

Motives of Poland's Outward Direct Investments from the Lodz Region: Results of a Direct Study

Tomasz Dorożyński, Anetta Kuna-Marszałek, Janusz Świerkocki

ABSTRACT

Objective: The objective of the paper is to identify motivation behind FDI followed by enterprises from the Lodz Region and to find out if these motives are similar in companies different in size, share of foreign capital and internationalisation path.

Research Design & Methods: Empirical research was based on questionnaire-based interviews and in-depth interviews which covered 80% of outward direct investors from the Lodz Region. It provided grounds to assess the importance of their motives.

Findings: Enterprises from the Lodz region which decided to get involved as FDIs most often pointed to market seeking motives. The significance of other motives was secondary. With several exceptions (mainly with respect to cost) the size of an enterprise, foreign capital holdings and internationalisation path did not differentiate motives that encouraged respondents to engage their resources abroad.

Implications & Recommendations: The study is explorative, and its results should be understood as the starting point for further studies. Results suggest that, firstly, at the present stage of internationalisation the state should offer possible support to all operators on equal conditions. Secondly, if already some enterprises invest abroad seeking better and cheaper employees, it may be profitable for the state to take up-grade the quality of workforce and reduce its relatively high costs in Poland.

Contribution & Value Added: The main input delivered by the study to the current body of knowledge about OFDI motives consists in trying to identify relationships between motives followed by the Polish direct investors and their selected characteristics (size of a firm, share of foreign capital holdings, and internationalisation path).

Article type: research paper

Keywords: internationalisation; motives for FDI activity; Poland's outward direct investments; Lodz region

JEL codes: F21, F23

Received: 30 November 2016

Revised: 2 March 2017

Accepted: 6 March 2017

Suggested citation:

Dorożyński, T., Kuna-Marszałek, A., & Świerkocki, J. (2017). Motives of Poland's Outward Direct Investments from the Lodz Region: Results of a Direct Study. *Entrepreneurial Business and Economics Review*, 5(2), 101-122, DOI: <http://dx.doi.org/10.15678/EBER.2017.050206>

INTRODUCTION

Poland's outward direct investments (PODI) are increasingly more visible in statistical data. While in 2000 their stock amounted to only PLN 1,109.6 million, in 2014 it increased almost eighty times to reach PLN 95, 237.9 million (NBP, 2015), i.e. 5.5% of GDP. However, the increase reported over the above period was not systematic; PODI-related transactions ranged from PLN 74 million in 2000 to 23, 774.2 million in 2006 assuming negative values in the years 2001, 2003, 2012, and 2013. These large fluctuations in flows resulted mainly from the values of single transactions showing that PODI were still in its infancy. Nevertheless they grew much faster than Poland's inward direct investment (PIDI). As a result the stock of PODI which was less than 1% of PIDI stock in 2000 increased to the equivalent of 13% in 2014 (NBP, 2015).

Thread-wise changes in annual PODI flows and their still relatively little importance have made us investigate reasons behind decisions of Polish enterprises to expand or reduce their capital holdings in other countries. The objective of this paper is to examine not only FDI motives followed by enterprises from the Lodz Region, but also their relative importance and relationship between these motives and main investors' characteristics (their size, foreign capital holdings, and paths of internationalisation). Data for the study were collected from a questionnaire-based interview and an in-depth interviews. Collected data was digitalised and statistically analysed. The scope of available data enabled studying the significance of similarities in the distribution of statistical characteristics (Mann-Whitney test & Kolmogorov-Smirnov test).

There are some reasons why our study is different from similar studies in Poland. Firstly, the sample includes ca. 80% of the total population of direct investors from the region. It is representative because, unlike samples used in national studies, it covers a relatively homogenous economic area at an early stage of active internationalisation, which we will discuss below. Secondly, the study examines not only general motives, but also 40 partial motives. Such level of detail is necessary as motives may be subjectively perceived by respondents and usually they come in groups rather than individually. Thirdly, so far attempts to identify relationships between motives followed by Polish direct investors and investors' characteristics, which may impact the differentiation of such motives, have been rare (Gorynia, Trąpczyński, Nowak & Wolniak, 2015b). Such knowledge may be important from the point of view of policy recommendations for regional as well as national authorities as the motives followed by Lodz investors are likely to be little divergent from those observed in other parts of the country.

The paper has the following structure. The next section reviews literature on motives of outward direct investment. Short characteristics of the Lodz region economy from the point of view of its participation in international trade and investment is presented and hypotheses are formulated in the third section. Empirical material and methods are described in the fourth section. In the fifth section there are findings and discussion. The final section includes conclusions, policy recommendations, and suggestions for further research.

LITERATURE REVIEW

Economists provide different responses to the question why would an enterprise decide to launch production abroad by means of a direct investment (FDI). According to the neoclassical school of thought, which assumes that markets are perfectly free, owners are interested exclusively in maximising the value of their holdings, which increases mainly as a result of long-term profitability of an enterprise. Thus, it is irrelevant where businesses invest in production facilities, domestically or abroad (Dunning & Lundan, 2008).

By rejecting the assumption that markets ensure optimum allocation of resources we may consider a series of additional circumstances that impact FDI decision. According to Yip (2004) these may include higher returns on capital, lower risk, and reinforced bargaining position of the enterprise. When examining investments from less developed countries located in developed countries, Cantwell and Barnard (2008) draw attention to the fact that benefits of an enterprise may be unobvious if, e.g., it strives to survive in a competitive environment by building up its reputation as a global player at the cost of short-term profits. On such occasions, FDI serves fostering the competitiveness through the economies of scale and scope of production, learning from experience or diversification of operations. Buckley, Clegg, Cross & Voss (2008) highlight the issue of ownership structure. Until the mid-1990s, enterprises controlled by the Chinese government invested abroad to deliver economic and political goals of the central government and provincial authorities. Similarly, development strategies of family businesses may significantly diverge from the goals of their competitors, who have more dispersed and anonymous owners (Dunning & Lundan, 2008).

Thus, market imperfections are the reason why the taxonomy of motives followed by enterprises involved in FDI is so rich¹ (Gorynia, Nowak & Wolniak, 2005; Daszkiewicz & Wach, 2014; Beleniak, 2015; Wach, 2016; Franco, Rentocchini & Vittucci, 2008; Cuervo-Cazzura & Narula, 2015). According to many authors (inter alia Cuervo-Cazzura & Narula, 2015), lack of precision in defining various types of motives is not entirely accidental and may result from, e.g., specificities of the sector, in which an investor operates (van Tulder, 2015). Moreover, the motives of internationalisation need to be rethought when analysing, e.g., emerging market multinationals (Pananond, 2015) or enterprises operating in global value chains (Giroud & Mirza, 2015). Hence, it is hard to disagree with Cuervo-Cazzura and Narula (2015), who claim that FDI motives may not only be approached in a variety of ways but, first of all, “are always evolving, like strategies, because they are aspiration-driven, and when they fail to produce the desired outcome, require a revision in motivation, if not also in strategy”.

Probably the most often cited taxonomy of FDI motives is the one proposed by Dunning (2000). He divided FDIs into four groups equivalent of types of investment: *resource seeking*, *market seeking*, *efficiency seeking*, *strategic asset seeking*². The first two are

¹ That is most probably due to the broad interpretation of the word “motives” in the context we take into account. For example, Oblój and Wąsowska (2012) understand them as “goals”, Jaworek (2013) as “stimulants”, and Wach (2016) notes that they are sometimes identified with “factors” or “determinants”. Some authors even use the term “motivating factors” (Bartels, Alladina & Lederer, 2009).

² The taxonomy results from Dunning's eclectic paradigm of international production (Dunning, 1979, 1988; Cantwell & Narula, 2001). Ownership, location, and internalization (OLI) are the three potential sources of

most often evoked and discussed in literature, in particular with regard to international trade models that try to formalize the OLI paradigm and define them, respectively, as vertical and horizontal FDI (Franco, Rentocchini & Vittucci, 2008).

Contrary to theoretical considerations, empirical studies on motives followed by enterprises who invest abroad are much more scarce (Gorynia, Nowak & Wolniak, 2007). Among researchers involved in the issue we should list Kudina and Jakubiak (2008), Kaya (2014) or Drogendijk and Blomkvist (2013). In Poland the subject has been dealt with from the macroeconomic perspective by, inter alia, Obłój and Wąsowska (2012), while microeconomic perspective that is of interest to us can be found in, inter alia, Hadryś (2011), Karaszewski, Jaworek, Kuzel, Szałucka and Szóstek, (2014) Buczkowski, Kłysik-Uryszek, Kuna-Marszałek and Świerkocki (2015), and Gorynia *et al.* (2015a, 2015b). Existing studies differ predominantly by thematic scope. Karaszewski *et al.* (2013) and Buczkowski *et al.* (2015) identified in details several dozen motives and prioritised their relevance without, however, formulating hypotheses. Applying descriptive statistics, Gorynia *et al.* (2015a) specified the importance of four groups of motives in accordance with Dunning's approach (Dunning, 2000), simultaneously trying to point to dependences among them, stages of internationalisation and forms of FDI. In turn Gorynia *et al.* (2015b) using company-based cases investigated the relationship between those FDI motives, firm characteristics and host-country determinants of FDI mode choice. All these studies were conducted on small samples of enterprises (from 10 to 64).

Relevance of International Trade to the Economy of the Lodz Region³

The Lodz Region (Voivodeship) is not one of the best economic performers in Poland and even less so in the European Union. According to PPS, its GDP per capita in 2014 represented 63% of the EU-28 average. It was below the average for all the country (68%) and Lodz ranked 6th among 16 voivodeships in Poland (Eurostat News Release, 2016). Since the capital city of the region is the third biggest city in Poland, the ranking is below the city population potential.

The above is caused by little modern intra-sectoral structure of the production of goods and services. On the one hand, in 2011 agriculture and manufacturing, including industrial processing, generated slightly more gross value added, while construction and services slightly less than the average for the country. However, on the other hand, productivity measured with gross value added per one worker was lower than the country average by almost 11 percentage points (pp), and by as many as 19 pp in industrial processing, which was one amongst the worst results for voivodehips in Poland. The reason why the sector lags behind is not related with the shortage of capital for the share of fixed assets gross value in industrial processing was by more than 2 pp higher than the average for Poland GUS (2013).

Low average productivity in the Lodz Region means that productivity is low in most of its enterprises, which, in accordance with Melitz's hypothesis and the so

advantage, which, taken together, may incline an enterprise to get involved into FDI. Besides, Dunning and Lundan (2008) identified *escape investments*, *support investments*, *passive investments* as motives (types of investment) that remain outside of principal categories.

³ If not stated otherwise, all data quoted in this section come from: Handel zagraniczny oraz bezpośrednie inwestycje zagraniczne w województwie podkarpackim w latach 2010-2013 (2014).

called new international trade theory (NITT) (Melitz, 2003) must result in low internationalisation of the economy⁴. It is also reflected in the below statistical data.

Trade with other countries is the basic form of internationalisation. Exports to GDP ratio in the voivodeship was one amongst the lowest in the country and amounted to 19.4% in 2011 compared to the average for Poland 36.7% (Rocznik Statystyczny RP, 2012). Only in three other voivodehips output was more domestic market oriented. As a result, the Lodz voivodeship provided as little as 3.5% of the Polish exports in 2013 but we must stress that in 2010 its share was only 3.1%⁵. The increase is thus notable. It was largely due to high exports dynamics, which was ca. 19% annually over the period 2010-2012. The value of exports per capita placed the voivodeship on the 12th place in Poland.

Regional economy was slightly more dependent on imports than on exports. In 2013 imports represented 4.8% of all imports and in terms of *per capita* import the voivodeship ranked 6th in Poland.

NITT also suggests that average productivity of the entire economy, crucial for the rate of growth, is the higher the more enterprises are involved in international trade. With respect to that, the Lodz Region performs much better than in the above quoted rankings. Both in terms of the number of exporters and importers per 10 k inhabitants the voivodeship ranked 4th in Poland in 2013, while from the point of view of the share of exporters in the total population of economic operators it ranked even 1st (together with other two voivodeships). The data reflect a rather big potential in trade with abroad, owed mainly to high entrepreneurial potential as many operators realise and try to tap into opportunities to develop outside of the Polish market⁶. On the other hand, however, comparing these rankings with those relating to exports and imports we can see that these operators are relatively small and only with time, if they grow strong, may become meaningful for international cooperation⁷.

Foreign direct investors – which on average perform better in economic terms than domestic operators GUS (2015) – are believed to play fundamental role in the internationalisation of Polish economy (e.g. Chojna, 2014). Lodz voivodeship received rather lukewarm attention from foreign investors⁸. In 2014 only 4% of all companies with foreign capital operating in Poland were registered in the Lodz Region. They employed 4.8% of all the people employed in this group of enterprises and their equity represented 2.8% of total equity GUS (2015). Hence, these were relatively small invest-

⁴ The theory assumes that only the most effective enterprises are able to expand to international markets due to fixed costs involved. Numerous empirical studies conducted globally, e.g., EFIGE (2011), Bernard, Bradford and Schott (2005) and in Poland, e.g., Hagemeyer and Kolasa (2011), Gabrielczak and Serwach (2014) confirmed that exporters (and importers) are usually more effective than non-exporters and direct investors are more effective than exporters (and importers).

⁵ International trade data broken down by voivodeships should be approached with caution since they do not consider exports and imports pursued through other voivodeships (e.g., material inputs) or the fact that turnover is attributed to enterprises by their headquarters not concrete factories. Since many headquarters are based in Warsaw, Mazowieckie voivodeship is over-represented as an exporter, importer and the region receiving the FDI.

⁶ Every fifth business from the Lodz Region that employs at least 9 people is involved in exports. Export directions include mainly the EU but also China, USA and Brazil (Przedsiębiorcy..., 2012).

⁷ As we read in Cieślak (2014), in many countries smaller enterprises operate internationally on a small scale and rather irregularly but in countries which have experienced systemic transformations this is particularly visible.

⁸ It is reflected in investment attractiveness rankings of voivodeships and subregions in Poland, in which the Lodz voivodeship ranked 8th in the period 2011-2015 (IBnGR in various years).

tors who, compared to the rest of the country, employ work-intensive production methods. Their active involvement with international markets was, however, exceptionally high. Half of them dealt with exports and imports, while in Poland the ratio amounted to 41% and 45% respectively. The share of revenue from export sales of goods and services in total revenues of this group of enterprises was also higher in the voivodeship (29%) than on average in the country (26.4%).

Enterprises from the Lodz voivodeship who invest abroad accounted for ca. 4.5-5% of all investors from Poland in the years 2009-2012 (Buczowski *et. al.*, 2015). Together they owned between 119 to 146 foreign affiliates, i.e., ca. 4.3-4.5% of all foreign affiliates related with Polish investors in other countries. The number of these investors – in relation to the number of companies with foreign capital registered in the voivodeship – represented ca. 12%. The majority of foreign investors from Lodz, ca. two thirds, invested their own resources, i.e. without the involvement of any foreign investor. Average employment in their foreign affiliates was ca. 30-37 people (i.e. by ca. 10 people fewer than on average in Poland) and over half as many as in companies with foreign capital in the Lodz voivodeship.

Summing up, the above quoted data demonstrate that enterprises in the Lodz Region and the economy of the region, are at the early stage of internationalisation in terms of trade and investment. The process, however, clearly gains in dynamics compared to other regions in Poland. That is largely due to relatively high and active presence of local entrepreneurs in international markets. The trend is in line with the policy pursued by regional authorities, who decided that until 2020 investment and exports will be the main driving forces of the growth of the region with individual consumption playing a less prominent role⁹.

According to Dunning and Lundan (2008), when enterprises start investing abroad, their first investment decisions are usually resource- and market-seeking. If the first experiences are positive, further projects implemented abroad are designed to improve the efficiency and, next, to acquire strategic resources, i.e., in most cases new technology that could help boost the competitiveness. Motivations that drive the investors are guided by certain rules and follow a specific sequence, which can be detected also in the pattern followed by investors from the emerging markets as suggested by, e.g., China's outward direct investments studies (Yao & Wang, 2014).

Polish investors' experience in foreign markets is too short and too limited when it comes to its scope to avoid doubts if they have passed through similar stages. If enterprises from the Lodz Region internationalize in accordance with Dunning's theory, we will find confirmation of the fact in relative importance of motives: the highest attributed to resource-seeking, followed by market- and efficiency seeking, which is our first hypothesis. At the same time, some researchers indicate that in developed economies motivation followed by parent companies depends on the size of an enterprise: in investing abroad large enterprises are guided by market seeking motivation while smaller ones by resource seeking motives (Mutinelli & Piscitello, 1997). Is it also the case of parent companies from the Lodz Region – this question is our second hypothesis. Direct investment labelled in the statistics as Polish direct investment originates from Polish domestic entities as well as from daughter companies – foreign subsidiaries based in

⁹ Strategia Rozwoju Województwa Łódzkiego, Łódzkie 2020, p. 69. In the document there is nothing about expectations of FDI, neither inward nor outward. Retrieved from http://www.rpo.lodzkie.pl/images/prawo-i-okumenty/srw1_2020_uchwalona_26_02_2013.pdf

Poland. The latter ones supported by their parent companies are usually much more experienced in operations abroad, have better development potential, better contacts in foreign markets and easier access to finance. In accordance with Dunning's theory, these foreign subsidiaries should exhibit more mature approach and be guided less by resource and market seeking motivation than domestic enterprises and focus on efficiency seeking. This sums up our third hypothesis. The fourth hypothesis results from suggestions formulated in literature, according to which investors' motivation differs depending on their strategies and degree of internationalization (Nachum, 2000). Thus, we decided to double check whether enterprises from the Lodz Region, which entered the path of stepwise internationalization (Johanson & Wiedersheim-Paul, 1975; Johanson & Vahlne, 1977; Korth, 1985; Luostarinen & Hellman, 1994), were guided by motives other than the rest, i.e., those which called themselves "born global" and those, for which internationalization was the effect of a spontaneous decision. It is believed that enterprises from the first group prefer to invest in countries, which are close to them in terms of geography and culture (Obłój & Wąsowska, 2012)¹⁰.

MATERIAL AND METHODS

The objective of this paper is to examine FDI motives of enterprises from the Lodz Region, their relative importance and relationship between these motives and main investors characteristics (their size, foreign capital holdings, and paths of internationalisation). Data for the study was collected using a questionnaire-based interview and an in-depth interview conducted in 2014 with 48 enterprises, which, according to the Statistical Office in Lodz represented ca. 80% of the total population of investors in the Lodz Region; the remaining 20% refused to participate¹¹. Respondents were mainly top managers: usually CEOs, directors or lower level managers delegated by the top management. Collected data was digitalised and statistically analysed.

Most enterprises participating in the study were established in the 20th century: in the 1990s (41.7%), in the 1950s (4.2%) with the oldest one dating back to the early 1920s. Quite a substantial group started to operate in the years 2000-2009 (35.4%). Respondents were experienced in operating in the Polish market. Over a half of them (60.4%) are located in the capital of the Region and almost 75% in the Lodz Metropolitan Area (LMA), which includes Lodz and the counties (poviats): brzeziński, łódzki wschodni, pabianicki, and zgierski¹². Almost 77% were companies, among them 56.3% limited liability companies, 20.8% joint stock companies, and 10.4% of operators were sole proprietorships.

When it comes to the size, both in terms of employment and revenues, the sample was dominated by small enterprises (employing from 10 to 49 people), which accounted

¹⁰ Among authors, who studied geographical proximity as element of FDI motivation we should list, e.g., Bitzenis, Tsitouras and Vlachos (2007), Kowalewski and Radło (2013), Karaszewski *et al.* (2014).

¹¹ The study was conducted by a team of interviewers headed by research workers from the Department of International Trade of the University of Lodz under the NCN (National Centre of Science) grant "Determinants and effects of active internationalization of enterprises from the region of Lodz".

¹² Compared against the area of the region, the LMA (Polish abbr. ŁOM) occupies 13.7% of the area (data from the LMA strategy) and it is inhabited by 44% of the population. In 2012 LMA hosted almost 54.2% of all economic operators. They supplied 52.5% of GDP generated in the region. Concentration of enterprises who invest abroad was much more intense than the concentration of economic activities within the LMA.

for 35.4% of the sample. The share of medium-sized (from 50 to 249 people) and large (250 people or more) enterprises was 25% each. The sample also included micro-enterprises (fewer than 9 employees), which represented 10.4% of the studied population. The remaining 4.2% did not specify their employment.

The structure of respondents' activities was dominated by industrial processing and trade. Majority (47.9%) pointed to various type of manufacture (section C)¹³, while 35.4% to wholesale and retail trade, including 12.5% of trade in textiles, clothing and footwear, products which used to be the specialty of the region (Table 1).

Table 1. Main fields of activities of respondents according to PKD¹⁴

Type of activity	PKD section	No. of respondents with respect to types of activities	
		absolute	in %
Manufacture	C	23	47.9
Wholesale and retail trade, motor vehicles repairs	G	17	35.4
Other	A, H, J, K, L, M, N, P	8	16.7
Total		48	100.0

Explanation: A – Agriculture, forestry, hunting and fishing, H – Transport and storage, J – Information and communication, K – Financial intermediary and insurance, L – Real estate services, M – Professional, scientific and technical activities, N – Administration and supporting services, P – education.

Source: own study.

Besides principal activities, 28 respondents (58.3%) listed other types of activities pursued domestically as relevant for their market position (Table 2). These were mainly wholesale and retail trade (to 42.9% of the group), manufacture (to 7.1%), and other, very diverse activities connected with services, which were important to the majority of these enterprises. Thus, considering principal and other types of activity taken together, we can see that in the domestic market investors from the Lodz Region were almost equally involved in trade and manufacturing.

It seems obvious that sectoral structure by PKD sections of investors from the Lodz Region pursued abroad should be close to that pursued in Poland. However, it turned out that while in Poland manufacturing prevailed (47.9 %) followed by wholesale and retail trade (35.4%), abroad only 16.7% operators dealt with manufacturing while as many as 66.7% of investment projects were connected with trade pursued with the expansion of exports in mind. Thus, these were predominantly vertical “upstream” FDIs designed to provide distribution channels abroad for products manufactured in Poland¹⁵. This is how the companies wanted to more effectively control sales and observe changes taking place in the market. Investments connected with relocation of the same type of production abroad, which could help adjust products to the needs and tastes of foreign customers and better use local production resources, played a considerably smaller role.

¹³ Manufacture of cordage, ropes, twine and nets, joinery and carpentry products for construction, dyes and pigments, cosmetics and toiletry articles, products made of plastics, ceramic tiles and tiles, mortar, electric tools and equipment, ovens and furnace burners, special utility machinery, motor vehicle bodies, trailers and semitrailers, furniture and casting of steel, mechanical processing of metal elements (results of questionnaires).

¹⁴ PKD 2007 – Polish Classification of Activities, compiled on the basis of the Statistical Classification of Economic Activities in the European Community – NACE Rev. 2.

¹⁵ Such internationalisation is classified as “direct exports” (Rymarczyk, 2004).

Table 2. Other types of activities of respondents according to PKD

Type of activity	PKD section	No. of respondents with respect to types of activities	
		absolute	in %
Manufacture	C	2	7.1
Wholesale and retail trade, motor vehicles repairs	G	12	42.9
Other	H, J, K, L, M, N, P, R, S	14	50.0
Total		28	100.0

Source: own study.

Most enterprises investing abroad (58.3%) were owned exclusively by Polish capital. The remaining 41.7% of respondents had foreign investors on board from, e.g., Italy, Cyprus, Denmark, the Netherlands, Germany, and Switzerland, i.e. they were subsidiaries of foreign firms¹⁶.

In the majority of enterprises included in the study (60.4%), internationalisation proceeded incrementally (stage-wise). Others took to internationalisation spontaneously, taking advantage of opportunities (27.1%) or identified themselves as *born global* (12.5%) meaning enterprises established to operate in foreign markets (Table 3).

Table 3. Internationalisation paths of respondents

Internationalisation paths	No. of operators	% of operators
Slow (step by step)	29	60.4
Spontaneous (taking advantage of opportunities)	13	27.1
<i>Born global</i> (firms which operate internationally from the start)	6	12.5
Total	48	100

Source: own study.

RESULTS AND DISCUSSION

Empirical study was divided into three stages. In the first stage we assessed the relevance of general and detailed motives of international expansion of enterprises from the Lodz Voivodeship (Region). Then, we ranked these motives using means and medians broken down by selected categories of enterprises. Finally, in the third stage we examined the significance of similarities in the distribution of statistical characteristics (Mann-Whitney test & Kolmogorov-Smirnov test) for these categories.

General and Detailed Motives for International Expansion

The first stage dealt with the assessment of the relevance of general and detailed motives behind FDIs made by investors from the Lodz Region. The motives were divided into four groups with reference to the classification promoted by Dunning (Dunning & Lundan, 2008). Our classification is based on prevailing characteristics of investors from the Lodz Region identified in the questionnaires, in particular the scope of their activities abroad focused on trade, not manufacturing. That is why we omitted strategic assets seeking motivation.

¹⁶ The so called "roundtripping" does not play any major role in Poland. According to the NBP data (2016), the pool of FDI made in Poland by foreign entities controlled by Polish residents did not exceed 5% of all of the FDI in Poland in 2015.

Thus our study included market seeking, cost related (efficiency), resource seeking and institutional motives. The latter are considered vital single factor for investors seeking markets for their products (Dunning & Lundan, 2008), who – due to trade-driven goals of most investment projects – dominated our sample.

First, respondents answered a general question about the importance of a particular group of motives for the FDI decision, e.g., how important market seeking motives were in their FDI decision, and then they assessed the relevance of detailed motives in the particular group.

Market seeking motives were divided into 14 categories connected with, inter alia, the absorption capacity of the target market, favourable outlook for the market (growth of the host country), intensified competition or following a customer. For cost-related motives we prepared 15 categories, e.g., the role of lower prices of raw materials, semi-products, auxiliary services and energy in FDI decision. Institutional motives contained 10 categories concerning, inter alia, regulatory framework, tax allowances, formalities connected with establishing a business or relevance of trade barriers in the host country. Resource seeking motives were investigated through 18 categories relating to, e.g., the availability of labour, better technology, more skilful workforce, possibilities to acquire a local brand, as well as better use of the resources of the parent company resulting from foreign investment.

Responses provided a clear picture of motives followed by enterprises from the Lodz Region in their FDI decisions. When answering the general question concerning the relevance of the entire group of motives (on a scale from 1 to 4, where 1 means very much relevant and 4 irrelevant), respondents most often listed market seeking motives (mean answer 1.24)¹⁷. Cost-related motives ranked second (2.13) followed by resource seeking and institutional motives, whose relevance was almost the same (2.32 and 2.36, respectively). The results were close to those obtained in studies for all of Poland (e.g. Karaszewski (ed.), 2013; *Polski Czempion*, 2012; Kowalewski & Radło, 2013; Gorynia *et al.*, 2015a; Gorynia *et al.*, 2015b).

Mean responses calculated for individual groups based on answers to detailed categories turned out to be more convergent (differences between means for detailed category were smaller than for the general one), and their relative importance took a bit different course. Although market seeking motives remained the most important (mean answer 2.53), resource seeking (2.70) and institutional (2.86) motives were more important than cost-related ones (3.00). It seems only logical when the main goal pursued by most investors was to facilitate the growth of exports from Poland rather than launching production abroad. Moreover, each of the four categories of motives behind international expansion at the detailed level was assessed as less important than the same category at general level of the study¹⁸ (Table 4).

¹⁷ Responses were given on a 4-point scale ranging from 1 = very much relevant to 4 = irrelevant. Means can be calculated and further statistical processing may follow when these points are equally spaced on the scale. In our case we are not able to prove it. However, in social sciences the assumption of equal intervals is generally adopted and thus means are calculated, which are further used to calculate other statistics. Such approach is represented by, inter alia, Churchill (2002, p. 408), as well as Wiczorkowska and Wierziński (2012, pp. 55-56). There are also numerous examples of empirical studies based on this approach, e.g., Chen and Glaister (2006), Starosta (ed.) (2012), Dzikowska, Gorynia and Jankowska (eds.) (2016).

¹⁸ Similar relationship between general and detailed assessment was identified in other questionnaire-based studies concerning, e.g., investment attractiveness of special economic zones in Poland (KPMG, 2014).

Table 4. Respondents motives for investment expansion

Relevance of motives	Mean
Relevance of overall market seeking motives in FDI decision	1.24
Relevance of market seeking motives in FDI decision (based on detailed questions)	2.53
Relevance of overall cost related motives in FDI decision	2.13
Relevance of cost related motives in FDI decision (based on detailed questions)	3.00
Relevance of overall institutional motives in FDI decision	2.36
Relevance of institutional motives in FDI decision (based on detailed questions)	2.86
Relevance of overall resource seeking motives in FDI decision	2.32
Relevance of resource seeking motives in FDI decision (based on detailed questions)	2.70

Source: own study.

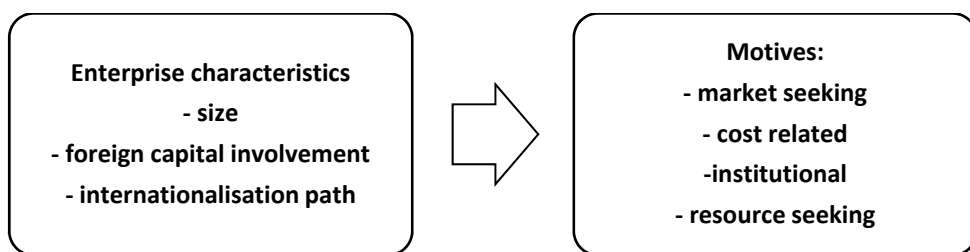
Rankings of Motives for Selected Categories of Enterprises

In the second stage we investigated whether motives differ depending on selected characteristics of enterprises. To this end, we ranked motives behind FDI decisions in rankings of mean answers divided according to the following three grouping variables (see Figure 1):

1. The size of parent company in terms of employment (x_1).
2. The share of foreign investor in the parent company (x_2).
3. Internationalisation path (x_3).

Then each grouping variable was aggregated into two classes:

1. x_{11} – micro and small enterprises, x_{12} – medium and large enterprises.
2. x_{21} – enterprises with foreign capital involvement (foreign affiliates), x_{22} – enterprises with no foreign capital.
3. x_{31} – slow path of internationalisation (step by step, equivalent to the Uppsala model), x_{32} – *born global* internationalisation path and other paths (spontaneous, opportunistic).


Figure 1. Relationships involved in internationalisation

Source: own elaboration.

For the purpose of our analysis, we selected 40 variables, which describe detailed motives for internationalisation divided into four groups:

1. Market seeking (y_1).
2. Cost related (y_2).
3. Institutional (y_3).
4. Resource seeking (y_4).

Our assumption was that grouping variables, which we selected (x_1, x_2, x_3) may diversify motives that drive enterprises to expand internationally (y_1, y_2, y_3, y_4) , because the size of the enterprise, involvement of a foreign investor or internationalisation path may impact, inter alia, the economies of scale and the scope of production, tangible and intangible materials, experience and contacts in international markets, as well as expectations vested in international expansion.

With the above in mind, we developed 6 partial rankings, which identify motives behind FDI decisions of enterprises representing specific characteristics, in accordance with the division by grouping variables (x_1, x_2, x_3) . Each ranking included 10 partial motives assessed by respondents as the most relevant (on a scale from 1 to 4, where 1 means very much relevant, 2 – relevant, 3 – little relevant, 4 – irrelevant).

In the first pair of rankings we compared the relevance of motives with the size of enterprises identified based on the employment. Table 5 shows that independently of the size, enterprises who invested abroad were guided by similar motives as 7 out of 10 motives regarded the most relevant were shared by all of them. All respondents were, first and foremost, seeking markets for their products. Six out of ten questions about concrete reasons referred to this very motive and three to the resource seeking motive.

Enterprises were the most strongly motivated by optimistic economic outlook of the host country. Typically, there were slight differences in the perception of other individual motives by respondents from the two selected groups of investors. However, as we could expect, there are some differences among investors in how they assess these motives. For instance, large enterprises, operating at bigger scales considered the limited size of the Polish market, striving for achieving new advantages over their competitors and the wish to distribute risk across a broader group of clients much more important than small businesses. Small enterprises, with smaller human and financial resources appreciated geographical proximity of the host country. Taking account of trade-related nature of FDI, not much attention paid to prices of production factors in the host country, comes as little surprising.

The second pair of rankings compares motives followed by enterprises fully owned by domestic capital and operators with the involvement of foreign capital. In this case (Table 6) 8 out of 10 selected motives were shared. Both groups of enterprises were predominantly interested in securing markets for their products. Five out of ten top detailed assessments concerned this very issue and the decision to get established abroad was motivated by positive outlook of the host economy. For enterprises with foreign capital this factor was very important, meaning their earlier investment in Poland was a platform for export activities. They also paid more attention to lower costs of labour, which were not important to fully domestic investors. The latter clearly more appreciated geographical proximity of the host country. It seems understandable as enterprises fully owned by domestic capital are expected to be less experienced internationally than MNEs' affiliates, which may use the knowledge, contacts and resources of their foreign owners.

In the third pair of rankings we identified similar differences in juxtaposed groups (as many as 7 out of 10 major motives were shared). Similarly to the previous two pairs, market seeking motives dominated and the major attention was paid to positive outlook of the host economy. To those who followed the Uppsala model of internationalisation it was even more than relevant. Enterprises, which entered foreign markets spontaneously, (or taking advantage of an opportunity) in 7 out of 10 cases did it to conquer the foreign market.

Table 5. Ranking of FDI motives depending on the size of parent enterprise

micro and small enterprises (x_{11})					medium-sized and large enterprises (x_{12})				
Ranking	Motive	Motive by category (y_1, y_2, y_3, y_4)	Mean	Median	Ranking	Motive	Motive by category (y_1, y_2, y_3, y_4)	Mean	Median
1.	Positive market outlook	y_1	1.91	2	1.	Positive market outlook	y_1	1.88	2
2.	Better adjustment of activities to the needs of recipients in the host country	y_1	2.23	2	2.	Small domestic market (ramifications)	y_1	2.04	2
3.	Good relations with enterprises in the host country	y_4	2.25	2	3.	The wish to acquire technological, organisational, and marketing advantage	y_1	2.09	2
4.	Availability of labour resources	y_4	2.28	2	4.	Good relations with enterprises in the host country	y_4	2.18	2
5.	Geographical proximity of the host country	y_1	2.32	2	5.	Risk distributed over a bigger number of clients (markets)	y_2	2.32	2
6.	Little competition in the host country market	y_1	2.36	2	6.	Better capacity utilisation in the home country	y_4	2.39	2
7.	Small domestic market (ramifications)	y_1	2.43	3	7.	Maintaining the already conquered export markets	y_1	2.41	2
8.	Prices of resources/factors	y_2	2.44	2	8.	Better use of technology	y_4	2.42	2
9.	Better capacity utilisation in the home country	y_4	2.47	2	9.	Little competition in the host country market	y_1	2.43	2
10.	The wish to acquire technological, organisational, and marketing advantage / Stagnation in the home market	y_1/y_1	2.50 / 2.50	2.5 / 2	10.	Better adjustment of activities to the needs of recipients in the host country	y_1	2.48	2

Source: authors' own studies performed using the SPSS software.

Table 6. FDI motives ranking for enterprises with and without foreign holdings

enterprises with foreign capital (x_{21})					enterprises fully owned by domestic capital (x_{21})				
Ranking	Motive	Motive by category (y_1, y_2, y_3, y_4)	Mean	Median	Ranking	Motive	Motive by category (y_1, y_2, y_3, y_4)	Mean	Median
1.	Positive market outlook	y_1	1.70	2	1.	Positive market outlook	y_1	2.00	2
2.	Small domestic market (ramifications)	y_1	2.16	2	2.	Small domestic market (ramifications)	y_1	2.22	2
3.	Good relations with enterprises in the host country	y_4	2.17	2	3.	Good relations with enterprises in the host country	y_4	2.24	2
4.	The wish to acquire technological, organisational, and marketing advantage	y_1	2.25	2	4.	Geographical proximity of the host country	y_1	2.25	2
5.	Lower cost of labour	y_2	2.30	2	5.	Better adjustment of activities to the needs of recipients in the host country	y_1	2.35	2
6.	Little competition in the host country market	y_1	2.32	2	6.	Better capacity utilisation in the home country	y_4	2.36	2
7.	Availability of labour resources	y_4	2.32	2	7.	The wish to acquire technological, organisational, and marketing advantage	y_1	2.42	2
8.	Better adjustment of activities to the needs of recipients in the host country	y_1	2.42	2	8.	Little competition in the host country market	y_1	2.46	2.5
9.	Risk distributed over a bigger number of clients (markets)	y_2	2.42	2	9.	Maintaining the already conquered export markets	y_1	2.52	2
10.	Maintaining the already conquered export markets/ Better capacity utilisation in the home country	y_1/y_4	2.50 / 2.50	2 / 2	10.	Better use of technology	y_4	2.60	2

Source: authors' own studies performed using the SPSS software.

Table 7. Ranking of FDI motives depending on the path of internationalisation

Uppsala model internationalisation path (x_{31})					<i>born global</i> and other paths of internationalisation (spontaneous, opportunistic) (x_{32})				
Ranking	Motive	Motive by category (y_1, y_2, y_3, y_4)	Mean	Median	Ranking	Motive	Motive by category (y_1, y_2, y_3, y_4)	Mean	Median
1.	Positive market outlook	y_1	1.83	2	1.	Positive market outlook	y_1	2.00	2
2.	Small domestic market (ramifications)	y_1	2.14	2	2.	Good relations with enterprises in the host country	y_4	2.13	2
3.	Good relations with enterprises in the host country	y_4	2.24	2	3.	Better adjustment of activities to the needs of recipients in the host country	y_1	2.31	2
4.	Better capacity utilisation in the home country	y_4	2.30	2	4.	Availability of labour resources	y_4	2.31	2.5
5.	Better use of technology	y_4	2.38	2	5.	The wish to acquire technological, organisational, and marketing advantage	y_1	2.37	2
6.	The wish to acquire technological, organisational, and marketing advantage	y_1	2.39	2	6.	Small domestic market (ramifications)	y_1	2.40	2
7.	Geographical proximity of the host country	y_1	2.41	2	7.	Maintaining the already conquered export markets	y_1	2.40	2
8.	Risk distributed over a bigger number of clients (markets)	y_2	2.43	2	8.	Little competition in the host country market	y_1	2.44	2.5
9.	Better adjustment of activities to the needs of recipients in the host country	y_1	2.44	3	9.	Geographical proximity of the host country	y_1	2.44	2
10.	Little competition in the host country market	y_1	2.45	2	10.	Prices of resources	y_2	2.50	2.5

Source: authors' own studies performed using the SPSS software.

In all three rankings we calculated the means and medians for variables. Vast majority of medians assumed the value of 2 (55 out of 62), which confirms conclusions from the analysis of the means, which suggested little differentiation of the relevance of motives for individual categories of grouping variables.

Statistical Analysis Using the Mann-Whitney Test and Kolmogorov-Smirnov test

Presented rankings of mean answers (and medians) reveal little differences in the relevance of motives followed by specific groups of investors. To validate this conclusion, we used statistical methods, which helped us more reliably examine the significance of differences between the means for the available data. We tested normal distribution using Kolmogorov-Smirnov test. Due to the fact that variables diverged from the normal distribution, we could not deploy the t-test. That is why we took advantage of the Mann-Whitney test first, a non-parametric alternative to the t-test. Similarly to the ranking of the means, we took the following as grouping variables:

1. x_{11} – micro and small enterprises, x_{12} – medium and large enterprises.
2. x_{21} – enterprises with foreign capital (foreign affiliates), x_{22} – without foreign capital.
3. x_{31} – internationalisation path in accordance with the Uppsala model, x_{32} – *born global* internationalisation path and others (spontaneous, opportunistic).

The tests were performed for 40 variables, which identify FDI motives.

We started with the Mann-Whitney test and the following hypotheses:

- H0:** two independent samples come from the population representing the same distribution.
- H1:** ~ (two independent samples come from the population representing the same distribution).

For the purpose of the study, the above hypotheses can be formulated in the following way:

- H0:** grouping variables p ($p = 1,2,3$) do not differ for k motives ($k = 1,2, \dots, 40$).
- H1:** grouping variables p ($p = 1,2,3$) differ for k motives ($k = 1,2, \dots, 40$).

For the calculated test probability $p \geq 0.05$ there are no grounds for rejecting the H0, i.e., if cumulative distributions in distinguished sub-group are equal, it means the phenomenon follows a similar course in the studied population.

While when $p < 0.05$ we may reject the null hypothesis, (H0), i.e., if the cumulative distributions in distinguished sub-groups are not equal, distribution parameters, as well as the means, are different, which in our case means that the grouping variable is the differentiating factor for a given FDI motive (tested variable).

In total, we validated 120 hypotheses. Only four differences turned out to be statistically significant at the level of $p < 0.05$ for:

1. Higher quality of labour (resource seeking motif $p = 0.001$) for micro and small enterprises, as well as medium and large ones (the first grouping variable). The quality was more important for micro- and small enterprises than for medium and large ones (2.67 and 3.41, respectively),
2. Lower cost of labour (cost motif, $p = 0.002$) for entities with and without foreign capital involvement (second grouping variable). Enterprises with foreign investor were more sensitive to the cost of labour than entities with exclusively Polish capital (2.30 and 3.26, respectively),
3. Trade barriers (institutional motif, $p = 0.016$) for entities with and without foreign capital (the second grouping variable). For enterprises without a foreign investor the possibility to circumvent trade barriers through FDI was more important than for entities with foreign capital involvement (2.39 and 3.05, respectively),
4. Higher quality of labour (resource motif, $p = 0.036$) for entities, which selected step-wise and opportunistic internationalisation path (the third grouping variable). Higher quality of labour was more important for enterprises, which have selected the opportunistic path of internationalisation (2.75) than for the "Uppsala followers" (3.27).

We need to stress that motives, for which the difference turned out to be statistically significant, with two exceptions (lower cost of labour for entities with foreign capital involvement and the possibility to circumvent trade barriers for other enterprises), were in general little important to all six categories of investors as they do not appear in any of the three rankings. It confirmed our conclusion drawn based on the ranking of the means that differences among the most important motives for enterprises in the Lodz Region were minor.

In the remaining cases there were no grounds for rejecting the null hypothesis H0.

Next, we performed the Kolmogorov-Smirnov test, for which we adopted the following hypotheses:

$$H_0: F_{pk1} = F_{pk2}, \quad H_0: F_{pk1} \neq F_{pk2}$$

where:

F_{pk1}, F_{pk2} - cumulative distributions for the first and the second class of grouping variables p ($p = 1, 2, 3$) for k motives ($k = 1, 2, \dots, 40$).

Like in the Mann-Whitney test, we validated 120 hypotheses. It turned out that only in one case we arrived at the value of $p < 0.05$ for the variable identifying the share of foreign capital in the parent company (the second grouping variable). It is the differentiating factor for the motif "lower costs of labour" in the category of cost-related motives ($p = 0.018$).

All the three remaining tests for each of the three grouping variables show no significant differences in the distributions of motives of international expansion of enterprises.

Thus, we may conclude that with some exceptions (mostly those connected with the cost of labour) the size of an enterprise, the involvement of foreign capital and internationalisation path did not differentiate the motives, which made the enterprises from the Lodz Region get involved into resource seeking internationalisation.

CONCLUSIONS

Enterprises from the Lodz Region are at a very early stage of internationalisation. This conclusion, which results from the analysis of statistical data concerning regional economy, was confirmed by our study based on primary data collected from questionnaires. Its goal was to identify the motives followed by the local enterprises when making direct investment abroad and test whether they were identical or different in enterprises that differed with respect to the size, involvement of foreign capital, and internationalisation path.

Average answers obtained from the study demonstrate that parent companies in their decisions took account, predominantly, of generally understood market seeking motives, and the majority of FDI was intended to promote the sales of products manufactured domestically rather than to dislocate their production abroad. Cost-related motives ranked second and were followed by, *ex aequo*, resource seeking and institutional motives, almost equally relevant. Average assessments of partial motives, which make up the above general categories turned out to be rather close. The advantage of market seeking motives was smaller at that time, while resource seeking and institutional motives were found to be more important than cost-related ones. This hierarchy is not entirely consistent with the sequence suggested by Dunning and Lundan (2008) but, in principle, overlaps with the one revealed in similar studies in the countries of Central and Eastern Europe, including Poland (Zemplinerová, 2012; Sass, 2012; Gorynia *et al.*, 2013; Karaszewski *et al.*, 2014).

Among several market seeking motives, all respondents – independently of the size of the enterprise, the involvement of foreign capital, and internationalisation path – mentioned first of all growth perspective of the host country, i.e., its macroeconomic situation. Differences in the assessment of all several dozen partial motives included in the study were minor and the relevance of motives other than market seeking was secondary. For instance, in large enterprises FDI decisions were dictated, much more than in the SMEs, by the limited size of the Polish market, striving for acquiring various advantages over the competitors, and the wish to distribute risks among a bigger group of

recipients. For small enterprises, geographical proximity of the host country was much more relevant. Enterprises with foreign capital involvement attached more importance to the cost of labour than fully domestic entities, for which geographical proximity of the host country was relevant. "Uppsala followers" were slightly more encouraged to invest abroad by domestic market limitations in Poland; those who embarked on other paths of internationalisation were driven by poor competition in the host country.

Conclusions drawn from mean answers were confirmed in statistical texts. The findings demonstrated that in investing abroad enterprises from the Lodz Region were guided mostly by market seeking motivation, with the size of the enterprise, involvement of foreign capital, and internationalisation path playing negligible role. The most influential partial motives of individual investors' categories were in principle the same. The only exceptions are: firstly, higher quality of labour, more important for SMEs and for enterprises that follow non-incremental development path; secondly, lower cost of labour abroad, more important to foreign affiliates than to domestic investors.

Summing up, we may conclude that our study:

1. Did not confirm the first hypothesis that enterprises from the Lodz region, which invest in other countries, do it first and foremost to ensure access to resources treating other motives as secondary,
2. Did not provide sufficient support for the three remaining hypotheses, which link motives with investors' characteristics, especially to claim that:
 - when investing abroad large entities are guided by market seeking motives and smaller ones by resource seeking,
 - foreign direct investment pattern of daughter companies operating in Poland is much more efficiency seeking than the FDI of domestic operators,
 - enterprises, which follow the incremental OFDI path prefer host countries, which are geographically and culture-wise close unlike enterprises, which embarked on the non-incremental path.

Nevertheless, the study enabled the formulation of some recommendations for State policy in regard to Polish direct investors. Firstly, possible aid should be addressed to all operators across the board and favouring any of them, e.g., SMEs is unjustified. Secondly, in the light of the increasing interest in getting market access, we need to facilitate access to information about doing business in other countries and about commercial and investment agreements in force, to conclude new agreements, organise trade missions, and ensure stable rules for economic operators. Thirdly, if some operators already at this point invest abroad seeking better and cheaper labour, the State should take care of upgrading the skills of labour and reduce its relatively high cost mainly due to, e.g., taxation. The fact that differences in the cost of labour are observed mainly by foreign affiliates operating in Poland should act as a warning to the government that they might wish to move to other countries.

Obtained results should be taken with sufficient care especially when we think of partial motives. The reason is the subjectivity, with which respondents (and researchers) perceive specific motives as linked with one another (e.g. market and cost related), and their weight changes with the change of enterprise's competitive position and its operating conditions. Being careful in drawing conclusions is also dictated by the short period and specific region of Poland, where the study was conducted. Slight

differences observed in the relevance of motives resulting from enterprises' profile can be the starting point for more in-depth research. On top of that, attention should be paid to the specificity of investment motivation in developed markets, also in the EU Member States, and in developing markets, the role of the age of an enterprise, and selected investment strategy (joint venture, greenfield).

REFERENCES

- Bartels, F.L., Alladina, S.N., & Lederer, S. (2009). Foreign Direct Investment in Sub-Saharan Africa: Motivating Factors and Policy Issues. *Journal of African Business*, 10(2), 141-162.
- Belniak, M. (2015). Factors Stimulating Internationalisation of Firms: An Attempted Holistic Synthesis. *EBER*, 3(2), 125-140.
- Bernard, A., Bradford, J., & Schott, P. (2005). *Importers, Exporters and Multinationals: A Portrait of Firms in the U.S. that Trade Goods*. Retrieved on November 13, 2016, from: <http://www.nber.org/chapters/c0500>
- Bitzenis, A., Tsitouras, A., & Vlachos, V.A. (2007). Motives for FDI In a Small Emu Member State: the Case of Greece. *Journal of Economics and Business*, 10(2), 11-42.
- Buckley, P.J., Clegg, L.J., Cross, A.R., & Voss, H. (2008). *Emerging countries' policies on outward FDI – lessons from advanced countries*. Paper presented at the "Five-Diamond International Conference Cycle: Thinking Outward: Global Players from Emerging Markets", 28-29 April 2008, New York: Columbia University.
- Buczowski, B., Kłysik-Urzesek, A., Kuna-Marszałek, A., & Świerkocki, J. (2015). *Poland's Outward Foreign Direct Investment. Experiences of Enterprises from the Łódź Region*. Łódź: Wydawnictwo Uniwersytetu Łódzkiego.
- Cantwell, J., & Barnard, H. (2008). Do firms from emerging countries have to invest abroad? Outward FDI and the competitiveness of firms. In K.P. Sauvant (Ed.), *The Rise of Transnational Corporations from Emerging Markets. Threat or Opportunity?* (pp. 55-85). Cheltenham: Edward Elgar.
- Cantwell, J., & Narula, R. (2001). The eclectic paradigm in the global economy. *International Journal of the Economics of Business*, 8(2), 155-172.
- Chen, S-M., & Glaister, K.W. (2006). Taiwanese Joint Ventures in China. *Journal of Global Marketing*, 19(2), 49-75.
- Chojna, J. (2014). Rola sektora zagranicznego w rozwoju gospodarczym Polski w okresie przed- i po akcesyjnym. In E. Kaliszuk (Ed.), *Dziesięć lat Polski w Unii Europejskiej* (pp. 44-64). Warszawa: IBRKK.
- Churchill, G.A. (2002). *Badania marketingowe. Podstawy metodologiczne*. Warszawa: Wydawnictwo Naukowe PWN.
- Cieślak, J. (2014). *Przedsiębiorczość, polityka, rozwój*. Warszawa: Wydawnictwo Akademickie SEDNO.
- Cuervo-Cazzura, A., & Narula, R. (2015). A Set of Motives to Unite Them All? Revisiting the Principles and Typology of MNE Motives. *Multinational Business Review*, 23(1), 2-14.
- Daszkiewicz, N., & Wach, K. (2014). Motives for Going International and Entry Modes of Family Firms in Poland. *Journal of Intercultural Management*, 6(2), 5-18.
- Drogendijk, R., & Blomkvist, K. (2013). Drivers and Motives for Chinese Outward Foreign Direct Investments in Africa. *Journal of African Business*, 14(2), 75-84.
- Dunning, J.H. (1979). Explaining Changing Patterns of International Production: In Defense of the Eclectic Theory. *Oxford Bulletin of Economics and Statistics*, 41(4), 269-295.

- Dunning, J.H. (1980). Toward an Eclectic Theory of International Production: Some Empirical Tests. *Journal of International Business Studies*, 11(1), 9-31.
- Dunning, J.H. (1988). The Eclectic Paradigm of International Production: A Restatement and Some Possible Extensions. *Journal of International Business Studies*, 19(1), 1-31.
- Dunning, J.H. (2000). The Eclectic Paradigm as an Envelope for Economic and Business Theories of MNE Activity. *International Business Review*, 9(2), 163-190.
- Dunning, J.H., & Lundan, S.M. (2008). *Multinational Enterprises and the Global Economy*. Cheltenham: Edward Elgar.
- Dzikowska, M., Gorynia, M., & Jankowska, B. (Eds.) (2016). *Międzynarodowa konkurencyjność polskich przedsiębiorstw w okresie globalnego kryzysu gospodarczego i po jego wystąpieniu*. Warszawa: DIFIN.
- EFIGE (2011). *The global operations of European firms: the second EFIGE policy report*. Brussels: Bruegel.
- Eurostat News Release (2016). STAT/16/39, 26 February.
- Franco, C., Rentocchini, F., & Vittucci Marzetti, G. (2008). Motives Underlying Foreign Direct Investments: A Primer. In *Proceedings of the 5th International Conference on Innovation & Management*, (vols I and II, pp. 2329-2345). Wuhan University Technology Press.
- Gabrielczak, P., & Serwach, T. (2014). Produktywność a ekspansja międzynarodowa przedsiębiorstw. Przypadek województwa łódzkiego. *Ekonomia Międzynarodowa*, 5, 5-25.
- Giroud, A., & Mirza, H. (2015). Refining of FDI motivations by integrating global value chains' considerations. *Multinational Business Review*, 23(1), 67-76.
- Gorynia, M., Nowak, J., & Wolniak, R. (2005). Motives and modes of FDI, firm characteristics and performance: case studies of foreign subsidiaries in Poland. *Journal of Transnational Management*, 10(3), 55-87.
- Gorynia, M., Nowak, J., & Wolniak, R. (2007). Motives and Modes of FDI in Poland: an Exploratory Qualitative Study. *Journal for East European Management Studies*, 2, 132-151.
- Gorynia, M., Nowak, J., Trąpczyński, P., & Wolniak, R. (2013). Internationalization of Polish Firms via Foreign Direct Investment: A Multiple-Case Study Approach. In M.A. Marinov & S.T. Marinova (Eds.), *Successes and Challenges of Emerging Economy Multinationals* (pp. 184-216). New York: Houndmills, Palgrave Macmillan.
- Gorynia, M., Trąpczyński, P., Nowak, J., & Wolniak, R. (2015a). Does outward FDI by Polish multinationals support existing theory? Findings from a quantitative study. *Economics and Business Review*, 1(15), 4, 84-101.
- Gorynia, M., Trąpczyński, P., Nowak, J., & Wolniak, R. (2015b). Outward FDI of Polish firms: The role of motives, entry modes and location factors. *Journal for East European Management Studies*, 20(3), 328-359.
- GUS (2012). *Rocznik Statystyczny RP*. Warszawa: GUS.
- GUS (2013). *Produkt Krajowy Brutto. Rachunki regionalne w 2011 r.* Katowice: GUS.
- GUS (2015). *Działalność gospodarcza podmiotów w kapitalem zagranicznym w 2014 r.* Warszawa: GUS.
- Hadryś, A. (2011). *Czynniki determinujące formy ekspansji zagranicznej przedsiębiorstw rodzinnych* (doctoral dissertation). Poznań: Katedra Handlu Międzynarodowego.
- Hagemejer, J., & Kolasa, M. (2011). Internationalisation and Economic Performance of Enterprises: Evidence from Polish Firm-level Data. *The World Economy*, 1, 74-100.

- Hutchinson, K., Fleck, E., & Lloyd-Reason, L. (2009). An investigation into the initial barriers to internationalization: Evidence from small UK retailers. *Journal of Small Business and Enterprise Development*, 16(4), 544-568.
- Jaworek, M. (2013). *Ocena ekonomicznej efektywności bezpośrednich inwestycji zagranicznych w praktyce polskich przedsiębiorstw*. Toruń: Wydawnictwo Naukowe Uniwersytetu Mikołaja Kopernika.
- Johanson, J., & Vahlne, J.E. (1977). The Internationalization Process Of The Firm: A Model Of Knowledge Development And Increasing Market Commitments. *Journal of International Business Studies*, 8(1), 23-32.
- Johanson, J., & Wiedersheim-Paul, F. (1975). The Internationalization of the Firm – Four Swedish Cases. *The Journal of Management Studies*, 12(3), 305-323.
- Karaszewski, W., Jaworek, M., Kuzel, M., Szałucka, M., Szóstek, A., & Kuczmarska, M. (2013). *Aktywność inwestycyjna polskich przedsiębiorstw za granicą. Czynniki i skutki*. Warszawa: PWN.
- Karaszewski, W., Jaworek, M., Kuzel, M., Szałucka, M., & Szóstek, A. (2014). *Foreign Direct Investment by Polish Companies*. Toruń: Wydawnictwo Naukowe Uniwersytetu Mikołaja Kopernika.
- Kaya, H. (2014). Strategic motives of Turkish foreign direct investment firms: An empirical study on manufacturing sector. *Journal of the School of Business Administration, Istanbul University*, 43(2), 368-390.
- Korth, Ch.M. (1985). *International Business. Environment and Management*. New York: Englewood Cliffs.
- Kowalewski, O., & Radło, M-J. (2013). Motywy inwestycji zagranicznych polskich przedsiębiorstw. *Acta Universitatis Nicolai Copernici, Oeconomia*, 44(2), 177-192.
- KPMG (2014). 20 Years of Special Economic Zones in Poland. Warsaw: KPMG
- Kudina, A., & Jakubiak, M. (2008). *The Motives and Impediments to FDI in the CIS 2008*, OECD Global Forum on International Investment, 27-28 March.
- Lewiatan (2012). *Przedsiębiorcy Ziemi Łódzkiej. Raport na temat wkładu przedsiębiorców w rozwój województwa łódzkiego*. Retrieved on November 13, 2016, from: <http://www.przedsiębiorcytworza.pl/assets/more/files/lodzkie-strona.pdf>
- Luostarinen, R., & Hellman, H. (1994). The Internationalization Process and Strategies of Finnish Family Firms. *CIBR Research Paper Series Y-1*. Helsinki: School of Economics.
- Melitz, M.J. (2003). The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity. *Econometrica*, 71(6), 1695-1725.
- Mutinelli, M., & Piscitello, L. (1997). Differences in the Strategic Orientation of Italian MNEs in Central and Eastern Europe. The Influence of Firm-specific Factors, *International Business Review*, 6(2), 185-205.
- Nachum, L. (2000). Motivations of TNCs for Investment in Eastern and Central Europe. *Journal of East-West Business*, 5(3), 5-40.
- Obój, K., & Wąsowska, A. (2012). Strategiczne wybory polskich firm – motywy i kierunki budowania powiązań zewnętrznych drogą kapitałowego umiędzynarodowienia działalności. In W. Morawski (Ed.), *Powiązania zewnętrzne: modernizacja Polski* (pp. 102-120). Warszawa: Kluwer.
- Pananond, P. (2015). Motives for foreign direct investment: an emerging market multinational's perspective. *Multinational Business Review*, 23(1), 77-86.
- PTE (2014). *Strategia Rozwoju Łódzkiego Obszaru Metropolitalnego 2020+*. Łódź: Polskie Towarzystwo Ekonomiczne.
- PTE (2013). *Strategia Rozwoju Województwa Łódzkiego. Łódzkie 2020*. Retrieved November 13, 2016, from: http://www.rpo.lodzkie.pl/images/konkurs_2.3.1_cop_28122015/SRWL_2020.pdf

- PwC (2012). *Polski Czempion. Doświadczenia polskich firm inwestujących na rynkach zagranicznych*. Warszawa-Wrocław: PwC.
- Sass, M. (2012). Internationalisation of innovative SMEs in the Hungarian medical precision instruments industry. *Post-Communist Economies*, 24(3), 365-382.
- Starosta, P. (Ed.) (2006). *Zróżnicowanie zasobów kapitału ludzkiego i społecznego w regionie łódzkim*. Łódź: Wydawnictwo Uniwersytetu Łódzkiego.
- van Tulder, R., (2015). Getting all motives right: a holistic approach to internationalization motives of companies. *Multinational Business Review*, 23(1), 36-56.
- Urząd Marszałkowski Województwa Podkarpackiego (2014). *Handel zagraniczny oraz bezpośrednie inwestycje zagraniczne w województwie podkarpackim w latach 2010-2013*. Rzeszów: Eureka Plus.
- Wach, K. (2016). Motywy internacjonalizacji przedsiębiorstw z branży *high-tech*: wstępne wyniki badań sondażowych. *Przedsiębiorczość i Zarządzanie*, 17(1), 93-107.
- Wieczorkowska, G., & Wierzbiński, J. (2012). *Statystyka od teorii do praktyki*. Warszawa: Wydawnictwo Naukowe Scholar.
- Yao, S., & Wang, P. (2014). *China's Outward Foreign Direct Investments and the Impact on the World Economy*. Basingstoke: Palgrave Macmillan.
- Yip, G. (2004). *Strategia globalna*. Warszawa: Polskie Wydawnictwo Ekonomiczne.
- Zemplerová, A. (2012). Czech OFDI: Investment Strategies and Motivation to Invest Abroad. *Eastern European Economics*, 50(2), 22-40.

Authors

The contribution share of authors is equal and amounted to ⅓ each of them.

Tomasz Dorożyński

Assistant Professor at Department of International Trade, Faculty of Economics and Sociology, University of Lodz. His research work focuses, inter alia, on the EU cohesion policy, regional development, internationalisation and FDI.

Correspondence to: Dr Tomasz Dorożyński, Department of International Trade, Faculty of Economics and Sociology, University of Lodz, 3/5 POW St., 90-255 Łódź, e-mail: tdorozynski@uni.lodz.pl

Anetta Kuna-Marszałek

Senior Lecturer at Department of International Trade, Faculty of Economics and Sociology, University of Lodz. Her primary research interests focus on various aspects of contemporary economics, including research on the interlinks between trade liberalization and environmental policies. She is currently working on internationalisation of business activities, FDI and support instruments for exporters.

Correspondence to: Dr Anetta Kuna-Marszałek, Department of International Trade, Faculty of Economics and Sociology, University of Lodz, 3/5 POW St., 90-255 Łódź, e-mail: akuna@uni.lodz.pl

Janusz Świerkocki

Full Professor and head of Department of International Trade, Faculty of Economics and Sociology at the University of Lodz. His current research relates to the internationalisation of firms, regional development, international trade policy, FDI and policy.

Correspondence to: Prof. dr hab. Janusz Świerkocki, Department of International Trade, Faculty of Economics and Sociology, University of Lodz, 3/5 POW St., 90-255 Łódź, e-mail: jswierk@uni.lodz.pl

Acknowledgements and Financial Disclosure

This article presents selected outcomes of the research project “Determinants and Effects of Active Internationalisation of Enterprises from Lodz Voivodeship” funded by the National Science Centre (No 2011/01/B/HS4/03372) implemented over the years 2012-2015 in the Department of International Trade of the University of Lodz.

The authors would like to thank dr. Wojciech Urbaniak (Department of International Trade, University of Lodz) for and dr. Bogusława Dobrowolska (Department of Economic and Social Statistics, University of Lodz) statistical support.

Copyright and License



This article is published under the terms of the Creative Commons Attribution – NoDerivs (CC BY- ND 4.0) License
<http://creativecommons.org/licenses/by-nd/4.0/>

Published by the Centre for Strategic and International Entrepreneurship – Krakow, Poland