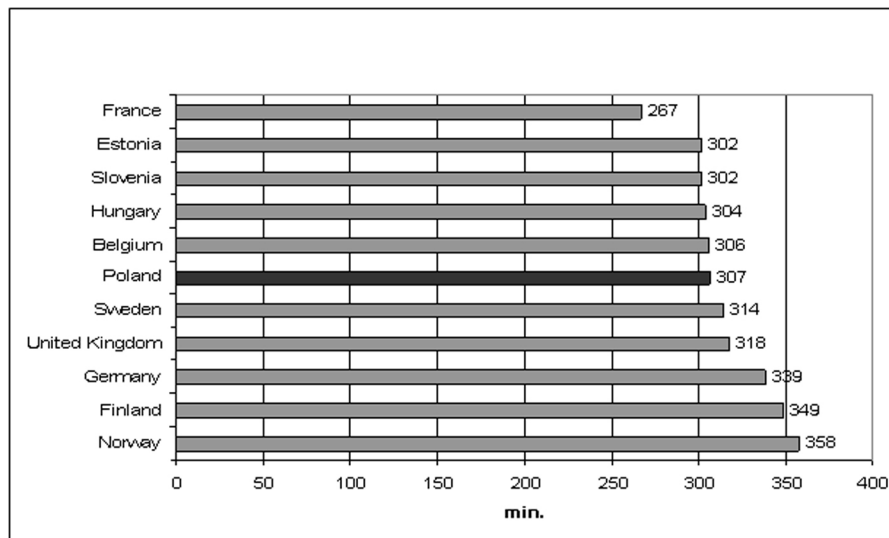
Source: Czapiński, Panek, 2005.

Figure 1. Participation of expenditures on leisure time in overall expenditures of households in Poland and in selected European Union countries



Source: Eurostat, 2004

Figure 2. Average leisure time resources of Poles' against other European nations (minutes a day).



Source: Comparable, 2005

Low satisfaction from leisure time is also an effect of the problem of the lack of time (particularly leisure time), experienced by a growing group of people, associated with the accelerated pace of human life. It is true that according to research of the National Statistical Office on average only (or perhaps as much as) one third of all Poles complain about "the lack of time" for performing all scheduled occupations (Budget..., 2005). However, here on one pole one should put affluent and educated persons who much more often feel time-related stress and for whom time (and actually its lack), and not the level of income is more and more often becoming a barrier for consumption. On the opposite pole, there are unemployed persons or those with very low income, for whom leisure time, despite its relatively abundant resources, is often becoming the time of forced passivity (due to the impossibility, arising out of economic reasons, to spend it in accordance with one's preferences and interests), not meeting its basic functions.

Conclusion

In the powerful compression of time, typical of the contemporary human life, the ability to handle the time more and more often determines personal success or failure of an individual. In this aspect, an important role, from the point of view of functioning

of a person in different spheres of living, and hence the possibility to satisfy specific needs, is played by the relations between work and leisure time, as elements of the budget of time, and at the same time, areas of contradictory and mutually conditioning activities.

A significant effect on Poles' behaviour at the workplace and in leisure time as well as their attitude to these two activities had the political transformation and any accompanying civilisation changes. Relatively high place of work in Poles' system of values as compared to leisure time suggests not only difficulties in finding and maintaining it, or treating work as a place of development and self-fulfillment. Work is also fostered by consumption. Poles' growing consumer aspirations related to the need, common for Western cultures, of obtaining growing quantities of better and better goods (especially after earlier experienced troubles with inadequate supply) increase the role of work as a source of funds for financing present or future consumption. This also applies to consumption related to leisure time, although, on the other hand, this is often at the expense of prolonging the time of work and restricting leisure time. However, without doubt most Poles attach far greater importance to material than time-related aspects of welfare.

Figure 3. Relationships between work and leisure time of Poles' in % of total answers.



Source: Modern, 2003.

Such a situation carries both positive and negative effects, as examined from the point of view of the possibility to satisfy own demands of an individual and their household, as a whole, as well as the level and quality of life. Longer working time means also higher income, and hence higher level of consumption (including consumption of goods and services necessary to increase resources and use of free time) and changes in its structure. On the other hand, however, the lack of balance between professional activity and family life and leisure time is the cause of not only a sense of overcrowding or missing time but also formation and intensification of such conditions as: stress, mental and physical exhaustion, burn-out and diseases. This is especially true in view of the fact that Poles devote to work not only a substantial part of their time but also most of their life energy. Only 38% maintain balance between work and leisure time, almost 43% leave more energy at the workplace, and 19% rest more actively than works.

This means that "vita activa" i.e. active life, related to work and action has dominated almost completely the life of a considerable group of people (particularly educated people, working on managerial positions, managers and business

owners), at the expense of both sleep and "vita contemplativa", namely the time allocated for contact with oneself and nature, rest and entertainment (Modern..., 2003; Kępińska, 2004).

Questions:

1. From among human activities name those, which can be categorized as leisure time. What is the role of these activities in man's life?
2. On what in your opinion does the amount of leisure time and the way it is used depend?
3. What in your opinion is the role of work in man's life.
4. Name socio-economical and civilization changes of last dozen or so years, which in your opinion affected the management of time by Poles, considering especially the relations between work and leisure time.
5. On what in your opinion does the increase of expenditure on leisure time of Poles depend?

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SURVEY OF MARKETING OPERATIONS IN THEORY AND PRACTICE – DETERMINANTS AND CONCEPTS

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Abstract

Strong turbulency of competitive environment results in that the contemporary enterprises have to continuously compare their activities with its conditions. Thanks to satisfying the customer needs, the companies may obtain their own benefits, a scale of which depends on a level of effectiveness and efficiency of own and competitive companies' marketing actions.

The way of surveying the effectiveness and efficiency is determined, first of all, by a sphere or marketing application (e.g. material goods marketing, place marketing, or value marketing). The survey in enterprises additionally depends on marketing development stage and on extent to which it is used in the enterprise. It may depend also on the company size, its financial and marketing resources.

The article presents a concept of measurement in marketing from the theoretical and practical points of view.

Keywords: Marketing Management, Marketing Control

Part I

Determinants of marketing actions survey.

Modern enterprises operate in a strongly competitive environment, the characteristic of which is the turbulence, according to H. I. Ansoff. Therefore they have to permanently contrast their activities with the conditions of the market environment. By analysing its condition and their own capabilities, they create methods of action

that are the most suitable for the existing and the expected situation on the market. The process of competing causes a variety of methods of acting that may occur, such as: production, product, sales and marketing orientations (Kotler, 2005).

We are interested in the last variant that in the common understanding means orienting of a company to the market and the customers' needs. Such approach is to ensure the optimum fulfilment of needs through offering benefits and adequate profit level of a company. One may therefore say that simultaneously with the offer of benefits for customers, the company accomplishes its own benefits, the scale of which depends on the level of effectiveness and efficiency of marketing. The effectiveness means adopting of such methods and means of action that guarantee accomplishment of the assumed goal. If the goal has been achieved it means that the effectiveness is equal to 100%. An important issue here is the adequate expressing of a goal (quantitative or qualitative) and selection of surveying tools for assessment of the goal accomplishment. The survey is often conditioned by the possibilities of its accomplishment, which particularly applies to the qualitative goals, the example of which may be a goal specified as creating the company image and the possibilities of selection of surveying methods and techniques concerning the comparison of the customers' opinions (Strzyżewska 2002).

The surveying methods are in many cases conditioned by the stage of the marketing development and the scale of its application within an enterprise. The early stages of development are characterised by survey with use of questionnaires and simple statistical methods. More advanced stages are characterised by broader use of

qualitative methods, databases, analysis of regression, correlation, multiple factor analysis and concentration analysis (Garbarski, 1994). The survey of marketing actions is conditioned by the sphere of its application. Diversification in approach to the survey in the material goods marketing, marketing of services, place marketing or value marketing may be an example. The selection of surveying methods and the scale of application are also conditioned by the company size, its financial and marketing resources and treating the survey execution as a process. An important factor influencing the interest in the survey effect is a critical look at the marketing in the 90's of the last century and at the turn of the 20th and 21st centuries.

Concepts of survey in marketing

The subject literature turns our attention to four stages of assessment of marketing actions; such assessment can be based on:

- use of financial ratios
- introduction of non-financial factors
- making use of output data
- making use of input data
- introduction of multidimensional factors (Clark, 1999).

The financial ratios are used for assessment of the sales and profit increase in the value approach. The typical ratios are ROS, ROE or ROI. It should be also stressed that the ratios of return on the company value (net) and of the value growth for shareholders are used quite often (Kotler, 1994). The problem that appears at the application of the ratio methods is to find the adequate point of reference in the interpretation of ratios so that the results are given more dynamic character. We think that the possibilities of dynamic approach to the effects of marketing actions are created by application of cash flow and of non-financial factors such as share in the market, brand value and the level of the customer loyalty. The multidimensional method forms a dynamic and comprehensive surveying method, where the output data and the input data are the information base. The scope of use of this method is often limited due to its complexity. It is important for the assessment of the marketing actions to survey the marketing

resources, degree of marketing awareness and the marketing mix. Effective and efficient marketing action requires adequate structure and size of resources. These resources are diversified in the conditions of the competitive environment. It is about the material and non-material elements, their availability and optimum composition.

For assessment of marketing the following are important: image and reputation of an enterprise, marketing knowledge and experience, brand value and relations with a customer (Wrzosek, 2005). In the survey of the mentioned elements, quantitative and qualitative methods are used. The surveying concepts in relation to the company image are based on interviews, focus groups, semantic differences and the MDS method that makes use of the multidimensional scaling. Similarities between the companies are subject to assessment (similar sets are created). The effect of a survey is to determine the conformity of the existing image of a company with the expected one as well as with the image of a competitive company or in the market segments (Dowling, 1998).

The knowledge and the experience constitute one of the fundamental paradigms of the marketing. They determine the marketing activity and influence the effects of the company activity. There is a direct correlation between the level of knowledge and experience and the effectiveness and the efficiency of the marketing process. This in particular applies to the composition of instruments and activities essential for the accomplishment of marketing goals. Because the interacting force of the mentioned elements of resources changes over time, the measurement of mutual interaction requires application of dynamic approach that takes mobility of these resources into consideration. The assessment of effects may be carried out on the basis of the scale of gained new markets and the product- and organisational innovations; also the analysis of the degree of substitution nature of resources, of the ratios of their effectiveness and the final efficiency is useful.

In concepts of marketing surveying quite commonly adopted opinion is that maintaining of equilibrium between the marketing resources is decisive for efficiency of instrumental and functional sphere of marketing. The higher the efficiency is the stronger is the effect on the market and effectiveness of making the opportunities.

Earlier, considerable importance of brand in marketing effects survey has been indicated. The brand makes element of intangible assets and a special capital value for a company. For the problems taken up in the article, valuation of brand and measurement of the brand management effects are important. Valuation of the brand can be made with use of financial and marketing methods. The financial methods are based mainly on output data and their nature is that of ex post analysis. Among these methods there are rated: cost, market and income method. In the cost method the principal element is reproduction or replacement cost, and the method is used in relation to the brands of material goods. Extent of its application is limited due to a fact that the brand value is not a simple cost function. The income method is based on cash flows and allows determine the brand value in reference to the income it brings. Dynamic element, important for valuation, is the estimated future cash flow connected with this brand. The basis for the brand value determination may be also a value of so-called price bonus, i.e. a difference between price of the product marked with the brand and not marked with it. In income method the brand force is important, which is determined on basis of designated factors, for instance: market, stability, rate of acceptance, period of brand existence (Lin, 1993).

For evaluation of marketing actions effect on the brand the application of qualitative methods of direct and indirect nature is suggested. Acc. to D. S. Aakura the measures can be applied regarding brand recognition, brand recall, top of mind, suggested brand recognition and aided recall. In marketing survey of the effects related to the brand also the brand scaling is used by the conjoint and trade-off methods (Aaker, 1993).

Relations with customers are the objects of special interest in marketing, confirmed by a marketing concept of relation with a customer. This new marketing formula is based on multidirectional company relations with its environment. The principal feature of relation with customer is its direct interactive and long-term nature. The companies are geared towards the long-standing co-operation with the customers, based on close collaboration and loyalty.

It should be stressed that strength of connections grows along with the extent of individualisation and repetitiveness scale of the relations, which make grounds for partnership. For development of

partnership the strategic alliances are favourable. Surveying methods are considering changes of marketing efficiency, value of relations, value of customer, its profitability and loyalty. In the first case, the survey interviews and marketing audit are useful. Acc. to Kotler, basis of survey with use of these methods is determination within the company the areas of special importance for establishment of relations with customer. These are:

- orientation towards a customer
- range of marketing activity
- system of marketing information
- marketing strategies
- current effectiveness (Kotler, 1977).

Acc. to Nerver and Slater's concept in marketing evaluation consideration of the following problems is important:

- monitoring of customer preferences
- company attractiveness in customer's eyes
- customer full satisfaction as a criterion of marketing goal selection
- scale of changes in satisfaction level
- extent of pos-sale contacts with a customer (Nerver, 1990).

When taking this approach to marketing survey, there is a need to underline the importance of integration of the functions fulfilled by personnel responsible for identification and satisfaction of customer needs, as well as the importance of free information flow within the company. In the other way of survey the indicators of relations with a customer are used. The starting point for evaluation is a customer total value (CTV), which is made by a transaction value – purchase realised by a customer at the company at the given time.

Survey of marketing effects in the new areas of its interest.

The characteristic of marketing is a process of its evolution leading to its application in the other sectors of economy and in the areas of market subjects' activity. The example is territorial marketing (place marketing), which can be

described as recognising, creating and satisfying of the community needs and desires within the limits of territorial units. Beneficiaries of the operations are the local communities, while the subjects responsible for realisation of them are: government and local government administration and the other organisations participating in fulfilment of goals of the territorial units. The super goal of these units is providing the inhabitants with adequate living standard and quality. Fulfilment of this goal is supported by a number of interim goals, of which the surveying of effects may be difficult.

It can be assumed that surveying of efficiency of territorial marketing is a stage in process of management and control in territorial unit (e.g. in a region). It is including analysis of consumption level and structure, studying of enterprise development conditions, trade and local markets, and competition.

The important determinant of survey in territorial marketing is a possibility of unambiguous attributing of the action effects to the individual local government units. In practice, a considerable limitation is met in this respect, and also in direct transferring of surveying methods and techniques from the other marketing areas. When selecting methods, there is a need to take into consideration the unique nature of territorial marketing and also, of the goals adopted. The purpose of territorial marketing is to influence the opinions, attitudes and behaviour of internal and external customers through development of the appropriate set of means and instruments, which stimulate the exchange contacts. In context of the above comments the qualitative aspects gain special importance in surveying of marketing effects.

Marketing instrument, quite extensively used by the territorial units, is promotion, and included in it – advertising and public relations. Evaluation of these actions efficiency should be oriented towards research of communication effects and qualitative survey of advertising effectiveness. The survey can be carried out with use of indicator method and by monitoring the components, which create recipient attitudes.

Recapitulating analysis of the determinants and concepts of surveying in marketing, the following observations can be made:

- dominant is a financial aspect of evaluation, connected with managerial accountancy
- two trends in evaluation of marketing actions can be indicated: measurement of efficiency, effectiveness with use of financial ratios and non financial factors, and of efficiency on basis of marketing audit.
- analysing the proposals of Ch. Sevin, P. Kotler, W. Gregor and W. Rotgers, and also the suggestions of the other authors quoted in the article, it can be said that the trends are merging. It brings an observation that when surveying effectiveness of marketing actions, also the problems related to their efficiency are examined.
- the new areas of marketing require thorough analysis of the actions specificity and adjustment of methods of their evaluation. Special importance can be attributed to the qualitative methods and to the complementary sets of surveying methods and techniques.

PART II - APPLICATIONS

Surveying methods and techniques of marketing actions efficiency and effectiveness

Initially, for survey and evaluation of marketing actions the financial results were used (profit, sales, cash liquidity), which were to assist in proper allocation of marketing resources. In the recent twenty years, to a set of indicators used for evaluation the effects of marketing activity, among others, there have been added: market share ratio, customer satisfaction level, customer loyalty or the brand value, which do not omit the important elements of marketing activity and which show the effects of long-term activity.

Survey of a market share as a measurement of marketing activity effects is not as simple as in case of profit or sales. It must be noted that a market share as a marketing goal is applied in relation to the growing markets, where the measure in a form of sales growth may not be sufficient in context of fast sales growth of the competitors. Much less importance is attributed to it to the decreasing markets, in case of small companies and monopolies. Application of a

market share as a measure of effects is hedged with the following conditions: appearance of the new competitors always changes a market share sizes; drop in market share may result from aspiration for improvement of profitability; in determination of market share, selection of competitive reference system is necessary.

Customer satisfaction is one of the key factors in building process of long-term success of enterprise. The interest in satisfaction results from the market situation (i.e. its saturation, sales stagnation) and from searching for the methods, which allow increase the effectiveness of acting. Term of "customer satisfaction" can be defined in various ways:

1. as customer experience in result of cognitive processes integrated with emotional elements (Mazurek – Łopacińska, 2002) ,
2. as complex of experience in result of consumption (so-called holistic approach) (Parker, 2001) ,
3. as a process, where satisfaction is considered in reference to the individual stages of the product buying, consuming and using process (so-called analytical approach) (Baran, 2000) ,
4. as a result of comparing the subjective consumer feelings and experience with adopted reference basis (Otto, 1999; Marciniak, 2000).

The most often, satisfaction is described as the emotional condition, which originates the moment a consumer collates his/her experience and feelings resulting from the product consumption with expectations, individual standards or another evaluation pattern (Mazurek – Łopacińska, 2002).

To the set of satisfaction measurement methods there can be rated, among others: monitoring of the sales level, analysis of loss of customers, analysis of complaints, customer satisfaction research or TRI:M method elaborated by Infratest Burke (Otto, 2001). The first three methods are rated among so-called objective measures. Still, thanks to analysis of loss of customers or of complaints, the influence of only a part of factors, which influence the customer satisfaction, can be determined – real features of product, or customer requirements in respect of product. However, it is impossible to determine influence of customer expectations on satisfaction level. Another limitation is a fact that as

far as the monitoring of sales level is concerned, it is impossible to determine, if purchase is made by the same consumers, how and if change of sales value results from consumer satisfaction, or from the other factors.

The brand value is used not only as a measure of the effects of marketing activity, but also as an item in company's balance-sheet for tax purposes, for financial reporting or as a part of goodwill, when the company is on sale. Therefore, a term "brand value" is understood quite broadly and it can be treated as:

- characteristics that exist in the customers minds and have influence on their future decisions concerning purchase,
- set of behaviours of the brand buyers, participants of the marketing channel and of company owners, and the relations between them, thanks to which there are the possibilities to obtain higher sales volume and/or higher margin.
- excess of cash flow value of the brand products over the cash flow from the similar products, which are not marked with the brand.
- set of non-material assets related to the brand, which for a company and its customers constitute value added to a physical product. Non-material assets are: loyalty to the brand, brand awareness, perceived quality, the brand associations, as well as patents of trade marks (Panfil, 1999; Wrona, 2001).

On this basis it can be stated that there are existing two brand values, which depend on each other, i.e. the brand value in financial sense (which shows the brand's capacity to generate cash flows) and in sense of marketing (which shows the strength of customer attachment to the brand). The financial value of brand can be determined on basis of costs, market, income, or multiplier methods.

Marketing value of brand is connected with a consumer, because he/she is the one, who directly generates it to a high extent. In this approach, therefore, it is treated as a product value for consumer – above of the product explicable and commonly accepted functional features and usefulness. The methods, thanks to which it is possible to determine a brand value created by consumer, can be divided into direct and indirect, depending on the way the information about

brand value is obtained from a consumer. In direct methods the basis for value calculation are the results of direct research carried out on a group of consumers, focused on: recognition, remembering, preferring, intentions to buy, or buying of specified brand in some period of time.

Indirect methods are the typical *ex post* measures used for evaluation of effectiveness of undertaken market actions. In this group the following measures are included:

1. Market share,
2. Repeatability of purchasing
3. Price flexibility of demand
4. Extent of selling network coverage – that is the brand availability in shops or points of sale (Sojkin, 1996).

In literature of marketing also the methods can be found of direct evaluation of efficiency of the marketing actions in particular areas, for instance, in scope of product development, sale, distribution, advertising and other instruments of promotion.

In case of evaluation of the advertising activity efficiency there is a need to focus on the following issues:

1. test of communication effects of advertising,
2. influence of advertising on sales,
3. qualitative survey of advertising efficiency (1).

The first one refers to perception and remembering of advertising by the potential buyers, to change of attitudes towards advertising and spurring the customers into action. Three indicators can be used to survey the extent of advertising remembering, the value of which can be assessed on basis of interview. These are: indicator of spontaneous remembering, indicator of remembering proved by description, and recognition indicator.

It is more difficult to determine influence of advertising on sales, as the volume of it depends on many factors such as, for example: kind of product, level of prices, level of distribution, situation on the market, or actions of competitors. In this case the following factors are used to evaluate the efficiency of advertising: of advertising penetration, of advertising efficiency

and of potential on the market. Apart from the listed indicators, also statistical tools can be used to evaluate the influence of advertising on sales volume, e.g. analysis of variance (Strzyżewska, 2002).

In case of qualitative survey of advertising efficiency, there are used, for example, the opinions of the employees of enterprise that fulfils a function of distributor, seller or sales animator. For searching the relationships in case of qualitative survey, the statistical non-parametric tests can be used, which make it possible to find out, if advertising has had a significant effect on purchasing or sales growth.

In evaluation of efficiency of the other promotion instruments the indicators of various types are used. In relation to the supplementary promotion (sales promotion) they may be the following: percentage of sales realised on promoting conditions; display costs compared to sales value; percentage of the realised coupons; a number of potential buyers, who take part in demonstrations, or tasting; number of the interested customers appeared in result of demonstration. In case of personal sale there are used, for example, the indicators related to the buyers and service staff, and concerning a number of contacts with the buyers. While the basis for evaluation of efficiency of the actions in field of direct marketing are, the most often, two indicators: response rate and conversion rate.

When evaluating the distribution actions, one should remember that this process should start from determination of consumer needs, which should be satisfied by the services of channel: convenience of location, range of trade services, delivery time, and assortment pattern. Next, it is necessary to identify, which institutions of a channel are responsible for delivery of goods, and which for creation of the channel services. Not earlier, but when we have the above information, we are able to start evaluating a coincidence level of the goods and services flow with needs of consumers, and possible corrective actions can be planned.

The evaluation alone of activity efficiency in marketing channel can be carried out from macro- and micro-level (Stern, 2002). In evaluation on macro-level the following elements are used: efficiency, justice and capacity. They show that this is the evaluation of social aspect of distribution and

therefore, its efficiency is described as a general capacity to provide through the channel the level of services required by the final consumer at the lowest possible cost. This element contains two other elements, i.e. benefit and stimulation (2). Another element taken into consideration in evaluation of marketing channel is "justice", with use of which a degree of availability is assessed of the marketing channels functioning in a particular country for a citizen of it, and more precisely, a degree of taking care of difficult markets and market segments, in which not privileged or geographically isolated customers are found. The last element of evaluation at macro- scale is a capacity concerning the most effective way of using the financial resources of society to make it possible to achieve the specific results (3). Within the confines of this element there are distinguished: productivity (that means, the rate of production yield with which the product is manufactured in relation to the possessed resources, and with which the expenditures are used and spent), and earning capacity (as a general measure of financial capacity of the channel participants in scope of profits on investments, liquidity, growth).

Evaluation of marketing channel efficiency in micro- scale comprises seven criteria, that is: trading effectiveness, financial effectiveness, competences of intermediary, intermediary subordination to supplier, intermediary's ability to adjust, strengthening of intermediary position, and customer satisfaction. When all of them are considered, it makes evaluation of activity of the channel participant multifaceted (4).

Another possible way of evaluation of distribution actions efficiency, but much narrower, as it is limited only to physical distribution, is evaluation with use of indices, among which we can distinguish: delivery readiness rate, supply continuity rate, stock turnover rate, settlement rate of amounts due or unit distribution costs.

Now, basing on results of research and observations, it is adopted that on result of enterprise actions the influence has also a number of serviced customers, value of transactions they make, and the costs of canvassing and keeping them. Therefore, in evaluation of marketing actions directed at canvassing and keeping the buyers, the rates of canvassing and keeping them are applied.

For evaluation of actions in field of relations marketing from the perspective of value of the transactions made by customers, the most often there is applied the analysis of customer lifetime value, which is treated by some authors as one of the options to determine a value of relationship. The three-part division of results of research on the models of a customer lifetime value is identified with such an opinion, i.e. computational models of CLV, models of customer base analysis and prescriptive CLV models (Dipak, 2002). Another, similar (though with emphasis placed differently) possibility to demonstrate the CLV models, is dividing them into the models, which identify a customer value with his/her life cycle in the company, with profitability of loyal customers (described as narrow approach) and the models, which make an attempt to calculate a customer value and go beyond the transaction profitability (broad approach). To the first trend the views of Ph. Kotler; P. Doyle; R. Rust, V. Zeithaml and K. Lemon; S. Gupta, D. Lehmann, and J.A. Stuart can be rated. While, within the second trend, for example, a CLV model presented in M. Bauer, M. Hammerschmit and M. Braehler work can be rated.

According to Ph. Kotler (Kotler, 1994) a customer value over his whole lifetime depends on his annual income, length of loyalty period to the company and margin rate of obtained revenues. Lack of discount rate and retention rate, however, is a reason that analysis of customer value can be made only for the past values. The next models make it possible to determine a customer value ex ante, but they describe a customer value in different ways; for example, for P. Doyle (Doyle, 2003) this is a value of cash flows generated in period of using the offers of a particular subject by a customer.

Another approach to calculation of customer value is connected with application of RFM rate concept, what is reflected in a model of R. Rust, V. Zeithaml and K. Lemon (5). On the other hand, thanks to a model built by S. Gupta, D. Lehmann, J.A. Stuart (Gupta, 2001) on assumption that a company gains new customers in every period and loses some part of its own customers, it is possible to show the influence of customer value on enterprise goodwill. The proposed model in determination of a customer value is considering considerably more factors than in case of the other models. These are the following: life

cycle of various customer groups, number of customers canvassed in subsequent periods, income generated by the customers in different periods, customer rotation rate, cost of customer canvassing and a discount rate.

Considerably wider range of methods to survey a value of relations with a customer is presented by B. Gregor and M. Grzegorzczak (Gregor, 2006), who distinguish three groups of measures, which allow survey of profitability of the individual customers, marketing campaigns, or employees. Task of the first group of measures is to assist in confirmation of justification of carried out investments in CRM. The survey methods applicable to this purpose can be IRR, NPV or ROI Marketing. The second group of survey methods is focused on a customer value and it comprises a method of attributes, method of 5 stars, ABC analysis, RFM analysis, LTV/CLV analysis and customer capital, while the highest importance is attributed by the authors of this division to two latter methods. The third and last group of measures is focused on preferences. These are not the typical measures showing value of relation with a customer, but knowledge coming from this area has a significant effect on development and improvement of them.

Concluding deliberations on determination of the value of relations with customer, it should be stated that the initial proposals of the relation value assessment were based on ex post approach, what put limitations on practical usefulness. Nevertheless, it does not mean that such models have not been used in research. Still, tendency in the companies to use them was limited, for a reason of knowledge and skills scale in this field, and also due to concluding. Modern authors of the customer value models recognise as a starting point the analysis based on ex post data, but they expressly underline a need to include analysis in its ex ante dimension. This approach requires more complex models of customer value estimation.

Conclusions

One of the objections raised against marketing by its critics is difficult evaluation of the results. This objection is concerning e.g. the ways of marketing actions evaluation on basis of the classic financial indices; for this reason the authors point at the good grounds for application of the developed evaluation formulas of marketing effectiveness and productivity in dynamic approach, underlining the

importance of market specificity. In this respect, classic survey of a market share and of increase in sales requires taking into consideration the changes in the market competition structure and dynamics (if it is growing or decreasing market), as well as the changes on the company operations scale.

In the marketing operations the companies follow a principle of efficient acting, expressed in form of objective maximisation at the limited resources. Considering this fact, evaluation of effects of the marketing actions should be based on the interconnected qualitative and quantitative methods. In practice, clearly visible is use of the direct and indirect methods. The example is the Du-Pont method. Useful and more and more widely used method of evaluation is value of relations with a customer. Interesting variety of this method is a formula of consumer return from the assets, presented by Booze and Allen. This method assists in considering the customers' behaviours to a higher extent and in limiting focus on product behaviour.

Endnotes

1. Another method of survey of effectiveness of the advertising activity is regular monitoring of three components, which create the customer attitude: cognitive component (where the indicators are: awareness of advertising existence, recall rate and recognition of advertising, brand existence awareness, rate of listing the particular brand at the first place among the products of specific category), emotional component (it is reconstructed on basis of analysis of customer attitude to a brand, the brand image existing in customer mind, or motivation in relation to preference of the particular brand), and behavioural component (determined through questions about declared intention to buy the particular brand or degree of using the particular brand). (Romański, 1998).
2. Benefit is a short-term survey of ability of the channel participants to make an effort to meet expectation of end users in field of services, while stimulation is a long-term survey of ability to stimulate hidden need in purpose to achieve optimal demand level.

3. Selection of "justice" and "capacity" as the elements of evaluation of the marketing channel efficiency is suggesting that it is the enterprises obligation to join in implementation of pro-consumer policy, the elements of which are improvements in distribution of basic consumptive goods and services, or promotion and protection of consumer economic interests (understood as a government policy aiming at providing consumers with maximum benefits from their financial reserves)
4. According to the authors, the best research technique to evaluate the acting efficiency of a channel participant is questionnaire, where all criteria are evaluated at Likert's seven grades scale (Stern, 2002)
5. Cf. Driving customer equity, The Frea Press, N.Y. 10020. 2000 p. 265

Questions:

- 1) Specify the conditions and determinants for a need to survey the marketing effects.
- 2) What does marketing effectiveness and marketing efficiency mean?
- 3) Describe the typical development stages of marketing actions evaluation.
- 4) What are the possibilities to evaluate the effects in territorial marketing?
- 5) What are the basic financial indices in evaluation of marketing actions and how are they interpreted?
- 6) Describe the direct and indirect methods of marketing actions survey.
- 7) What does a customer satisfaction mean, and how is it measured?

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BANKS' VALUE INCREASE AS AN OBJECTIVE – AN EXAMPLE OF THE POLISH BANKING SERVICES MARKET (1)

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Abstract

Dramatic changes, occurring in the Polish banking services market in the last 17 years, gave rise to the implementation of market methods of fighting not only for clients but also for shareholders. In order to be able to develop and build a permanent competitive advantage, banks must seek new capital by attracting appropriate investors. They can achieve this by creating promising perspectives with respect to long-term generation of funds at a minimum level expected by investors. Only the banks orientated towards the increase of their value in the long-term can accomplish that, rather than those orientated towards the short-term increase of their market share or profit.

The aim of this article is an attempt at evaluating the impact of changed market conditions on the system of banks, operating in Poland, objectives, as well as determining the place of shaping a bank's value in the structure of objectives to be met.

The conclusions presented in the paper have been formulated on the basis of both secondary and primary sources of information. Primary research involved interviews with head office managers of banks quoted on the Warsaw Stock Exchange. Secondary research involved analysing materials published by the banks. These included: annual reports of these financial institutions, their operating strategies, information published for investors and publicly available information posted on the internet websites of these banks.

Keywords:

Banking services market, bank's value increase, bank's objectives, Poland

Introduction

Continuous changes in the global economy, significant acceleration of changes occurring in Poland over the last twenty years, including capital markets evolution and ever more common words of criticism from the economists, questioning whether profit is to be the basic business objective (Gruszecki, 2002, p 172; Rappaport, 1999, p. 16; Anderson et al., 2004, pp 174-175) have led to a serious change of opinion regarding management styles and their chief objective. Nowadays, a company is treated as a specific collection of its owners' funds, contributed in order to have them enlarged. Thus, their role in company management processes is strengthened, as a result, forcing the banks to adopt such form of company review which is acceptable to the shareholders. Because of this, their chief objective ought to be increasing financial benefits of the company's co-owners, expressed as the increase of the company's market value in the long-term (Struzycki, 2002, p. 292). On one hand, a company's value increase shows an objective managing a given entity, on the other hand the adoption of this criterion shows aiming at an increase of the issued stocks value, that is higher benefits that shareholders draw from the funds engaged in a company (Duliniec, 1999, pp 35-36).

The popularisation of a company's value increase as its objective results from the development of Value-Based Management, VBM. According to St. Kasiewicz and H. Mozaryn (2004, p. 61), the theoretical basis of the concept dates back to the 1950's and 1960's in the works of such economists as: Markowicz, Modigliani, Miller, Sharp or Fama. The term was used for the first time in the 1980's by Norman Kurland, said to be the pioneer of establishing employee share ownership schemes (Brohawn, 2005 cited in Dudycz, p. 30). However, the actual development of the idea occurred

in the 1980's, when A. Rappaport (Creating Shareholders Value; 1986) and T. Copeland (Valuation: Measuring and Managing the Value of Companies; 1994), recognized as VBM creators, published their first research in the field. According to the concept, a company's value increase is a fundamental criterion of its efficiency and only the perspective of owners' interests guarantees at the same time accounting for the interest of the remaining stakeholders, i.e. clients, employees, suppliers, local community, etc.

Methodology

The aim of this article is an attempt at evaluating the impact of changed market conditions on the system of company's objectives in Poland as well as determining the place shaping a firm's value in the structure of objectives to be met. The market of banking services was chosen as the area for the analysis in this article. The accomplishment of a primary aim, which is a market value increase, seems to be at the same time a particularly important and difficult issue in the case of banks. Because, on one hand, their operation is hedged around with numerous regulations, due to their function as an economic stabilizer as well as due to goals set before them, related to the security of the funds entrusted to them (a bank as an institution of public trust). On the other hand, like most entities operating in the market, they have to generate profit in the long range and thus increase their value (Marcinkowska, 2003). Therefore, on the basis of the following reasons one can argue for the need of a bank's value increase (Swiderski, 1999, pp 36):

1. Market value is the best measure of results obtained in the long period of business activity.
2. Bank's owners (shareholders, stockholders) have a keen interest in increasing their capital.
3. The banks that do not obtain good financial results are bound to experience capital outflow to the competition.

In order to achieve the objective of this article, both secondary and primary sources of information were used. Secondary research involved an analysis of materials published by banks. These included: annual reports of the financial institutions, their operating strategies, information published for investors and publicly available

information posted on the internet websites of the analysed banks. Whereas for the purposes of primary research all the banks quoted at the Warsaw Stock Exchange were selected (2). The reason for selecting these banks was that, as mentioned before, market value is considered to be the best measure of company results. Since it demonstrates how the market evaluates the efficiency with which the management operates an entity. This evaluation is conducted in the capital market. One should then assume that listed banks ought to be particularly interested in their value increase. The data collected and analysed in the study was of qualitative nature. 12 out of 15 banks listed at the stock exchange participated in the study (3). Among the banks not included in the analysis there is one institution that does not operate in the Polish market and two institutions which did not consent to participate. The research involved: direct interviews conducted by the author with a survey questionnaire. The head offices managers of these institutions were interviewed at the beginning of 2007. In some cases, upon their suggestion, the interviews were conducted with regional managers of these banks.

Transformations in the banking services market in Poland – background

Over a dozen or so years the banking services market in Poland has been undergoing dynamic transformations, which has irreversibly changed the image of modern banking. Observation of the market turns our attention to one of the most interesting phenomena of the modern economy, one which is most prominently discussed in literature. It relates to the evolution of banking from the status of a sector most heavily protected by government regulations, thus shielded from threats, to the status of the sector subjected to strict rules of competition (Pietrzak, 2003, p. 7). This phenomena has led to the adoption of market principles of fighting for the client, therefore gaining a competitive advantage. Although certain regulations may be deemed as beneficial from the point of view of the economy and the clients' security, many of them prevented the formulation of competitive attitudes in the banking sector, thus making it unnecessary to strive for the establishment of co-operation with clients. In Poland this situation changed in the late 1980's – perceived as the period of crucial transformations in Polish banking, together with the adoption of a new banking law and the Act on National Bank of

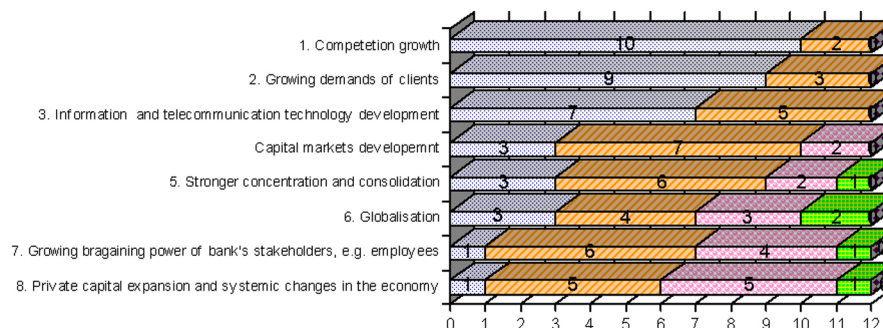
Poland (NBP) on the 31st of August 1989 (Journal of Laws 1989, No 4, item 21 and 22). This was the starting point for the transformation of the banking sector towards a market model through deregulation (reduction of institutional and legal limitations) and liberalisation (removal of barriers for free capital flow). A group of commercial banks were selected, which became autonomous in formulating the profile of their operation, the level of profit margins, interest rates and all matters related to the economics of banking (Baka, 1997 cited in Pietrzak, p. 65), which resulted in the onset of competitive processes in the domestic market of banking services. New licensing principles introduced, leading to the establishment of new banking institutions, the start of state banks privatisation as well as the admission of foreign capital and foreign financial institutions to the Polish banking sector have all formed the basis for an unprecedented rise of competition in the domestic market. Another Act on Banking Law of the 23rd of August 1997 (Journal of Laws of

1997, No 140, items 938 and 939) sanctioned these positive tendencies observed in the market analysed, which is the fastest developing sector of the Polish economy. According to the information obtained from the NBP, there are currently over 70 commercial banks operating in Poland (4).

Influence of a change of conditions on the aims and operating strategies of banks in Poland

The fact that nowadays competition constitutes an inherent feature of the banking services market in Poland was confirmed in the study conducted by the author. On the basis of a review of literature, the author determined eight important phenomena affecting the conditions of banks' operation in the local market in recent years. The participating entities specified the rise of competition as the most significant factor, determining their aims and strategies of operating in the market (chart 1).

Chart 1. Influence of external factors on the bank's aims and operation strategies (number of indications, N = 12)



Source: Own study based on direct research

This factor received the highest average grade (5), obtaining 4.83 points, and 10 entities out of the 12 entities analysed recognised it as a very important external element influencing the formulation of their market operating strategy. The awareness of the threat from competition is evident in the opinions of the banks' managers participating in the study. The President of BRE Bank S.A., in an interview conducted by the authors of a survey titled 'CEO Experiences – CEO Challenge 2006' (www.pl.capgemini.com), said:

'Competition is fierce. We have all the best specialists in the world, the best brands and companies. That is why current market growth is an opportunity for the chosen ones, and not a guarantee for all.'

Intense competition forced banks in Poland to become more active in the creation of their image, diversification of their products or in winning new clients. This activity of banks, together with an increase in the level of clients' education, their wealth and their awareness of a bank's role, and consequently an increase of the demands they

have in relation to their banks, completely changed the previous position of clients. Their growing and changing expectations and financial needs make them now look actively for innovations that would be suitable for the business activity they conduct or their special needs. They are prepared to turn to the institution which will best satisfy these needs. Therefore, the effectiveness and efficiency of the actions undertaken by banks nowadays clearly requires them to take these needs and expectations into account in the strategies they prepare. These observations are confirmed by research results, which show that growing demands of clients are the second important factor, determining the aims and operating strategies of banks in financial services market in Poland (average grade = 4.75). Nine out of twelve participating entities assigned the highest grade to this element.

When discussing the changes occurring in the banking services market in Poland and affecting the operating strategies implemented by banks in the market, it is impossible to omit a factor of fundamental importance – the development in information and telecommunication technologies. The factor is considered to be of particular significance as regards to its impact on a bank's operation (average grade-4.85), with seven banks regarding it to be very important and five banks – as important. A. Janc (2002, p 6), quoting the opinions of the World Bank representatives and of international experts, believes that Polish banking sector entered the 1990's, a decade of political and economic breakthrough in Poland, with the opinion of being one of the most backward sectors of economy in the country. At present, after 17 years from the period of transformation, banking belongs to these sectors of economy where information technologies are implemented the fastest (Gospodarowicz, 2002, p. 7). Banks' expenditure in this respect currently constitutes the biggest part of operating costs. The progress in the field of information technology, telecommunication or communication technologies has significantly contributed to streamlining the organisation and management of banks, thereby making it possible to accomplish the objectives set, generating savings and improving banks efficiency. Moreover, modern technologies determine the possibility of modifying and diversifying financial services for clients, automation of client service or ways of the offer distribution.

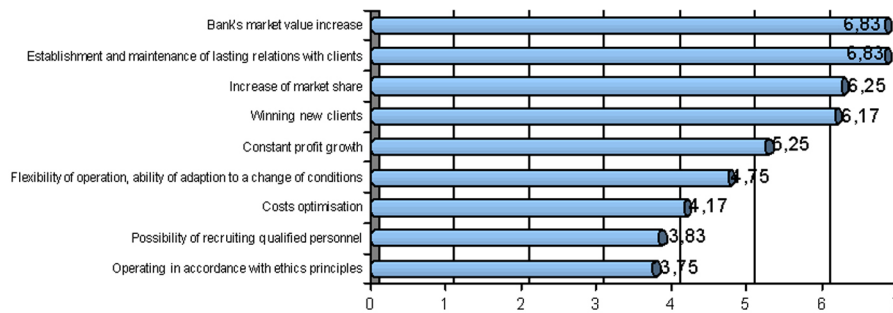
Analysing the phenomena which influence the decisions on the choice of modern banks' operating objectives as well as strategies implemented by them, globalization and capital market development in the Polish economy also deserve particular attention. The turn of the 20th and 21st centuries is the time of the internationalisation of the economy, a process linked to growing trade exchange and international capital flow on a global scale. The sector of banking services was one of the first to join the globalisation process, at the same time performing the function of a stimulus for changes (Pietrzak, 2003). Furthermore, it is worth emphasising that these phenomena create favourable conditions for investing capital abroad and they lead to the development of competition not only for clients, but also for capital, essential to banks for new investments and further growth. Nowadays, an even bigger proportion of new investments is placed into financial assets, e.g. banks' shares. It is estimated that currently over 80% of banks' capital in Poland is made up of foreign capital (Korenik, 2002, p 76). In the view of the banks participating in this study, these phenomena also significantly affect the nature of activities conducted in the market. On the one hand, they force the banks to a more intense competitive struggle with foreign banks, commencing their operations in the Polish market. While on the other hand, the presence of foreign capital in formerly Polish banks leads to a quicker introduction of new banking services, innovative methods of rendering services, it enables the improvement of technologies and IT implementation in banks as well as raising the quality and qualification of banks' personnel. Although the respondents assigned a slightly lower importance to capital market development and to globalisation in comparison with previously analysed factors (respectively, average grade amounted to 4.08 and 3.67), but one may assume that is it due to their rather macroeconomic nature.

One of the factors that decidedly affects the course of transformations in banks operating in Poland is ever stronger incidence of concentration and consolidation in the domestic banking sector. These result in a larger and financially stronger organisational structure with a bigger capital potential. Consolidation of banks creates opportunities for lowering operational costs and improving effectiveness, it also makes obtaining modern banking technologies easier. Banks are

forced to constantly adapt to the demands posed to them by the economic reality, and as a result they are able to put their personnel of specialists to better use, obtain greater investment opportunities and strengthen the position of a new entity in the market. Empirical documentation shows that the consolidation processes and the sector concentration ranked fifth among the factors most strongly influencing the objectives realised by banks in Poland (average grade–3.93). The lowest importance was assigned by the interviewees to the bargaining force of banks’ stakeholders (average grade–3.57) and to private capital expansion (average grade–3.5).

The present change of conditions, in which banks currently operate, naturally pose numerous challenges and their undertaking has a capital importance to the further growth of these entities. A particularly interesting research finding is that the participating banks’ managers deemed their banks’ value increase to be the crucial challenge facing their intuitions. This factor, along with the creation and maintenance of permanent relations with clients, both ranked first with an average grade at 6.83 (6) (chart 2).

Chart 2 Challenges facing banks*



* Respondents were asked to rank the challenges enumerated in the survey in order of importance

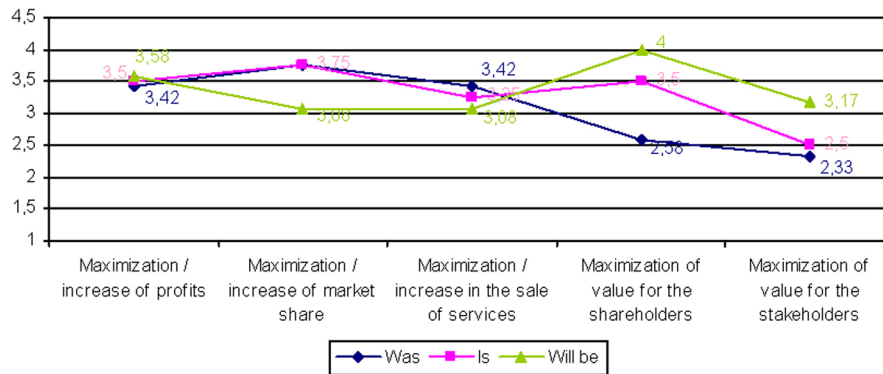
Source: Own study based on direct research

Bank’s market value increase was ranked as the biggest challenge by four banks, among them Bank Ochrony Srodowiska S.A. (BOS S.A.), BRE Bank S.A., PKO Bank Polski S.A. and Bank Millennium S.A.

The obtained empirical documentation is convergent with the general tendencies noted in this respect among companies operating in Poland. Since an all-Poland research, conducted by Krakow University of Economy (7), shows that domestic companies even now seriously consider the creation and increase of their value. In the opinion of the respondents, it is of greater importance than current profit ratios and profit margin ratios.

Bank’s value increase as its objective

The phenomena presently observed in the Polish banking sector, that is consolidation processes, competition intensification, the need for financial funding and capital markets development, compel the banks to strive for their market value increase, and thus for the value increase for the shareholders as their chief objective. The research conducted by the author demonstrates that domestic banks, when formulating their main objective, no longer concentrate exclusively on sales maximisation or profit share. They are becoming oriented on increasing their value, an activity convergent with the shareholders’ interest. The opinions of the participating banks’ managers unanimously confirm this observation (chart 3).

Chart 3 Evolution of objectives realised by banks (average grade)

Source: Own study based on direct research

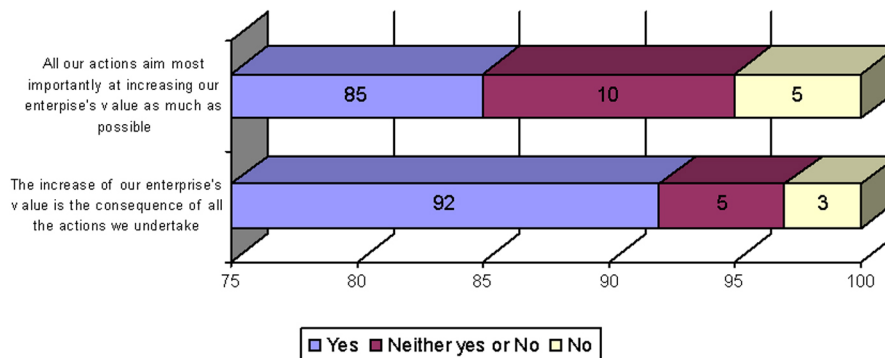
In the past the main objective of these entities was related to the increase of market share (average grade-3,75 (8)). Half of the banks assigned the highest grade to this objective. The following objectives ranked next: maximization of profits and maximization of sale of services (both merited an average of 3.42 points). At present, with the above-mentioned objectives remaining at the same level of importance, one can observe a significantly greater focus of banks on the increase of value for the shareholders. According to the respondents, the accomplishment of this objective will also be dominating in the future. While only one bank (Millennium Bank S.A.) recognised this objective as a crucial one in the past, this number rose to three entities (BOS S.A., Citibank Handlowy S.A. and Millennium Bank S.A.) at present and to five entities in the future (Fortis S.A., BOS S.A., PeKaO S.A., Citibank Handlowy S.A. and Millennium Bank S.A.).

Bank's endeavours at increasing its value, while beneficial to the shareholders, are not in contradiction with the interests of other parties. The best banks demonstrate their value not only to the shareholders, but also to their clients (e.g.

high quality products, financial security), to its employees (job security, guarantee of earnings), to the state and self-government authorities (taxes). Unfortunately, empirical documentation shows that, despite a noticeable rise in the ranking of this factor, maximization of value for all of the bank's stakeholders is not and will not be a dominant objective in the foreseeable future.

The conducted field studies lead to the conclusion that in Poland the actions of banks, aiming at the increase of their value, are thoroughly planned. All of the financial institutions analysed declare that the actions they undertake are intended to eventually increase their value, and that they consider the forming of the bank's value to be the most critical condition of their operation. The research conducted by Krakow University of Economics, quoted previously, corroborates these opinions. Since a decided majority of the participating entities concurred with the claim that banks' value increase is the consequence of all types of activities they undertake and that, above all, the entities' activities aim at building their value (chart 4).

Chart 4 Enterprises' opinions on the market value of an enterprise (percentage in the population studied)



Source: K. Kapera, M. Kuziak, Kluczowe determinanty kreowania rynkowej wartosci firm, w: Marketingowe strategie budowania wartosci przedsiebiorstwa, ed. A. Czubala, Wydawnictwo Akademii Ekonomicznej w Krakowie, Krakow 2006. p. 217.

In order to verify the declarations of the entities participating in the interviews, an analysis of secondary materials, such as annual reports, financial statements or operating strategies, was conducted. This documentation leads to a conclusion that most banks, when specifying their mission, vision or objectives, take into account the needs of the three main stakeholders of these institutions, i.e. clients, shareholders and employees. These aspects have been presented very precisely and in an extremely transparent manner in the missions of PKO BP S.A., PeKaO S.A., Kredyt Bank S.A. as well as Citibank Handlowy S.A. For instance, a quote of interest taken from the mission of the biggest retail bank in Poland - PKO BP S.A., which stresses that: 'Powszechna Kasa Oszczednosci Bank Polski (PKO BP S.A.) has been and will remain a universal bank with a Polish profile for whom the Client is the most important asset. Enhancing its strong position in retail banking and the leading role in the market of housing loans, the Bank strengthens its position related to the service of business entities, including small and medium enterprises ... The bank ensures effective management of capital provided by its Shareholders and creates conditions for its Employees to thrive professionally.' Similarly, bank PeKaO S.A. declares its missions as: '...ensuring constant and attractive growth of the Bank's value to its Shareholders through strengthening its leading position on the domestic market and steady development on the markets of Central Europe as a universal financial institution, a reliable partner for clients and the best workplace

for the best employees.' Finally, the commitment of creating value for the three main stakeholders is evident in the mission of Kredyt Bank S.A. It emphasises that the Bank aims to be 'the financial institution of choice for a selected group of customers'. Moreover, the Bank's goal is 'to satisfy its shareholders through adequate profitability and earning the status of one of the largest Polish financial institutions by attracting and keeping the best qualified personnel in the banking sector'. In case of Citibank Handlowy S.A., in the mission the bank's managers stress their wish of '... offering world class products and high quality services to clients ... ensuring a high return on capital for its shareholders, creating an attractive and satisfactory work environment for its employees...'

In other institutions which the study included, the missions and objectives focus on ensuring the value for to main groups of stakeholders, i.e. shareholders and clients. That is the case in Nordea Bank Polska S.A., Banku Przemysłowo – Handlowego S.A. (BPH S.A.), Banku Millennium S.A. and ING Banku Śląskiego S.A. (table 1). Nevertheless, the commitment of these entities to ensure the creation of value for their employees can be found in their operating strategies. For instance, according to the institution strategy, the competitive advantage of BPH S.A. bank is to result from, among other things, the model of human resources management, supporting the accomplishment of its strategic aims and its mission.

Table 1 Increase of value for the clients and shareholders in the strategies of banks

Lp.	Bank	Declaration of mission and objectives
1.	Nordea Bank Polska S.A.	'We focus on creating value for our clients and shareholders ...'
2.	Bank Przemysłowo – Handlowy S.A.	'... is a leading Polish universal bank, concentrating on services to selected groups of clients ... the bank's objective is to win the trust and ensure the satisfaction of clients and shareholders .'
3.	Millennium S.A.	'... the goal of the bank ... is continuous growth of its value for the Shareholders , delivering premium quality universal financial services to all the Clients ' groups ...'
4.	ING Bank Śląski S.A.	Strategic objectives: strengthening of its market by, among other things, winning new clients , maintaining top quality client service and the bank's value increase

Source: Own study based on the banks' strategies

Another group of banks in their missions refer directly only to the idea of value for clients. Bank Zachodni WBK S.A. is a case in point. However, it declares that the value for clients will eventually result in extraordinary profit growth. It can be assumed that, by adopting this approach to profit growth in the long term, that the bank will be aiming to increase its value in this way. This is the conclusion drawn from its strategy. The situation appears to be similar in the case of BRE Bank S.A. and Fortis Bank Polska S.A. In their missions we find references to ensuring value to clients and employees. But the strategies and materials published by these institutions mention the role of the shareholders and the need to achieve certain financial indicators, which in the long term may translate into the value increase for these stakeholders.

In case of Bank Ochrony Środowiska S.A. (BOS S.A.) no references to the value for the shareholders or clients were found in its mission and objectives. For this institution the key aspect of its mission is acting for the environmental protection, which surely results from the specific profile of this entity and its statutory provisions, requiring its co-operation with organisations active in the field of ecology. This suggests active participation of this institution in creating value for local communities. Yet, the bank's source materials (e.g. its annual report) provide the information confirming due care of effective management of the funds entrusted to the bank, in order to maintain the degree of trust of its clients and shareholders. The bank declares that next to its commercial objectives of improving

client service through a comprehensive product range, through the increase of the bank's value or the return on capital, the bank is going to conduct its non-for-profit activity, dictated by the principles of Corporate Social Responsibility.

It is noteworthy that the remaining 11 banks (except BOS S.A.), although they do not openly declare their involvement in ensuring value for the other stakeholders (other than the shareholders, clients and employees) in their strategies, objectives or missions, it does not mean that they do not create such value. All the banks devote a lot of attention to the so-called social responsibility in their operations. Within this scope, they undertake actions for the benefit of the local community (charity actions), which prove their active involvement in this respect, only, as a general rule, these actions are not included in the mission or objectives of a formulated strategy.

Conclusion

In developing economies, Polish economy being a case in point, with large-scale mergers and acquisitions, more and more importance is attributed to the need for a systematic increase of an entity's value. Taking the creation of a bank's value as one of its operating objectives causes that all of its activity and funds are analysed with respect to their value generation opportunities. Research results presented in the article, both from secondary and primary research, lead to several conclusions. Firstly, the actions undertaken by banks with the view to their value increase in the

long term are thoroughly planned. They consider the creation of the bank's value as an essential condition of their operations.

Secondly, summing up the deliberations of the article, it ought to be clearly stressed that the declarations of banks' representatives participating in this research differ slightly from the records of the documentation they prepare. The managers of the participating financial institutions claimed in the interviews that the objectives they currently realised aimed chiefly at increasing the value for the shareholders. Whereas, secondary material analysis proves that banks concentrate on creating value not only for the shareholders. Their operations, to a large extent, take into account the interest of the remaining stakeholders, clients and employees in particular.

Thirdly, secondary material analysis leads to an assumption that the increase of value for clients, employees, local communities and other bank's stakeholders is mostly considered as a way of creating value for the shareholders, and not as an objective as such. This may justify why the increase of value for stakeholders is not treated as one of the bank's declared objectives.

Endnotes

1. The article was written on the basis of a scientific paper financed by the Committee for Scientific Research from the science fund for 2007-2008 as a research project on "The formulation of relations with clients in company's value concept" whose author is the project manager and its sole executor.
2. Their number at the end of 2006 amounted to 15 entities.
3. The banks which participated in the study include: PKO BP S.A., PeKaO BP S.A., Bank Ochrony Środowiska S.A. (BOŚ S.A.), ING Bank Śląski S.A., Bank Przemysłowo – Handlowy S.A. (BPH S.A.), Nordea Polska S.A., BZ WBK S.A., BRE Bank S.A., Fortis Bank S.A., Millennium S.A., Citibank Handlowy S.A., Kredyt Bank S.A.
4. Data from 16.08.2007; www.nbp.pl
5. A five-grade scale was applied, where 5 was a maximum value.

6. A 9-grade scale was applied, where 9 – maximum value.
7. The research, regarding the marketing strategies of a company value increase, were conducted in 2005 on a sample of 1201 companies in Poland, out of which 545 correctly filled survey questionnaires were qualified for verification. For more details, see.: *Marketingowe strategie budowania wartosci przedsiębiorstwa*, ed. A. Czubała, Wydawnictwo Akademii Ekonomicznej w Krakowie, Krakow 2006
8. A 5-grade scale was applied, where 5 – maximum value.

Questions:

1. What activities can banks, operating in Poland, undertake in order to increase their market value?
2. Why do banks start focusing on increasing their market value instead of market share and profit?
3. Propose some marketing activities that may enhance the process of creating bank's market value.
4. How has the process of globalization influenced the development of banking services market in Poland?

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HOUSEHOLDS OF THE SELF-EMPLOYED IN THE PROCESS OF BUILDING A NEW SOCIO-ECONOMIC SYSTEM IN POLAND

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Abstract

The article is based on literary studies and author's own research. It demonstrates how the households of the self-employed have come to participate in the process of building a new socio-economic system in Poland. The process has been contingent upon the conditions determining the possibilities and pace of development of the newly created private small and medium business entities, as well as psychophysical predispositions of the persons undertaking business activity. Socio-economic growth is therefore in great measure the effect of the initiative of the self-employed.

Key words: enterprise, households of the self-employed, living conditions

Introductory remarks

The political dogmas and economic concepts that were common in Poland for almost the entire post-war period, used to shunt small private enterprises and their owners onto the sidelines of the economic life. The prevailing system limited the possibility of becoming self-employed. During the 1990s the ownership structure of the Polish economy was thoroughly rebuilt and conditions were created that made it possible for the role of the private sector to increase. The emerging negative effects of the system transformations such as a high unemployment rate caused the households to realize more and more that their fate and living conditions depended on their own resourcefulness (Benacek, 1994, Davidson, 1999). It caused an attitude change in some part of the society towards a passive expectation for state support and in another part towards an active search for work in connection with retraining, gaining a new profession or becoming self-employed (Witek, 2005). Such attitudes of people, who want and are capable of beginning to work on their own responsibility and

at their own risk, of starting their own businesses, are particularly noteworthy. Their innovative and resourceful actions exert an influence on the social attitude towards the risk that is being taken, since positive effects of their work not only make the living standards of their households rise but also become a factor of economic growth.

Enterprise as a stimulant for self-employment

Paul Samuelson, who was awarded a Nobel prize in Economics in 1970, claimed that private property and economic freedom raise the efficiency of an economic system. Poland, in which after 1989 a sharp rise in enterprise has occurred, is an illustration of this claim. The number of small and medium enterprises has risen almost six times. Dominant position (in a quantitative respect) is maintained by enterprises of natural persons, the number of which has risen by ca 150%. In 2003 active SME (small and medium enterprises) constituted 99.8% of the total number of firms (Report..., 2004). The smallest enterprises that employ up to 9 people have the biggest share in that group and constitute 95% of the total number of firms. The share of small enterprises (10-49 employees) amounts to 4%, whereas of the medium (50-249 employees) to 0.8%. Big enterprises (over 250 employees) constitute about 0.1%. Employment in the SME sector in 2003 amounted to over 68% of all the employed in the economy, including 27.4% in micro enterprises (0-9 employees), 18.6% in small companies and 22.2% in medium companies. The share in creating GDP for the whole SME sector amounted to 48.6% (with 32.4% for micro-, 8.10% for small- and 8.1% for medium enterprises). Meanwhile in the EU-fifteen in 2003 micro enterprises constituted 92.4% of all the enterprises, small – 6.5%, medium – 0.9%, while big ones – 0.2%. And so in the countries of the EU-

fifteen small and medium enterprises constituted 99.8% of the total number of enterprises and provided employment for 69.7% of the working population (1). About 60% of the GDP of the whole Union was created in that sector. In the face of the above data it should be stated that the structure of enterprises in Poland in the respect of the number of the working people is similar to the one observed in the countries of the "old" Union. It is a fact of great importance since the sector is seen as strategic in the countries with a developed market economy for the reason of its significance for the economic growth and for the process of creation of the new jobs (U.S. High ..., 2000).

Therefore, one may say that the historic necessity to increase the pace of economic development, improvement of the living conditions has fallen to the resourceful individuals creating privately, on their own, the small and medium enterprises, and who have to show willingness for innovation, investment and taking risks. The following are listed as the reasons and conditions stimulating people into becoming self-employed (Haus, 2004):

- more and more possibilities to start operation in one's own private firm,
- difficulties on the labour market motivating individuals to become self-employed,
- a desire to verify one's own predispositions to operate resourcefully,
- carrying on a family tradition.

However the possibility of starting business activity was to a large extent conditioned by the owned capital. Starting even a small investment in the industry (especially with regard to the firms based on high technologies) caused difficulties with access to capital, because of high interest rates of loans and a lack of capital-risk institutions. In spite of the lack of support from the state, the resourceful individuals used to become self-employed and created new jobs without expecting help from the state, accepting the risk. Research shows that it has also been pointed to other aspects in the emerging resourcefulness reserves (Moszkowicz, 2004). The following are listed among them:

- the so-called "nomenklatura past" stemming from the past politically-socio-economic

structures. The background let the group benefit from its previously reached status and draw from the information resources, knowledge, experience and contacts from the past period making it possible to use the background rent in one's self-employment, that is to transform previous position of power into a source of wealth.

- Personal energy sources spurring individuals into action and stimulating them to take the risk of self-employment (self-made men). In the initial phase of creating a new system a part of the society used to benefit from the so-called "transformation rent" (a big demand for imported goods, currency trade, speculation, market niches etc), and a part made use of high professional competences and professionalism connected with leading specialist undertakings, opening private offices, agencies, doctor's offices. It especially concerned people of freelance professions.
- Own creative thinking suggesting ideas and prompting one to create a firm.
- Previously gained experience in leading one's own firm (before 1989), resulting in a desire to continue such an activity under the new circumstances
- The origin of a "new nomenklatura"– the way to business is shaped by state nominations to act as experts, official receivers, privatization organizers etc

The owners of micro and small enterprises after 1989 used to come mostly from the working-class (44%), educated (21%) and peasant families (20%). Before becoming self-employed they used to be skilled workers, installers and operators (38%), commerce and services workers (35%), managers or specialists (16%) as well as technicians and office workers (6%). Small private entrepreneurs started their activities mainly in commerce (49% of the total number of private companies), then in production (18%), in construction and real estate services (about 10% each) and in transportation (ca 8%). According to the Population's Economic Activity Study the self-employed outside agriculture in Poland (including the employers) comprise ca 12 per cent of the total number of the working people. The share is

running at the Union's average level (among both the EU-fifteen and EU-twenty five countries).

At present, simple resourceful activities reserves have depleted. The entrance into the 21st century of a post-industrial economy makes other demands. Hence, according to the research conducted by the Central Statistical Office, the largest number of new companies is being created by persons with higher and higher education (Warunki ..., 2006). New enterprises in 2004 were started by people with secondary – 39.1% and higher (including post-secondary) – 37.4% education. The smallest number of company owners had primary education 4.4%. The owners of new companies are also relatively young - in the 30-39 age bracket and below 30 years of age. Whereas the companies that have lasted over three years belong predominantly to the persons aged 40 to 44.

Changes in conditions for the functioning of small and medium enterprises

During the first phase of transformation in Poland the resourceful individuals used to achieve incommensurately high income to their financial outlay, the amount of time devoted to work, their engagement etc. Small entrepreneurs did not need to search for profit by means of market, product or marketing innovations etc., because the technological gap and civilization backwardness of the first phase of the transformation made it possible to achieve above-average profit by extensive market niche development or imitations of a product, technology and organizational nature, or by acting as agents in exchange on the new or developing markets (Klimczak, 2004). It must be stressed that there were many cases of the so-called unproductive enterprise that was connected with discovering and promptly taking advantage of legal loopholes that used to be a source of economic rent (Baumol, 1990). The phenomenon of rent-seeking, known from the economies of the developed capitalist countries, also took place in the countries that were undergoing a system transformation (including Poland) (Raczyński, 1998). The period of system transformation created unprecedented possibilities for an accelerated accumulation of capital for individuals taking advantage of privileged access to important information for people that were connected with the ruling elite (Mróz, 2005). The beginnings of the new century show that the private sector is

normalizing and entering the "normal track" of a fight for capital and market, as it is common in the western societies. Thus, taking into account the changes taking place in the possibilities of functioning for the small private companies, one must point out that among the factors influencing resourceful behaviours the following must be included in a greater and greater measure:

- educational factors (traits connected with resourcefulness that can and should be developed in the process of socialization, through school study, training courses etc)
- social factors (including cultural factors) – mainly connected with acceptance for company owners, what means overcoming the criticism towards individual, financial success of people creating private companies that had been building up over the years (Witek, 2005a).
- economic factors understood as a system of the rules regulating establishment and functioning of private companies (including, for instance tax system, obtaining loans, or rather the difficulties associated with it.)

Taking into consideration the increase in possibilities of independently taking up work in one's own company, the subject of concern are not only factors determining the legal basis to create these companies but also a broader perspective allowing to define the factors favouring the creation and functioning of the companies. Because of that, the scientific deliberations regarding company development point to the importance of the role of the entrepreneur in the survival and development of a company. Research confirms a positive correlation between the probability of the companies' survival and the entrepreneur's traits such as age, education level, or personal qualities (Preisendorfer, 1990). The desired traits in individuals taking up business activity and becoming self-employed include innovative character, acting dynamically, thinking through the angle of identified competition conditions, taking up challenges, readiness to take risks, responsibility for the results of the decisions one had made etc (Strużycki, 1998). These abilities admittedly do not protect one from failures; however, they can help in achieving a higher dynamics of an increase in the number of small companies, than in their collapse. Furthermore, they demonstrate how the attitude towards work of people taking up the challenge of working in their own company must be changed

in order not to fail. It especially regards young people, who, on the one hand have completed their higher education and are determined to achieve success, but in the majority of cases do not have the necessary practical abilities supported with previous experience. Hence, the decision to become self-employed and take risk becomes difficult, since about 30% - 40% of newly started small enterprises collapse in Poland during their first year. In the EU countries a similar percentage of companies disappear from the market during the first three years of functioning and 60 proc. during 8 to 10 years after the commencement of the business activity (Bał, 2001). Therefore, in order for small companies started by resourceful people to start playing more important role in the economy and to provide greater possibilities of creating own living conditions of the individuals, they should not only create new jobs in the quantitative aspect (although that is also important), but also in the qualitative one. It must be stressed that the coming into being and development of the group of self-employed people – private employers (owners and co-owners of companies) contributes to the change in the functional and socio-economic structure of the given area (region) by among other things:

- creating, initiating and development of new kinds of activity,
- lowering the unemployment rate by creating new jobs,
- an increase in the population's income,
- a change in lifestyles and living conditions and the consumption model of this population group,
- an increase in attractiveness of the area, where the business activity is being developed,
- stimulating the economic growth of the region and the country,
- creating and imitating the resourceful attitudes that translate into mobilization of economic development.

Support and stimulation of development of this group creates many benefits, both for the local communities and for a whole country. Judging by the reasons, which have made the companies' owners to establish them (need for personal fulfilment, freedom of action, fulfilment of professional ambitions, but in parallel, a will to upgrade own

and own family living conditions through reaching higher material standard), one should assume that these motivations are so strong as to make the aspirations of the owners for a success and development of their companies be fulfilled, and thus that they have positive effect on changing of the national socio-economic structure.

Selected aspects of the living conditions of the households of the self-employed

The information made available by the Central Statistical Office point to a high effectiveness of functioning of the households of the self-employed in comparison to other types of households, since these households rank the highest in respect of the realized consumption. Owing to the fact that they achieve the highest income, they possess greater financial resources, which manifests in:

- a) the level and structure of expenditure proving a fuller satisfaction of needs, which means a higher living standard
- b) investment in the human capital through higher spending on education, recreation and culture
- c) rational leisure time management favouring the types of activity that develop the personality and improve physical fitness

The Central Statistical Office's research indicates, moreover, that starting from 1993 the subjective assessment of financial situation made by households is definitely the highest in households of the self-employed. The author's own research also confirms that notion (2). It indicates that people in this segment declare a high level of satisfaction with their financial situation. Half of those surveyed state an improvement in it over the last 3 years and one third think that the income situation of their household will improve during the next three years. It is significant to the extent that according to the Central Statistical Office's research the biggest problem in the functioning of many households is a lack of money for current needs and more serious expenses as well as a fear of losing a job and of poverty in the future. Higher income of the households of the self-employed creates a higher current living standard and makes it possible to realize one's lifestyle (Witek, 2007). These households can afford to take advantage of a more and more common offer of varied food items and

realize their own consumption preferences. Their financial situation causes them to transfer as their income grows – their demand and consumption to products of a higher quality, more processed and prepared for consumption, more enriched, more attractive, what means more expensive.

The indicator of the state of fulfilment and ability to fulfil the group of social needs such as education, health, and leisure of the households of the self-employed is in a great measure the state of engagement in the work at one's own company. The achieved financial status of the surveyed group (half of those surveyed considered it to be high or rather high) is paid for with very high level of engagement in the work. Half of those surveyed finish work late in the evening, and one third often works on Saturdays and Sundays. Frequent business trips engage one fourth of the surveyed and one fifth has to be fully available 24 hours a day throughout the whole week .

Among the total number of surveyed assessing the work at their own company 42% state that the activities carried out by the company require them to upgrade their professional qualifications and over 46% that the work allows them to develop personally. Among the forms of raising their qualifications one third points to trainings and courses, one third to acquiring the skill of using a computer and the Internet, one eleventh to supplementing their education and taking up additional studies and a similar proportion to a foreign language study. Company owners are aware that with the "new civilization" emerging that relies on quick technological changes, global economic solutions, capital effectiveness as well as competition and rational resource management, the success of the companies operating on the market will be more and more dependent on the level and quality of education, understood as continuing process.

As the studies of OECD show it, these are especially the socially privileged groups (Graniewska, 1999) that participate in the continual education, and Poland is an example proving this fact. In transformation period the inequalities in access to education, existing earlier, became established or even deepened, putting a load mainly on the groups of a high risk of poverty. On the other hand, the households of self-employed, which have higher financial reserves, satisfy their educational needs in broader scope than a whole population. Purchase of educational aids and manuals relates

to every second, or third household, similar scale of reach is observed in respect of paid tuition and private lessons for children. Every sixth household makes use of courses and training to upgrade qualifications, and every ninth – of paid higher studies. Investing in education is concerning both adults and children. Parents, holding the funds, are aware also of civilisation transformations and of the need to invest in their own and their offspring intellectual capital. This is the reason that despite big time involvement in work and high availability connected with running their business that acknowledge the need to upgrade their qualifications.

Taking into consideration the over-average time dedication in the studied households, vacation leave often brought to minimum and stress at work, one should admit that these are the factors, which can have influence on health condition deterioration of the respondents. 54.3% confirm negative work influence on health condition and less numerous group (30.9%) is of opinion that work does not have negative effect on the human organism. Nonetheless, the entrepreneurs covered by the study evaluate condition of their own and their family health quite high, because bad and very bad health condition in relation to the children is indicated by not quite 1 per cent, to a spouse not quite 3 per cent and 1.7 indicate at themselves. While many households in Poland are not able to satisfy their needs in scope of health protection, the households of self-employed are in a good situation in this respect. Only 6% of the respondents, for financial reasons, can not afford using the chargeable services in health protection, while 22% uses them sometimes, and 71% uses these services always or often.

The carried out study allows demonstrate positive differences in a way of spending free time in comparison with a whole of population of Zachodniopomorskie Voivodship (Witek, 1999). They show in devoting more time than a whole population for sports, relaxation and cultural activities; on the other hand, less time is devoted to watching television at higher involvement in reading press. Additional characteristic is use of Internet, as well as devoting relatively less time to family gatherings and more time to gatherings out of home (pub, café, and disco). In a group of households of the self-employed under study also indicator of use of the cultural institutions

offer is definitely higher than in case of a whole of population of the West-Pomeranian region.

The conducted studies demonstrate that a group of households of the self-employed is a category of households, which declares high level of satisfaction with material situation; however, it is obtained with very high involvement in work, which has a negative effect on various spheres of private life. Sacrifices made in private life in connection with devoting to work in own company is compensated in parallel with a possibility of free action, fulfilment of professional ambitions and personal fulfilment. Thus, quality of professional life stays in relationship with involvement in and attachment of a firm owner to his/her working place, is in strong connection with performed occupation, and also with creation of the new possibilities for household functioning.

Conclusion

In a course of transformation process of centrally controlled economy into the market economy, high importance is attributed to resourcefulness. Resourcefulness is recognised to be a new, in the societies getting out from the real socialism, way of thinking and acting, which in individuals triggers willingness to undertake activity on their own, first of all – business activity, and to prefer it consciously in place of former using the goods and services provided by the state (Nowak, 1993). This ability is an important asset in making use of the new economic system features for positive changes in the society standard of living.

Progressing market facilitation, commercialisation of economic life in context of establishment and development of small private firms create favourable conditions for creation of the new values of material culture and poses for many persons challenge in terms of ambition, touchstone of their own capabilities, skills, resourcefulness, enterprise, a source of pride in achieved results. Also, a considerable acceleration of economic education and development of ability to undertake the enterprising actions in population, has an effect on small business development, which allows faster and greater independence of society and improvement of the material conditions of the households majority.

Endnotes

1. Calculated on basis of Observatory of European SMEs 2003
2. The study was carried out at the end of September and the beginning of October 2004, within the frames of grant of the Ministry of Science and Informatisation under title: "Living Conditions and Consumption of the Households of Self-employed". The study covered 1022 households of the self-employed, whose principal source of income was their private business. The people under study were the owners or co-owners of micro-, small or middle companies in Zachodniopomorskie Voivodship. The objects of study were the living conditions and style of this group of the households in relation to their work.

Questions:

1. What is Your opinion about development of small and medium enterprises in Poland after year 1989?
2. What are the main factors which influence on creating the resourceful attitudes? Which of them are most important?
3. Explain how development of small and medium enterprises may affect changes in country or regional economy?
4. Explain what reasons are for and what are against undertaking self-employment by young people?

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ESTIMATION POSSIBILITY OF THE CREATIVE CLASS POTENTIAL IN POLAND

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Abstract

The purpose of the article is to estimate the creative class potential in Poland. Firstly, the general approach of a creative class will be introduced together with measure methods of a global creative class index. Next some statistical data on 3Ts theory – talent, technology, and tolerance will be presented for Poland in comparison to some more developed countries of European Union. Finally, findings will be presented how to sustain and increase number of creative class in order to support competitive advantage of Poland on the global market.

Key words: Creative class, talent, technology, tolerance.

Classification: General review

Introduction

Today's perception of the world has changed so intensively during the last couple of decades, that no one is surprised anymore that it has become a global "village". This new perception of our globe, through the continuous shrinking of distance not only in geographical but also in human relations terms, has been achieved due to a technological development. This process has mainly increased the flow of information, which has no borders nowadays. New inventions and improved solutions in the fields of computing, telecommunications and the internet have become a milestone in the technological and also in intellectual evolution of humankind, helping to reduce the distance in the communication process. Further improvement on these time saving innovations has facilitated a more sophisticated chain of services such as on-line banking, virtual conferences, and wireless communication via phone and television. This never-ending progress has been influencing development of services and their continuous

growth in demand and sales, what initiated new forms of work and establishment of virtual organizations.

The creation of new ideas, know-how, and interactions of various skills are ascribed to human capital, which according to R.E. Lucas is a "social activity". In his opinion when highly skilled and educated people interact, they increase each other's knowledge, which is later added to the pool of human knowledge. The economic transformation is ongoing process, which till now has consisted of three characteristic periods. The first one was completely based on physical work on land, the second focused mainly on industry, using natural resources and materials including physical labor. Finally, the third one uses above all human intelligence, knowledge and creativity. However, each of these periods has used creativity up to its time standards.

Currently we live in an economy based on information or as some scientists believe, in an economy based on knowledge. Nevertheless we live during time in which economy develops as a result of human creativity, described as an ability of creating new and meaningful forms which at the same time are main source of economic value and competitive advantage.

Creative class theory and measurement methods

Many authors from managerial disciplines (Drucker, Bell, Fussel) were involved in creating and rising of new classes in the advanced industrial economies, which were described in various ways, as: knowledge workers, meritocratic class, X class, and the combination of bohemianism and bourgeois. However, Richard Florida, the author of the book "The Rise of the Creative Class" has popularized a new paradigm which has a significant impact in regional economic growth and is based on a creative class. He

theorizes that creative class consists of people who add economic value through their creativity. The possibilities of perceiving the creative class are through the social group and the way people identify themselves through economic functions. This is strictly bounded with social and cultural preferences, consumption and purchase behavior. The characteristic feature of creative class is that is involved in creating useful and new forms. It is important to underline, that creative class should be perceived in terms of its intellectual potential and not by their material situation.

R. Florida (2005) describes creative class through two components: a super creative core, and creative professionals. To the first group belong: scientists, engineers, university professors, writers, designers, artists, and researchers. Apart from their profession and their field of interest, they are directly involved in the process of creating useful forms, which become commercial products, as for example: music composition, computer program, novel or a vaccine against cancer. Their role is not only ascribed to independent and continuous tasks accomplishment but mainly to seek for permanent innovation, for instance: not creation of shower gel but noticing the fact that having a shower gel would be very useful. The second group consists of creative professionals - people employed in knowledge based occupations: technicians, financial advisors, healthcare practitioners, managers. Their work is mainly characterized by diversified situations – doctor examining his patient, judge dealing with divorce case – where they look for complex solutions, use interdisciplinary knowledge, linking standard solutions in an unconventional way. Whereas, the ones who generate concepts and stimulate creativity are not only creators, but also actively participate in everyday life, as they seek the various sources of inspiration that drive them towards new ideas.

The “infrastructure” of the creative class is people working in service sector. This is a response to the rising demand of creative class for services. Because of their intensive working time and high income, they outsource many activities, like: eat out of home, have babysitters, gardeners, housekeepers, guards. These tasks were mostly done by family members in the past, and now are taken over by service class. Generally, service performance does not require as much financial investment as production. Obtaining a qualified intellectual is much more time consuming and costly than training a manual worker. Therefore, as

we compare the productivity and input given by an intellectual and a worker, they are not of the same quality. The former is obliged to give new solutions, concepts, and deal with creativity while the latter only repeats learned activities that require an input of less advanced knowledge. In other words due to the differentiated level of work contribution given by creative class employees and physical workers, their participation in wage share also differs from one another. Additionally, people employed in the creative class play a significant role in the national economy through their contribution to GDP and income taxes. Besides, their purchasing power, every day and luxurious goods should also be taken into consideration because of higher living standards due to their greater income, reflected in their larger spending share, as well as a better ability to save money. The general idea of higher living standards of the creative class should also be understood in terms of ways spending the leisure time. The diversity of cultural events, entertainment, and sports will increase the attractiveness of a place to creative people. But as Florida underlines himself, the point is not just to attract people from other regions. It is to make the place itself more creative, which will do two things: one, organically grow a city's or a region's own creativity and, two, serve as fertile ground for those who do wish to translocate there (Zolli, Florida, 2004). Such people seek esthetical value in their entertainment which is a source of stimulation with an opportunity not only to be a participant but also a creator. At some point, people from the creative class stimulate employment growth in local services because of their various activities and diversified interests, which in turn tend to generate more needs and wants. Therefore, the creation of an adequate environment rich in differentiated stimuli should not be underestimated.

In order to receive a better view of how creative class percentage varies from country to country around the world, a Global Creative-Class Index (GCCCI) was established by R. Florida and I. Tingali. It is measured by the number of people employed in creative job categories, which are defined by the International Labor Organization (ILO) in each country and then divided by the country's total number of workers. Essentially, GCCCI is based on measures of 3Ts factor. These indicators stand for:

1. Talent – combines indexes of human capital, which represents a country's population holding a higher education but minimum

a bachelor degree and the number of researchers per million people.

2. Technology – is based on indexes of R&D expenditures reflected in a percentage of the GDP and number of patents granted per million people.
3. Tolerance – diversity based indexes related to religious and cultural diversity; cutting edge arts and culture; counter culture and “bohemianism” and sexual orientation (Florida, 2005).

The general comparison of GCCI was based on 39 nations, excluding some Asian and South American countries like: Brazil, Chile, China, France, India and Japan. In this comparison Poland places itself on the 26th position with only 17% of creative workforce, and stays far behind most European countries. Only four countries from European Union are behind Poland: Czech Republic, Slovakia, Portugal, and Italy. However, the differences among countries in GCCI will not be analyzed as it is not the aim of this paper. Further on the possibility of the creative class potential in Poland will be estimated based upon 3Ts taken from the statistical data resources of European Union.

Creative Class potential in Poland

Human capital and education are at the centre of a knowledge economy. More than ever, the level of education and skills will determine future social cohesion, prosperity and sustainability. In developed economies, the value of knowledge and information in all their forms is becoming ever more apparent, a trend that is being facilitated by the rapid spread of high-speed information technology. Human capital is defined by the OECD as the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being (OECD Insights, 2006). Of course, there are many economic benefits of human capital. But among many, two major ones belong individual perspective and national economy. Besides, human capital determines in a way economic growth. Countries with high levels of education tend to become wealthier, because their citizens are more capable of relying on own knowledge-based sources in obtaining a job than on national employment policy. In the worst case well educated

person may work as a physical worker if does not find intellectual work, but hardly ever happens that in an opposite way. More diversified abilities and skills of highly educated people tend to reduce their risk of unemployment. According to OECD statistical data from 2004 on employment rates by educational attainment in the age group from 25 to 64 of the labor force for Poland shows that people with a tertiary education are employed in 92%. On the other hand the unemployment rate for the same age group but with upper secondary and post-secondary non-tertiary education is on the level of 17%. In the worst situation are people who have education below upper secondary education, because almost 28% are unemployed. The higher educated receive higher earnings, which reflects in their greater input in GDP and purchasing power. Since the year 2000 there is a strong tendency in the rise of unemployment among people who are educated below upper secondary school, who are mainly working in the manufacturing sector. This tendency is because of the trend in price reduction of mass-produced goods in the developed countries, also in Poland. Due to technological developments, many basic tasks are being completed by machines, computers, and robots, replacing human simple labor. Thanks to this progress, goods are produced faster, of higher quality, and more effectively but with less human effort, which aims at people who are poorly educated. There are slightly more unemployed people with university education than in previous years. The reason for that is the fact that access to higher education has become easier over the last couple of years. There are not any entering exams as it used to be in the past. Additionally, there are more possibilities of studying at the university, either on the weekdays, in the weekends or during the evenings. In the countries like Ireland or Germany the unemployment rate among people in all kinds of education level is much lower than in Poland. For what we have observed during the last few years, Ireland has managed to transform itself from a typically agrarian country to a country oriented towards financial consulting, IT, and specialists from other economic fields. When it comes to Germany, the historical evidence shows that introduction of mass education around the end of the 19th century resulted in the extensive way economic growth.

The increase of human capital reflects in a national economy of productivity growth. However, this growth depends also on demography, particularly

on the ratio of young to old people. Poland and other European countries are aging drastically, especially richer nations and, worse still, population growth is still slowing from year to year. In other words, there is a smaller work force to support those who have already retired, live longer and are in a worse condition of health than their forbearers. While the elderly do not typically have a high demand of needs and wants, they do raise costs in the health-care system. This will place a greater financial burden on a working population that is also shrinking, especially when the baby-boomer generation will retire soon. The most severe lack of new successors will be in science and engineering especially since the beginning of the 1980s, employment in these two segments has quadrupled in comparison to the total indicator of employment.

Talent, the first measure of the creative class is also defined by the number of researchers per million people. As for the year 2002 among European countries Poland has the smallest rate of people holding science and engineering degrees – 11%. Whereas, the share of engineers is at the level of 7% and of scientists only of 4%. From the Post-East-Block countries Slovakia is in the leading position – 27%, leaving even highly developed Ireland behind with the 25% of total new degrees. Hungary is slightly ahead of Poland, with the 12%. The graduation rates at doctoral level – 0.7% and are much better for Poland than in the previous category, although still not sufficient as for developing country. Germany is in the third leading position with the rate of 2%. In 2003 the total ratio of research degree graduates to total population for Poland is 1%. In Germany the percentage of ratio is double as in Poland, where in Slovakia is 2.5%. In the first place is Sweden with 2.8% ratio.

In 2003 the differences in economic resources also reflect in the amount of money spent on R&D expenditures as a percentage of GDP, where again Sweden is in the first position with 4%. Almost at the far and is Poland, holding the second last position with 0.6% of GDP spent on R&D. Slightly behind Sweden is Finland with 3.5%, where Germany spends 1% less on R&D than Finland. The expenditures on R&D and the number of patents are good indicator for the technology development. Countries with a high level of industry-financed R&D expenditures also have large numbers of patent applications, and opposite, for instance Poland with 277 patent applications and Germany with 587 ones in the year 2002 based on data

from European Patent Office. The total number of patents for Poland was only 179 which make it quite impossible to grant per million people, where Germany registered 24.514 patents. Technology is strongly involved in the process of innovation where enterprises engaged in innovation activity introduce new or significantly improved products, processes including organizational or marketing innovations as well. These new combinations of existing technology or utilization of other knowledge acquired by the enterprise are well presented as a percentage of all enterprises in industry and services engaged in innovation activity in 2004. In Germany – 73% and Ireland 61% more than half of all industrial enterprises were active in innovation. Nearly one third of Polish industry enterprises were involved in innovations in comparison to Germany. In the services the percentage of innovations for Poland was slightly lower and was 22% high, where for Germany was at the level of 57% and for Ireland 44%. Among 27 European Union countries Poland was 6th from the bottom in the percentage of innovation activities in industry and services. There was a high correlation between the enterprise's size and the proportion of enterprises engaged in innovation activity introducing new or improved products to the market. Therefore, the large enterprises introduced the most innovations in Poland, Germany, and Ireland. Exception is Latvia, where medium-sized enterprises achieved the highest score. For small enterprises the highest score was for Bulgaria, Hungary, Sweden, Austria and Luxemburg, Estonia. Over than 50% of innovations activities introduced in organizations or marketing were introduced by all the EU-27 countries. Where this time Poland was slightly ahead of Ireland and was only four places behind Germany.

On the continent like Europe where most of the countries form union representing an immense richness of cultural, social and linguistic diversity, tolerance can not be underestimated. Therefore the shared values such as freedom, fairness and solidarity must hold not only the countries itself but also the whole European Union together. Polish citizens are not very much tolerant towards nations from oriental countries, and the same regards sexual orientation. It is mainly due to many years of communism where the population was in 99% homogeneous in religion, culture and traditions. Even nowadays Poland is not much culturally diversified as it is not perceived by other nations as much developed and wealthy as Ireland

or Germany where there are immigrants of various origins. Also, not so many foreign students tend to come to Poland as to other more 'international' EU member countries, where also education is focused on accepting foreigners to the universities. After Poland has joined European Union numerous campaigns take place in order to increase the level of tolerance, for instance combating homophobia or disable able at work. It is because adjustment to all four human rights statements for Europe must be adopted. These are the following: dignity, freedom, equality, solidarity, citizens' rights and justice. However, the above statements on tolerance are only based on own perceptions as there is not significant statistical data provided on that matter. Therefore promoting mutual knowledge and understanding for intercultural differences is so important to Poland.

Conclusions

Many examples and conclusions drawn from the various studies presented in this paper lead to the final summary of a creative class in Poland. Based on the analysis of statistical data referring to 3Ts, Polish creative class is still very low. However the potential for its increase is enormous. In order to increase its number, firstly a "brain drain" of Polish educated, young people to more attractive creative class communities in united Europe, must be stopped. Poland still belongs to labor costs countries. On one hand this low cost economy is advantageous to foreign investments, but on the other wages are not sufficient enough for creative class to satisfy their living standards as their expectations are higher. It becomes a drain on economy when many people, whose public education was paid for from the national budget, decide to emigrate after graduation. Firstly, their creativity and knowledge is a contribution to the development of other economies and increases their GDP, and of taxes. Secondly, their national economy is less stimulated and has a lower competitive advantage when it comes to the creativity and sources of ideas, and greater wages share. In other words, it should be a priority to the country not only to generate the creative class but create resources to prevent it from emigrating. The problem with foreign investments in low labor cost countries is their main focus on manufacturing and less on developing new technologies as all directives come from the company's headquarter.

To encourage high quality researchers, commercial links between universities and companies should be facilitated. More international student exchange programs should be provided and greater impact on learning of foreign languages. Besides, students should get a better access to the participation in the multinational research projects in order to confront their level knowledge with others. Unfortunately, due to high unemployment rate and increasing number of people holding university education, enterprises find they can generally recruit people with additional skills. Therefore only few companies are focused on training activities in comparison to most OECD countries. Polish government should be more aware of the creative class value. Due to its high contribution in wage share and income taxes, they are critical to the long-term economic health of their communities. Thanks to the high spending power of the creative class, other services sustain their presence and even growth of the new ones. Therefore the labor market should be oriented towards creating new jobs in developing areas that are knowledge-based and not production-based, as it takes place already in Ireland, and than in Germany. Spending on education is not sufficient, where learning and education gives children the best start in life and reduces poverty. Besides highly changing environment requires from people constant and life long learning. More of tolerance should be given to working mothers, to enable them return to full time work after maternity leave, which causes many problems in Poland nowadays. Such support gives more security to women and is the way to increase population growth. Generally, such an attempt ensures greater quality of working conditions between men and women. Creative class defines the national competitive advantage, because highly developed countries are going to suffer from one major deficit namely young people. Therefore a young population is not only valuable to the national economy due to its creativity, which as we observe ha a continuous price increase tendency, but because of their contribution in supporting the retired generation. The long-term trend towards a knowledge-based economy continues. Science, technology and innovation have become key factors contributing to economic growth in both advanced and developing economies. In order to gain more competitive advantage in Poland a creative class is a source of a success in growth.

Questions:

1. What do you think are the most significant values of the creative class in comparison to service and manufacturing class in today's world?
2. Do you believe that the creative class has the greatest contribution to GDP? - Please find rational arguments according to your either positive or negative answer to the above question.
3. Why do you think Talent, Technology, and Tolerance are three major factors that influence the estimation of GCCI ?
4. What is the potential for the increase of the creative class in Poland?
5. Think of the creative class in your own country. What could be done in order to increase national creative class?
6. Do you find the continuous increase of the creative class in national economies necessary?

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