Lodz University of Technology
Monographs

MODERN ENTREPRENEURSHIP IN BUSINESS PRACTICE: SELECTED ISSUES

edited by
Marek Matejun and Anna Walecka

Lodz 2013

LODZ UNIVERSITY OF TECHNOLOGY

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Cover design:
Karolina Kowalczyk

Research funded through the budgetary funds for science in the years 2010-2013 as a research project no N N115 364839.

LODZ UNIVERSITY OF TECHNOLOGY PRESS
90-924 Lodz, 223 Wólczańska Street
phone//fax: +48 42 684 07 93
e-mail: zamowienia@info.p.lodz.pl
www.wydawnictwa.p.lodz.pl

ISBN: 978-83-7283-540-6

Reproduced from materials supplied by Authors.

Edition 250 copies. Offset paper 80g, 70 x 100
Printed by:
Offset printing „Quick-Druk" s.c. 90-562 Lodz, 11 Łąkowa Street
No. 2056

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INTRODUCTION

Marek Matejun, Anna Walecka

Entrepreneurship and what is related to it: creativity and innovativeness become the key factors in creating modern enterprises' competitive advantage. These also have the positive impact on the economic development, the increase of society's wealth and diminishing the differences between particular regions. What becomes the fundamental source of entrepreneurship nowadays are the small and medium-sized enterprises, although entrepreneurial behaviour should also apply to large corporations and employees operating within their structures (so called intrapreneurship). All this results in the fact, that entrepreneurship development is a very complex process, posing numerous challenges to the researchers as well as business practitioners.

This monograph is dedicated to such issues. Due to the abundance of subjects it has been decided, that the **aim of this monograph** is the presentation of selected, modern problems and challenges in the development of entrepreneurship in business practice. The book consists of 12 chapters divided into three parts.

Part one underlines the importance of entrepreneurship and creativity in the development of modern organisations. The first chapter is dedicated to creativity and innovativeness, which by means of creating changes and generating motion in the business environment, have been treated as the basic factors building a permanent competitive advantage for the enterprises. In the following two chapters the attention is focused on the role of knowledge and the importance and assessment of human capital in the process of development of modern entrepreneurship.

The second part is dedicated to the selected conditions of entrepreneurship development in small and medium-sized enterprises. The first three papers are devoted to the methods of entrepreneurship development and financing in the SME sector companies. The possibility to apply franchising and corporate social responsibility has been presented here; moreover this part covers the basic rules and results of the use of leasing in the economic practice. This part's two final chapters refer to the barriers to and conditions of supporting entrepreneurship in small and medium-sized enterprises.

In the third part of this monograph selected challenges related to the development of entrepreneurship in the modern business practice have been presented. The first chapter is dedicated to the project of an innovative enterprise operating in the renewable energy sector. This is followed by the discussion of the importance of lammeral network in the decision-making process within modern organisations. The final two chapters focus in turn on the communication between enterprises and their business environment and executing the marketing function. The impact of advertising activities on the market segment of kids and teenagers is presented here, as well the controversial practices observed during the process of personal selling performed by the general pension societies.

It is our hope that the topics and research results presented within this monograph will prove interesting to the owners, managers and entrepreneurial and creative employees of various types of businesses, in particular those within the SME sector. It can also become an inspiration for the business environment institutions, targeting their activities at the various types of initiatives supporting entrepreneurship.

The presented material can also be successfully applied during the educational process related to the creation and development of entrepreneurial attitudes of students and postgraduates.

We also hope to attract the interest of the research community, in particular of those who focus on the issues of entrepreneurship and small and medium-sized enterprises. The aim of this monograph is also the active participation in the debate on the development of creativity and innovativeness in modern enterprises. Bearing this context in mind, the considerations presented here can serve in comparative studies and become an inspiration for new research topics.

PART I

The importance of entrepreneurship and creativity in the modern organisations

1 CREATIVITY AND INNOVATIVENESS IN MODERN ENTERPRISES

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1. Introduction

Nowadays there is much attention paid to the innovativeness in the world economy. It is based on innovations which are introduced by enterprises embedded in the socio-cultural context of the place where they operate. So an important emerging question concerns both the way in which innovations appear in modern organizations and all possible antecedents which determine it. Thus the role of the creativity becomes a matter of great importance. Is its influence on enterprises unambiguously positive as it may seem? The aim of tis paper is to indicate and assess selected aspects of the creativity and innovativeness described in the organizational context. A critical review of the literature and presentation of practical examples in the field of interest are undertaken.

2. Terminological issues and contextual explanations

The development of organizations depends on the creativity and innovativeness that imply changes for organizations' advantage [Brzeziński 2009, p. 36]. The creativity is described as a mental feature and concerns the way in which individuals think (ingeniously). At the same time the innovativeness is understood as a behavioural feature that indicates the way in which individuals function, e. g. preparing oneself for changes, implementing novelties [Drozdowski et al. 2010, p. 21, 22]. According to R. Richards it is possible to distinguish between the high and low creativity. This dichotomy as well as M. Runco's assumption about immanent involvement of a creative potential in human nature allow scientists to introduce a conception of the egalitarian creativity. It takes place in personal dimension [Świgulska 2009, p. 47, 48, 51] and is considered as a domain of people who take up usual jobs [Drozdowski et al. 2010, p. 17]. In addition to these tendencies there is worth noticing that rebutting of assumption about so called creative lightening (it emphasizes the importance of the most creative single ideas) and accepting a claim treating creativity as a process [Stasiakiewicz 2002 p. 159; Nieckarz 2002, p. 467; Brzeziński 2009, p. 20, p. 59] allow to take view of a creative person who works in organization as a part of bigger system. The system embraces other people (creative team) and external environment that influence collective creativity (creative organization) [Brzeziński 2009, p. 20]. It is necessary to pay attention to the fact that if we want to search for determinants of the creativity and innovativeness not only with relation to the characteristics of individuals, we need to take into consideration such factors as company, family, small group, class, and even society and culture [Karwowski 2009, p. 57]. This is because there is a feedback between these factors and social, cultural and economic processes [Drozdowski et al. 2010, p. 18-19]. Hence, we are allow to say that the creativity of environment (a creative potential present in relations with clients, cooperators, consulting companies) is a contextual background for the organizational creativity (that can be named also as complex creativity that integrates individual, team and organizational component) [Brzeziński 2009, p. 60-61; Woodman, Sawayer, Griffin 1993, p. 295]. It is necessary to add that the importance of such kind of potential reveals in some tendencies connected with transformation from the closed innovation paradigm to the open innovation paradigm, which is described by H. Chesbrough [Chesbrough 2003]. The mentions of this phenomenon can be found i. e. both in statement of Director of Components Research Laboratory (Intel) about ties with external research society or in Procter & Gamble's efforts put in searching for sources of innovations beyond company's boundaries [Chesbrough 2003, p. 27, 123].

3. Challenges of creative process in enterprises

3.1. Characteristics of creative process

In addition to individual abilities and features [Piskorz 2002, p. 185; Stasiakiewicz 2002, p. 166; Drozdowski et al. 2010, p. 38], we can rank as factors that have an influence on individuals creativity also the organizational conditions. Among these factors there are i. e. job's system based on tasks and cross functional teams as well as unconstrained horizontal communication flow, flat organizational structure, motivational system (however, T. Heinze indicates that scientists can be inhibited from conducting research and inspiring their colleagues by offering them rewards such as enlarging their research team, appointing them to principals of institutions or national experts in various committees – then the motivational system can have an effect which is contrary to the expected one – Burbiel 2009, p. 42) and top management team who works with passion (managers should trust their employees and use control system involving advising), tolerates risk (and treats goals as challenges – Piskorz 2002, p. 185), [Drozdowski et al. 2010, p. 8, 10, 56, 64, 67, 71-74, 78-79). It is because organization has various tools (which not only can induce employees' creativity, but also they may be a factor that moderate relation between the creativity and innovativeness [Drozdowski et al. 2010, p. 56]) that we need to take into account abovementioned factors. In general, a creative idea becomes an innovation when it is put into practice. Thus the creativity can be perceived as necessary condition for the innovativeness [Wojtczuk-Turek 2009, p. 92; Drozdowski et al. 2010, p. 8]. It can be said that the creativity in enterprises is a tool that enables to realize market goals. As a consequence of this, effects of creative process have to be verified and assessed [Stasiakiewicz 2002, p. 155]. Here it can be added that despite the fact that an awareness of being judged has usually a negative impact on the creativity it is indispensable to remember that this relation can not be perceived as universal one. For example, such hypothesis was not proved in experiment carried out on students. Regardless of whether they were informed about being judged or not, when jurors attached importance to students' creativity, this fact did not reduce productivity. The goal of achieving a new solution was the most important factor determining the level of their creativity – then, even working alone, student was motivated by the presence of jurors. However, results of this research need to be treated with cautious in the organizational context, because students who were eager to be judged, do not connect those judgements with possible punishment such as lack of promotion [Shelley 2005, p. 491-499]. Coming back to the main thread – if the creativity is one of the antecedents of the innovativeness in enterprises, an attention is called to the requirement of a clout that can be needed to introduce an idea to the organization or economy. Nevertheless, this attribute or competences and tools may not be possessed by an inventor. So it is proposed to support him by people who shape an idea (and next they promote it), people whose task involves giving an advice to the inventor and next to assess his or her achievement (these people evaluate possibilities and validities of the idea taking into account technical, financial and organizational aspects – Stasiakiewicz 2002, p. 155) and people who are executors of the idea. In this way the innovation process is divided into design phase and implementing phase. The role of implementing teams that are built ad hoc is worth emphasizing during this second phase [Drozdowski et al. 2010, p. 82, 83]. However, it is needed to emphasize the importance of suitable elaborating of the idea. This is because it is claimed that management of the creativity and innovativeness should be based on integration and cohesion between the process of creative thinking and the process of implementing innovations [Brzeziński 2009, p. 52-53]. In fact, in daily organizational practice the assessment phase is a point of intersection of both conceiving and operational thinking. Then visions of necessary changes in organization are confronted with knowledge concerning practical aspects of organization daily routines [Brzeziński 2009, s. 38].

3.2. Creativity in organizational teams

The question that may come to mind concerns a possibility of generating the ideas in enterprises that might try to transform their employees into so called “engineers of imagination.” In principle, as it already has been stated, in order to go beyond traditionally set limits of competences, the cross functional teams are created. Then fragmentary points of views can be combined (teams members should differ from themselves in terms of characters or even looks – because of confronting people who behave and think differently it is required of the members to bear common responsibility for the results of their work as well as to trust and tolerate themselves – Brzeziński 2009, p. 73-75; Drozdowski et al. 2010, p. 10, 78, 103; Burbiel 2009, p. 41]. In addition to this, taking into consideration so called paradox of success – a situation when people who previously worked well together are appointed to new tasks – it is necessary to say about diversity maintaining in time that can be achieved through rotation of the team members [Burbiel 2009, p. 43; Klijn, Tomic 2010, p. 1331]).

The cross functional teams are used in the process of a new product development due to their possible impact on its different aspects, i. e. it is proved that the most important thing is to increase a pace with which this process takes place (at the same time it is indicated that an attractiveness of such teams is perceived primarily in terms of interactions which take place among the members, the issue of improvement of the process is not of the greatest importance here). However, not all researches are consistent with popular statement that using teams of such kinds influences on a success of the project (the success may be understood in terms of quick introducing a new of high quality product to the market without exceeding a budget; additionally it is proved that the influence of discussed teams on company’s profits derived from sales of new products is moderated by innovation strategy – this strategy may focus on a degree of novelty of products or pace of its development) [McDonough 2000, p. 223, 230]. While considering the teams functioning from the standpoint of a whole enterprise it is also needed to notice that bigger amount of the hired employees in company may imply that a part of them can not take part in training kept i. e. due to using Team Building technique. This fact also has the impact on the teams effectiveness. Such situation may result in so called “rozbrojenie psychospołeczne” – then the individual transfers rules of behaviour learnt during a course (loyalty, honesty) to potential conditions of a rivalry in working place [Buszczak 2002, s. 100, 105].

The problem of finding the best size of the cross functional team is next issue which have to be solved when team working is implemented in enterprises. On the one hand the bigger the teams are the more information they can collect (it has direct impact on early identification of a fact that the product is not a good match for the market). On the other hand these bigger groups (when additionally they are differentiated with regard to age of their members) are subject to a relation master – apprentice to a smaller degree. In fact, smaller groups can be more preferable [Burbiel 2009, p. 42]. The necessity of coexisting clear and stable goals before the teams can be called into being should be emphasized as well. These goals cause that the teams having chosen its course of action can focus on making decisions and setting rules of its functioning. Then common point of reference is conducive to cooperation [McDonough 2000, p. 223, 231, 232]. But next time it seems to be indispensable to indicate that possible difficulties can emerge – as far as empowerment can be justified, it does not have to lead to a success – D. Leonard-Barton [Leonard-Barton 1992, p. 119] indicates on causes of abrogation of psychological contract (individuals construe empowerment in this way) between the employees and their corporation. It may stem from the fact that all effort that the employees put into undertaking heroic tasks for their corporations can finally be recognized in too small extent. Besides, they can exceed the boundaries of personal freedom that are tolerated by their company or their ideas can simply be rejected. Then, as D. Leonard – Burton claims, the employees can "leave the company – sometimes with a deep sense of betrayal" [Leonard-Barton 1992, p. 119].

The essence of goals involves indicating the proper way of working and setting the employees with suitable tasks – first of all, thanks to these goals it have to be clear what company and their employees should not do. What is important, such approach to the problem leaves a lot of freedom to the employees. In K. Eisenhardt and J. Martin's article concerning dynamic capabilities there is mention of simple and experimental routines that set only priorities that managers should follow when they work in dynamic markets. What is more, it is worth adding that Yahoo work out their routines of creating alliances as a result of mistake [Eisenhardt, Martin 2000, p. 1112-1115]. The matter of a law to confessing to making a mistake (albeit showed in different context) is presented as a condition (from the organizational point of view it is an element of the organizational culture) for employees' creativity [Drozdowski et al. 2010, p. 116; Wojtczuk-Turek 2002, p. 93] (it may also seem that these postulates are connected with a fact that polish entrepreneurs indicate on creating of Beta version as a factor supporting creative attitudes [Drozdowski et al. 2010, p. 77]). Abovementioned statements are supported by researches conducted by T. Heinze where scientists asked about sources of their creativity said that it could be "a freedom of choosing a way of conducting their scientific researches"(on the other hand business unit should control over laboratory to some extent, because such kind of control induce researchers to develop some commercial attitude towards their work and lead to a faster pace of converting results of their work to products sold on the market [Hill, Rothaermel 2003, p. 263]). In order to such an activity can be possible it is necessary to make use of participative style of leadership (the goals should be explained in the way that they could become to be a guidance for the teams that can identify with results of their work – here a leader play the important role – McDonough 2000, p. 225, 227).

Because of the emphasized importance of relations among members in the teams at the end of this paragraph it is worth mentioning about research conducted by J. Kratzer et al. He proved that the relations based on informal talks – "friendly ties" (they take place during work time but are about things which are not connected with work) cause that better results are achieved but only to some level of talks' intensiveness – when it is exceeded, people become to avoid their duties, distract themselves and standard of works is lowering. However, relations that are maintained out of workplace – "friendships ties" seem to support better information exchange, developing trust and harmony with group goals without any limitation. Thus it can be derived (quite controversially) that it is favorable to continuously induce informal contacts (and formal ones according to M. Klijn and W. Tomic's interpretation of discussed research) believing that together with development of "friendship ties" unofficial talks will happen out of workplace and results to be achieved will be higher [Kratzer, Leenders, Van Engelen 2005, p. 515-525]. These postulates should be compared to the other ones claiming that strong group cohesion limit the creativity while weaker ties make it more easily achievable [Klijn, Tomic 2010, p. 331; Woodman, Sawyer, Griffin 1993, p. 20]. Perhaps it is also worth taking into consideration J. Jansen's (et al.) research. It shows that network density (understood as an extent to which units create network ties with different hierarchical levels) does not have to influence negatively on openness to new ideas and it can have the positive impact on their absorption [Jansen, Van den Bosch, Volberda 2005, p. 1009, 1010].

4. Drawbacks of creativity in enterprises

First of all, it is necessary to be aware that reciprocal kindness and feeling of comfort in relations among group members (or connected with them a sense of harmony perceived by members) may by easily confused with the creativity – in fact then its level assessed by group members may have little in common with its actual level. Hence, it may be difficult to assert whether given enterprise is creative or not.

Furthermore, in order to notice some negative aspects of the creativity it is indispensable to come to terms with a fact that the creativity may be perceived by clients as a sign of employees' incompetence (on the other hand these same clients can be a source of ideas about improvements which may have a bigger chance to be implemented than intra – organizational ones as it is described by D. Leonard-Bard with regard to chosen examples [Leonard-Barton 1992, p. 120 – 121]). Their satisfaction depends to a large extent on interactions which take place when services are being provided. Standardized procedures which reduce variability show clients that the employees have necessary skills to satisfy their needs. That is why they may be desirable [Gilson et al. 2005, p. 522, 528]. Nevertheless, it is not to state that procedures have to be omnipresent. Needles to say, it is shown as well that both departure from the procedures and searching for new solutions to difficult problems have the positive impact on team performance assessed with regard to i. e. duration of period operational reliability of machines from one repair to the next one, time needed to respond to information about failure of machine and amount of money spent on repairs.

So it seems to be justified to combine creative and standardized methods. It can be achieved through avoiding creative behaviours performed before client's eyes- they should be practiced when clients are not able to see them, i. e. situation of planning response to client's requests (second possibility concerns a situation of "consent to creativity" which is when the employees explain reasons of longer than usual time of repair to client simultaneously emphasizing that thanks to this longer repair machine can be used longer as well [Gilson et al. 2005, p. 526, 528].

Trying to show negative aspects of the creativity it is necessary to notice that creative people working for given company can be perceived as a destabilizing factor for intra – organizational processes. So, such individual induces negative emotions, because interests of majority of employees are usually connected with an organizational continuity and not with a change [Drozdowski et al. 2010, p. 105, 106; Klijn, Tomic 2010, p. 337]. Moreover in enterprises that base on the creativity (i. e. producers of computers game – in this case the creativity is inserted in organizational mission) it is possible to notice some negative tendencies involving creation of unofficial hierarchy existing in line with formal structures. This kind of divisions may emerge between the employees who are part of privileged core (creative personnel working in the studio responsible for creating product's vision – this holistic as well as from expert areas – or coding of ideas) and these employees who are at the periphery (they are perceived as people who occupy themselves with less demanding tasks as editing and checking ideas to guarantee quality). As a consequence of this, the importance of work of the second group is lowering (simultaneously work done by the first group is favoured). That is why organization performance may be negatively influenced by relations which become to be asymmetrical (such asymmetrical relations may also take place inside the organizational core – Tuori, Vilén 2011, p. 93-97).

Finally, imitation of the creativity stemming from an environment leads to a chance to induce the organizational creativity [Brzeziński 2009, p. 63]. Nevertheless, difficulties of polish enterprises in implementing innovations which are new at least from point of view of companies in the country (and consequently perceiving each novelty for a single company as the innovation) cause that it is common to claim that the innovativeness is possible without the creativity (which is not a sine qua non for the innovativeness then). In this way the creativity loses its importance (in addition to the imitation, also buying technologies at the market may be an example of the innovativeness for a single company which does not require the creativity) [Drozdowski et al. 2010, p. 56, 132].

5. Summary

To sum up, this paper while discussing dilemmas which are connected with inducing of the creativity among the employees (i. e. the issue of intensity of relations among the members of creative groups as well as their empowerment or possible ambiguous consequences of using the motivational system) shows that tools that are at organization's disposal may turn out to be ineffective (i. e. its too intensive using may lead to the effect which may be contrary to the expected one). Next characteristic feature of the creative process in organization is connected with a fact that it is verified thoroughly. When it is conducted internally but in an incompetent manner the creative idea which is too idealized may become to be implemented. Then an external market control may expose a failure of the creative process in organization – in fact, clients may not expect it at all. In addition to this, an environment may influence the process of creativity in organization, i. e. by being a source of ideas. Obviously, modern technologies make it possible to use them effectively (likewise accumulated stocks of personal knowledge in enterprises play the important role in this field of activity). More active organizations try to be ahead of those external ideas and simultaneously to put pressure on other companies (by being the source of the most creative ideas) whereas these passive companies are willing to base on ideas stemming form outside. In spite of possible redundancy of the creativity (as well as problems that it can trigger off) it can be claimed that enterprises should not resign from it. This is because as the economic practice shows, a strategy based on a sole use of external ideas is the strategy that finally has to have serious limitations. So being possessed of diversified absorptive capacity (it can be understood as company's ability to value, assimilate and apply knowledge from different domains) is not enough to maintain market position. Apart from the imitation, it is necessary to work out new solutions using creative potential of all people engaged in their organization's life. Their open attitudes towards changing status quo as well as willingness to share knowledge among themselves can turn out to be crucial. And it is unacceptable to forget that actually all people can contribute to some extent to the level of the creativity and innovativeness in their organizations.

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2 THE ROLE OF KNOWLEDGE IN THE PROCESS OF TECHNOLOGY ENTREPRENEURSHIP DEVELOPMENT[1]

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1. Introduction

When one analyses the most recent publications and research results, it is impossible not to notice the relationship between a given company's market position and their innovativeness, which plays a pivotal role in creating competitive advantage not only on the organisational level, but also on the regional one or that of the whole economy. At the same time innovations, by their nature, are **inseparably related to knowledge**. It is knowledge that is their source and the necessary resource for the innovative process to take place correctly – from the idea stage to the moment of innovation is implemented. This subject area is discussed in detail in the works of J. Baruk, who evidences that "innovation is a result of the interactive process of knowledge creation, its diffusion and creative application" [Baruk 2010, s. 57].

It can be observed that throughout the last few years knowledge has gained great importance both in the theory of management sciences, as well as in the business practice. Without a doubt **knowledge plays the dominant role**, in comparison to the traditional production factors. Ownership of capital, land or labour is no longer a sufficient condition to succeed in a dynamic marketplace. Sources of competitive advantage are more and more often sought in the intangible resources, such as: information, knowledge, creativity and employee competencies and skills, modern technologies, management capabilities, organisational culture [Golińska-Pieszyńska 2010, p. 11]. However in order to succeed, one does not only need to identify or gather intellectual capital, it is essential to develop effective knowledge management methods, techniques and processes. "Knowledge management strategy is a bridge between organisation's various goals, a resultant of company's overall strategy, a link connecting each and every element that is a part of the knowledge management system"

[1] Research project financed through budgetary funding for science in the years 2010-2013 as a research project no N N115 364839.

[Gierszewska 2011, p. 9]. It is not the question of introducing revolutionary changes in the organisation, but that of how by noticing "the increasing importance of knowledge, which can be a value deciding upon company's success or failure, one should aim to incorporate knowledge management plans into other, traditional plans within the company" [Probst, Raub, Romhardt 2004, p. 55].

Enterprises which strive to develop by means of implementing the process of technology entrepreneurship, cannot underestimate the role knowledge plays, which is "the condition of rationality, innovativeness and effectiveness, as well as a factor deciding upon competitiveness, (…) making organisation's adaptation to the internal and external business environment easier and more optimal" [Skrzypek 2010, p. 90]. A resource of such value must be managed skilfully. Adapting a knowledge management strategy enables the organisation to integrate its internal processes (e.g. innovativeness, technology entrepreneurship), while at the same time it may provide a multitude of benefits, that translate into widely understood success. **The aim of this paper** is to present the role of knowledge in the process of technology entrepreneurship and to showcase research results evidencing the level of engagement small and medium enterprises exhibit when it comes to activities integrating the areas of knowledge management and technology entrepreneurship.

2. Knowledge as the key factor in the development of technology entrepreneurship

According to I. Hejduk and W. Grudzewski, countries, which in the modern day have undergone economic growth, to a large degree owe their successes to their capability to master knowledge management systems. "It is mainly to this element of implemented strategy, that the countries owe their development of innovative processes, based on implementation of appropriate organisational solutions and management methods, enabling enterprises in these countries to gain competitive advantage" [Grudzewski, Hejduk 2008, p. 25]. Hence, when analysing such issues as entrepreneurship, innovativeness, knowledge (its management) one can notice clear connections between them, strong dependencies even. **Correlation of these factors determines the development of the enterprise** and its position in the competitive market.

The phenomenon of technology entrepreneurship (a subject of research conducted in 2010-2013 by a research team under the supervision of Prof. S. Lachiewicz, PhD) covers all endeavours related to transferring research results and research potential of science, enterprises and independent inventors into goods and services [Poznańska 2013]. The basic condition for this process to run smoothly is effective cooperation between research facilities, capital market institutions and the business environment, as well as enterprises themselves. **Technology entrepreneurship is a process of creation of new products, application of modern technologies, flexible reaction to changes taking place**

in the marketplace, as well as implementation of innovation into all of the areas of company's operations, as well as its cooperation partners [Grudzewski, Hejduk 2008, p. 80]. This concept allows, in a very interesting way, for making the most of the synergy effect by means of integration of activities in the science, technology and business world – activities aimed at creation and diffusion of technology innovations. The concept can be particularly useful for small and medium-sized enterprises, which already possess a given creative potential, but due to the lack of sufficient resources and the fact of operating in a turbulent and complex environment are unable to develop their own research and development facilities [Kozłowski, Matejun 2011, p. 41]. It is also impossible not to mention the importance of knowledge in the process of technology entrepreneurship, knowledge which is at the source of all ideas that are the cornerstone of each innovation and which is crucial at every stage of new solutions being implemented and ideas being transformed into innovative products or services. Moreover, following I. Hejduk and W. Grudzewski, one can point to the following indicators of knowledge management, which are reflected in the process of technology entrepreneurship [Grudzewski, Hejduk 2008, p. 44]:

- using scientific, technical and technological achievements in creation of new products and services,
- creating conditions that boost the development of entrepreneurship, quicker pace of seeking out and implementing innovation through cooperation with the economy's research and technical facilities,
- the development of basic, postgraduate and complementary education in order to achieve a high level of employee qualifications and quick implementation of life-long learning,
- the development of investments supporting growth of intangible assets – investment into research and development work in the area of new products, new technologies, know-how, IT systems, organisational and management systems and distribution, as well as the creation of value network chains,
- growth of added value, achieved in the business through investment in knowledge management.

In order to make the most of the potential hidden in the intangible, intellectual assets, one must manage those assets skilfully. Technology entrepreneurship is a combination of a number of activities, during which knowledge is absorbed, processed, developed, created and used. Hence it seems necessary to approach the relationship between technology entrepreneurship and knowledge management in an integrated manner.

The second concept mentioned above, being fairly young and still developing intensively, "does not upset the order of plans already being carried out in the company" [Probst, Raub, Romhardt 2004, p. 47]. Knowledge management is a universal method of managing the company, as it refers to the asset each and every company possesses. And as G. Gierszewska claims, knowledge management has today become a necessity, and even though it is not the cure for all ailments contemporary enterprises suffer from, it is undoubtedly "the perfect tool making company's functioning processes more effective in the ever more competitive and turbulent environment" [Gierszewska 2011, p. 12]. Knowledge management requires, however, an integrated approach, which is shown by e.g. A. Jashapara in formulating the following definition, which also highlights the aspects related to technology entrepreneurship: **knowledge management is an effective learning process, connected to seeking, using and disseminating knowledge**, making use of the appropriate technologies and cultural environment, which aims to increase the intellectual capital and organisational efficiency [Jashapara 2004, p. 12]. Various authors distinguish several areas in the process of knowledge management. It is worthwhile to take a closer look at these elements, which have been distinguished as a result of research and observation by G. Probst, S. Raub i K. Romhardt, who also underline the strong interdependencies between those elements as well as the fact, that these take place simultaneously in the organisation. These elements are: locating the knowledge, obtaining it, its development, sharing and dissemination, use and storing [Probst, Raub, Romhardt 2004, p. 42-44]. The abovementioned activities can be easily embedded into the processes already taking place in the organisation in such a way, that assumed strategies are realised and set goals are reached. In this aspect, knowledge management and tools used in its consecutive stages can support and make the activities undertaken by the business as part of technology entrepreneurship more efficient. Each enterprise should identify the aforementioned processes and select appropriate methods and tools enabling the company to reach its set goals.

Both concepts share a common aim: to lead the enterprise to success, help achieve competitive advantage through acquisition and application of unique knowledge. Effective management of knowledge, as the most precious asset in the business, seems to be not only a priority, but a necessity. In the times of ever-changing business environment, growing levels of competition, when technologies find yet another new application and products age in a manner of days, success is available only to those organisations, which are based on knowledge, "can constantly gain new knowledge, disseminate it throughout its structures and without delay immediately use it to generate new technologies and products" [Nonaka 2006, p. 30-31]. Hence a business that participates in the process of technology entrepreneurship, process which basic aim is the commercialisation of knowledge, scientific outputs and research results, should become a knowledge-based organisation.

3. Methods and scope of empirical research conducted

In the years 2010-2013 a research team (including the author), under the supervision of Prof. S. Lachiewicz, PhD, has been conducting research aimed at identification and assessment of factors stimulating and hindering the development of technology entrepreneurship in a group of small and medium-sized enterprises. The first stage of empirical research conducted as a part of this project was questionnaire research: pilot research taking place in 2011, conducted on a sample of 20 enterprises and actual research taking place in 2012, conducted on a sample of 300 small and medium-sized companies operating in lodzkie voivodeship. The main aim of this part of research was to:

– analyse the determinants and mechanisms of technology entrepreneurship development in researched companies,
– analyse the level of knowledge of, awareness of and attitude entrepreneurs exhibit towards technology entrepreneurship, influencing the development of research companies,
– analyse the extent of use of selected technology entrepreneurship development methods observed within the researched companies,

Purposive sampling has been applied, based on the parameters such as:

– appropriate size of the company, measured in terms of the number of employees, determined by calculating the equivalent of full-time positions,
– company premises located within the territory of lodzkie voivodeship,
– companies selected for research purposes were operating within various sectors and lines of business, in order to enable obtaining information on use of technology entrepreneurship development methods in different types of business entities.

A database of business entities, provided by the external company the research team cooperated while conducting the empirical research, was used as the sampling frame. The research method applied was the questionnaire method, with questionnaires delivered straight to the participating companies. As the research tool, an elaborate purpose-made author's research questionnaire was used, in a printed format.

Among the analysed entities there were 201 (67%) small companies and 99 (33%) medium-sized companies. The great majority of these were companies operating as sole-traders (59%). There was also a large group of representatives of limited liability companies (22%) and civil law partnerships (11%). Among other legal forms one could find: joint-stock companies (3%), general partnerships (2%) and others (limited partnerships, cooperatives as well as foundations operating as businesses) – 3%. A vast majority of analysed businesses (88%) has been operational on the market for over 5 years. Their business operations are in the service sector (50%), as well as manufacturing (49%). Only 4 of the researched companies (1%) indicated trade as their area of operation. The businesses are representing a wide variety of lines of business, which are: chemistry, textile industry and clothing, telecommunications, IT, motoring, printing industry, construction, finance or real estate. The sample is primarily composed of enterprises operating locally (on the city/town level) – 35% of respondents. The enterprises operating on a wider scale are present to a lesser degree – those operating on a regional level (27%), national (22%) or international (16%).

4. The development of knowledge and technology entrepreneurship in the business practice of small and medium-sized enterprises

Many companies, especially those in the sector of small and medium-size enterprises, develop various areas of technology entrepreneurship. While one should appreciate the importance and impact of effective knowledge management, it is also essential to enrich company's internal knowledge resources, which are its innovation potential, by complimenting them with knowledge resources originating outside the company. There is a direct dependence between the innovative potential, and activity in this particular area, and the quantity and quality of knowledge resources accumulated by the company [Kurowska-Pysz 2012, p. 519]. The increasingly higher consumer expectations and strong competition force companies to constantly seek new solutions and to venture beyond their boundaries, in order to gain knowledge and to develop. This process, however, does not take place without a number of difficulties, which appear as early as the stage of awareness of the company managers and their employees. Technology entrepreneurship by its nature is based on cooperation between enterprises and the world of science as well as the business environment. Should one strive to develop their technology and innovation resources and infrastructure, what becomes necessary is access to valuable knowledge resources. In most cases the company's intellectual assets prove to be insufficient. What becomes apparent is the need to analyse the resources and potential the company has, as well as to identify areas of deficiency, that need to be supplemented by the company by means of knowledge transfer from the business environment.

As a part of the research conducted, the companies were asked to assess the level of enterprise's engagement in activities related to technology entrepreneurship. Five levels were distinguished (next to each there is an indication of the percentage of respondents that identified themselves with the given group):

1. The company practically **does not implement innovative solutions**, and rather bases its operations on solutions tested and developed throughout the years of business – **45%** of respondents,
2. The company **implements innovation to a limited extent**, using primarily its own potential for that purpose – **46%** of respondents,
3. The company **implements innovative solutions by cooperating with selected institutions**, e.g. financial ones or innovation support centres and technology transfer institutions – **8%** of respondents,
4. The **company implements innovative solutions occasionally making use of research results**, cooperating with science facilities and other entities supporting funding **and commercialisation of technology** – 1% of respondents,

5. **Implementation of innovation** and generating technological progress based on research results is the **core activity of the company**, to achieve this it engages in cooperation with scientists, science facilities, technology transfer institutions, local government agencies, financing institutions and other enterprises operating within the area of advances technologies – **0%** respondents.

While analysing the assessment of engagement in technology entrepreneurship of the companies participating in the research, one can notice the dominant conservative approach, limited merely to use of own resources and characterised by being closed to cooperation with external partners (this group of respondents – the first two levels – are labelled as enterprises "weakly engaged" in technology entrepreneurship development). Meanwhile companies that implement innovative solutions cooperating with finance institutions, enterprise centres or research and development facilities, as well as companies that make use of scientific research results and support of institutions that fund and commercialise technological solutions (levels 3-5; described as "strongly engaged" in the development of technology entrepreneurship) constitute merely 9% of all the respondents. Some of the differences in approaches exhibited by these two groups are also visible in the answers given to the question on the scope of activities undertaken by the respondents. Table 1 presents the overview of most frequently provided answers as to the assessment[2] of the scope of activities in respective areas of technology entrepreneurship, divided into the stages of knowledge management. It can be seen that the fact of a given company being classified as "strongly engaged" in technology entrepreneurship development, is also reflected in the scope of undertaken activities. "Weakly engaged" companies implement knowledge management processes to a very small extent. And this fact comes as a no surprise, taking into account simultaneous lack of initiative when it comes to cooperation as a part of technology entrepreneurship. At the same time it can be seen, that "strongly engaged" companies behave far more actively in some areas. What particularly stands out is the stage of locating knowledge, which is the identification of demand for it, the assessment of the current state and analysis of gaps the company has when it comes to knowledge, competencies, technology as well as recording knowledge through process documentation, intellectual property protection. Aside from the abovementioned issues, when it comes to the area of creating knowledge-based organizational culture and motivating to, as well as engaging[3] employees in, knowledge management related activities is undertaken by both groups of companies with medium intensity.

[2] The respondents could determine the scope of activities undertaken as a part of technology entrepreneurship on a scale of 1 – lack of, 2 – small, 3 – medium, 4 – great, 5 – key.

[3] Mode of indications among „strongly engaged" companies as to listening to and implementing employee ideas results in the answer 2 – small scope, however the answer 4 – great scope has merely two answers less.

Unfortunately the issue of venturing beyond one's organisational boundaries and establishing cooperation is greatly neglected. Low level of technology entrepreneurship of the research respondents also manifests itself through a lack of comprehensive approach to knowledge management. Selective development of some knowledge management areas suggests that the activities in this area are unintentional and that there is rather a lack of knowledge-based strategy. It can also be noticed that a majority of the group of researched small and medium-sized enterprises does not exhibit efforts of developing their own research and development facilities. Research results show that the prevalent among the respondents are entities, which do not establish contacts with the world of science and research, neither do they strive to build a network of knowledge exchange relationships between the company and its environment.

Table 1. The scope of technology entrepreneurship related activities with division into stages of knowledge management – mode of indications.

<table>
<tr><th colspan="2" rowspan="3">Activities integrating knowledge management and technology entrepreneurship process</th><th colspan="2">Scope of activities undertaken</th></tr>
<tr><th>weak</th><th>strong</th></tr>
<tr><th colspan="2">Engagement in technology entrepreneurship development</th></tr>
<tr><td rowspan="3">Locating knowledge</td><td>researching the business environment to identify demand for new knowledge in form of products the company can supply</td><td>narrow</td><td>medium</td></tr>
<tr><td>identifying company's demand for knowledge, competencies and technology</td><td>narrow</td><td>broad</td></tr>
<tr><td>determining the company's current state of knowledge and its gaps in intellectual assets</td><td>medium</td><td>broad</td></tr>
<tr><td rowspan="3">Obtaining knowledge</td><td>diminishing the barriers to change and to flow of ideas from the outsider</td><td>medium</td><td>średni</td></tr>
<tr><td>researching market participants (customers, suppliers, competitors, cooperation partners etc.) to obtain information necessary to implement new technology</td><td>medium</td><td>medium</td></tr>
<tr><td>obtaining feedback from customers on products/services introduced (pilot, service and complaints handling, measuring satisfaction)</td><td>medium</td><td>medium</td></tr>
</table>

Gaining and sharing knowledge	organising teamwork in cooperation with employees of science and research facilities	**none**	**none**
	ensuring employees have access to the knowledge (project database, experts) necessary to complete allocated tasks	**none**	medium
	building a network of knowledge exchange relationships between employees, market participants, technology transfer support organisations	**none**	**none**
	promoting, rewarding the fact of sparing knowledge	medium	medium
Development of knowledge	creating a knowledge-based organizational culture (trust, acceptance of mistakes, creativity, integration)	medium	medium
	creating among employees the attitude of openness to knowledge and new solutions	medium	broad
	listening to and implementing employee ideas	medium	narrow
	building company's own research and development facilities	**none**	**none**
Recording knowledge	introducing procedures of documenting completed tasks, projects	narrow	broad
	defining the method of storing, codification and protection of knowledge, access criteria	narrow	broad

Source: Author's own work, based on research results.

Research conducted indicates, that every one in four companies, when asked about the barrier to starting cooperation with science and research institutions, indicates difficulty to access such organisations. Both sides may be at fault for such difficulty being present. It is not always the case that the offer of science and research institutions, supporting entrepreneurship, acting as intermediaries in the transfer, is well communicated and promoted. On the other hand, however, the business owners, managers and employees often underestimate it, know not where to seek support, information or even, as it was indicated by every fifth respondent, are unwilling to establish cooperation with entities designing new technological solutions.

Undoubtedly the level of knowledge[4] of the scope of activities and the offer of particular business environment institutions, providing entrepreneurship support (including technology entrepreneurship support) is quite low in the respondents' own opinion and assessment. Figure 1 presents cumulated results

[4] The respondents could determine the level of knowledge of given entities on a scale of 1 – lack of knowledge, through low level, medium, substantial, to 5 – key knowledge.

of respondents' answers, in percentages. It can be clearly seen that the companies (over 80%) have the highest level of awareness when it comes to the closest environment, which is customers, suppliers and competitors. This is a very important issue; possession of knowledge of these groups of stakeholders is essential in conducting any activities in the marketplace. Equal assessment was provided in the case of knowledge of press and media. There was also a large group of respondents, roughly two thirds, who declared knowledge of the offers of banks, insurance providers, national and local government institutions. Cooperation with these organisations is also a part of companies' everyday operations, which enables more frequent contact and more efficient exchange of information. Data collected through research indicate at the same time, that in the case of entities typically associated with enterprise support and technology transfer, up to three quarters of respondents admit to lack of any knowledge whatsoever on these institutions' activities and services on offer. And even in the cases when such knowledge on the offer of business environment institutions was declared, their level was described as low or medium.

The familiarity with the business environment and the capability to find relevant information there has significant impact on the innovative activities companies undertake. Natural distrust, careful approach towards what is alien makes it difficult to establish cooperation with entities one knows nothing or little about. As the research results indicate, low level of knowledge on the support institutions, scientific and research facilities is reflected in the activities companies embark on in the area of technology entrepreneurship. Companies seeking information on new technologies base their search primarily on the sources of knowledge[5] they are familiar with, which are: internet (91% of indications), customers (89%), magazines (86%), employees and suppliers (85% each), competitors (77%), trade exhibitions and conferences (on average 64%). While the very poorly used knowledge providers when it comes to news about the technology market prove to be the intermediary institutions, higher education institutions, or scientific and research facilities, which have each gained less than 30% of indications from the respondents.

Among the difficulties small and medium-sized companies encounter when attempting to access information and external knowledge, apart from the high costs of knowledge acquisition, which was indicated most frequently, the respondents point to the lack of time (42%) and lack of dedicated people responsible for such activities (27%).

[5] Respondents could indicate more than one answer. The values do not add up to 100%.

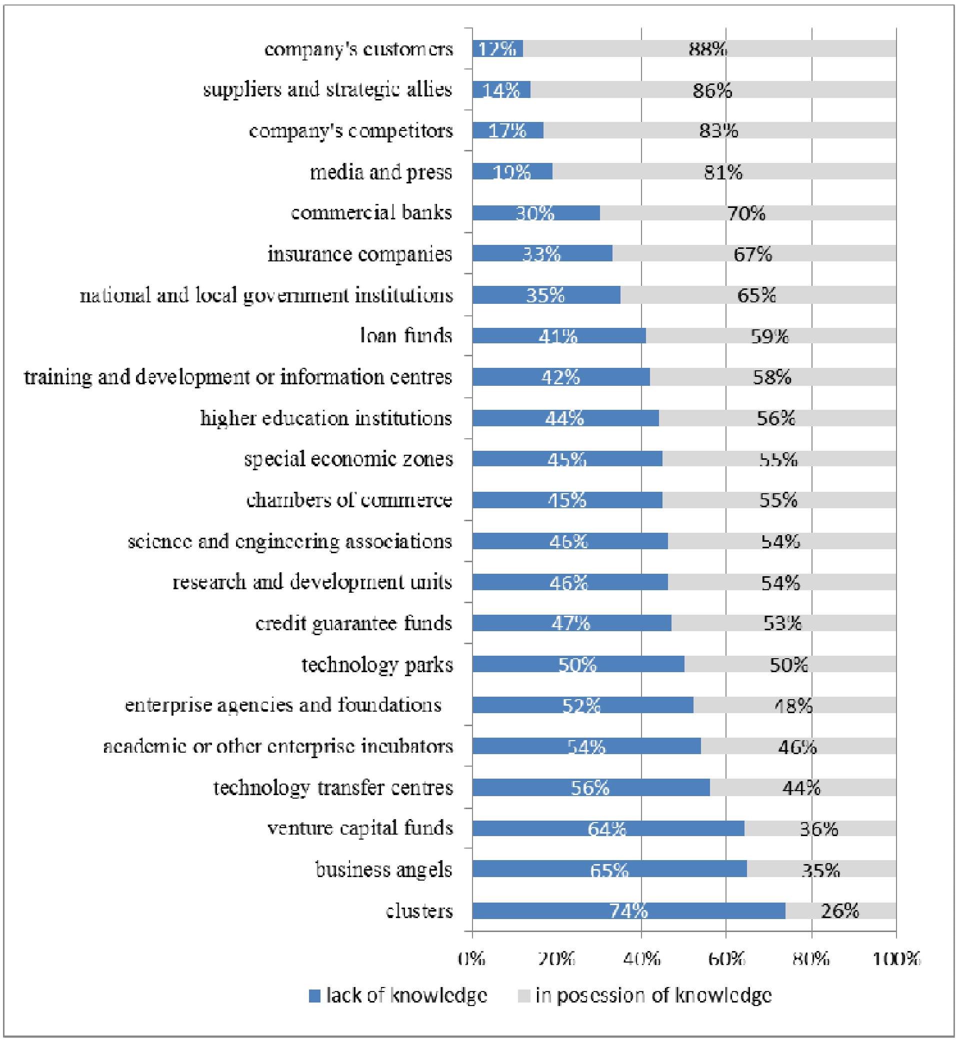

Fig. 1. Respondents' self-assessment of the level of knowledge on the scope of activities and offer of particular business environment institutions, providing entrepreneurship support (including technology entrepreneurship)

Source: Author's own work, based on research results.

5. Summary

Research conducted indicates very low level of engagement of small and medium-sized companies in the technology entrepreneurship process. It is difficult to unambiguously answer the question of whether the practice of knowledge management supports this process, if the group researched does not in majority embark on activities characterising the analysed areas. Without a doubt though one can notice a closed attitude the respondents exhibit towards establishing cooperation with external partners. And while enterprises "strongly engaged" in the technology entrepreneurship development make substantial efforts to identify knowledge and technology demand, analyse their environment in this regard and care for creation of knowledge based organisational culture and preserving and protecting intellectual capital, the establishing of partnership links and relationships with the science sphere is still poorly developed.

In the light of the conducted research it seems necessary to raise awareness of the managers as well as employees in small and medium-sized enterprises as to the benefits and opportunities the network of relationships and knowledge exchange with the science and research environment brings. It is also important to analyse the barriers indicated by the respondents, which are the obstacle to undertake joint projects and to abolish certain myths and established opinions, which may often serve as a convenient excuse or justification for one's lack of knowledge.

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3 THE INFLUENCE OF CHANGES OF THE HUMAN CAPITAL STATE AND STRUCTURE ON THE ORGANIZATION'S ENTREPRENEURSHIP DEVELOPMENT

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1. Introduction

The dynamic development of the human capital that we observe along with the process of knowledge based economy development, as well as changes of economic behaviors in Poland connected with it, became the basis for making research in the determined area. The paper is aimed at presenting the impact of changes of the human capital state and structure on the organization's entrepreneurship development. The work encloses an assumptions, according to which changes of the human capital, especially its development are fundamental macroeconomic values (that characterize the determined area). This development affects taking enterprising activities and increase of the entrepreneurship in the both quantity and quality presentation. The idea of this paper is based both on the analysis of the of the human capital notion and features and entrepreneurship. The analysis enables pointing at a group of representative for the evaluation of dynamics of the phenomena indicators and measures and analyzing them. These actions will become the fundament for determining the influence of transitions of the condition and the structure of the human capital on the development of entrepreneurship of the organization.

2. The human capital notion and features

Human capital is interpreted as an asset of knowledge, skills, health and vital energy in every person and in an entire society. It determines capacities to work, to adapt to changes in the environment and possibilities of creating new solutions [Domański S.R., 1993]. Presented approach to the definition points at attributes assigned to the human capital, which is identified in the individual and which facilitates creating the personal, social and economic welfare.

While describing features of the human capital in the knowledge based economy it should be referred to the wide spectrum of the human capital concept and analyze it in the context of the society, organization and individual [Kałkowska J., Pawłowski E., Włodarkiewicz-Klimek H., 2013].

In the dimension of the society, the human capital refers to the entire population and it is concerned in categories of the growth of knowledge through increased expenses on education of the society and at all levels of life-long learning, as well as knowledge and skills development in the process of work and both health and vital energy of the society. In the dimension of the society there is also another important factor of the human capital development: they are earning migrations and the level of expenses of the state on the research and development.

In the dimension of the organization, the human capital encloses immaterial assets provided by employees to their employers [Baron, Armstrong, 2008 p.20]. The human capital is a combination of intelligence, skills and specialized knowledge of individual employees, which in total give the specific character to the particular organization [see: Przybyszewski, 2007 p. 135]. It is the crucial element for the construction of the competitive advantage of the company, which is obtained through developing individual actions in the organization. Such operations are directed on trainings, education and other professional initiatives supporting the growth of knowledge, skills, values and social competences of the employed staff. They lead to the increase of satisfaction of employees and their improvement, which, in result, contributes for positive changes in the organization [see: Schultz, 1981].

In the dimension of an individual person, the distinguishing feature of the human capital is that it is (…) a part of person [Domański, 1993, p.19]. The capital is human because it is embodied in people. It constitutes abilities, competences, knowledge embodied in an individual person, which are important for the economic activity [Human Capital Investment, OECD 1998, p. 9]. The human capital in the individual dimension can be described as a combination of following factors:

- characteristics brought by man, like: intelligence, energy, positive attitude credibility and commitment,
- the ability of the employee to learn: the receptivity of the mind, imagination, creative faculties, as well as the common sense,
- motivation of the employee for sharing information and the knowledge: the spirit of team work and orientation on the objective [Fitz-enz, 2001, p. 9].

Relations between dimensions of the human capital are focused on areas of activities initiated as reactions to changing needs in dimensions of the society, organization and individual, as well as demands for operations created by the evolution and changes of the human capital in the dimension of an individual person, but also the organization and the society. The presented approach enables looking at the human capital in categories of an asset that determines agility of the organization of knowledge. Therefore we can indicate the following features of the human capital:

- opening to the lifelong learning and development,
- continuous learning and skills and competences development in the workplace,
- openness to the flexibility of forms, work hours and team work,
- acceptance of the human resource policy focused on development and learning,
- openness to the motivation systems that reward innovative thinking, creativity and professionalism,
- ability to function in the global workplace,
- awareness of concurring in the process of the knowledge management,
- care about the psych-physical fitness.

In addition to presented individual features of the human capital, its potential and value in the business activity can be presented through the level of the positive readiness for continuous recruiting, updating information and converting it into the knowledge and useful in the organization abilities. These features are universal and they allow increasing the attractiveness of the human capital on the labor market.

3. Indicators of the human capital assessment in the light of the entrepreneurship

The study and assessment of the human capital in the knowledge based economy constitutes a big challenge. Difficulties occurring in its evaluation and in the interpretation of values are mainly related with ambiguous individuals of the reference. The literature of the subject encloses many methods and instruments for measuring the human capital. In majority they occur to be efficient in synthetic statistical variables analysis, which serves making aggregated values. In this approach, it is possible to rank from one side all variables allowing assessing the level of growth of knowledge in the explored country (because the knowledge is the key element of the human capital), but also variables referring to the labor market, health condition and vitality of the society, as well as the level of migration. The group of most frequently appearing variables serving the evaluation of the human capital enclose the ones that the author distinguishes below in following four groups:

- the imbued society with knowledge, including: the structure of education, the level of expenses on education in determined levels of education,

budgetary incomes related to the improvement of the level of education in the society,
- the labor market, including: the level of unemployment, the structure of unemployment in age groups and sectors, the level of remunerations, means of the counteraction for unemployment,
- migrations of the society, including: directions of earning migrations, the structure of the emigrants' population (age, education, etc.), reasons of the emigration, real and forecasted period of emigration,
- health care: national expenses for health care in counting per capita, individual expenses for health care, leisure, recreation, sport, etc., the society's health condition.

The Human Development Index, HDI is an important parameterized measurer, on which basis, it is possible to make an assessment of the development of the human capital in selected aspects. It is an synthetic measurer that describes effects from the range of the social and economic development for particular countries and regions of the world. HDI allows assessing examined countries in three dimensions: the length of life and the health condition (long and healthy life), the knowledge and the decent standard of living.

To the needs of the impact assessment of the state and structures of the human capital to the organizations' entrepreneurship, the authors selected, from the group of indicators presented before, variables that they found most important for the entrepreneurship in Poland. They are following:
- the level of education of the population,
- trends in educational achievements,
- enrollment rate,
- level of total expenses of the state on the education,
- the level and structure of the unemployment.

The evaluation of indicators was carried out on basis of the analysis of available statistical data from sources, like GUS and EUROSTAT. The analysis was completed with chosen research results concerning the human capital in organizations, which have been obtained from the research realized within the project "The adaptation of the management systems into knowledge based economy conditions" [Trzcieliński, Kałkowska, Pawłowski, Włodarkiewicz-Klimek, 2010] carried out in the Faculty of Engineering Management of the Poznań University of Technology. Presented results will enclose the human resource policy carried out in examined enterprises in the range of recruitment, development of competence and the method for motivating employees to innovative activities.

4. The human capital in Poland examination and assessment

The fundamental indicator of the level of imbuing the society with knowledge is the evaluation of the human resources education level understood as a level of competences available in the population. Poland presents a stable growth of the amount of people above the age of 15 years that undertake education on different levels of education. One can notice a particularly significant increase in the level of higher education. The detailed structure of transition in individual groups of education is presented in the table 1.

Table 1. Population in Poland in age from 13, in accordance to the level of education, basing on the General Census in 2002 and 2011

Type of education	Year 2002	Year 2011	Trend
Higher	9.9%	17%	+ 7.1
Secondary and college	31.5%	31.6%	+ 0.1
Vocational	23.3%	21.7%	- 1.5
Primary and lower secondary	29.8%	23.8%	- 6
No education	3.6%	1.4%	- 2.2

Source: Prepared on basis on data from GUS, General Census 2011.

Data presented in the *Education at a Glance, OECD Indicators report published every year by the* Organization for Economic Co-operation and Development are also optimistic. According to this report the dynamics of growth of the level of the higher education in Poland for people aged between *25 and 64, is circa twice higher than the average dynamics of OECD countries. Positive changes in the level of education in Poland show that among* people aged between *25 and 64 the average annual increase was* 7.2% for the higher education – in comparison to the average in OECD they occur to have 3.7%. The level of higher education of Polish people aged between *25 and 64 will soon become more alike the average of OECD countries.*

The dynamics of growth of education on the higher level is confirmed by the enrollment rate. The Gross Enrollment Rate determines the percentage relation of all learning people on the determined level to the entire population of people, who are in the age assigned to this particular level of education. The Gross Enrollment Rate increased from 12.9% in the academic year 1990/1991 to 53.8% in the academic year 2010/2011.

The Net Enrollment Rate shows the percentage relation between the number of students in the nominal age of education on determined level to the entire population in the age that is nominally assigned to the determined level of education. The Net Enrollment Rate grew from 9.8% to 40.8% in the academic year 2010/2011.

Higher education in OECD countries and in Poland creates a possibility to obtain a higher remuneration. It is one of principal premises for making the decision about initiating the higher education and obtaining higher competences. Data show that people with a higher education in OECD countries earn in average about 55% more than people with secondary level of education. In Poland, Brazil, Czech Republic, France, Germany, Greece, Hungary, Ireland, Israel, Slovakia, United States, a man with a higher education diploma earns at least 80% more than a man with a secondary level of education. Having a higher education in OECD countries is a guarantee of financial profits in the future, which might overcome three times assets invested in gaining this education. One should interpret optimistically the dynamic trend of growth for the total annual expenditures in Poland, which is presented in the table No. 2

Table 2. Total annual expenditures on education in Poland in years 2000-2009

Total expenditures of education in Poland in years 2000-2009 in mio PPP (purchasing power standard)						
Year	**2000**	**2002**	**2004**	**2006**	**2008**	**2009**
Amount of expenditures	17 193.00	20 437.80	22 614.70	24 592.50	27 298.70	27 714.00

Source: Prepared on basis of http://epp.eurostat.ec.europa.eu/portal/page/portal/education/data/main_tables

The basic measurer of the human capital assessment on the labor market is the level of unemployment, determined as a percentage relation between the amount of unemployed and the number of people, who are active in the labor market (i.e. working and unemployed people). The analysis of the level of unemployment according to BAEL (Study on the Activity of the Economic Population), confirms tendencies of growth of the level of unemployment in Poland; it also shows rapidly increasing trend of unemployment of women. BAEL showed that the level of unemployment in Poland in years 2000-2011 has the form as presented in the figure no. 1.

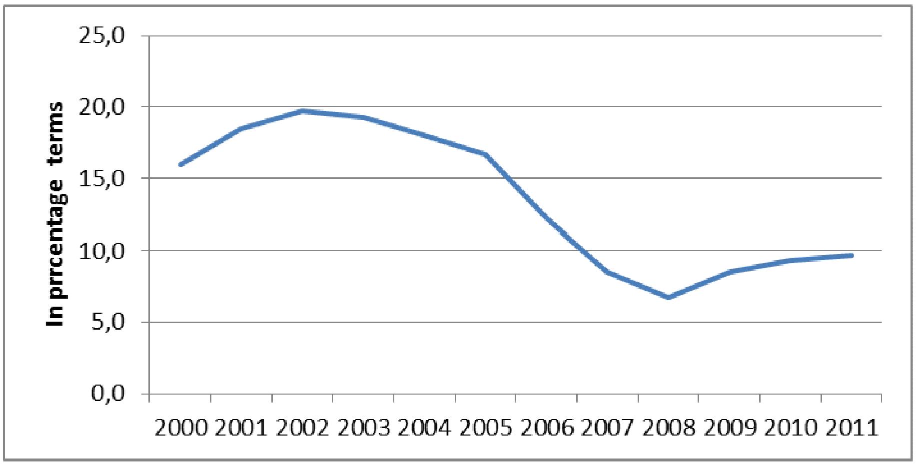

Fig. 1. Unemployment rate in Poland according to BAEL in years 2000-2011
Source: Prepared on basis of data from GUS.

Despite the negative phenomenon of the increasing number of unemployed people, it is important to state that Poland remains on the average level of the unemployment rate in Europe.

Interesting observations on changes in the behavior of the human capital in the organization result from examinations made within the project "The adaptation of management system into knowledge based economy conditions". The analysis shows that in the period between years 2007 and 2012, behaviors of organization in the area of creating relations with employees changed. During last five years the change manifested itself in following spheres:

- models of the carried out human resource policy, in the area of hiring staff. Generally, organizations apply a mixed model of realization of the human resources policy, which consists in employing both highly specialized employees and workers with basic qualifications. However, it is worth noticing as a positive trend in last five years that systematically the employment of highly specialized staff grows. The analysis showed that since the year 2007, 25% of examined companies increased the amount of employed highly qualified staff and only 11% of examined organizations increased the number of employed with basic competences.
- creation of systems of competence improvement for employed staff. The research indicated that in the period 2007 – 2012, a fundamental incremental change took place in the possession and application of the system of competence improvement for the staff. In the year 2007, 39% companies declared to have a system of competence improvement, while in the year 2012 the number was already 49% of enterprises.
- motivating employees for innovative actions. The analysis shows that the percentage amount of companies declaring motivating employees for innovative actions grew. In the year 2007, 36% of organizations declared such actions, in the year 2012 it was already 45%. Enterprises pointed at praises and appreciation of superiors, possibility of raising qualifications, expecting employees of taking the initiative, awarding the creativity and the innovation and supporting the team work as most often applied methods of motivating employees.

Presented positive areas of transitions of the human capital in organizations reflect and confirm positive trends on the level of macroeconomic indicators of the human capital in Poland.

5. The entrepreneurship notion and features

Entrepreneurship is a feature of an activity aimed at providing a rational and effective coordination of assets. Entrepreneurship can be considered in two approaches: from one hand as an entrepreneurship of the organization, from another hand as an entrepreneurship of individuals.

Entrepreneurship of the organization is most often considered in the context of process, as a sequence of purposeful operations directed on continuous searching and implementing new and effective ideas – innovations, which contribute for generating profits for the company. Enterprising organizations are organizations that aim at implementing innovations and reforming the existing situation. Their objective is to transform the reality, create something new, open new possibilities, "go beyond" the existing status quo. The innovation is a particular tool with which entrepreneurs and managers can use the change as the chance for taking new economic activity.

The entrepreneurship of economic organizations includes:

- innovative ideas concerning the functioning of the determined organization and its environment,
- active aspiration to gaining the benefit on account of the practical application of innovation,
- internal and external means necessary for the realization of innovation in form of factors of production and economic instrument like prices, credits, tax breaks, etc.,
- practical fulfilling the idea leading to the creation of the new, more competitive utility or functional (organizational),
- market effect which should be reflected in the surplus of useful values above costs.

Also the behavior of people employed in the company affect the level of entrepreneurship, as well as their level of education, their need of improving and widening their knowledge and the initiative and tendency to implementing changes. The essence of entrepreneurship is coherent with mechanisms of the market. They initiate competitiveness and force enterprises to be active. The constant competition between companies for maintaining the position in the market forces them to systematic implementation of innovations and adjusting to changes occurring in the environment.

In the second presentation the notion entrepreneurship is being taken back to the entrepreneurship of the man. In this case entrepreneurship should be interpreted as an ability of an individual to notice gaps in the market, predicting the future, searching for changes and reacting for appearing one by using them for social or economic innovation [Drucker P.F., 1992, p. 29].

It is a set of characteristics describing the particular attitude, behavior and ways of acting presented by an individual person or a group of people. Mentioned attitudes enclose the ability of getting and exploiting the knowledge in practice, creativity, ability to notice appearing chances and using them, tendency to taking a risk, ability of the adaptation to changing market conditions, orientation on own professional development, taking innovative ventures, etc. [Walczak W., 2010].

6. Criteria of the entrepreneurship assessment

The complexity and the multidimensional character of the notion the entrepreneurship is not supporting an unambiguous assessment of the entrepreneurship level. In the total of commonly accepted measurers one accept following variable as indicators of widely interpreted entrepreneurship for the level of the entire society and country:

- the tempo of economic growth measured by the size of GDP,
- gross expenses on fixed assets for assessing the dynamics of investment,
- the level of export,
- income of foreign investment,
- unemployment rate,
- the amount of registered business units,
- income from the entirety of the activity of companies,
- expenses on the research and development activity,
- summary indicator of innovativeness,
- the amount of registered inventions as the measure of innovative processes.

Moreover, the measure of entrepreneurship takes place through the assessment of the level of innovation and the skill of obtaining and allocating the capital from external sources of financing, including sources coming from structural funds of the European Union.

The evaluation of the entrepreneurship on the level of an organization is possible to make in reference to quantitative and qualitative measures [see: Walczak W., 2010, p. 8-9].

In the group of quantitative measurers, it is possible to enumerate variable enclosed in following groups:

- financial results (profit, rate of return on equity, wealth value, financial liquidity, capital structure, etc.),
- position on the market (share on the market, products portfolio, clients structure, sell dynamics, etc.),
- human capital (new jobs, remuneration level, including movable remuneration system supporting efficiency, expenditures on trainings, development, etc.),
- Organizational structure (dynamics of transition of the structure, agility, etc.),
- investments (level of expenditures on investment, areas of investment, etc.),
- innovations (dynamics of innovation, intellectual property, patents and industrial designs, etc.).

In the group of qualitative measurers, it is possible to enumerate variable enclosed in following groups:

- intellectual capital (the strategic concept of the company, the vision and the mission, values, the credibility in relations with business partners, the reputation, the organizational culture, information and knowledge management, etc.),
- position on the market (the level of competitiveness, relations with clients, the level of satisfaction of the client, etc.),
- human capital (the knowledge, skills and competences of the staff, the involvement and entrepreneur attitudes, tendency to sharing the knowledge, etc.),

- quality (the quality level, quality management systems, references, etc.),
- innovations (product innovations, process innovations, marketing and organization innovations).

To the need of the evaluation of the entrepreneurship of the organization in the context of the influence of the human capital on its development, authors selected from the group presented above variables that they found efficient in assessing dependencies between transitions of the human capital and the dynamics of entrepreneurship. From multiple groups of variables they chose following groups of indicators:

- indicators assessing the level of innovation in the country and organization, including financial expenditures on innovations, expenditures on research and development, the amount of patents,
- indicators assessing the level of economic activity of the society, including the number of newly registered business units.

The carried out evaluation of indicators is based on statistical data enclosed inter alia in GUS and EUROSTAT reports.

7. Examination and assessment of the organizations' entrepreneurship level in Poland

The first group of indicators enabling assessing the entrepreneurship of organizations functioning in Poland encloses the level of innovation of the state. Innovation is an idea put into practice and creating a new value or a new market in the dimension of determined organization, country or world. It is a novelty that significantly differs from current processes and products. It opens new patterns and methods of acting. An innovative company is an enterprise that obtains a major part of its income thanks to innovations. It is an organization that is able to create and introduce into the market innovative products or technologies. Innovative economy is an economy of a country, from which come many innovations. In turn innovativeness is an ability to create innovations.

Innovations constitute the power and competitiveness of modern enterprises. Expenditure on activities investment in product and procedural innovations constitute measurers of innovativeness of a country. The growth of innovativeness is a confirmation of an increased entrepreneurship of business units. Taking new initiatives and preparing new solutions contributes for the economic growth and the improvement of the situation in the country.

According to the methodology of Eurostat, the innovativeness of a determined country can be determined with a range of quantities that describe it. These can be: financial expenditures on innovations, external and internal expenses of Research and Development made by innovative enterprises and the number of patents declared in EPO (counted per a million of inhabitants). The further part of the paper will present changes of selected quantities in the period of last 10 years in Poland.

Financial expenditures made for innovations in innovative enterprises. This indicator presents the size of expenses dedicated to the innovative activity, expressed in Polish zloty. It is one of indicators presented by Eurostat in the Community Innovation Survey.

Table 3. Expenditure on innovations 2004-2008

Expenditure on innovations 2004-2008			
Year	**2004**	**2006**	**2008**
Expenditure amount	3950706.00	4924392.00	7006585.00

Source: Prepared on basis of
http://epp.eurostat.ec.europa.eu/portal/page/portal/education/data/main_tables

The table presents the dynamic growth of the level of amounts spent on innovative activities and products in enterprises. It confirms the increase of entrepreneurs' interest in innovations and the development of Polish companies directed on technological novelties, new methods of acting and new solutions.

The analysis of data concerning shares of expenditures on research and development in the GDP and the average of 27 countries of the European Union shows a tendency of growth. In years 2006-2011 the share of these expenses both in Poland and in the EU continuously grew. Despite this trend, the share of expenses in Poland is still twice lower than the average level of the European Union. The figure 2 presents expenditures on research and development in form of a percentage of the GDP.

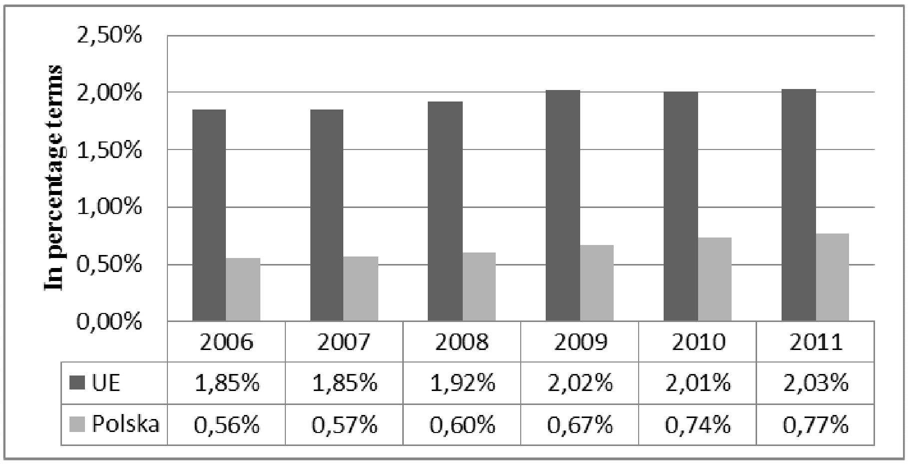

Fig. 2. Expenditures on research and development as a percentage rate of the GDP
Source: Prepared on basis of data from the Eurostat
Community Innovation Survey 2012.

The number of patents declared in the European Patent Office can be one of indicators of the growing innovativeness. The measurer shows the number of declared patents per each million of inhabitants. Since the year 2000, this quantity increased significantly. In the year 2010, the number of patents exceeded seven times the number from the year 2000. The tendency of increase confirms the growing interest in pioneer solutions and reflects the improving standard of scientists in the country. The same indicator, while being analyzed in the scale of the entire Europe, presents absolutely different results. Although the distance between Poland and the European average is significant, still, one might notice a systematic tendency of growth in Poland, while in Europe the trend is definitively decreasing. The table 4 illustrates the number of patents declared in EPO in years 2000-2010 for Poland and for the European average per each million of inhabitants.

Table 4. The number of patents declared in EPO between years 2000 and 2010 per each million of inhabitants, Poland and European average

The number of patents declared in EPO between years 2000 and 2010 per each million of inhabitants, Poland and European average						
Country/Region	**2000**	**2002**	**2004**	**2006**	**2008**	**2010**
Poland	1.12	2.21	3.26	3.68	6.01	8
European average	107	106	113	117	112	109

Source: Prepared on basis of data from the Eurostat Community Innovation Survey 2012.

The second group of indicators that illustrates entrepreneurship encloses indicators assessing the economic activity of the society. Entrepreneurship manifests itself in the society through the growth of professional activity, which is measured with use of the number of registered business units.
The table 5 presents the number of business units in the national economy in years 2004-2012 in Poland**.**

Table 5. The number of business units in the national economy in years 2004-2012 in Poland

The number of business units in the national economy in years 2004-2012 in Poland					
Year	**2004**	**2006**	**2008**	**2010**	**2012**
Number of units	3, 576 830	3, 636 039	3, 757 093	3, 909 802	3, 975 334

Source: Prepared on basis of data from GUS.

In the end of 2012, the REGON register enlisted 3975.3 thousand of business units not-having the legal personality and individual persons running a business activity. It was 2.7% more than in the end of the year 2011 (when a 1.0% decrease was registered). 346 new business units were registered in the year 2011; it was nearly 50 thousand less than a year before. The situation resulted from the lower level of newly registered individuals because the number of partnership enterprises was 1.5 thousand more than in the year 2010.

8. Summary

Results of examination of indicators assessing the human capital and the level of entrepreneurship in Poland presented in the article enabled showing conclusions concerning the transition and the development of these areas.

In the sphere of human capital, one can observe positive changes occurring in the period of last years and which caused more entrepreneur initiatives. These changes are:

- the structure of the level of education of people over 13 years changed; currently almost a half of Polish people have at least a secondary level of education. The biggest dynamics of growth refers to the higher education. It is important that the Polish annual increase of the number of people with higher education is higher than the average in OECD countries. The higher education in OECD countries and in Poland creates a possibility of obtaining a higher remuneration. It is one of fundamental premises for making the decision about gaining the higher education and obtaining higher qualifications. Data show that people with higher education in OECD countries earn in average 55% more than people with secondary level of education. In Poland Brazil, Czech Republic, France, Germany, Greece, Hungary, Ireland, Israel, Slovakia, United States a man with a higher education diploma earns at least 80% more than a man with a secondary level of education. In OECD countries, the fact of having a higher education is a guarantee of financial profits that will exceed three times assets invested in this education [*Education at a Glance, 2011]*.
- the expenditures on education also systematically increases. In the dimension of the society, it occurs to be a particularly significant aspect. This indicator confirms the growing importance of knowledge as a key and absolutely renewable asset and the fact that it becomes the fundamental power in the labor market [see. Trzcieliński, Włodarkiewicz-Klimek, Pawłowski, 2013, s. 57].
- the unemployment rate is also important, because in result of the global crisis the unemployment grows also in Poland. Negative results of the unemployment can still be reduced with the increasing level of education of the society and with the development of knowledge – in accordance to the concept of lifelong learning. This idea give chances for faster and more effective finding a new job or starting own business.
- positive changes can be also observed in the sphere of behaviors of organization in reference to the creation of the human capital. Companies create conditions for developing human resource on their own: they create

systems of competence improvement for employed staff. They also expect high qualifications and principles of entrepreneurship and innovation from employees.

The development of knowledge and aware and well-educated society causes a better dynamics of growth in the area of economic processes. The analysis of transitions and the structure of the human capital and the entrepreneurship development in the examined period allow presenting following axiomatic statements:

- the dynamic development of the human capital in Poland is accompanied by the higher level of entrepreneurship,
- the growth of knowledge and education in the society prevents negative results of the global economic crisis, including results of the unemployment because it reduces the decrease of entrepreneurship.

Presented assumptions can be confirmed by the trend of growth of variable from the area of innovation and the economic activity, which were presented in the assessment of entrepreneurship. The evaluation carried out in the range of innovation enclosed the analysis of expenditures of research and development and the number of registered patents, which showed that changes of these phenomena are positive. The second sphere, i.e. the economic activity, was also evaluated positively.

Summarizing, the intensively changing human capital adjusting to conditions of the knowledge-based economy is and will be the fundamental power of the development of the Polish economy. Moreover, the entrepreneurship in both levels of the state and individual units will grow along with the development of knowledge, gaining new competences, awareness of changes and need of creating new things in the society.

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PART II

Conditions of entrepreneurship development in small and medium-sized enterprises

4 FRANCHISING AS A CONCEPT OF ENTREPRENEURSHIP DEVELOPMENT IN THE SME SECTOR

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1. Introduction

Franchising is a concept whereby independent entities embark upon mutual cooperation, as a part of which the franchisor (as the system's organiser) transfers onto the franchisees, in exchange for an appropriate fee, the recipe for a particular business activity and how it should be operated. The relationships between those entities are based on a contract and lead to the creation of a franchise network, constituting of entities that are independent legally, in terms of ownership and financially, who are at the same time homogeneous from the point of view of those purchasing offered products or services [compare to Chmielarski 2002, p. 218-219]. The core type of entities that operate as franchisees in majority of networks are micro, small and medium-sized enterprises (SMEs), who find the franchising concept to be a great opportunity of obtaining support towards their entrepreneurial activities.

Taking the above into account, the **aim of this paper** is to present the capabilities of applying the concept of franchising in the development of entrepreneurship in the SME sector. In order to achieve this aim, empirical research has been conducted in form of a case study, having selected by means of purposive sampling the „Iza" enterprise, a franchisee operating as a part of the "Żabka" network. A detailed research method used was the unstructured interview with the company owner and the method of document analysis. During the empirical work particular attention was paid to the conditions, determinants and effects of franchising in stimulating the entrepreneurial activities of the researched company.

2. Characteristics and importance of franchising in entrepreneurship development

The development of entrepreneurship in the SME sector is closely related to the release of private initiative and intellectual activity that focuses on generating wealth through the synergy of properly combined manufacturing factors. It is directly linked to making the most of opportunities and avoiding market threats, implementation of new ideas and innovation, as well as readiness to take calculated risks [Borowiecki, Siuta-Tokarska 2008, p. 32]. As a result of these activities, one can observe not only the increase in the number of active enterprises, but also greater development perspectives for many micro, small and medium-sized enterprises. This further leads to a great number of positive economic and social effects [see further in: Lachiewicz 2003, p. 16-20; Piasecki 2001, p. 76-79].

Activities of the SME sector companies are however limited by a multitude of external [see further in: Matejun 2007a, p. 110-118] and internal [see further in: Matejun 2007b, p. 122-124.] development barriers. What can also appear in the process of entrepreneurship [Safin 2008, p. 11-13] is the deficiency of creativity, lack of competencies, or limitations in terms of motivation of resources. Should such situation occur, the entrepreneurs should focus on identifying and making the most of the opportunities resulting from the application of various forms of supporting private initiative, resourcefulness and generating income.

One of such **concepts is franchising**, which is the system of selling goods, services and/or technology operating based on a written contract signed between two legally, financially and fiscally separate and independent enterprises – a franchisor and each of his individual franchisees, a system through which the giver allows the recipient the right, at the same time imposing an obligation, of running a business in accordance with the franchisor's concept and business model [Franchising: a Vector… 2011, p. 2]. The basic **characteristic features** of system defined in such a way are [Tokaj-Krzewska 1999, p. 11-12; Ziółkowska 2010, p. 24-31]:

- originality and uniqueness of the proven and standardised business idea the concept is based on,
- the brand that works as the factor stimulating demand,
- licencing of the manufacturing or intellectual property rights package and the operating system, that is composed of: know-how, patents, copyright, trademarks, operating manual, a set of developed operating schemes and business procedures,
- support for the recipients provided by the giver of the system, in a continuous and comprehensive manner,
- the network nature of cooperation developed as a part of vertical integration between the partners,

- fees issued by the recipient to the franchisor in return for the services determined by the contract, that are related to the use of the concept.

As opposed to other types of trade contracts, voluntary relationships and ventures, franchising focuses primarily on marketing and is related to such areas as: financing, consulting, accounting, or management. It is often described as the "cooperative marketing system", and the feature that distinguished it from other contracts is the sale of a complete marketing system [Famielec 1992, p. 67-69].

Despite the general framework of characteristics, franchising is a very non-homogeneous concept, which leads to identification of **its specific types**. These can be classified based on criteria such as [Stecki 1994, p. 108-110; Wojnarska, Bublewicz 2007, p. 127-128; Tokajuk 2008, p. 287; Filipiak, Ruszała 2009, p. 197-198]:

- the type (subject) of business activity, based on this criterion one can distinguish: production, service, distribution and mixed franchising,
- forms of relationship (organisation) between the giver an the recipient, which becomes the basis of division of franchising into: direct, indirect, individual, subordinate, multiple or subfranchising,
- the type of know-how transferred, in case of which one can identify: product distribution franchising or business formula franchising,
- territorial range, which leads to the division into national and international franchising,
- other criteria, applying which one can list e.g.: conversion franchising, mini franchising, interrelated, "turnkey" or cooperational franchising.

Due to its specific character and broad possibilities of application in economic practice, franchising is often described as a form of close, **long-term contractual cooperation** between two legally independent entities [Haus, Lichtarski 2001, p. 357]. What is stressed is the very strong, functional character of cooperation, as a result of which the market identification of the franchisee disappears [Połomska-Jasienowska 2011, p. 220-221]. The discussed concept is also treated as **a source of long-term financing** for the enterprise, as a part of which fees issued by the franchisees become a defined and often significant source of capital [Skowronek-Mielczarek 2003, p. 83-85]. While from the point of view of the recipients, franchising allows to obtain means, equipment, consultancy, cheaper resources, materials, and even an easier and cheaper access to other sources of funding, which the franchisee would normally have to pay for himself [Piecuch 2010, p. 128].

The concept of franchising is often closely related to **the development of entrepreneurship in the SME sector**. The giver of an original, proven and standardised business idea is in most cases a large enterprise, renowned and respected in the market, its worth (trademark, brand, operating procedures, organisation, know-how) being the subject of franchising [Banachowicz, Nowak, Starkowski 1999, p. 23]. Yet when it comes to franchisees, most of them are micro, small and sometimes medium-sized enterprises, for which the concept described becomes one of the forms of supporting their activities.

Such companies contribute at the same time to the development of the whole franchise system through their activity, entrepreneurship and initiative, knowledge of the local specificity and continuous attempts to achieve market success. What can be therefore observed is the synergy of connection between the large scale of operation with the entrepreneurial manner of operation on a micro scale, focused on decentralisation, flexibility, while at the same time being able to benefit from the economies of scale [compare to Ziółkowska 2010, p. 25-26].

Cooperation understood in such a way, as a part of franchising, is a source of a number of benefits enabling the development of entrepreneurial activities in micro, small and medium-sized enterprises. On the other hand its application may also become a source of some barriers and threats. Positive and negative aspects of applying the above discussed concept of developing entrepreneurship of the SME sector companies are presented in table 1.

Table 1. Positive and negative aspects of applying the concept of franchising in the development of entrepreneurship in SME sector companies

Benefits	Drawbacks
of using franchising in entrepreneurship development in the SME sector	
– opportunity to base one's business activities on proven market concept and a known brand. Enables to e.g. limit the entry barriers and lower the level of risk of running a business – opportunity to start a business activity also in case of a person without the proper preparation in terms of knowledge and capabilities, – content-related, technical and organisationa knowledge provided to the recipients by the franchisor, – access to the benefits of the economies of scale, – opportynity to gain experience in running one's own business, based on the modern management methods, – opportunity to gain stable economic and financial benefits.	– limitation to one's own initiative and innovativeness resulting from the necessity to work based on a model proposed by the system's provider, – necessity to engage relatively large amount of finance in order to join the system, – significant dependence on the franchisor's strategy and economic as well as financial condition, – lack of full freedom in managing one's own business, with respect to e.g. ownership changes, restructuring or selling one's company, – growth limitations imposed on the company, referring to e.g. product or market development, or territorial expansion.

Source: Author's own work based on [Malara 2009, p. 283-284; Piecuch 2010, p. 129; Ziółkowska 2010, p. 48-55].

Should a SME sector company operate for a longer period of time in a franchise network, this may be related to assuming different directions of development:

1. **Decline orientation**, in case of which the entrepreneur is planning on resigning from the business activity. It is a result of there being a majority of unfavourable effects of using franchising and it leads to e.g. the owner considering taking on a job working for somebody else.
2. **Conservative orientation**, as a part of which the company continues cooperation within the current scope of activities, not embarking on pro-developmental activities. Such approach is in particular dangerous as it leads to the increase of dependency on the system's provider.
3. **Developmental orientation within the current network**, in case of which the entrepreneur plans for opening further posts or significant increase of the scale and scope of activities as opportunities appear provided by the franchisor.
4. **Developmental orientation within a new network**, which is related to the entrepreneur deciding to change the franchising system. Such a decision can result from the fact that a new, attractive system appears, and the important benefit of the company is in this case the experience gained throughout the current cooperation as a part of franchising.
5. **Developmental orientation within one's own network**, in case of which the entrepreneur resigns from activities within the current franchise system and focuses instead on creating and developing their own concept of business, offered later on in the form of a franchise. Such direction of development results from the entrepreneurial and innovative nature of the entrepreneur and significant business experience gained through current activities. However it is related to the necessity to invest significant amount of money in order to develop the concept and recruit the first franchisees.
6. **Developmental orientation outside of the franchise network**, in case of which the entrepreneur resigns from cooperation in form of franchising and based on the market experience gained starts to run their own, conceptually independent, business.

Suggested directions of development are linked to undertaking activities that have a varied intensity when it comes to acting entrepreneurially, and the different types of orientation are characterised by the increase of activity, creativity and innovativeness. Embarking on them is also related to different development perspectives when it comes to one's own business, which is presented in table 2.

As it can be concluded from the above considerations, use of franchising can bring numerous benefits related to the development of entrepreneurship in the SME sector. Despite the presence of certain limitations, this concept is a form of supporting micro, small and medium-sized enterprises that is very willingly applied and used. First of all it grants the possibility of running one's own business to those, who may not have the appropriate experience and/or sufficiently large amount of funding. Moreover it should be stressed that operating in a franchise network for a longer period of time can become the basis for embarking upon entirely new initiatives with high level or entrepreneurship and very high perspectives for the development of one's own business.

Table 2. Entrepreneur's directions of development resulting from longer operation in the franchise network

Type of orientation	Intensity of entrepreneurial activities	Perspectives for the development of one's own company
Decline orientation	negative	highly unfavourable
Conservative orientation	very low	little
Developmental orientation within the current network	medium	high
Developmental orientation within a new network	medium	high
Developmental orientation within one's own network	very high	very high
Developmental orientation outside of the franchise network	very high	unlimited

Source: Author's own work.

3. Research methodology and characteristics of the analysed business entity

In order to achieve the aim of the paper, empirical research has been conducted in form of the case study of the "Iza" company, a franchisee (franchise holder) running a business as a part of the network created by Żabka Polska S.A. The company was selected by means of purposive sampling, taking into account factors such as:
– personal relationship with the company enabling to gather the materials necessary to conduct further analysis,
– relatively long period of operating and substantial experience of the company within the franchise network,
– operating a business on a small scale and the fact, that the business can be classified as a micro-enterprise.

Conducting the research, two detailed research methods were used: **interview method** and the **method of document analysis**. In case of the interview, the unstructured interview technique was applied, as a part of which the research tool was the interview disposition sheet. The aim of this part of research was to assess the conditions, determinants and effects of the selected enterprises' existence within the franchise system with particular focus on the influence this concept has on the development of entrepreneurial activities. The respondent providing answers was the business owner of "Iza". She is aged between 40 and 50, with higher education degree in economy.

During the document analysis two research techniques were used: formal analysis and the content analysis. In this case the source of information for this part of research was the franchising agreement signed by the analysed company. The formal analysis covered the form of the contract agreement, date of signing, signatures, determination of the duration of the contract, number of copiers, as well as confirmation that the contract contains the relevant attachments and annexes. The content analysis focused mainly on the assessment of contract clauses and their influence on the researched business entity's operations.

"Iza" started its operations in 2001 by opening a grocery store. After 3 years the owner opened a new store, and since 2006 she has been cooperating with "Żabka" network, as a part of franchise system. Currently the company runs two stores in this system, and the area of its operations is Turek, a town in Greater Poland voivodeship, in Poland. The company now hires 4 people, 3 of them on a full-time basis and the other part-time. It is an example of a family business, as members of the family help out in running the store: the mother, husband and owner's daughter.

"Iza" is a franchisee operating as a part of the "Żabka" network, owned by Żabka Polska S.A. It is a network of nearly 2400 convenience stores, offering selected known brand products and a wide range of additional services, under the label of Green Counter. In 2009 Żabka Polska started creating a new network of convenience stores in a deli style, branded Freshmarket. At present there are circa 60 shops of this type all over Poland.

Stores belonging to the Żabka network are managed by franchise holders as their own businesses, based on a cooperation agreement signed with Żabka Polska S.A. The people who may become franchisees are those wishing to set up their own business and who pass the recruitment and training process. Positive result of the recruitment process depends largely on the individual predispositions of the candidate in terms of working in trade, entrepreneurship and interpersonal skills.

Żabka Polska is a company managed in a modern way, based on proven rules. Use of the best trade practices is one of the priorities of the management, who are high-class specialists in the area of management, marketing, finance and sales. The key element of the network is the central system of administration, based on the matrix structure. Thanks to such a model it is possible to exert control effectively when it comes to the administrative, logistic, marketing and financial side of the business, as well as to execute the rules of corporate governance and best practices that are valid in the company.

A great challenge in the management of Żabka Polska S.A. is decentralisation of the assortment policy in terms of local products. Żabka stores have different location – these are both shopping centres, city housing estates or suburbs on the outskirts of large agglomerations. Competitiveness is dependent on the particular location, therefore the selection of a part of the products on offer is entirely up to the franchisee, who is far more aware of the competitive structure in their environment and compliments the shop's offer with the most popular regional products.

This concept creates favourable conditions for stable employment for the Franchisee and a possibility to maintain attractive remuneration and a wide range of support. It seems people prefer solutions, whereby “Żabka” becomes the workplace for both the franchise holder, as well as their family, therefore it becomes a family store.

In case of their product manufacturers and suppliers, Żabka Polska S.A. offers the opportunity of entering a large and modern chain of convenience stores in Poland. As a result each company cooperating with Żabka Polska S.A. is able to sell their products to hundreds of customers of the network, all around the country every single day. Each manufacturer embarking upon their cooperation with Żabka Polska S.A. becomes a part of the goods distribution system, originating in two central warehouses, to Żabka stores all around the country. Such a solution implemented by the company enables efficient organisation of all promotional activities and trouble-free introduction of new products to the offer. A national scope of the network enables the manufacturers to reach a large group of customers in nearly 2400 stores. An additional benefit for the manufacturers is the option of advertising their own products via the promotional materials that are made visible thanks to proper exposition in each of the stores in the network.

4. Contract as the basis of operation in the franchise system

The contract is the foundation based on which relationships between the franchisor and franchisee are created. The franchise agreement is one of the so called an **innominate contracts**, e.g. those that are governed by the regulations in the civil law. Both of the parties signing the contract can quite freely shape their content. Lack of regulations does not however mean total freedom in formulating the clauses. As per the rule of freedom of contract that is in effect in Polish law, the parties may sign an agreement according to their wishes, provided its contents or aim does not contradict the nature of the legal relationship, the act or the rules of social conduct. The freedom of contract, when described in such a way, sets the boundaries in creating franchising contract agreements.

The contract signed by “Iza” has been subjected both to the formal analysis as well as the content analysis. **The formal analysis** indicates that the contract is in the form of a regular written agreement. It has been signed on 22nd February 2006 in Turek, Poland. The contract specifies the parties: franchise holder (franchisee) which is the entity running the store, and the Head Office (franchisor), which is Żabka Polska S.A. The next element of the contract is the preamble containing the characteristics of the franchisor and the aim of the agreement, which is to establish cooperation with regards to business operations in the “Żabka” network. The formal element is also the determined duration of the contract, which in this case is indefinite. Two copies of the contract have been drawn up, one for each of the parties and both have been signed by: the franchise holder and the members of the board of directors of Żabka Polska S.A. The contract also contains the definitions in use as well as attachments (e.g. the list of trade goods, the list of suppliers).

The **content of the contract agreement** there are clauses that bear significant importance to the development of entrepreneurship in the analysed company: the clause on underlying assumptions of the contract, franchisee's duties, sublet, franchisee's income and guarantees made by Żabka Polska S.A., penalty charges, duration of the contract and final decisions.

As a part of the **underlying assumptions of the contract** the parties state, that they establish business cooperation that is the franchisee operating a trade and service business in the premises Żabka Polska S.A. is legally entitled to. Moreover the parties jointly decide that they predict in the future the possibility of the franchise holder to operate further trade and service business in consecutive premises and such cases shall be noted in the annexes to the contract. Such an annex will be attached to the contract and refer to the second store operated by the analysed company as a part of Żabka network.

The franchisee operates the business at their expense and in their own name. Their task is to run the store within the following assortment groups of products: press and magazines, tobacco, alcoholic beverages, confectionery, ready to serve meals, fresh baker's goods, groceries, cosmetics and household chemistry, as well as services rendered at the premises.

The next section of the contract describes the **franchisee's responsibilities**. The franchise holder should possess and develop their professional knowledge as to the regulations on business operations and may at any given time be audited by the Head Office. The premises should be kept in good technical condition and there may be no changes and improvements introduced without approval by the Head Office. The franchise holder is obliged to maintain contact with the franchisor, participate in any control activities and in training organised by the Head Office.

The franchisee's duties are to order, purchase and sell products in a manner agreed by Żabka Polska S.A., as well as provide services defined by the Head office. The franchise holder operates a trade and service business in "Żabka" stores applying and adhering to the Instruction and Guidelines prepared and supplied by the Head Office. He/she must hold at least one item of each of the products on the Trade Goods List and strictly adhere to payment deadlines for goods and services.

Another of franchisee's responsibilities is to make every effort and perform all necessary actions in order to ensure a maximum level of net turnover throughout the time of running a business. The franchise holder is also obliged to send reports on sales and to provide access to printouts from the cash register when requested by an authorised representative of the Head Office.

The next clause regulates the issue of **sublet**. As the contract states, Żabka S.A. provides the franchisee with specific premises including the insured equipment. The following clause defines the charge for sublet, determined as a lump sum for a given calendar year. It is to be paid by the 10th of each month to the bank account indicated by Żabka Polska S.A. Additionally the franchisee, in their name, incur all of the costs related to the use of the premises and its equipment, excluding the electricity, rent, insurance, equipment insurance and security of the premises.

The next part of the contract refers to the **franchisee's income and guarantees by Żabka Polska S.A.** The franchisee's income is the retail profit margin e.g. the amount of money resulting from the difference between net sales price and net purchase price. In case of a franchisee who, having opened the store, has not made – in a given month, for three consecutive months – net profit of 6500 zł, the Head Office, if requested by the franchisee, guarantees to cover in that period the difference between the income obtained and the amount of 6500 zł.

Another important part of the contract provides regulations on the **penalty charges** to be paid by the franchise holder in case of breach of contract. Such penalty charges are imposed in the following cases:

- breach of contract with regards to the duty of ordering, purchasing and selling only those products that are offered by the Head Office,
- breach of contract with regards to recording all of the sales made with the use of the cash register.

The next part of the contract determines the **duration of the contract agreement.** As mentioned above, the contract is indefinite, however the parties have the right to terminate it provided they have given the other party thirty days' notice. The Head Office can also terminate the contract effective immediately or impose a penalty charge in cases of the franchisee:

- failed to perform the responsibilities described in the contracts,
- did not comply with the Instruction and Guidelines provided by the Head Office,
- committed, while the contract was effective, a crime or an offence related to operating a business,
- acted to the detriment of the customers,
- acted to the detriment of Żabka Polska S.A.

In order to secure the Head Office's claims, the franchisee signs an "in blanco" promissory note, vouched for by two physical persons, signatures attested by the notary with a promissory note statement.

The last clause refers to the **final decisions**, which determine that e.g. the franchisee will incur in their name and expense all of the costs of business operations, referring to e.g. the purchase of the cash register, or the insurance for the goods in the store. The store managed by the franchise holder is always open for the customers 7 days a week from 6am to 11pm – excluding 24th December, when it closes at 4pm. All amendments to the opening hours must be approved by the franchisor in writing. In addition both parties agree to the VAT invoices being issued without signatures.

As can be concluded from the above analysis, the contract contains all of the required elements and clauses. Both in terms of its form as well as content it meets the basic criteria of a well composed agreement. The contract indicates that the franchisee is operating their own business, however is responsible for its development to a very limited extent. He is obliged to strictly adhere to the instructions and guidelines provided by the franchisor. There is no possibility of making independent decisions as to the scope of the business operations or promotional activities. On the other hand the franchisee does obtain significant support from the Head Office, which passes along reliable and proven know-how. It is especially important for those, who have not had the chance to gain greater experience, and would like to try one's hand in the market game.

5. The influence of franchising on entrepreneurial activities of the researched company

Żabka Polska S.A. believing in the great importance of proper preparation of the managerial staff of their stores invests in the development of human resources and in modern management systems. Each franchisee candidate is thoroughly trained during a four-week course combined with placement in selected "Żabka" stores. The cost of training and accompanying materials is entirely covered by the franchisor. Having completed the training, the franchisee is given a fully equipped modern store, know-how, is guaranteed the delivery of goods to the store including the convenient payment deadlines. Such a solution creates stable and attractive conditions for franchisee's professional activities.

During the interview the respondent said that while operating the business she is obliged to cover the costs resulting from setting up a business, the purchase of the cash register and the monitoring set for the premises, barcode scanner and scales, the supply of regional products, employing people as well as covering any resultant losses (e.g. the goods being past their best before date or being stolen). She underlined the fact, that "Żabka" does not require issuing a signing-up fee.

The respondent assesses the **level of support** provided by the franchisor in setting up her business to be **significant**. She obtained know-how and a set of instructions and guidelines regulating the operations of the stores within the chain. Additionally she has completed a thorough training covering all of the areas of running her own business, including human resources management. She also pointed to the fact, that the Head Office employees are always ready to support and help the franchisees. In the structure of the network each store is allocated a sales partner, who provides help in solving day-to-day problems and in selecting appropriate personnel.

For the owner of "Iza" a crucial part of the support was being provided with a refurbished and equipped store with full supplies and know-how as to how to maintain uniform standards of customer service. The respondent stressed that despite having the freedom of operating in a franchise network as an independent and autonomous entity, she values the opportunity of operating under a recognisable brand. In her opinion a known brand becomes the basis of market success in the modern economy and certifies the high quality of products. Żabka makes effort to promote their stores. The promotion takes place via television commercials, promotional magazine or posters. It is also the cashiers who are all obliged to inform the customer of the promotions available in a given month. Making a decision to enter franchising the owner of the researched company was also driven by the fact she would be provided with better protection against the competition.

During the interview the respondent has listed the basic directions of entrepreneurship support that result from cooperation as a part of the franchise. Those benefits have been assessed on a scale of 1 to 4, the scores having the following meaning: 1 – activity does not support entrepreneurship, 2 – little support of entrepreneurship, 3 – medium level of support of entrepreneurship, 4 – activities highly supporting entrepreneurship. Short characteristics of each of those activities, alongside the respondent's assessment, are provided in table 3.

Table 3. The directions of entrepreneurship support in the researched company resulting from the cooperation in the franchise network, with the respondent's assessment

Direction of support	Characteristics	Assessment
Know-how	Each franchisee is trained in the area of setting up and running a business. The training is funded by the franchisor.	4
Operating under a recognised brand	The franchisee operates their own business, however under the brand of a large network. This guarantees better protection against the competition.	3
Profit gained based on the margins	The profit is gained based on the margin, 3-8% of the sales.	2
Instructions and guidelines	Franchisee is provided a set of instructions and guidelines on operating the business.	3
Being provided the premises and equipment	Franchise holders are given refurbished premises with equipment.	4
Financial rewards	Rewards can be gained for the good assessment of the store by Żabka S.A. and depending on the turnover.	3
Franchisor promoting the store	Promotion of the entire network is the responsibility of the franchisor. The marketing strategy is implemented centrally, on a national level.	4
Training	During the cooperation the franchisor provides for the franchisees training and courses covering all issues and areas of running one's own business.	4
No signing-up fees	There are no signing-up fees.	4

Source: Author's own work based on the interview.

Other benefits that result from cooperation with Żabka Polska S.A. listed by the respondent are:

- possibility to gain experience and broaden one's knowledge on trade,
- profit earned based on the margin or 3-8% on goods sold,
- monthly transfers of additional funding made by the franchisor to the franchisee dependent on the turnover,
- financial rewards awarded for good store management, based on the so called Store Assessment Checklist. The method is based on verification by an unknown person (franchisor's employee) the procedures of store management and their assessment as to adhering to the contractual agreement clauses. The assessment takes into account: customer service, approach to the customer, cleanliness in the store, arrangement of products, supplies, being informed of the current promotions. Based on these points can be scored, which are exchanged into PLN and later paid to the owner as a reward. The franchisee can also be charged with a fine if neglect and oversight is found,
- visits to the store taking place once a month enabling to maintain the high standards of service.

The respondent assesses her operating as a part of Żabka network to be a **very good solution** supporting entrepreneurship. Ms Izabela is most pleased with the cooperation because of the possibility to participate in training, as well as the extent of support in terms of the concept for operating one's business. A very important aspect is the fact, that there is no requirement of paying the singing-up fees and the entrepreneur does not have to worry about the premises or the equipment. Apart from that the franchisor guarantees central promotion of the whole network. In respondent's opinion this is a very valuable opportunity, as she believes her competencies to be insufficient when it comes to promotion.

The respondent indicated the profit based on the margin to be the activity supporting entrepreneurship to a small extent. Ms Izabela believes the level of profit offered is too low and has she been running her own business without the cooperation within a franchise, she would have a higher profit margin and hence a greater profit. However in her opinion the current cooperation has far more positive effects than negative ones.

The owner of "Iza" company **plans to continue the cooperation with the "Żabka" network**. The respondent underlined the fact, that she does have a comparison between operating a business as a part of a franchise and operating as an independent, autonomous entrepreneur, as she had been managing her own shop before she decided to cooperate with Żabka Polska S.A. Having run a business independently for several years she decided to cooperate with the network, as the increasing competition caused her business to stop being profitable. In her opinion signing a franchising agreement has brought her the expected results, e.g. business being more renowned and her profits reaching a stable level as a result of operating under a known brand. This caused her in time to open a second store in the Żabka network.

6. Summary

Franchising is a very interesting concept of developing entrepreneurship in the SME sector. Its essential benefits include being able to base the business operations on a proven market concept and a known brand, as well as the significant content related, technical and organisational support provided by the franchisor. Such benefits have also been observed in the company subjected to empirical research, related to the subject discussed and analysed.

Although the respondent participating in research assesses the use of franchising in a very positive manner, what should be pointed to is the fact that such concept of running a business has significant limitations. It seems franchising is suitable rather for those with **moderate propensity** to embark on entrepreneurial activities. It is indicated by the necessity to strictly adhere to rules and guidelines of running the business defined by the system's organiser. Breach of agreed upon clauses can result in fines imposed, which become a liability also on the owner's personal properties.

It is worthwhile to consider the use of franchising also in the long-term perspective. In this case the effects of gaining significant experience in running a business, as well as economic and financial successes, can translate into the entrepreneur turning to a pro-developmental orientation with a very high level of activity, creativity and innovativeness. These effects will also be related to a substantial increase in terms of development perspectives of one's enterprise.

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The paper prepared within the project financed with funds from the Polish National Science Centre granted pursuant to decision no. DEC-2011/01/D/HS4/05894.

5 CORPORATE SOCIAL RESPONSIBILITY IN SMALL AND MEDIUM-SIZED ENTERPRISES BASED ON A CASE OF „BLUE SHADOW"

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1. Introduction

What can be seen at present among the enterprises, and not only the foreign ones, is the increased level of interest in corporate social responsibility of their business. More and more often activities are being undertaken in the direction of implementation of this voluntary strategy, aimed at social, ethical and ecological aspects of business activities, as well as at their stakeholders [Kożuch 2009, p. 268]. A socially responsible enterprise responds in a positive manner to the expectations of the diversified business environment as well as persons and entities creating it. CSR is not merely adhering to specific regulations, but also enterprise's own initiative in reaching harmony between its effectiveness and profitability, and the social interest. "CSR is one of the most popular phenomena in the modern business, it might be the matter of fashion, fuelled by lack of trust towards the enterprises" [Łudzińska, Zdziarski 2003]. It is a trend linked to the belief that there is a necessity for enterprises to actively participate in the economic, social and ecological development. Its application refers at the same time to a number of entities, both global corporations, as well as small and medium entities operating in most cases in local markets [Matejun 2011 p. 263].

Taking the above considerations into account, the **aim of this paper** is the presentation of examples of CSR application in small and medium-sized enterprises. In order to achieve this aim, empirical research has been conducted by means of purposive sampling in the form of **case study** of the "Blue Shadow" enterprise. The research **method** selected was the direct interview with the company's owner. Moreover the analysis of reports published by the Responsible Business Forum.

2. Actions undertaken by enterprises as a part of corporate social responsibility and the resulting benefits

Corporate social responsibility can be regarded in the **internal and external dimensions**. The first dimension refers directly to the given organization and includes such aspects as [Bartkowiak 2011, p. 25]:
- safety at the workplace;
- human resources management;
- management of the resources used by the enterprise.

The external dimension, which is the influence the enterprise has on the surroundings, is as follows [Bartkowiak 2011, p. 25]:
- influence on the local community;
- relationships with the partners, customers, suppliers etc.;
- respecting the human rights;
- caring for the natural environment.

As a part of business activities, the external dimension of CSR covers such areas as [Bartkowiak 2011, p. 26]:
- market environment, which is the suppliers, recipients, cooperating entities, competition. Application of CSR can be seen here as an overall use of ethics during contacts with the environment, being honest, complying with legal rules and regulations e.g. in the process of privatisation;
- public environment (all sorts of public institutions, but also the citizens). Entities implementing the CSR concept support science, education, culture, sport through sponsoring or public-private partnership;
- employment (relationships with employees, recruitment, selection, motivation, easing conflicts between employees and management, remuneration). In this case CSR is responsible for respecting the rules of employee subjectivity, fair treatment, chances for entity's development, as well as ensuring the employee's sense of stability and security;
- environmental protection. CSR manifests itself here as adherence to rules regarding the protection of the environment, appropriate management of natural resources the enterprise uses;
- relationships with the investors (current ones, as well as potential shareholders). CSR means keeping one's word once given, reliability and completeness of information provided to the investors, respecting the pre-emption right.

CSR does not only refer to the large enterprises, but also to those within the SME sector. Due to the economic potential companies who employ over 249 people provide numerous examples of CSR, as well as examples of having broken these rules. SME sector companies are very important due to their great numbers, influence on the labour market and satisfying the customers' needs. Recently CSR is often mentioned in reference to this economic sector. European Commission has pointed to the fact, that apart from large companies, it is the small ones that perform crucial social functions [A business contribution to sustainable development 2002].

Social engagement and ethical approach to business by small and medium-sized entities guarantees long-term benefits both for the society, as well as the enterprise itself [Żemigała 2007, p. 101]. Being active in this area builds a certain reputation in the eyes of the customers, norms the enterprise's position in the market, lowers the costs of operation through the work of more motivated and loyal employees [Tabor 2004, p. 342]. Thus achieved benefits are far more valuable than a short-term, quick profit.

The most valued by the small and medium-sized enterprises **benefits** resulting from the application of the CSR concept are [Tabor 2004, p. 335]:

- opportunity to attract new business partners and customers, as well as to establish contact with legislators and other important "economic players", thanks to building company's good reputation and image;
- increasing the level of trust and loyalty to their products and services thanks to the local responsibility and pro-ecological attitude of the enterprise;
- increased level of employee satisfaction and enhancing the supplier network may lead to increased productivity and quality, while additionally reducing costs;
- making control and risk management more efficient in the areas such as: finance, customer and supplier relationships;
- the fact that employees more willingly choose socially responsible companies and more frequently decide to stay in one, which results in a lower level of staff turnover, reduction of recruitment and training costs and increased levels of motivation among employees;
- the fact that Polish enterprises will be able to compete freely with the companies in the western market, where standards of corporate social responsibility and ethical business are by now widespread [Żemigała 2007, p. 102].

3. CSR in Polish small and medium-sized enterprises

In order to understand the state of engagement of Polish companies in CSR within the last ten years, review and analysis of selected reports published by the **Responsible Business Forum** have been conducted. This is the oldest and largest non-government organisation in Poland, focusing on the concept of corporate social responsibility in a comprehensive manner. The organisation furthers and promotes the idea of responsible business, as a standard operating in Poland, in order to increase the level of competitiveness of enterprises, the level of social satisfaction and to ensure improvement of the environment's state [http://odpowiedzialnybiznes.pl/pl/o-nas/o-forum-odpowiedzialnego-biznesu/historia/o-organizacji.html].

Figure 1 presents the number of SME sector companies, which have assessed their activities in the area of corporate social responsibility.

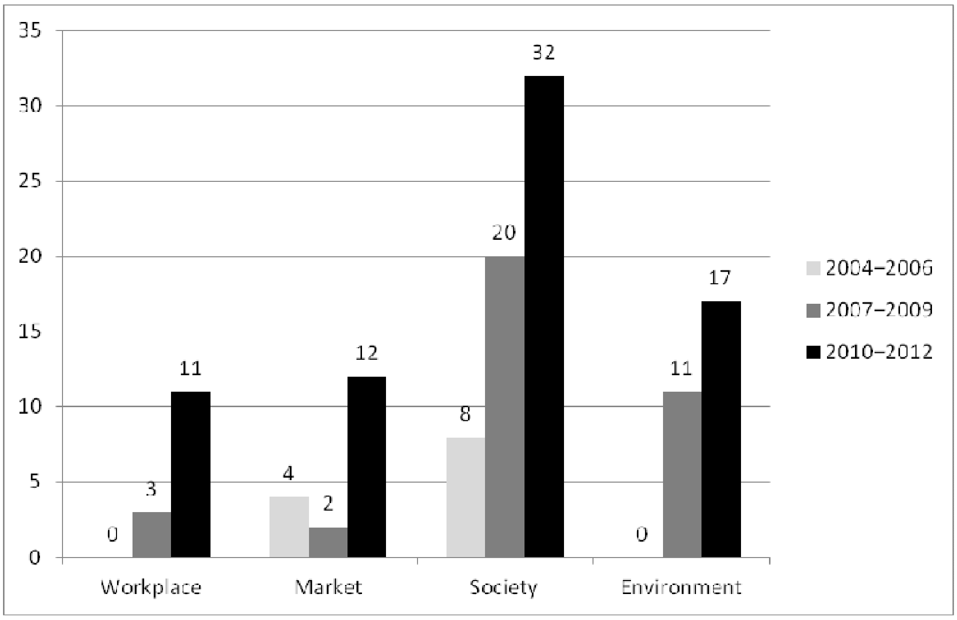

Fig. 1. CSR application by SMEs in 2004-2012 in Poland
Source: Responsible Business Report for the years 2004-2012.

Reports for the years 2004-2006 have included merely 12 companies from the SME sector, out of a total of 261 socially responsible enterprises – 4 of them have engaged in activities focused on the market the remaining ones focusing on the society. There were 241 businesses participating in the research in the years 2007-2009, SME activity in the area of CSR has increased, which is evidenced by the tripling of the number of companies undergoing assessment, compared to the previous years. The enterprises focused most on the support for the society and environmental protection. It is an interesting phenomenon that enterprises have decided to support their employees. Years 2010-2012 indicate an interest company owners exhibited towards corporate social responsibility, which can be seen in the report results. 77 organisations, out of a total of 320 mentioned in the reports, have operated in the SME sector. Most of the enterprises, as much as 32 of them, were interested in the social issues. Seventeen respondents have made a decision to support environmental protection issues. Business owners have shown greater engagement in caring for their members of staff and the relationships with other organisations.

The analysis of presented data allows drawing a conclusion that CSR is becoming an important factor in the development of SME sector companies in Poland. It is supported by the growing number of organisations applying this concept in their everyday activities. The dominating initiatives are undertaken in the area of company identifying itself with the society. It isn't without a reason that entrepreneurs strive to have a good opinion among the recipients of their products or services. Customers choose brands they trust. The fact that a SME sector company cares for the natural environment contributes to the limitation of costs related to conducting business. Eco-friendly companies often receive tax deductions, or stand out among others firms. The company's key element are its employees, whose satisfaction leads to success. It is commonly known that members of staff who have good relationship with their employer will not leave to work for a competitor company. Each of the organisations focusing its CSR concept onto the market, avoids misunderstanding and conflict with competition.

4. „Blue Shadow" case study

In order to take a closer look at the CSR practices used, Blue Shadow company has been subjected to an in-depth research. It is a Polish family business, with its roots in Silesia. It was set up in 2003 [http://blueshadow.pl/o-nas.html]. It focused its activities on design, manufacturing and sales of clothes both retail, as well as wholesale. The owners' motivation to design an author collection and open the first store was the lack on the clothing market of offers meeting their requirements. The company employs 23 people. Conducting its business activities, the company has systematically implemented various CSR elements. Those elements have been identified and presented in table 1.

Table 1. External CSR activities undertaken by Blue Shadow in 2003-2013

No.	Scope	Period	Activity name	Description
1.	Poland	Since 2004	Golden employee	From the very beginning the company meets the payment deadlines to its employees and contractors.
2.	Poland	Since 2004	Stylist support for the band	Styling and provision of clothing for the Silesian band Universe
3.	Poland	Since 2010	Waste sorting	Blue Shadow engages all its stores in active waste sorting.
4.	Poland-Silesia	03-05.2011	Discovering beauty	Participation in the TV Silesia television show about metamorphoses entitled „Discovering beauty", Blue Shadow styled the participants from head to toe.

5.	Poland-Silesia	Since 05.2011	Shopping with Blue Shadow stylist	Company's experienced stylist selects clothes for the participants in the store, filmed by TV Silesia.
6.	Poland	Since 01.2011	Green planet	The company decided to use energy efficient light bulbs in all its stores.
7.	Poland	01-05.2011	Be the face of Blue Shadow	Search for ordinary girls who have not worked as professional models, in order to give them a Chance at making their dreams come true and participate in a professional photo shoot, with the winner becoming the face of the spring collection.
8.	Poland	2011	Ladies Tuesdays with Blue Shadow in Radio Three	Each Tuesday women wishing to change themselves and start anew could win, during the radio show, invitations to the „Metamorphoses" competition, which enabled them to access suggestions and advice from expert and be given a chosen styling package.
9.	Poland	11-12.2011	Win Party Styling	Project organised only by Blue Shadow, winners chosen by means of a draw could win a change to their look for the carnival. The prize was the styling package from the Blue Shadow Party collection, hair styling by hairdressing academy Berendowicz&Kublin and make-up by the Anna Brózda's Artis Make-up School.
10.	Poland	Since 2011	Tuesday Style Salons	Women wishing to change their life, start caring for themselves anew and get to know themselves better could benefit from the expert advice on fashion, beauty, sport, cooking and win a chance to participate in activities in these areas.
11.	Poland-Lodz	2012	Miss Lodz University of Technology	The brand provided clothing for the participants, both for the calendar photo shoot as well as for the gala.

12.	Poland	05-06.2012	Cheer with us – „The feminine side of Euro 2012"	The company supported Polish football players, encouraging all to cheer on, in particular focusing on women. A special collection was designed for Euro 2012, a website set up and a photo shoot organised for all women wishing to learn more about football and willing to show others how to cheer and support.
13.	Poland-Silesia	05.2012	To be a woman	Women who via letters shared their idea of what it means „to be a woman" and captivated the jury members, could win a day with a stylist, make-up artist and a hairdresser. They were given a new look, a chance to present themselves on a runway in one of the Blue Shadow stores and on TV Silesia television programme on summer 2012 fashion trends.
14.	Poland	07.2012	Woman's strength	Various life stories have brought the women participating in this action together, each had to tell their story of why she wanted to change and what is most important to her in it. Age and size did not matter, merely motivation. In this way participants of various ages and figures were selected, comprehensively clothed and stylised. An outdoor photo shoot was organised and made them the faces of Blue Shadow's summer-autumn collection.
15.	Poland	08.-10.2012	Become a plus size model	Blue Shadow promotes healthy female body, thus showcasing brave women who accepted themselves regardless of their size. Few of these women were selected for further cooperation, which underlined the company's motto: **„Be beautiful in any size"**

16.	Poland	10.2012	Win shopping with a stylist – in cooperation with the sexy mum club portal	Participants of the competition were to choose one of the company's autumn stylisations and describe the reason this particular one caught their attention. Young mums who won were taken care of by the make-up artist and a hairdresser, were given new looks suitable to their figure changed by the pregnancy and to their preferences. This made them feel wonderful again.

Source: Authors' own work based on the interview with the company owners.

Identified practices implemented by Blue Shadow, in particular in the areas of good relationships with the customers and local community, are a testimony to the owners' extent of awareness as to the importance and benefits stemming from applying the CSR concept. Numerous initiatives undertaken as a part of the external CSR should be considered both as good practices, as well as a good start of implementation of this concept in many other areas of future business activity of the researched company. It is an example of an enterprise with great potential, still having a lot more to be done in the area discussed.

5. Summary

Companies operating on the market and wishing to achieve long-term benefits must sooner or later start to adhere to the basic social values, moreover to expand their activities by ethical and ecological norms. „Organising is an activity par excellence moral, as all that people do together has amoral dimension" Enterprises should not perceive profitability as the key factor, „[…] company's aim is not the profit, full stop. Profit is necessary to survive, to manufacture and make things, as well as to make them better and more. Stating that profit is means to other ends is not a semantic play on words, but a grave moral argument." [Żemigała 2007, p. 253-259].

Blue Shadow is such an example of a socially responsible company, for which the profit has ceased to be the only aim and criterion of effective operation. The organisation strives to fit the western model of a business, where employee and social matters must be set against the expectations and aims of a company, moreover such interests must be merged. Moreover despite being a relatively young company, Blue Shadow does fit into the new trend entering the Polish enterprises. The owners have reached a conclusion whereby their economic role can be fulfilled well only once the expectations of a current market when it comes to social responsibility are accepted and met. [Żemigała 2007, p. 253-259].

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6 LEASING AS A SOURCE OF FINANCING ENTREPRENEURSHIP IN THE SME SECTOR COMPANIES – A CASE STUDY

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1. Introduction

Embarking on entrepreneurial activities as a part of running one's business in many cases requires the engagement of resources well beyond the capabilities of micro, small and medium-sized businesses. In particular this refers to financial resources and leads to the necessity to use external sources of funding. One of the options in this case is leasing, which allows the enterprise to obtain fixed assets without the necessity of making the purchase. Such a form of financing may be attractive to numerous micro, small and medium-sized companies, becoming a basis for their investment and innovative activities of an entrepreneurial character.

Taking the above considerations into account, **the aim of this paper** is to present and assess leasing as a source of funding for entrepreneurial activities in the SME sector companies. In order to achieve this aim, research has been conducted in form of a case study in the "New Trans" company, which uses leasing services in order to finance material investments, at the current stage of company's development being the fundamental entrepreneurial activities ensuring the development and creation of competitive advantage.

2. Conditions for the use of leasing in SME sector companies

The development of entrepreneurship is associated with undertaking numerous proactive, dynamic activities, most often of an innovative or investment character, targeted at creation of something different with regards to value, at the same time sacrificing time, efforts and resources and taking into account the accompanying financial, psychological and social risk [Hisrich, Peters, Shepherd 2006, p. 8]. In the process of entrepreneurship [Piecuch 2010, p. 41-44] what becomes very crucial is ensuring that necessary resources (including first and foremost financial ones) needed to implement one's assumed idea are available [Safin 2008, p. 12].

This is the problem in particular observed in micro, small and medium-sized enterprises, which due to their resource shortages [Matejun 2012, p. 357] must very often make use of **external sources of funding** for their entrepreneurial activities. Despite the substantial number of possibilities for choosing such a source [see e.g. Kubera 2010, p. 33-120; Waniak-Michalak 2007, p. 34-45 and 91-174; Czarecki 2007, p. 37-68], SME sector companies struggle with the phenomenon of credit mentality [Łuczka 2001, p. 16-17] and with the barriers in accessing selected instruments of funding [see e.g. Bilski, Stawasz, 2008, p. 74-215]. On the other hand it is the access to and ability to make use of external funding that determines to a great extent the entrepreneurial activities of micro, small and medium-sized enterprises.

One of the sources of funding becoming more and more common [Skowronek-Mielczarek 2003, p. 30] for entrepreneurial activities of the companies within the SME sector **is leasing**. Its nature is the use of a defined material good, for a specific charge by a company (lessee), without the necessity of its direct purchase from the lessor [Grzywacz 2002, s. 131]. The object of leasing may be both movable and immovable goods, and one can distinguish several common characteristics applicable to leasing transactions [Golawska-Witkowska, Rzeczycka, Zalewski 2006, p. 252-253]:

- legal ownership of the object, which is the subject of leasing, remains with the lessor for the duration of the contract,
- the period of leasing is specifically stated,
- the lessor cannot take back the object of leasing for the duration of the contract (with the exception of the lessee not meeting their contractual obligations).

Leasing transactions can be classified in a variety of ways, applying various criteria of division. Among the examples one can list the following [Golawska-Witkowska, Rzeczycka, Zalewski 2006, p. 254; Bielawska 2009, p. 23]:

1. The number of entities, which is the basis for division into direct leasing, indirect leasing and leaseback.
2. The duration of the contract, which is the basis for division into short-term leasing, medium-term leasing and long-term leasing.
3. The obligations of the parties involved and the parties being burdened with additional input. In this case one can distinguish net leasing and full leasing.
4. The scope of additional services, taking these into account one can distinguish wet lease and dry lease.
5. The scope in terms of territory, which allows to distinguish national and international leasing.
6. The entity financing the purchase of the good. One can distinguish manufacturer's leasing (direct) and lease by a leasing company (indirect).
7. The method of issuing foreign currency payments, allowing one to distinguish leasing in Polish zlotys and foreign currency leasing.

As a part of the basic division of leasing contract agreements, based on the legal and tax character of the transaction, one can distinguish operational leasing and financial leasing [see further in: Matejun, Szymańska 2012, p. 220-221]. **Operating lease** (exploitative, current) is the temporary transfer of an asset for one's use, whereby the period of use is shorter than the normative useful life of that asset, and while the contract lasts the full repayment of the asset's price does not take place. The asset subjected to leasing counts as the property of the lessor, and the lessee pays leasing rent for the ability to use the asset, which combined with the initial payment become the tax deductible expenses of the lessee.

In the case of capital lease (finance, investment) the subject of leasing is counted amongst the property of the lessee, who capitalises it, and the lease expenses are divided into the principal value part and interest expense part. In this case the duration of the contract is as a rule very close to the normal useful life of the asset, and the tax deductible expenses for the lessee is merely the repayment of interest from the rental.

Leasing has many important **functions in the economic practice** [see further in: Skowronek-Mielczarek 2003, p. 81-81]. First of all it is a financing instrument suitable for a number of investment needs of a company, with the minimum engagement of own funds and substantial, one-off investment expenses. It supports the development of entrepreneurial attitudes and activities by increasing the flexibility of actions, innovativeness and competitiveness of the enterprise. It positively influences the financial liquidity and does not result in increase of company's liabilities, hence it does not restrict access to other forms of financing. It is also beneficial from the point of view of the balance sheet and taxes, due to the direct translation of all or part of the leasing rates to tax deductible expenses.

It is very often the case that access to leasing for micro, small and medium-sized enterprises is easier than accessing a bank credit. This stems from the fact, that the leasing institutions needs to be provided with far less security than it is in the case of credit [Kaczmarek 2007, p. 60]. Moreover leasing is very often the only possibility to finance investment by young entrepreneurs, who need financial support in their initial stages of operation [Matejun 2013, p. 43-44] as leasing companies can offer services to a business owner who has been operational for 3-6 months.

The use of leasing in practice is related to establishing cooperation with the leasing company and preparation of required documentation [Koralewski 2008, p. 37], however the procedures and requested documents may differ, depending on the leasing company, as well as the asset being leased and its value. What should be underlined is the fact, that the number of parties involved in the leasing transaction can differ. In extreme situations there may be two to six parties involved, depending on the type of leasing, as well as the values of the asset subject to the contract [Śliwa, Hajduk-Popławska 2007, p. 168]. The following parties usually participate in the execution of the leasing transaction [Rutkowski 2007, p. 341]: the funding entity (lessor), the beneficiary (lessee), the supplier of the asset being leased, the institution funding the purchase and the company insuring the transaction.

The first stage of the transaction is the **selection of the leased asset** including the price, conditions of payment and the deadline for the asset's delivery. In the next step, the **necessary documents** (legal and financial) must be provided to the leasing company. In most cases these are [Koralewski 2007]: company's registration documents, including the certificates of being assigned a Regon (national business registry) and NIP (tax identification) numbers, tax declarations, documents confirming lack of public and legal liabilities, information on company's asset components, or the examples of signatures of authorised people. In the following stages of the procedure the leasing company **verifies** the following:

- authenticity of the documents provided and of the information about the lessee by cross-checking with the following databases: BIK (Credit Information Bureau), BRKN (Bank Registry of Unreliable Clients) or KRD (National Debt Registry),
- the supplier and the selected asset to be leased, from the point of view of its origin, the level of suggested price, or the possibility of further resale.

Having thoroughly checked the authenticity of all the parties involved and all of the elements of the transaction it is possible to **sign the lease contract**. It contains: the asset subjected to lease, the duration of lease, the amount of leasing rate, the currency used in transactions, as well as the allocation of responsibilities in case of the repair of a damaged asset. The legible signatures of both parties as well as the date on which the transaction took place are also the necessary elements. When the final decision is being made as to whether or not to hand over the asset, additional conditions may be imposed, such as e.g. the necessity to provide additional security against the asset, additional documents being provided or a higher initial payment to be made. At this stage it is necessary to issue the payment of deposit against the first rate payment, which is the initial rent.

The next step is the **purchase of the asset from the supplier**, who issues the invoice and then sends it to the lessor, attaching all the documents necessary to transfer the ownership and execute the contract. The lessee, based on the written consent, may then receive the asset leased. A hand-over protocol is signed and the final formalities take place.

The fact that a lease contract is signed results in a number of obligations being imposed on the lessee, the most important of which is paying the leasing rates in accordance to the clauses agreed to in the contract. The payments, which must be made also include the initial payments and where necessary the so called premium resulting from the lessor's increased risk [Stecki 1999, p. 455]. All of these costs contribute to the **total cost of leasing**, which also includes initial rent and the amount to be paid to repurchase the asset. Should the lessee fall behind with the payments, the leasing company is entitled to issue a demand for payment. In case of the payments being further overdue the subject of leasing may be taken away and a demand to issue all overdue payments resulting from the contract signed may be issued. In order to make the process of collecting overdue payments more efficient, the leasing institutions create vindication departments, employees of which are very effective in collecting the debt outstanding [Bielawska 2009, p. 40].

The lessee is also under the obligation to use the asset properly, according to its economic purpose. Despite a significant freedom in the selection of the fixed asset, such a decision should be taken after thorough analysis as many lessors transfer onto their customers all of the rights with regards to the guarantee as well as warranty. This practice results in the fact, that in case of a faulty or damaged equipment the lessee has to execute their rights directly with the manufacturer [Śliwa, Hajduk-Popławska 2007, p. 169].

The responsibility for selecting the asset to be leased is entirely on the lessee. In case of overdue delivery the leasing company is not to be held responsible. The case is similar when it comes to the insurance, where all of the obligations are on the lessee's side, yet in such a situation the leasing companies often suggest insurance related to their offer, which simplifies the signing of the contract and is also often quite attractive when it comes to price. Insurance to cover the leased asset is necessary as per the obligations each party has under the contract. The loss of the fixed asset does not in this case relieve one from the duty of making regular leasing rate payments, which have been agreed to in the contract.

Should one compare the procedure of applying for leasing and applying for a bank loan, some similarities can be found. Both types of contracts are signed for a specific duration, the liabilities as expressed in financial terms, and similar securities may be in place in the form of guarantee or a guarantee fund. Therefore both leasing as well as credit are often treated as alternative sources of funding for micro, small and medium-sized enterprises and in both cases the company must prove its capability to pay back. However the cooperation with a leasing company may be more beneficial, as such entities are more willing to cooperate with SME sector companies, may provide the assets quicke, and in some cases cheaper than the banks [Łuczka-Bakuła, Zyskowska 2005, p. 45-46].

3. Research methodology and the characteristics of the analysed enterprise

In order to reach the aim of the paper, monographic research has been conducted with the application of the case study procedure [see further in: Czakon 2011, p. 46-61] on the transportation company PHU „New Trans" Justyna Jasińska. The company has been selected by means of purposive sampling, based on previous contacts indicating that leasing has been used as a source of funding for the development of this business entity. In terms of size, the researched company is a SME sector company, which was also one of the criteria for its selection.

The interview method has been used as an in-depth research method, as a part of which choosing to apply the questionnaire interview technique, with the author's interview questionnaire as a research tool. The respondent was the 30 year old business owner, who very willingly provided extensive answers to questions asked. She described each subject area in detail, confirming therefore her knowledge on the issue of small and medium-sized enterprises' funding.

The trading and service company (PHU) "New Trans" Justyna Jasińska is a transportation company, set up in 2009 and operating on the territory of Lodz voivodeship. The resource potential of this company in the first place consists of:

– 4 cars prepared to transport heavy loads, maximum load capacity up to 25 tons,
– 1 company car,
– 5 company mobile phones,
– company building,
– the basic equipment for car repair.

The company has at its disposal four truck cars, capable of carrying heavy loads, however in the nearest future it plans on purchasing a next one. The truck tractors have been purchased using own capital, however the semi-trailers are being financed both through leasing as well as by means of credit. The company is using the services of two leasing companies: Getin Leasing and the European Leasing Fund, which have enabled the development of the company without the necessity of possessing substantial own input and capital. The owner has chosen operating lease due to the allowances for depreciation the lessee is allowed to have. Three trucks have dumpers as the semi-trailers and the fourth one is fixed, which means there is no mechanism for self-unloading.

The company most often seeks out its prospective customers and orders to carry loads over the online platform of the European Freight Exchange "Trans". There is an appointed employee responsible for seeking out transports and contact with the driver. The employee also determines the price for the transport service of a given load. Apart from the electronic search for orders the company has established a permanent cooperation with the Opoczno Ceramic Tiles Manufacturing Plant. The cooperation refers to the transport of clay to plants that manufacture ceramic tiles.

Within the last several years "New Trans" has created new jobs, and since the beginning of its operation on the market it has been profitable, which clearly states the company is skilfully managed. At the moment it employs 7 people and it is an example of a developing family business. Due to its relatively small size the company has a flat organisational structure, with two types of roles: managerial – represented by the owner and executive – represented by the 6 drivers. At present the relations in the company are only those between the manager and the subordinate. It is possible that as the enterprise develops, there will arise a need for extending the structure by additional levels. Moreover the company uses contract cooperation with the accounting company as a part of outsourcing the accounting and tax advice.

In order to assess the development perspectives of the company, SWOT analysis has been conducted, results presented in Table 1.

Tabela 1. SWOT analysis for the „New Trans" company

	Strengths	**Weaknesses**
Internal factors	– qualified and engaged employees, – application of modern technologies, – competitive offer in terms of pricing, – individual approach to the customer, – possession of own cars, – investments into expensive equipment, – recognisability in the local market, – high quality of services, – ease of establishing external contacts.	– company being young and relatively little assets possessed, – Expensive equipment (cars), – limited own financial resources, – high level of emission of exhaust gases.
	Opportunities	**Threats**
External factors	– entering international markets, – cooperation with large organisations, – a large group of potential customers, – new infrastructural investment in the local area, – a big number of driving schools and car mechanic schools, – no seasonality in operations, – possibile substantial financial discounts in case of long-term cooperation with the leasing company.	– high level of competition, – unstable economic policies in Poland, – difficulty in obtaining credit, – no possibilities to apply for EU funding, – poor quality of roads in Poland, – stricter regulatory controls, – necessity to posses certain certificates and to comply with norms, – customers' level of debt and payment blockages.

Source: Author's own work based on the interview with the business owner.

As the SWOT analysis indicates, the company has got very good conditions to maintain its position in the market and to continue to develop. "New Trans" company, despite a relatively short time of being operational, does try to build a strong competitive position. It does have attractive freight prices, and thanks to of good references it continuously increases the number of its clients. As a result there is a very dynamic growth to be seen when it comes to the loads of goods carried. In the owner's assessment the greatest capital of her company are the reliable employees, who deliver the goods meeting the deadlines. These are young and ambitious people, very interested in motoring, who have a lot of passion for work and desire to continue to develop their qualifications. It is due to their professionalism, experience and specialist knowledge on freight, as well as their engagement, the company continues to be successful.

The owner and her employees regularly monitor the freight market, as well as remain open to new solutions and technologies. The company is currently applying for an international licence, in order to widen its scope and include all European countries. Cooperation with international companies would enable to increase turnover significantly, and one of the opportunities may be the fact, that some employees have the experience of working in a company dealing with international freight.

Thanks to the owners creativity and being open to new challenges and having the right staff, she can develop the company and make profits as high as possible. The plans for the future include continuation of creating an image of a trustworthy partner. The company still wishes to meet and exceed the current and prospective customers' expectations.

The researched enterprise is an example of an organisation, that manages the numerous problems characteristic to small and medium-sized enterprises and continues to want to develop. The owner invests in material assets and is not afraid of the risk related to the use of external sources of funding, such as credit or leasing. Such attitude is crucial, as it helps in undertaking entrepreneurial activities in the SME sector companies.

4. Assessment of and perspectives for the use of leasing in New Trans company

„New Trans" company embarks upon a series of activities of an entrepreneurial character. The owner believes the most important ones to be the **investment in fixed assets** (transport trucks), which for a young and small enterprise become currently one of the fundamental factors allowing for the creation of competitive advantage. The development needs, however, exceed the own assets in possession, in particular enterprise's own capital, which was sufficient only to purchase the trailer trucks. In order to purchase the remaining equipment the owner decided to make use of the external sources of funding in form of credit and leasing. "New Trans" uses the services of two leasing companies: Getin Leasing S.A. and European Leasing Fund S.A.

Getin Leasing provides a wide range of leasing services for various types of cars, specialist medical equipment and other machines and apparatus. It specialises in leasing delivery vehicles, trucks and cars, motorcycles, fork lift trucks, IT equipment, medical equipment, construction and road machinery and equipment as well as machinery and equipment for agricultural purposes. The mission of the company is to build long-term relationships with its customers and suppliers offering at the same time an individual approach and quick leasing decisions. The company also guarantees support from professional advisors, who can match the services to the customers' individual needs.

In respondent's opinion the manner in which contracts are agreed with Getin leasing is quite simple and comparable to other leasing companies. Three basic steps are required in this case:

- preparation of the lessee to make the trans action – the customer independently chooses the asset to invest in to be funded through leasing, and then contacts Getin Leasing and completes all the necessary documents,
- signing the leasing contract agreement – the lessee meets with the lessor, in majority of cases in the customer's premises, in order to sign the contract and once the initial payment is made the user is given authorisation to pick up the equipment,
- ordering and receiving the asset to be leased – the item is ordered by the leasing representative from the asset supplier and then arrives at the lessee.

In order to apply for funding it is necessary to provide basic registration documents, such as: the confirmation of the business being registered and the confirmation of being allocated the following numbers: Regon (national business registry) and NIP (tax identification), as well as the copy of a national ID.

The secondo supplier of leasing services, **European Leasing Fund**, provides leasing of machines and equipment, cars, delivery vehicles, trucks as well as property, computer systems, software and modern office equipment. The ELF structure is divided into two lines of business: Corporate Leasing that finances budget-heavy transactions for large corporate and institutional customers and Retail Leasing, dedicated to the service of customers within the SME sector. The mission of the company in this area is to support the development of small and medium-sized enterprises by creation of a secure, effective and accessible system for investment funding.

The procedure of signing a contract and the necessary paperwork in case of the European Leasing Fund are very similar those in the case of Getin Leasing. EFL also requires the Regon and NIP certificates, as well as PIT or CIT paperwork for the last 12 months. In order for the company to be allowed to lease an asset, it must also present a confirmation of the lack of public and legal liabilities.

The respondent has underlined the fact, that the decision on the use of leasing in financing entrepreneurial activities has been made once analyses have been conducted, which looked into the use of such sources of funding as: own funds, bank credit, leasing and a loan. Setting up a business dealing with freight and road transportation requires engagement of significant financial resources, as an average used truck tractors in a decent condition one will have to pay about 60.000 PLN, and a semi-trailer must be purchased as well, which is worth about 100.000 PLN (brand new). Each employee must possess relevant licences (C+E category driving licence), which cost about 5.000 PLN and the required training course necessary to be allowed to transport goods is about 3.500 PLN.

The company that owns 4 trucks and employees must therefore has at its disposal the amount of circa 1.000.000. PLN. An average entrepreneur does not possess such an amount and therefore the limited access to own capital forces the enterprise to seek out alternative sources of funding. Based on the conducted analyses of own funds in possession as well as the offer of external funding the respondent has decided to purchase the truck tractors using own money and to finance the semi-trailers by means of leasing combined with bank credit.

In the further parts of the interview the respondent has been asked about the factors that have influenced the selection of leasing as the chosen form of investment financing. The questionnaire provided suggestions of six factors, that were to be assessed on a scale of 1 (does not matter) to 5 (great importance). The interview participant was allowed to add her own criteria for having selected leasing, yet she opted not to provide them. The assessment of consecutive factors influencing leasing as the source of financing entrepreneurial activities in the researched company is presented in Figure 1.

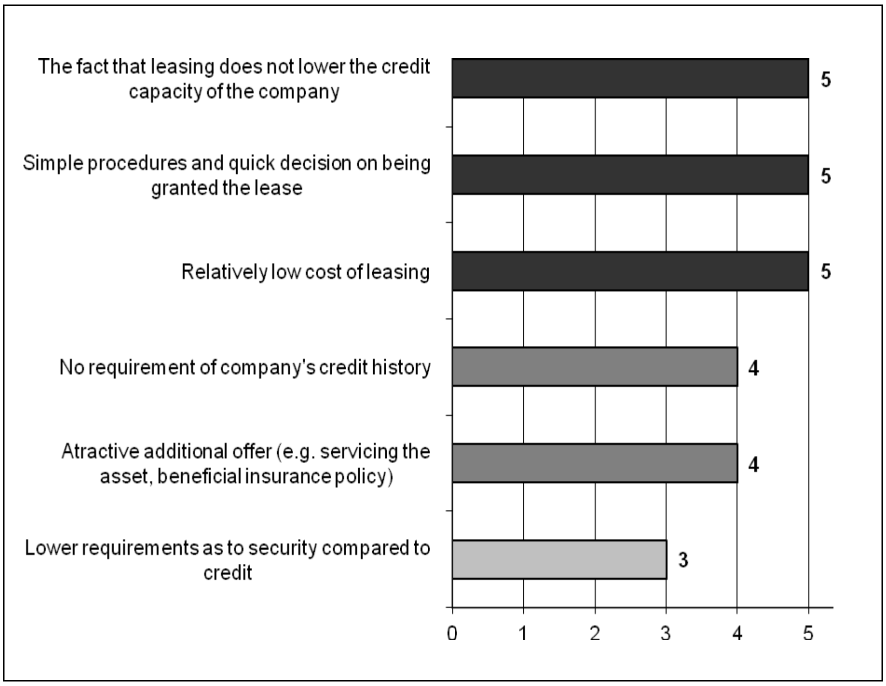

Fig. 1. The factors influencing the selection of leasing as a source of entrepreneurship funding in the researched business

Source: Author's own work based on the interview with the business owner.

The respondent claims, the decision to choose leasing has been influence primarily by the simple procedures, little formalities and quick decision being made with regards to being granted the financing, as well as lower costs associated with this form of financing compared to other sources. Of great importance was also the fact, that leasing does not limit the company's credit capacity, which enabled the use of bank credit as additional sources of funding for entrepreneurial activities.

An important criterion for selection of leasing was also the attractive additional offer provided by the suppliers, which included e.g. the servicing for the fixed asset, or beneficial conditions of equipment insurance. The respondent pointed to the fact, that use of leasing does not require the company to have credit history, which was especially important for a young enterprise “New Trans” company is. The business owner decided that apart from own finance, she definitely prefers leasing to credit, due to the fact she had problems obtaining credit as a result of her low financial credibility. The obstacle in obtaining credit was also the insufficient security against it and lack of credit history and capacity.

The respondent decided to use operating lease, in case of which the lessee can make allowances for depreciation. The benefit for the company in this case is being able to include the lease rates, including the initial payment, into tax deductible expenses, which allows for the current tax obligations to be lowered. In the respondent’s opinion such a solution enables her to spread the company expenses in time and achieve the optimum load on the financial liquidity.

The effects of leasing in the researched company do not merely remain financial however. During the interview it has been noticed that the use of such a form of funding very clearly fits the **entrepreneurial activity**, related in particular to the economic functions of this phenomenon and to the specific attitude towards management and the managerial functions [see further in: Piasecki 2001, p. 25-27; Pierścionek 2003, p. 210]. Table 2 presents the relationship between the use of leasing in the researched company and the selected characteristics of entrepreneurial activities.

The respondent is satisfied with the services of leasing suppliers and assesses the effects of using such a source of financing for entrepreneurial activities and the development of her company to be very high. However the respondent underlined the fact, that the success of the enterprise depends not only on the material assets, even though these are of great importance for a start-up. Running a transportation business requires necessary knowledge in the area of organisation and management, as well as the understanding of the market of freight services. In this case what becomes of key importance is the capability to react in a flexible manner to the needs of customers, according to the current legal requirements in place.

In order to continue developing her company, the owner keeps on educating and seeks out possibilities of obtaining funding for further investment. To be capable of running a modern transportation company it is necessary to have the right qualifications, most often confirmed by certificates, concession and documents issued by appropriate national institutions, as well as training institutions. Therefore it is necessary to permanently subject oneself to training and to continue to gain specialist knowledge. In the area of funding for the purposes of entrepreneurial activities, the respondent plans to continue using leasing.

Table 2. The relationship between the use of leasing in the researched company and the selected characteristics of entrepreneurial activities

Characteristics of entrepreneurial activities	The relationship with the use of leasing in the researched company
Economic functions of entrepreneurship	Thanks to leasing it is possible to finance purchases of new equipment, which is necessary for the business to operate and develop. In this area the owner assesses both benefits as well as risks of setting up and developing a business endeavour, counting on the planned economic and financial results being reached.
Strategic orientation	The owner does not limit herself in the development of the company to available own funds. She treats the offer of leasing companies as an opportunity available in Her environment, focused on extending the scope and capabilities of Her company's operations.
Engaging in opportunities	Simple procedures, little formalities and quick decision-making with regards to leasing allow the company to increase the dynamics and to act in a "revolutionary" manner in order to be ahead of the competition.
Effective use of resources	The owner of the company tries to effectively use the combination of own resources and external sources of funding in order to maximise the benefits and economic as well as financial effects the company exhibits.
Full control over assets in possession	The owner cares for the national use of the resources. She uses leasing only when it is absolutely necessary and allows to obtain the financial leverage effect by the company.
Direct contact with the environment	Use of leasing requires constant, direct contact with all of the parties participating in the transaction. This requires appropriate adjusting both to communication, as well as management procedures.
Equivalence of the remuneration system	The economic benefits observed with regards to the company's development through the use of leasing are treated by the owner as the equivalent of results achieved.

Source: Author's own work based on the interview with the business owner, connected with [Piasecki 2001, s. 25-27].

5. Summary

Entrepreneurial activities undertaken by the SME sector companies very often require that the gaps in resources are filled by means of external sources of financing, such as leasing. Thanks to such approach it is possible to obtain a series of benefits, including e.g. increase of flexibility in actions, innovativeness and competitiveness, as well as positive influence on financial liquidity and enterprise's tax obligations.

Many of these effects have been observed in the "New Trans" company, where research has been conducted for the purpose of this paper. Benefits of the use of leasing in the researched company do not however remain purely financial, but these also fit into the entrepreneurial character of activities undertaken by the business owner. Research results indicate that the application of leasing is assessed very positively and the plan is to continue to finance entrepreneurial activities by means of this source of external funding.

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The paper prepared within the project financed with funds from the Polish National Science Centre granted pursuant to decision no. DEC-2011/01/D/HS4/05894.

7 BARRIERS TO THE DEVELOPMENT OF THE SME SECTOR BASED ON THE CASE OF A TRANSPORTATION COMPANY

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1. Introduction

Small and medium-sized enterprises are being set up on a large scale and they are one of the forms of running a business selected most willingly. These enterprises are usually governed by a different set of rules than in the case of large companies. In majority of cases these are companies focused on their own values, responding in an entirely different manner to external factors than their larger counterparts. The sector of small and medium-sized enterprises tackles its own problems in manner that is unusual, specific and appropriate to the entities of this size.

These companies are extremely sensitive to the changes in the economic, political and social environment, and some consequences related to such changes may have irreversible effect impacting e.g. performance of these enterprises [Sosnowska 2008, p.13].

SME sector is also definitely more at risk when it comes to different types of barriers, hindering its development. Hence, taking into account the above, the **aim of this paper** is the attempt to identify SME sector barriers based on a case of a company operating in the transportation sector.

2. The importance of SME sector to the economy

Subject literature does not indicate a single, commonly accepted definition of a small and medium-sized enterprise. The definitions in use most frequently are dependent on the country, region, sector or economic needs [Lachiewicz, Załęczny 2003, p. 7].

Taking into account the fact, that every company is in constant development, it is extremely difficult to set a clear boundary between a small and a medium enterprise. This is the reason why the frequently used label is that of a group of small and medium-sized enterprises, clearly distinguishing them from large companies.

The scale of the enterprise is a quantitative category, however due to the fact that a change in size leads to qualitative transformations, the qualitative criteria are also used when measuring the size of a company.

When discussing the quantitative criteria used to assess a company's size, these may refer to the input (size of employment, capital, assets in possession) or the output (company's turnover, value added, or the share of the market). When it comes to the qualitative criteria, the most frequently used ones are: enterprise's form of ownership, its independence, or the organisational structure. In the theory and practice of management, the most often used definitions are multi-criteria ones, e.g. size of employment and turnover [Stawasz 2008, p. 65].

When using the terms for small and medium-sized enterprise, what is most frequently taken into account is companies which possess relatively small capital and employ a small number of people. In addition it is the owner who is the managing person, what is reflected in the not too complex administrative and bureaucratic structure. The SME sector is financially and legally independent of other economic entities, but has a small market share [Tokarski 2005, p. 14].

Activities related to running a business are governed by the 2nd July 2004 Freedom of Business Activity Act (with changes).

According to the article 104 of this act a **micro-entrepreneur** is defined as [Dz.U. from 2010 no 220 pos. 1447] an entrepreneur, who has within at least one of the last two turnover years: employed on average less than 10 employees per annum and reached an annual net turnover resulting from the sales of goods, manufacturing and services as well as financial operations that does not exceed the equivalent , in zlotys, of 2 million euro or the sum of the assets of his balance for the end of one of those years does not exceed the equivalent, in zlotys, of 2 million euro.

Meanwhile a **small entrepreneur** is described by the article 105 of this act as an entrepreneur, who has within at least one of the last two turnover years: employed on average less than 50 employees per annum and reached an annual net turnover resulting from the sales of goods, manufacturing and services as well as financial operations that does not exceed the equivalent, in zlotys, of 10 million euro or the sum of the assets of his balance for the end of one of those years does not exceed the equivalent, in zlotys, of 10 million euro.

Article 106 of the aforementioned act defines a **medium entrepreneur** as the one, who has within at least one of the last two turnover years: employed on average less than 250 employees per annum and reached an annual net turnover resulting from the sales of goods, manufacturing and services as well as financial operations that does not exceed the equivalent , in zlotys, of 50 million euro or the sum of the assets of his balance for the end of one of those years does not exceed the equivalent, in zlotys, of 43 million euro.

The small and medium-sized enterprises' sector plays an important role in the economic and social sphere. Small and medium-sized enterprises are among the most dynamic companies in all of the market economy countries.

In the countries of the European Union, the SME sector constitutes circa 99% of all the companies and provides 2/3 of the jobs. It is responsible for nearly 60% of the whole Union's GDP, hence it also quite significantly influences the economic development and economy's competitiveness.

In Poland, as is the case in other European countries, small and medium-sized enterprises are the most numerous group of companies.

At the end of 2012, the REGON registry contained 3.975.334 entities.

The SME sector constitutes 99,8% of all registered enterprises. 95,45% of these are micro-enterprises, small companies constitute 3.7%, and medium – nearly 0,1% [GUS 2013].

Small and medium-sized enterprises sector contributes to a large extent to the creation of **gross domestic product** (GDP). In 2012 the share of this sector was almost 50%. A great contribution was that of micro-enterprises, which have brought in over 30%, small companies over 7%, while medium-sized ones 10% of the GDP.

As the data presented above indicates, small and medium-sized enterprises are the most numerous group of companies in Poland. This sector provides a significant contribution into the economic development, plays a key role in the development of the economy. Moreover, by generating 70% of the employment, it plays an important social role too.

3. Barriers to development of the SME sector companies

The SME sector faces a series of various development al barriers. Subject literature indicates several of them[1].

Selected criteria of separation and division of barriers to companies' development are presented in table 1.

As table 1 indicates, there is a great number of criteria of division when it comes to companies' development barriers. From the point of view of this paper, the area of Author's interest are only the development barriers of the SME sector.

Taking such criterion into account, the main barriers are those of the institutional character, with the non-institutional barriers exhibiting a diminishing role, such as: financial and of the marketplace [based on: reports by the Ministry of Economy in years 2009, 2010, 2011].

[1] Selected criteria of separation and division of barriers to companies' development are presented by e.g.: [PARP 2012]; [Ministerstwo Gospodarki 2011]; [Matejun 2008, p. 31-58]; [Matejun 2007, p. 109]; [Nogalski, Karpacz, Wójcik-Karpacz 2004].

Table 1. Selected criteria of division of companies' development barriers

Division criterion	Category of barriers
the period of barrier's appearance during the business operation	entry barriers, barriers during current operation, developmental barriers, exit barriers (exit from the investment, sector, market, related to business closure)
direction	external barriers of general nature, external barriers of competitive nature, internal barriers
economic context	demand barriers, supply barriers
level	macro, meso, micro level barriers
entity criterion according to size	microenterprise, small enterprise, medium-sized enterprise, large enterprise barriers
activity	passive, active barriers
dynamics	static dynamic barriers
origin	natural, artificial barriers
effectiveness criterion	barriers possible to overcome, impossible to overcome
duration	long-term, medium-term and short-term barriers
type criterion	Market barriers, human resources barriers, social, financial, political, economical, legal, public procurement market, technical-technological, informational and educational, related to the infrastructure, natural environment, international, weak management, weak competencies, knowledge and qualifications, psychological, manufacturing weaknesses, related to the scope of activities, innovativeness, internationalisation and others

Source: Author's own work based on: [Matejun 2010, p. 245].

PARP (Polish Agency for Enterprise Development) report points out the following barriers to development of the SME sector [Zagórska 2011, p. 1]:

– non-wage labour costs,
– lack of transparency and unambiguity of the indirect taxes (VAT),
– lack of transparency of the trade tax,
– trade tax rates,
– inflexible labour law,
– competition from the shadow economy,
– lack of possibilities to apply flexible forms of employment,
– lack of qualified employees,
– administrative procedures,
– competition from the privileged companies.

As stated in the PARP report, the most important barrier to the development of small and medium-sized enterprises are overly high non-wage labour costs (80% of small and medium-sized enterprises' owners complain about them). Employer's labour cost is at the moment at a level of 170% of employee's net remuneration. High non-wage labour costs have their impact on diminishing small and medium-sized enterprises' competitiveness, as well as on limiting their willingness to increase employment levels.

As the entrepreneurs themselves indicate, should these costs were lowered it would have a significant influence on the level of employment, not only due to the possibility of employing new staff, but also due to limiting the shadow economy in employment.

A further SME sector development barrier are tax barriers. Entrepreneurs point out the lack of transparency and unambiguity of indirect taxes (VAT and excise duty) and trade tax (CIT, PIT, depending on the type of business activity). It increases the risk of running a business and generated costs, which in an unjustified manner burden the business activity, at the same time diminishing the competitiveness of small and medium companies. The level of income tax constitutes another barrier. The 19% rate of trade tax that is in effect in Poland is no longer competitive, especially when compared with countries such as: Ireland, Estonia, Latvia, Lithuania, Hungary, where CIT tax rate is lower than that in Poland. Lowering the corporate income tax is also important taking into account the fact, that Polish enterprises, especially small and medium ones, are still very weak financially, which limits their development capabilities.

The next development barrier are the employment barriers. These are first and foremost the inflexible labour law, not being able to apply flexible forms of employment and lack of qualified employees.

These days the enterprises must build their competitive position based on quality, specialisation and adjustment of their offer to the customers' individual requirements. Such strategy can be carried out only if employee teams are created for specific projects, and this in turn requires application of various labour law solutions, possibilities to use flexible forms of employment. The entrepreneurs' opinion is that Polish labour law does not provide and offer such solutions. Hence it limits the companies' capability to adjust to changes management conditions and diminishes their level of competitiveness.

Another barrier to the development of SMEs is the lack of qualified employees. The reasons for such phenomenon, with the constantly high level of unemployment and low employment rate, are many, e.g. economic growth, which increases the dem and for employees, structural mismatch between the labour market and economy's needs, resulting from e.g. poor educational policy, increase of immigration of Poles to other EU countries, as well as laws, which push the people who are still of the age when they are active in terms of the employment out of the job market (people who opt for early retirement). As a result this lack of employees influences the level of remuneration in the SME sector, which may contribute to their loss of competitiveness.

Another development barrier for SMEs is the existence of the shadow economy, which is the fact that companies hide their income and size of their employment. For those companies that operate according to the law, existence of the shadow economy means the lowering of their competitiveness. This results from the fact of those companies incurring higher costs than companies which do not disclose at least a part of their income and employment. As a result – the prices of goods and services on offer are higher and not competitive when compared to those of the companies operating in the shadow economy.

One can seek the reasons for such a phenomenon primarily in the overly complex regulations and ambiguous, variable laws on business operations and the high costs that stem from them, as well as the level of taxed and other payments.

A substantial problem for the SMEs is posed by the administrative procedures. These are a result of poor law and its inappropriate use by the public administration as well as clerks and offices being unprepared for the work they are to do. As one of the examples one may e.g. point to the fact that there exist different interpretations of the same articles in the tax laws depending on the tax office in Poland, or overlapping controls conducted in businesses.

The abundance of administrative procedures is not the only source of costs the enterprise incurs as a result of changes and introduction of new and new regulations. It is important to indicate the costs of regulatory risk, or alternative costs (costs of opportunities lost).

Those last costs appear as a result of the company declining to undertake investment and operational activities due to e.g. lack of ability to predict the time and direction of change in regulations. The costs related to administrative barriers are also due to the time lost by company's management on completing various formal administrative requirements. Due to the small number of staff employed in small and medium enterprises, each additional administrative duty falls on the managers, diminishing the time they have that should be devoted to managing the company, creating and realising the strategy, establishing permanent relationships with cooperation partners.

The SME entrepreneurs feel their business activity is threatened also by the privileged companies, which build their position on the access to public support. This is primarily the case of national entities, entities operating in the special economic zones, the cases of remission of taxes and social insurance rates, provision of public support for "large enterprises with significant importance to the economy" as well as difficulties small companies experience in accessing EU funding.

Among other development barriers, SME owners also list the problems with obtaining funding for their business operations and development (this is the case of both being granted a loan from a commercial bank, as well as obstacles in obtaining EU funding), payment blockages, which lead to liquidity problems and substantial changes to the economic conditions of the local and regional markets.

A SME development obstacle is also the poorly developed infrastructure and constantly unstable political situation.

The barriers to SME development discussed above are very similar to those present in the whole European Union. As the European Commission report points out, the most significant barriers are: bureaucracy and administrative regulations, access to funding, taxes and the lack of sufficient employee competencies [European Commission 2010, p. 5].

4. Case study

In order to reach the aim of this paper, empirical research has been conducted in an enterprise selected through purposive sampling, operating in the transportation sector[2].

The transportation sector is said to be one of the most difficult ones. In the last years, as a result of the economic crisis, a declining tendency can be observed when it comes to the success rate of transportation companies. More and more companies incur debts, get into trouble, which in the end result in a great rotation among the companies in that market.

The company researched has been operating on the transportation services market for many years now. It has been set up in the nineties, last century. From the very beginning it has been operating as a private business of a natural legal person.

Research has been carried out by means of an interview held with the business owner. The research technique applied is the questionnaire interview, supplemented by the opportunity of the respondent to voice their additional statements. The research tool is the interview questionnaire.

The main reason for the owner to start their own business was the desire „to have something of their own", to try their strength as an entrepreneur. The business owner has worked in various transportation companies for many years, thus gaining the experience vital in the sector. He has been at the same time completing his own database on the partners and has been establishing good relationships with them. Certainly it is due to this fact, that it was easier for him to enter the market, when he decided to change his role from being an employee to being the employer. The question of higher remuneration was also of importance.

Once the business owner decided to set up the company, he unfortunately encountered problems. Although the entrepreneur has meticulously prepared himself for the process of registering the company, analysed his goals and put together a business plan, the problems appeared at the stage of sorting out the formalities at the offices. There he needed a great amount of time and patience in order to achieve his goals. As he himself points out, nowadays such issues are far easier to manage. This is also supported by the research results provided by the bankier.pl portal [http://www.bankier.pl (accessed on 15.03.2013)].

Running one's own business is not an easy thing. As the respondent observes, problems encountered during the initial period of running a business were in majority of an external character, originating in the environment. These problems referred mainly to the low level of demand for services offered by the entrepreneur, or competitors' aggressive actions. The competition forced him to engage in a ruthless fight over the customer, often by means of working well beyond one's power. As the owner himself recollects, the high taxation rates

[2] Author has not been granted permission to disclose the name of the company.

and fees required by the Tax Office or the Social Insurance Institution did not help in developing the business.

That was also the stage when he encountered some financial barriers. The owner did not possess a large capital. Initially he had at his disposal merely two private cars, and later on as the company developed, the fleet got extended by other vehicles.

All this was made possible primarily due to taking various loans and credit. It proved not to be easy however. As a micro-entrepreneur he experienced great problems in obtaining financial means that could be spent on the development of the company. In the eyes of commercial banks and other institutions he was not trustworthy enough. Yet finally it was possible for the owner to obtain a loan and extend the fleet.

At present the company's capital is in minority of sources of funding used by the company (circa 40%). The respondent is aware of the fact, that such situation is not favourable, but each year he makes an effort to diminish the number of loans. His underlying assumption is that money must work. Should one not have their own money, "somebody else's is better than none". Yet he always takes care to ensure the liabilities incurred through external sources of funding did not pose a threat to his economic situation.

Of course throughout the almost 20 years of running his business, more than once was he in a situation of experiencing a financial blockage. Payments due on many contracts had to be spread across a number of instalments convenient for the customer, and those were paid much later than requested. Despite such situation, the company has never lost its liquidity.

The reason for such state, as the owner himself claims, can be the enormous amount of help the entrepreneur gets from his employees.

Although a very frequently observed barrier in the initial stages of operation of a business is the lack of qualified employees, the respondent has never experienced problems with his staff.

During the first stages of operation, owning just two cars, the entrepreneur employed only one person, with whom he worked in the business. The men would spend whole weeks in the car, completing customer's orders. Bearing in mind the regulations on the duration of working hours put in by a professional driver, it was often the case that they would spend time on parking lots by the roads.

At present the company employs 20 people aged 25-50. Majority of those are men, employed as drivers. The accounting is taken care of by the owner's wife, and the owner's assistant is responsible for secretarial and administrative duties. Each member of staff has the education level appropriate to the job performed. In the case of drivers, in most cases they have completed secondary education (71% of drivers), the secretary has completed higher education and the accountant has participated in and completed numerous accountancy related courses.

The owner always strives to reward his staff in a manner appropriate to the effort put in and the scope of their responsibilities. He is also aware of the fact, that the drivers' job is a very exhausting one, often making it impossible to plan one's private life.

However, as the owner indicates, what he finds very significant is the financial strain due to the high labour costs. It might be that – had it not been for such high labour costs – he would decide to increase the salary levels for his employees. At the moment though he cannot afford to do so, especially that – as he stresses – many competitor companies do not disclose their income or size of employment. By incurring far lower costs that the respondent they can offer their customers more competitive prices for their services. Luckily the entrepreneur, throughout these 20 years of operation, has created such an image of the company, that he is perceived as a trusted supplier, which helps seek out future contractors.

5. Summary

Running one's own business is first and foremost a responsibility. During each of the stages of business operations, a micro- small and medium entrepreneur must struggle with various types of barriers. At the initial stages of functioning, these are in majority barriers resulting from the lack of funding, low demand for services offered by the company, or competitive barriers. During all of the stages the administrative barriers appear, as well as fiscal or those related to the grey economy.

It is also worth mentioning, that a major role when it comes to functioning of transportation sector companies (which the company described in the case study belongs to) is played by the infrastructure of the extremely poor quality. Poland still has insufficient number of expressways, which makes it more difficult to maintain an efficient system of timely deliveries. Poor state the roads are in leads also to the fact, that the entrepreneurs must dedicate more money to car repairs. As far as large companies are concerned, such costs are relatively low, however for the SME sector companies they prove to be a substantial strain.

Another problem is posed by the constantly increasing petrol prices, which remain the largest cost of transportation activity.

Such state of affairs is confirmed by information in the report compiled by Pall-Ex Polska company, according to which the basic problems transportation sector companies have to face are at present: increasing petrol prices, too high market saturation, a great number of empty runs, a limited territorial scope, increasing road fees, or dishonest competition [http://www.pallex.pl/biuro-prasowe-i-aktualno-ci/, accessed on 28.03.2013].

It is important here to remember that the whole SME sector has the greatest influence on creating permanent foundations for the economic growth. Therefore it is paramount to transform the Polish law, public administration offices, labour judicature, in a system and comprehensive and manner, so that the external environment is supportive to the development of entrepreneurship and enterprises all over Poland. This will contribute to the development of this sector, so essential in shaping the landscape of our whole economy.

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8 THE SCOPE AND CONDITIONS OF ENTREPRENEURSHIP SUPPORT IN THE SME SECTOR

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1. Introduction

Political system changes and economic changes that were taking place towards the end of the twentieth century in Poland and other Middle and Eastern European countries have resulted in a dynamic development of small and medium-sized enterprises (SMEs). At the same time various entrepreneurship support mechanisms have appeared, aimed at implementation of postulates voiced by the political and economic circles, referring to the support for SME sector companies. These institutions, operating in the small and medium-sized businesses' environment in many countries, offer a selection of support mechanisms available to entrepreneurs, who intend to operate on a larger scale and expand their operation capabilities.

The ability and effectiveness in using such instruments becomes a crucial factor determining not only the development of enterprises, but also their creative and innovative potential, and as a result their competitive position and capability of responding to market changes. Taking this into account, the **aim of this paper** is the presentation of scope, benefits and barriers related to the use of entrepreneurship support instruments by small and medium-sized enterprises. To achieve the aim research has been conducted in 2001-2010 by means of a questionnaire, among the sample of 97 SMEs in total, operating in the Lodz region and using in their business activities the support mechanisms offered by the institutions within their business environment.

2. Entrepreneurship support instruments form small and medium-sized enterprises offered by the support institutions

The universal nature of the concept of entrepreneurship indicates that it can be treated as a particular type of activity that focuses on opportunities available with regards to various undertakings and provides specific economic or non-economic benefits [compare to Kraśnicka 2002b, p. 14]. When analyzing the **characteristics of this phenomenon**, the following can be listed [compare to Borowiecki, Siuta-Tokarska 2008, p. 34]:

- focus on creating new quality in the form of: ideas, concepts, innovation or value and their transformation into specific market effects,
- propensity to take limited (calculated) risk,
- acting in the conditions of uncertainty, seeking out and accepting changes and active, often advanced, reaction to those changes,
- identification and making the most of opportunities, regardless of the resources one possesses,
- organising the methods for resources allocation in order to achieve their practical and effective use.

When analysing the variety and evolution of theoretical concepts, entrepreneurship can be treated as [Piasecki 2001, p. 25-26, Pierścionek 2003, p. 210-211; Henry, Hill, Leitch 2003, p. 3-6; Piecuch 2010, p. 16-44]:

- **character profile**, as a part of which a major role is played by the following personal traits of character: initiative, need for achievement, flexibility, creativity, imagination, desire for independence, leadership, ability to work hard and strong belief in controlling one's destiny,
- **attitude** that is expressed through creative and active drive to improve the existing state of things, taking on new activities or expanding the existing ones as well as the drive to get material or non-material benefits that lead to the improvement of conditions of life and work,
- **behaviour** which is an organised and ordered activity focused on making the most of opportunities and chances, which are either not noticed or disregarded by others,
- **process** consisting of consecutive phases aimed at obtaining benefits in the uncertain environment. A particular example of this approach is the process of setting up a business and starting business activities [for more see: Matejun 2011, p. 61-72],
- **management approach** aimed at searching for and making the most of opportunities while at the same time not limiting oneself to the resources currently owned. In this approach, it is the strategic orientation that becomes important, engaging in the opportunities, developing a network of contacts, using the expert support and treating remuneration as the equivalent of results obtained,

- **economic and social driving force** [compare to Jaremczuk 2003, p. 10], which contributes to numerous positive social and economic effects, including: creating wealth, creating new jobs, macroeconomic renewal, increase of productivity, structural transformations in the economy, or creation and development of business entities.

The multidimensional nature of theoretical approaches to the phenomenon of entrepreneurship results in identification of various types of behaviours [see e.g.: Kunkel 2001, p. 75-90], as well as in specific types of entrepreneurs [see e.g.: Nagendra, Manjunath 2009, p. 152-153]. One of the effects of embarking upon entrepreneurial activities is the development of small and medium-sized enterprises, which are often **identified with the institutional dimension of entrepreneurship** [Piecuch 2010, p. 28; compare to Nogalski, Ronkowski 2007, p. 46-51]. In this aspect, the activities of SME sector companies are most often associated with [Haus 2003, p. 344]:

- entrepreneur's independence and autonomy and combining the ownership and managerial functions in small businesses,
- the fact that the enterprise becomes the primary and in most cases the only basis for existence and the core source of income for the entrepreneur,
- personal work and most frequently full financial responsibility of the owner, who at the same time takes on the full risk resulting from the activities conducted,
- the fact that – apart from the owner – the people involved in work for the enterprise are very often owner's family members, and the personal relationships between the entrepreneur and the employees create a work community characterised by close mutual contact,
- the fact that what constitutes the majority of funds in financing the enterprise is private personal money and that of the family, and small and medium-sized enterprises usually do not have direct access to capital market funding.

Such characteristics are a result of the qualitative and quantitative character of small and medium-sized enterprises [for more see: Łuczka 2001, p. 15-29; Lachiewicz, Matejun 2012, p. 15-21]. At the same time these make an important foundation for the development of SME sector companies' entrepreneurship that further leads to numerous positive economic effects. Such effects refer to e.g. the substantial share small and medium-sized enterprises have in creating the gross domestic product, in employment, in investments and in other numerous social benefits [Piasecki 2001, p. 76-79].

The development of entrepreneurship in small and medium-sized enterprises is at the same time determined very strongly by **the influence of external factors**. K. Safin [2008, p. 16-20] lists among those factors the political and legal, economic as well as social and cultural conditions. Moreover S. Lachiewicz and L. Załęczny [2003, p. 20-22] underline the importance of local entrepreneurship development conditions such as: family, neighbourhood, economic traditions in a given region, or the local authorities' activities. A. Skowronek-Mielczarek [2011, p. 36-39] points to a particular role of activities within the area of regional development policy, that underlines the capabilities of their influence on the development of regional infrastructure, supporting investment, or stimulating the development of institutions in the entrepreneurial environment.

Many of those conditions are of a negative character, being barriers and limitations for the SME sector companies [see e.g. Łuczka 2005, s. 27-44]. On the other hand, such conditions are also linked to the development of the conditions that stimulate and support small and medium-sized enterprises. **Supporting entrepreneurship** revolves around creating the right conditions to shape and develop those personal and social traits that enable unrestricted individual development of entrepreneurship, the person and the structures, in which one operates. The scope of supporting entrepreneurship covers three basic levels: international, national and local (council level), as well as organisational [Chmieliński 2006, p. 171-173].

Current central policy on supporting small and medium-sized enterprises is to a great extent related to the use and application of European Union funding. Also it is the local self-government that plays an important role in creating and developing small and medium-sized enterprises. It can effectively participate in promoting entrepreneurship and organising funding for business activities of various types. The main aim of its activities is creating favourable conditions in which business operations can be run.

The climate supporting entrepreneurship is also created by government and non-government organisations that focus on helping this phenomenon, operating both on a central level, as well as regional or local. Among other directions of supporting SMEs one can list: growing and improving the advice system for entrepreneurs providing support in all areas related to running a business, improvement of SMEs' access to information essential for a business to operate, the development of funds and guarantees' system for SMEs, as well as legal and institutional solutions serving the development of the capital market, in particular the venture capital funds [Borowiec 2008, p. 30].

Directions that increase the effectiveness of supporting entrepreneurship are also the activities focusing on introduction of tax allowances, subsidies for training covering major areas of small business operations or the use of the formula of grants that finance the external experts supporting SMEs [Kraśnicka 2002a, p. 246].

Such directions are realised by various **institutions in the small business environment**, among which one can find first of all the innovation and entrepreneurship centres, a lot of which operate in a non-commercial manner. One can group these institutions into categories such as: non-government organisations, organisations of entrepreneurs, as well as research institutes and academic centres [Jankiewicz 2000, p. 45]. The group of innovation and entrepreneurship centres also contains: training and advice centres, loan funds, guarantee funds, enterprise incubators, technology parks and centres, technology transfer centres and venture capital funds [Matejun, Szczepańczyk 2003, p. 151].

Moreover there are other institutions engaging in the SME support zone, e.g. banks, leasing funds, consulting companies and an array of other commercial entities. Support activities can also be realised by the informal organisations, such as family or local community.

What makes for an interesting initiative for the Polish SME sector companies is the National SME Services Network (KSU), coordinated by the Polish Agency for Enterprise Development. KSU is a network of non-commercial organisations voluntarily cooperating with each other, that provide to the small and medium-sized enterprises services in the area of consulting, training, providing information, finance and pro-innovation. Organisations brought together in the KSU are not focused on profits and possess extensive experience in providing services for the SME sector in Poland [Bućko, Rosmańska, Sitkowska 2004, p. 209-210].

The abovementioned business environment institutions offer specific **entrepreneurship support instruments.** The most important support solutions include: legal instruments, organisational, information and training as well as educational, financial and the extension of institutional support that is focused on entrepreneurship promotion [Matejun 2013, p. 42]. Those instruments can also be classified based on: the character of their influence, into indirect or direct, the financial relationship with the budget – instruments generating income or expenditure, or the form of influence on the economic structures, into legal and administrative instruments, economic and social, planning and infrastructural [Dębniewska, Skorwider 2007, p. 29].

An important direction for the activities aimed at entrepreneurship development in SME sector is also the **state aid.** If addressed properly, it supports overcoming entrepreneurship barriers, and as a result can stimulate the growth of competitiveness of small and medium-sized companies. The instruments and mechanisms of state aid are as follows: grants, tax allowances and deductions, additional financing of entrepreneurs, loans or credit, credit guarantees and other solutions offered with conditions more preferential than those available on the market. [Mikołajczyk 2006, p. 98].

The key role in strengthening competitiveness of the SME sector companies is played by: knowledge, science, technology and entrepreneurial potential. The basis for its development is created by small and medium entrepreneurs primarily through cooperation with local scientific institution, by means of the innovation and entrepreneurship centres [Mertl 2001, p. 8], as a result of using the instruments of supporting development.

3. Methods and scope of empirical research

The Department of Management at Lodz University of Technology in Poland has been conducting research on the scope and conditions of the use of entrepreneurship support instruments for small and medium-sized companies for many years now. The scope of research was primarily the lodzkie region in Poland, where after a major limitation of large companies' activities, a dynamic growth of small and medium-sized enterprises could be seen, and where support for such entities is one of the foundations of region's development strategy. Within the recent years the following research projects focusing on the above subject have been conducted:

– Project no. 1 that covered research conducted in 2001 on a sample of 53 micro, small and medium-sized enterprises in Lodz agglomeration [a detailed description can be found in: Matejun 2003, p. 29-43].
– Project no. 2 completed in 2009 on a sample of 19 companies in the SME sector. Research conducted as a part of the thesis: [Pełka 2009].
– Research as a part of project no. 3 has been conducted in 2010 on a sample of 25 micro, small and medium-sized enterprises in lodzkie region. Research conducted as a part of the thesis: [Śmigielska 2010].

In case of all of these three projects the research method used was the questionnaire methods, with the questionnaire techniques where the questionnaire was either handed directly to the respondents or distributed via mail. The research tool used was the author's research questionnaire, however prepared in a manner that ensured comparison of research results obtained was possible.

The list of entities participating in research was compiled by means of purposive sampling, focusing on micro, small or medium-sized enterprises, varying with regards to the business sector and scope of activities, enterprises which were using development support instruments offered by institutions of the SME sector support system. Altogether, taking all three projects into account, research has been conducted in 97 companies, which met the quantitative criteria for micro, small and medium-sized enterprises. During the project no. 1, the criterion for selection was exceptionally chosen as: solely the size of employment and the division into micro (up to 5 employees), small (6-49 employees) and medium-sized (50-249 employees) companies. Projects no. 2 and 3 have used the SME definition in accordance with the freedom of economic activity act and the recommendation by the European Commission [Commission Recommendation… 2003, p. 36].

Among the companies researched the dominating entities were micro companies (58%), small companies constituted 37% of the research sample and 5% were the medium-sized enterprises. Majority of companies operated as natural persons conducting business activities – sole traders (68%). A significantly smaller share belonged to the civil partnerships (18%) or limited liability companies (9%). Services were the dominating area of business (45%). Majority of entities analysed were operating on a local and regional market (a total of 61%).

Respondents in the questionnaire research were the owners (who constituted 91% of people answering the questionnaire) or those enterprises' hired managers (9%). In majority these were men (67%), who held higher education degrees (52%). When it comes to age, the majority of respondents fell within the range 31 to 50 years old (70% of the sample). At present the research is being continued as a part of the project funded by the National Science Centre, funds allocation based on the decision no DEC-2011/01/D/HS4/05894.

4. Results of research conducted in small and medium-sized enterprises in lodzkie region

Researched companies cooperate with a series of support institutions operating in lodzkie region. Most of the enterprises (28%) have used the offer of Lodz Regional Development Agency, Inkubator Foundation (23%) and the Chamber of Crafts in Lodz (21%). These institutions are enterprise support centres that operate in a non-commercial manner and belong to the National SME Services Network. They offer a wide spectrum of support instruments, majority of which of advisory, training or informational character, but also financial, legal or promotional services.

Researched companies cooperated to a lesser extent with the Fundusz Mikro fund (11%), Lodz Chamber of Industry and Commerce (9%), Enterprise Development Foundation in Lodz (8%) and Zelow Development Foundation in lodzkie voivodeship (6%). Single entities would also use the services of support organisations such as: Lodz Regional Science and Technology Park, International Women's Foundation, Voivodeship Fund for ***Environmental*** Protection, Polish Economic Society and Pro-Akademia Association of Economic Consultants.

Attention should be paid to the fact that business environment institutions researched, that focus on supporting SME sector companies' development, often do not independently offer all types of support instruments. The most comprehensive package of support instruments is provided by the Inkubator Foundation and Lodz Regional Development Agency. What can be clearly seen in the case of other institutions is specialisation, primarily related to the division into financial services (e.g. Fundusz Mikro fund) and others (e.g. Chamber of Crafts in Lodz, or Lodz Chamber of Industry and Commerce).

Hence the nature of these organisations' activities is cooperation that ensures complexity of the services available to small and medium-sized enterprises [more on this issue to be found in: Matejun 2005, p. 52-60]. On the other hand, in such a situation SME sector companies must be able to indeed have the knowledge on the specific details and the scope of the offer provided by the business environment institutions, should they wish to benefit from the synergy effect when reaching for the benefits of using various entrepreneurship support instruments. In the business practice of these researched entities it is difficult however, as the great majority of enterprises (85%) declares using the services of just one of the support institutions.

When analysing the extent to which the entrepreneurship support instruments are used, one can conclude from the results that companies in majority use the training instruments (40% of researched SME sector respondents use them) and financial instruments (39%) – e.g. loans or guarantees. To a lesser extent the following as used:

– consulting instruments (26%),

- information instruments, mainly related to establishing trade contacts with potential clients and suppliers (28%),
- general business instruments, mainly related to support with premises and access to infrastructure used in running a business (21%),
- technology transfer related instruments (7%).

Moreover while 60% of analysed companies used more than one instrument supporting development, having taken into account the purposive sampling (cooperation with the business environment institutions) and the fact that a small percentage of institutions used the services of more than one institution, it can be stated that the SME sector companies use the opportunities resulting from the availability of entrepreneurship support instruments to a very limited extent. At the same time almost 40% of researched entities assess poorly and very poorly the accessibility of services offered by the business environment institutions supporting small and medium-sized enterprises. While conducting research, other conditions related to the cooperation of small and medium-sized enterprises with the business environment institutions have also been subjected to assessment. Entities researched have in majority assessed the level of quality of the services offered by entrepreneurship support centres as good (49%) and very good (15%). Negative opinions constitute 30% of the answers given, and at the same time very critical opinions were voiced by as little as 2% of respondents. Similarly, overall organisation of cooperation was perceived as positive by almost 80% of research participants. In case of organisational conditions of cooperation with business environment institutions, 18% claim them to be very good, and 61% – good. Negative opinions in this matter were voiced by 12% of respondents, and very critical ones – by merely 2% of small and medium-sized businesses' representatives.

One can therefore state, that the most crucial problem is the SME sector companies' access to support instruments on offer, while their further use is perceived more positively. For instance, respondents participating in project no 3 have indicated a series of benefits that stem from the use of entrepreneurship support instruments. These can be directly linked to the support of particular areas characteristic to the phenomenon of entrepreneurship, which is presented in table 1.

At the same time numerous barriers have been identified, that were related to the use of development support instruments by the researched companies. Respondents claimed that the most important ones were as follows:

- too strict formal requirements and bureaucracy in the business environment institutions. The indications included e.g. too large number of attachments and costs related to obtaining them, as well as support institutions' employees' lack of competencies and indolence,
- lack of knowledge and capabilities, necessary both to obtain support, as well as to use the instruments supporting development in the appropriate manner,
- resource limitations, related mainly to the lack of sufficient own funds (own contribution) when applying for financial support,
- legal obstacles and constant changes in the organisational guidelines and procedures of applying for support instruments.

Table 1. Benefits resulting from the use of entrepreneurship support instruments in the opinion of project no 3 respondents

Type of benefit	Relationship with entrepreneurship development
Possibility to introduce product innovation and new services	Supporting the creation of a new quality in the form of specific market effects.
Improvement of enterprise's image in the market	Making the most of opportunities regardless of resources possessed.
Broadening of the scale of trade contacts established	Developing the network of contacts.
Access to new technological solutions	Using support offered by specialists.
Awareness of the need of further changes and improvements in the enterprise	Support for accepting changes and responding to them in an active manner.
Motivational benefits, referring to the greater satisfaction taken from running one's own business, or motivation to implement other business initiatives	Appearance of non-economic effects, support for personal traits such as initiative and drive to be independent.

Source: Author's own work based on research results.

In the last part of the research the respondents were asked to indicate their own suggestions of improvements that would result in greater effectiveness of cooperation between small and medium-sized enterprises and business environment institutions, as well as in greater effectiveness of the use of entrepreneurship support instruments offered to the SMEs by those companies. Most frequently suggested system solutions were related to lowering the tax liabilities and lowering the amount of charges to the social security system. The respondents also expect that the bureaucracy shall be limited and formal requirements when applying for the support mechanisms shall be lowered.

The respondents participating in this research underlined the necessity to increase the accessibility of financial aid, including first of all credit facilities and loans. Moreover they stressed the need to improve access to the European Union support funding. Entrepreneurs also proposed that preferential treatment be introduced in case of public procurement for small companies. Another suggestion was to enhance access to reliable and up-to-date information on offers and activities of institutions supporting entrepreneurship. It seems the entrepreneurs participating in research do not possess sufficient knowledge on the benefits and requirements related to application for entrepreneurship support instruments offered by the business environment institutions.

5. Summary

The development and competitive position of modern small and medium-sized enterprises becomes to a great extent determined by their capability to make the most of opportunities appearing in the environment of these entities. One of the directions of activities can hence be the use of entrepreneurship support instruments offered by the business environment institutions which belong to the SME support system.

This paper presented research results on the scope and selected organisational conditions of the use of entrepreneurship support instruments by the small and medium-sized enterprises in the lodzkie region. The results indicate, that researched companies cooperate with various support institutions, using mainly the training and financial instruments. The assessment of their use is in general positive, however the entrepreneurs point to some difficulties experienced in the process of acquiring instruments offered by the business environment institutions.

Moreover respondents indicate a series of improvements which would increase the effectiveness of SME support system, focusing primarily on the system changes in terms of tax regulations and ZUS (Social Insurance Institution), as well as increase of the scope and accessibility of information on the offer and activities of institutions supporting small and medium-sized enterprises.

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The paper prepared within the project financed with funds from the Polish National Science Centre granted pursuant to decision no. DEC-2011/01/D/HS4/05894.

PART II

Selected entrepreneurship challenges in the business practice

9 INNOVATIVE SOLUTIONS IN ENERGY SECTOR AND THEIR LINK WITH COMMUNITY DEVELOPMENT – THE CASE OF THE DESIGNED WIND FARM

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1. Introduction

Current intensive civilisational development is the core reason for increasing energy demand in the contemporary world. Yet traditional energy resources, mainly fossil fuels, are gradually running out. As the demand grows, the natural environment becomes more and more contaminated, which is the reason why energy from renewable resources is gaining popularity. The term renewable energy refers to energy obtained from continually recurring natural processes, replenishable non-fossil energy sources. The scope of renewable energy use in the European Union countries is regulated by documents and legal acts, which set out general objectives and particular targets for every country [G.Berent-Kowalska, J. Kacprowska 2010, p.10].

The purpose of this publication is to analyze the impact of innovation, which in this context is a designed wind farm, on the development of Borzęcin community, located in the district of Brzesko, Małopolska Province. The construction works will begin in 2013 and will come to an end in 2014. The analysis will include not only potential benefits to the community but also challenges that need to be faced both by the local authorities and inhabitants.

2. Renewable energy sources

Renewable energy sources are natural resources which are continually replenished such as wind, sunlight, geothermal heat, waves, currents, tides, river flow. This also includes energy obtained from biomass, landfill biogas and biogas generated in the process of sewage discharge, treatment or decomposition of plant and animal remains. Current legal provisions and the natural pursuit for sustainable development mean that the percentage of electricity produced from renewable sources will grow. One of the main drivers for the construction of new power plants based on renewable sources is the Kyoto Protocol, in particular the provisions on the reduction of carbon dioxide emissions into the atmosphere. Reducing emissions will slow down the development of the greenhouse effect. Highly-industrialized countries, such as Poland, are obliged to reduce CO_2 emissions into the atmosphere. The main methods supporting the development of renewable energy sources include the following [A. Dmowski, Ł. Rosłaniec 2009, p. 2-4]:

– subsidies for investments related to power plants using renewable energy,
– introduction of the so-called green certificates, which will force energy trading companies to purchase some percentage of energy from renewable and non-conventional sources,
– decreasing CO_2 limits (in member states).

Poland started investing in renewable energy sources with a considerable delay. As a result, despite significant potential (biomass, wind), it occupies a very distant position in European rankings. Regardless of the considerable lag, the importance and share of renewable sources in the energy balance is steadily increasing. In particular, the production of energy from wind is expanding rapidly. Over the past decade, it increased almost 78 times [M. Przybyłowski, P. Tamowicz 2011, p. 4]. Yet even with the speedily increasing number of wind energy plants, Polish accomplishments in this respect look pale in comparison with other EU countries. General objectives set out in the Directive[1] on the share of energy from renewable sources in final energy consumption are presented in the chart below (gross energy consumption in 2020).

As a consequence of national targets for the share of energy from renewable sources in gross final energy consumption, by 2020, 15% of energy used in Poland needs to be obtained from renewable sources. It means that in the course of 15 years the share of renewable energy in total energy consumption will have to double, as by 2005 Poland has managed to achieve only 7.2%.

Appropriate amendments have been implemented into Polish acts on energy in order to make sure that the target mentioned above is reached. Energy trading companies have been thus forced to obtain and present documents certifying that

[1] Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC.

certain energy is generated using renewable energy sources (so-called green certificates) [G. Berent-Kowalska, J. Kacprowska 2010, p. 10-11].

3. Current state and development prospects of wind energy in Poland and Malopolska

According to Polish Wind Energy Association, wind power growth in 2011 in Poland was 436 MW (increase by 36.9%) and reached 1616 MW at the end of the year. Based on the data obtained from Energy Regulatory Office at the end of June 2012, there were 619 wind power plants in Poland with the total capacity of 2,189 MW. Wind energy represents 57.6% of the installed capacity of all renewable energy sources (data obtained in June 2012).

The distribution of wind turbines across Poland is very uneven. Most wind farms are located in the north-east of Poland. The absolute leader here is the West Pomerania Province (716.8 MW), the lowest number of wind plants has been built in the following provinces: Silesia, Świętokrzyskie, Małopolska and Lublin, where only 15.1 MW are generated.

Within the next few years, wind energy will come out as a leader amongst renewable energy sources. This will happen mainly due to the maturity of this technology, experience of companies in this sector as well as largely untapped economic potential of this electricity source in Poland. Another important aspect here is the financial potential brought by large companies wishing to invest in this sector. Also, the productivity of wind power plants per unit of installed power capacity has increased significantly, which is associated with lower financial outlay needed to reduce carbon dioxide emissions [P. Dziamski, K. Michałowska-Knap 2009, p. 24].

As far as Malopolska is concerned, the potential of wind energy in the context of plant construction has not been researched, so it is difficult to tell how this renewable energy source will develop in this region. Measurements of wind speed and direction are conducted by the Institute of Meteorology and Water Management but they are used for a number of other purposes than taking decisions about wind power plant construction in a given area. However, such measurements are important for a potential investor because once the decision on a particular location for a wind power plan is made; the investor usually conducts yearly or even longer wind speed and direction measurements. If the outcome is satisfactory, the Institute measurements are consulted to make sure that the results obtained by the investor are not biased by temporary wind severity in the analysed years. Having compared the data from Malopolska with other Polish and European regions, it can be concluded that Malopolska is not an attractive region in terms of wind power investments, with the exception of such locations as hills and mountain passes. As a result, there are still a few wind energy investments in Malopolska because investors prefer to finance projects with minimum risk [J. Pawlak 2007, p. 39-40].

Best wind conditions in Poland can be found in the following areas: part of the Baltic coast from Koszalin to Hel, Wolin Island, Suwałki region, central Wielkopolska, central Mazovia, Silesian and Żywiec Beskids, the Bieszczady and Dynowskie Foothills. That is why most wind energy investments are located in the coastal zone of the Baltic Sea. Investors will prefer to use a location with best growth conditions and only after these have been occupied more focus will be placed in areas where initially it would seem that wind turbines would never come to being. Such an approach could be exemplified by the community of Borzęcin, located in the vicinity of Tarnów, which is planning to start the construction of a wind farm in 2013 with a total capacity of approximately 40 MW. The community of Borzęcin is located in a zone with little wind power potential, so a question arises whether the construction of a wind farm will be profitable. The investor ensures that long-term measurements of wind conditions confirm the profitability of the investment.

4. Designed wind farm in Borzęcin

Borzęcin is a medium-sized rural community located in the north-east of Malopolska. The largest wind power investment in Malopolska is going to be located here. According to the design, 17 wind turbines with total capacity of 40 MW will be constructed across the total area of 100 hectares of agricultural lands. The wind farm is to be constructed by 2014 and it will run for about 30 years. The energy produced there will be incorporated into the national system in Biadoliny; the investment cost is over 250 million PLN. It is somewhat surprising that such a large system of wind turbines will be built in Malopolska, where so far the total capacity of wind power plants was only 3 MW. However, a series of studies conducted in that area over the recent years have confirmed that the location of the investment at the height of 130 meters will expose the turbines to enough wind power to make the venture profitable. Thanks to this investment, the community of Borzęcin will gain approximately 1.5 million PLN per year. What is more, at a time when electricity prices are rising, the community will be able to negotiate the cost of electricity for residents. In addition to the construction of the wind farm, the investor is obliged to build access roads to each turbine in such a way so as not to interfere with agricultural land use2.

Poland has not developed so far clear regulations on what should be the distance between residential buildings and wind power plants, yet it is usually assumed that such turbines should be located at least 500 meters from the building line. The project in Borzęcin will conform to this principle.

In terms of ecological, social and economic aspects, the localization of the wind farm is optimal. Ecological organizations have also approved the location

[2] http://www.borzecin.pl/component/content/article/76-aktualnosci-strona-glowna/5322-dziennik-polski-w-borzcinie-powstanie-farma-wiatrakow-na-farmie-stanie-17-wiatrakow.html, 12.10.2012.

itself, yet the construction of wind farms has another environmental aspect which is not necessarily satisfying to this group, namely huge landscape impact. The most likely scenario would be that the height of the towers would be 140 meters and the propellers would have the diameter of 117 meters, so the entire structure can reach up to 198.5 meters. The towers will be visible from the distance of several kilometres [Borzęcin Community Office].

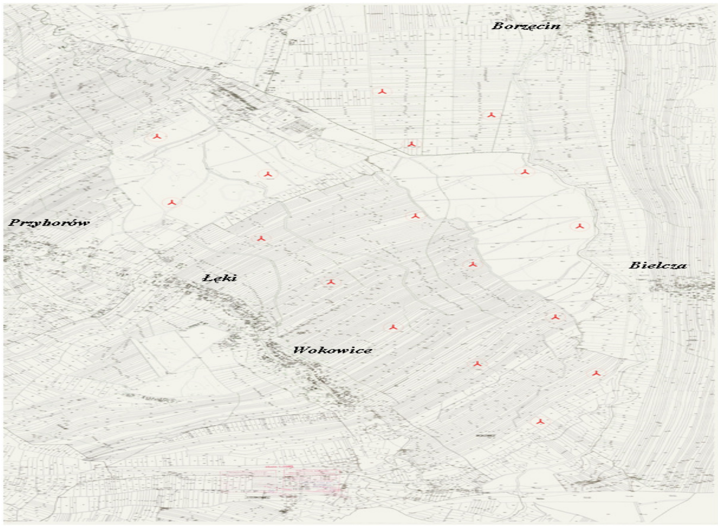

Fig. 1. The distribution of wind turbines on a cadastral map
Source: Borzęcin Community Office.

As shown in Figure 1, the plant will be located south of the village of Borzęcin. It is difficult to determine the exact layout of the wind farm, yet it will probably have a shape of an elongated triangle. North-western boundaries of the wind farm will be limited by the building line of the villages of Wokowice, Łęki and Przyborów. From the north-west, the plant will be adjacent to the district road no. 137; the eastern boundary will be delineated by the Uszwica River.

Such a location does not interfere with agricultural activities and does not exert negative influence on protected areas; the plant is located outside of bird habitats. The area designated for the construction of the wind farm is very flat and mainly used for the cultivation of rapeseed, wheat and maize. After project completion, the land can be still used for the same purposes except for areas where turbine foundations, access roads and manoeuvring squares are located. In the design phase, three power plan variants have been determined [Borzęcin Community Office].

Any investment of this type must be preceded by an economic and environmental analysis. The purpose of such an analysis is to eliminate risks to human health, threats to animals, plant degradation, surface and underground water contamination and destruction of local cultural heritage. In this particular case, the plan will be located on an agricultural land, without any trees or bushes, so the impact on bird and bat habitats will be insignificant. Ongoing observations in this regard, have not revealed so far any objections to the investment. When it comes to areas under protection and those which are considered for protection, the location of the farm does not interfere with them. No trees or bushes need to be removed to enable wind turbine construction. In order to ensure smooth implementation of the investment, a few principles have been assumed [Borzęcin Community Office]:

- construction work will be conducted from 6:00 am to 10:00 pm in order to reduce the noise caused by construction machinery,
- top soil layer will be removed so that it can be used to restore the fertile soil layer,
- any waste produced in the construction stage will be discharged in designated areas,
- when all construction tasks are completed, the area will be restored to its original state.

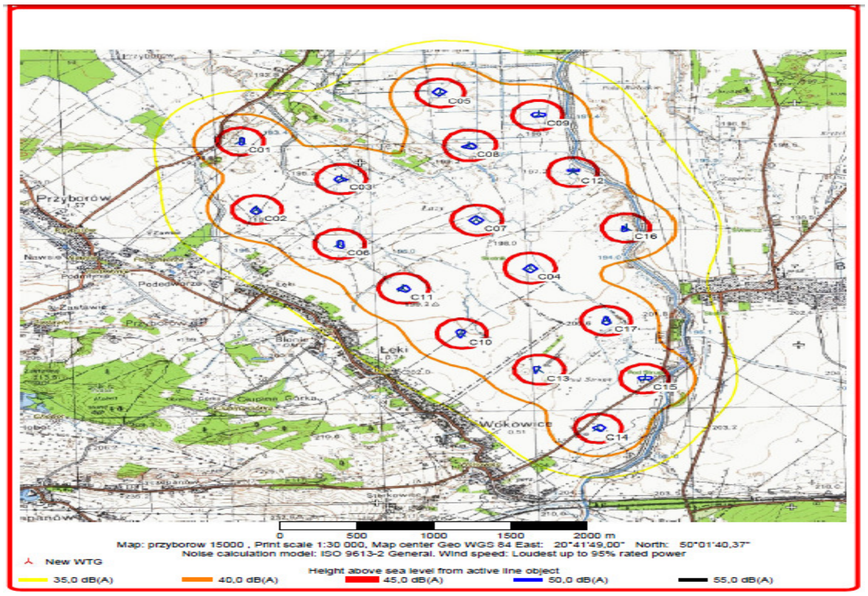

Fig. 2. Nose zones around the designed wind turbines in Borzęcin
Source: Borzęcin Community Office.

A wind turbine causes two types of noise. The first type is called mechanical noise and it is produced by the gearbox and generator; the second type is the so-called aerodynamic noise which is emitted by the rotator blades. In the case of the designed wind farm, advanced gondola insulation technologies will be used; as a result, the mechanical noise will be less intensive than the aerodynamic one. The aerodynamic noise is caused by the blades passing through the air, so the noise is unavoidable and it is observable in the immediate vicinity of the wind farm. Over the many past years, designers have been introducing construction changes aimed at reducing aerodynamic noise by reducing propeller tip speed or adjusting the blade angle (so-called pitch control system). Consequently, the aerodynamic noise has been significantly reduced but for the moment its elimination is impossible. People living in close proximity to wind farms often complain about hearing whistling and noise, so it is very important to locate such an investment at least 500 meters from residential buildings. There are a number of factors that affect noise intensity, the most crucial include the following [Borzęcin Community Office]:

- distribution of turbines within the farm and their model,
- terrain configuration,
- wind speed and direction,
- sound wave propagation in the air,

Based on Fig. 2 it can be concluded that the noise affecting the existing or planned residential buildings will not exceed the limit values for noise emission[3] in the environment at night; the permissible level in this case is 45 dB. It could be a matter of concern whether the location of this plant is optimal for human health, because wind turbines also create the so-called infrasound noise, whose spectrum includes components with infrasound frequencies between 2 and 20 Hz and low audible frequencies. However, studies conducted by R. Ingielewicz and A. Zagubień, researchers from the Koszalin University of Technology clearly confirm that wind turbines do not generate infrasound at the levels that can endanger human health. Although the study was carried out on a wind farm consisting of 9 turbines and the designed plant will have 17 of them, the assumed distance from the closest residential building ensures that the farm will not affect people living in that area in any way [Borzęcin Community Office].

In other European countries, the distance of wind power plants from residential areas varies from country to country. In some of them, rigidly defined principles are assumed, in others it is recommended that the distance should depend on a number of environmental and technical parameters. For example in Scotland, the minimum distance from a wind turbine should be 2 km, but there are countries where this distance is much shorter, such as England where it amounts to 350 m. In others, including Poland, legal provisions do not define the minimum distance from residential buildings [Ministry of Economy 2012, p 7].

5. SWOT analysis on the impact of wind farm on the development of Borzęcin

SWOT analysis was chosen because, SWOT analysis forces you to think strategically, to observe changes in the surrounding community, create reports and analyzes that are the basis for the formulation of scenarios for the possible direction of development of the community. SWOT analysis was carried out for

[3] Ministry of Environment Regulation of 14 June 2007 on admissible noise levels in the environment [Dz. U. No 120, item 826]

the entire community, and consequently is used to diagnose the strengths and weaknesses of the described project. SWOT analysis is one of the most popular strategic analysis techniques. It is a study of strengths and weaknesses of the community as well future opportunities and threats[4].

Table 1. The impact of wind farm on the development of Borzęcin – SWOT analysis

Strengths	**Weaknesses**
– high tax revenue for the community, the estimated amount is 1.5 million PLN, – cheap and ecologically clean energy for local inhabitants, – tourist attraction, – Borzęcin will be regarded as environmentally-friendly community, – increased attractiveness for investors, – development of entire infrastructure as a result of wind turbine installation, including power lines, – additional income for people leasing land for turbines, – local inhabitants and companies will be involved in the construction and operation phase	– wind farms are very harmful to people, they produce noise and inaudible infrasound 24 hours a day, – loss of landscape assets, – wind farms discourage tourists, – land located in the vicinity of wind farms cannot be used for residential purposes, – decreased value of land and buildings, – wind farms threaten migrating birds and bats, – turbines interfere with television, radio and mobile phone reception, they generate strong electromagnetic field, – shadow flicker effect, – warning lights from dusk to dawn, – risk associated with falling icicles.
Opportunities	**Threats**
– the possibility of reducing electricity prices for residents of the Borzęcin community, – Poland is obliged to obtain a 15% share of renewables in the production of electricity by 2020, ensured state support for producers of renewable energy, – energy distributors are legally obliged to collect energy from renewable sources, – short-term return on investment and relatively accessible investment loan, – - EU energy market will become more liberal in the future. Energy prices in Poland are definitely lower so the income may increase.	– lack of sufficient wind power to turn the blades, – wind farm may cause microclimate change, – the community will suffer from EU reduced financing for agriculture and tourism, – turbines pose a threat during storms, some breakdowns or fires may occur, – - the plans of the Ministry of Economy to reduce income for green energy producers from the so-called green certificates.

Source: own study.

One of the major strengths of the designed power plant is the huge income from property tax that the community will receive. This is estimated to be approximately 1.5 million PLN per year. These funds can be then used for any type of investment. For example, in the nearest future the community is planning to connect all households to the sewage network. The estimated cost of this investment is approximately 50 million PLN.

[4] http://www.iso.org.pl/analiza-swot, 15.11.2012.

As far as weaknesses are concerned, particular emphasis is placed on the fact that the turbines will significantly influence the local landscape. Each and every wind power plant is a large construction, visible from the distance of a few or even several kilometres. Consequently, this investment will seriously interfere with the community appearance. On the one hand, the turbines may affect the perception of Borzęcin as environmentally-friendly community, which can help in attracting new investors[5]; on the other, it is difficult to predict how tourists will react to such an investment.

Taking into consideration the opportunities created by the planned wind farm, it is important to point out the possibility of negotiating electricity prices by community residents. Yet, it is questionable whether such negotiations will really take place.

The investment of this type also poses potential threats. It is likely that EU funding for agriculture and tourism in the community will decrease. This may be a challenge for a typically agricultural community which aims at developing its touristic potential.

6. Results of survey studies on the impact of wind farm on the development of Borzęcin

The survey was completed by 43 local inhabitants. It consisted of two parts: respondent's particulars and a few questions regarding renewable energy sources as well as questions directly related to the designed wind farm in Borzęcin. The main purpose of the survey was to verify the current knowledge of local inhabitants on renewable energies and the planned investment, which will significantly influence the community, and consequently also its population.

Based on the analysis, it can be concluded that local inhabitants have little knowledge about renewable energies, which was confirmed by 44% of the respondents. However, a number of people supported the development of renewable energies (68%). Those in favour of renewable energies identified four types which deserve particular support. These included wind and solar energy. It is important to note that along with the planned wind farm, the community is also planning to build the largest photovoltaic farm in Poland. This shows the importance of the local attitudes and acceptance of such projects by community inhabitants. Otherwise, we would have to deal with a number of conflicts between the investor, the community authorities and the residents.

What is disappointing is the fact that almost half of the respondents (44%) did not hear about public consultation of the project. 67% of survey participants approve of the farm location. The survey also revealed that local inhabitants know very little about the planned investment. Only 23% of the respondents indicated correctly the planned number of wind turbines and almost half of them

[5] The community of Borzęcin has an industrial zone located in close proximity to the planned wind farm, yet no investor has invested in that area so far.

admitted that they do not know; 23% picked the wrong answer. It can be concluded then that the people are not very interested in the investment. Consequently, community authorities should provide more information about the project to local inhabitants.

Another question concerned the minimum distance between the wind farm and residential buildings. 77% of the respondents thought that the minimum distance is 2000 meters. If it were the case, the villages of Przyborów, Łęki and Bielcza would be almost entirely within the 2000-meter border line as well as the southern part of Borzęcin. As a result, almost 4000 local inhabitants would actually live within 2000 meters from the farm. The answers to this question reveal inconsistency of respondents or lack of knowledge about the exact location of the wind farm, as in one of the previous questions, most of them approved of the planned location.

The last question of the survey concerned the impact of the wind farm on the development of Borzęcin. 63% people answered that the project will have positive influence on the community. Only 7% had an opposite point of view; a large group (30%) had no opinion on this issue.

Having analysed the survey, it can be clearly seen that local inhabitants have little knowledge on renewable energy sources and it could be the case that after receiving more information about wind energy they would oppose the project.

7. Summary

Based on the results of conducted analyses, it can be concluded that the wind farm will positively affect the development of Borzęcin community. The project has several strengths but also there are some disturbing aspects that the community authorities will have to face. It needs to be remembered that such an investment seriously interferes with the natural landscape, which may decrease the value of properties in the community. As a consequence, the authorities may have to pay compensation on the grounds of lost income and property value decrease.

The community of Borzęcin generally develops very well. A number of investments conducted over the past years significantly improved the standard of life. Whether the innovation in the form of a wind farm brings more benefits than losses will be verified over the next few years.

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10 LAMMERAL NETWORK AND THE THEORY OF DECISION

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To my daughter, Alicja

1. Introduction

The interdependencies between the system attributes seldom remain in linear relations. Each of the stages of the assessment of processing compatibility, the correctness of the decisions there appears a collection of attributes, a network of connections spread between any two consecutive points. When the structure is being developed, the saturation of the field is usual result, but typology requires the continuation of the activity even when point relocation were to be effected.

The paper contains the critical analysis of attributes' sensitivity and its influence upon field reconfiguration. The author's attempt of the paper – was to investigate the nature of the changes occurring between any two consecutive points and defining the way of space modeling at the same time.

The translation of the relocation language into the one allowing for the typing of process border parameters allows to generate these basic elements, which verification will help obtain the expected product values [cf. Kowalska-Napora 2008, Tkaczyk, Kowalska-Napora 2008].

As it seems, the very process of assessment and – on its grounds – the nature of the undertaken decisions is based upon the systemic analysis.

While identifying the changes, we usually refer to the two dimensions, at the same time carrying on the analysis of the randomly selected elements of the Euclidean space. Obviously, such a approach must be assessed as false, because the number of dimensions always tends to infinity.

Obviously, the most important, as well as the most basic, binominal parameter is time and it incremental value.

Any structure consists of the multiplicity of points, kernels or elements which, by themselves, are not able to realize any function and it is only its definition which lets assess the usability of a structure to perform any of the appointed the tasks.

While functioning in a net the modal points form one and it is the definition of a point as a competence knot which allows for the definition of the structure usability as well as any of the changes occurring within it.

Taking the typed knot in a given period of time into account, one is to discover that the area has become saturated by a non-hierarchical analysis of on-coming concentrates and – what naturally follows – net layering (sandwich structures). Successive stratifications, as well as point correlations, naturally resulting from them, give possibility to the appearance of lammeral nets, which have been selected to be the main topic of the paper.

In paper it's introduced the planning process of decision in the life and management. The authors discussed the concept decision in net.

2. The research aims of the paper

Two research aspects are meant to co-exist in the paper: structure fragmentation and equivalent decisional elements conditioning the amount of diffraction and net relation.

It is possible to assume that – despite many different analytic tracts and complex forms of reasoning applied in the paper, the most important aim the paper author would like to produce, is the definition of the way and the area of knot placement, i.e. the identification of the decisional field may influence the nature of the netting activity [cf. Tracy, Thompson 2012, p. 43].

The character of the processing variables, their compilation as well as the analysis of the force of their influence and the sensitivity has to be grounded upon the initial definition of the boundary processing parameters.

In case we were able to define the boundary of the processing activity as well as to carry out a sensitivity analysis, it is possible to upgrade the functions of aim, as well aqs their number and/or range (picture 1).

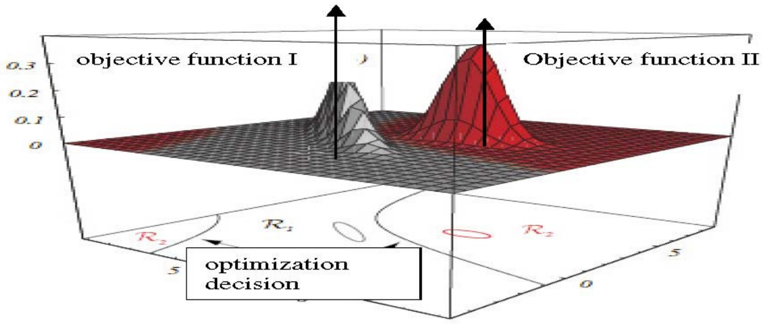

Fig. 1. Definition of the boundary of the process and the defining variables
Source: own interpretation [cf. Upton *1998, s. 11-13] on the grounds of space-referring decisions for two Gaussian distributions.*

It is possible, although not necessarily required, to make an attempt to typify the basic as well as dominating function of the target and, when applying the mathematical interpretation, its adjustment in the search for the solution of the remaining functions what, obviously, still is to remain the issue of argument (1):

$$\lim_{n\to\infty} \arg(x,y) = \mathrm{logit}(x,y) \tag{1}$$

Where x,y are the typed parameters fixing the coordinate system on the logit layer.

3. The target function and its influence on netting procedures

The level of adjustment of the selected net knot to the whole structure can be defined by means of the notion of its adaptation, which, in turn, can be defined with the help of the analysis of mutation operators [Arabas 2004, p. 95], (2):

$$X''_i = X_i + (\beta\,(\Phi_{max} - \Phi(X)) + \gamma)^{1/2}\,\xi_{N(0,1),i} \tag{2}$$

where: X''_I – new adjustment feature of the chosen knot,

X_i – the feature of the enterprise (knot) before adjustment and adaptation,

B, γ – selected decisional parameter (e.g. the choice of multi-medial operator),

Φ_{max} – assessment of the value of adjustment function in global maximum, understood as the level of net placement compatibility and the resulting interactions with other net participants.

As there many typed variables and the question of their importance is discussable – one can type an infinite number of target functions in many different dimensions (picture 2).

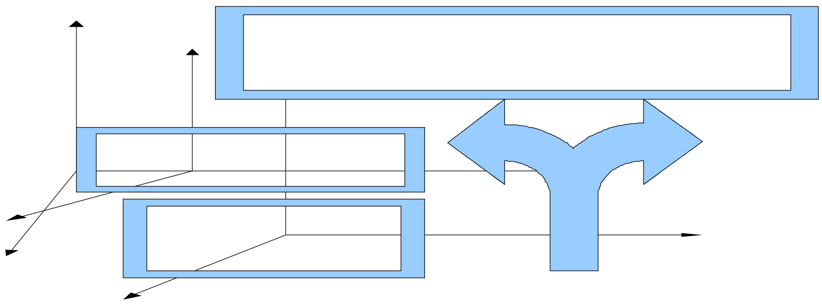

Fig. 2. Levels of perception in respect of the co-ordinate sets and typed target functions
Source: own elaboration.

The notion of space and time-defined assessment changes in relation to the type of observer, as well as the nature and/or the type of functions to have been established as important i.e. when the currently salient space-assessed variables have been selected by him/.her (3):

$$\dim\Delta t = \mathrm{arglogit}(x,y) \tag{3}$$

where: x, y – descriptive variables.

4. Lammeral and sandwich structures

As it happens, the final result of a well-solved problem ought to be crowned with a decision. The moment it was made ought to be based upon on the structure of a problem, as well as the expected results of its solving. The decision should appear as a result of making up one's mind based upon the processing of the attempts of an activity into its aims, with the assumption that the aims indicate the definition of the target indicating the expected changes referring to the personal situation of the person making up a decision. In other words, the process of decision taking means the implementation of an activity consciously selected from among all the other alternatives in order to attain the results in the possible optimal way.

Successful managers do not take many decisions; they would rather concentrate upon the most important issues instead. The try to take the most important decision on the highest level of their generality. In any situation they make an attempt to find out some form of average decisional stability, so as to consider a decision on the general, strategic level rather than solve a problem.

At the same time people reveal natural tendency to perceive appearing differences. We are able to notice salient difference by means of contrasting the two issues, while taking into account the item/s/ common in both of them, able to evidence the differences in question (…) a category consists of a collection of elements which contains a basic feature common to all of them. Categories perform an important function in the decision-taking process which refers to the environment, which has been assessed to surround humans [Zaltman 2010, p. 58] (pictures 3 -5), [cf. Kowalska-Napora 2011a].

Fig. 3. Transfer for the host – guest relation into the net development one
Source: own picture and interpretation.

Many of us reveal a tendency to carry out the activities not fully motivated by clearly motivated thoughts and or feelings [Whitworth et al., 2010, p. 63].

Fig. 4. Lammeral structures
Source: own picture and interpretation.

It also happens that we draw speedy conclusions, or the ones based upon inefficient amount of data [Whitworth et al., 2010, p. 63].

Fig. 5. Multipoint lammeral structure
Source: own picture and interpretation.

Sometimes we are not able to discard vague and cloudy interpretations and old-fashioned ways of perception of ourselves and/or the world we live in, sometimes we wander in the mist and keep toddling in place [Whitworth et al., 2010, p. 63].

The limitation of conventional mathematics, based upon its partial inconsistency with the forms of human reasoning allowed for the development of multi-variant and/or informal logics.

The assumption that certain logical rules are in some way imprinted in human mind appears to be a simple generalization emerging for intuitive evidence, widely accepted in cognitive psychology; the notion of functionalism assumes that the 'tool' responsible for the effective implementation of operations in the area of symbolic structures is human mind [Mackiewicz 2000, p. 39].

Some data, imprinted in our mind to make us able to carry of an assessment, appear to be much more obvious than others, what means that their influence on the final assessment carried out by us is greater than other data, i.e. the ones which are made occasional use of, in case they have been matched with an aspect of a situation which requires our assessment [Trzebińska 2008, p. 47].

In the process of decoding, interpreting and agreeing of the meaning of symbolic behavior, human ability to empathy and assessment of a situation from the perspective of some other person performs a very important function; (…) one can even claim the process of impression manipulation can be observed [Szacka 2003, p. 127].

Most of people perceive the world and their future in positive categories. The strategies of self-deception many of us apply to get rid of negative information, standing in contrast to the optimistic world outlook, contain defense mechanisms, such a negation and/or expulsion, or even positive illusions [Carr 2009, p. 124].

The activities of balanced people stand in agreement with their words. Such people behave in a responsible way, having a feeling of some measured perspective, what is commonly called common sense (…). The feeling of perspective indicates an ability to perceive the activities for a distance [Blum 2009, p. 37] – what allows to influence one's behavior to fulfill one's needs and aspirations to have one's target completed [Terelak 2005, p. 97].

In large majority of cases, the problem of the existence of measuring function, e. g. the measure to be taken in the logical sense, does not offer full reference to the measure value/s/ actually taken, and figures function as pseudo-indicators, unable to inform about anything salient [Stachowski 2000, p. 98-99].

While interpreting the picture and the forms of penetration of structures, one can claim that in the conditions of average balance, the redundancy value, i.e. the activity of difuzifier in incremental function conditions there occurs the density of points in the net as well as their entanglement [cf. Drucker 2005, p. 7-28, Kacprzyk 2004, p. 20-21, Penc 2007, p. 158].

5. Conclusion

If within one field one were to fix a change by means of standard deviation, that is a trajectory, there wouldn't have been such a huge problem with the selection of the field, as it was shown in the paper.

Talking about the use of imagination we mean the betterment of our abilities of perceiving and understanding of a situation in a new way [cf.. Kowalska-Napora 2012, p. 115-133, Kowalska- Napora, Szołtysek 2011, p. 137- 148, Kowalska-Napora 2011b, p. 145-158, Morgan 2001, p. 36].

In this way, the demagogy of a little girl and the construction of relations and networking formed by her is a way of selection and imagination; just like each of the structures is formed by means of defining its limit, parameters and/or the reference system.

Under the influence of progressive lammeral network one must be aware of net integrated in global range.

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11 ADVERTISING IMPACT ON THE SEGMENT OF CHILDREN AND TEENAGERS

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1. Introduction

In the present world of competitive fighting, businesses actively build marketing communication towards the client. One of the examples is advertising aimed at inducing the customer to buy. Thus, the organizations seek for segments most susceptible to the influence of such messages. They take up extensive actions for the children's segment recognized as susceptible to all the communications. The purpose of the paper is to present the effect of advertising on children and youth, considering their advantages and disadvantages and presentation of the efficient strategies.

2. The characteristic outline of advertising

Advertising is classified within one of the major four marketing communication forms. Upon a thorough reference review, one could reach the conclusion that there are numerous definitions of advertisements, all of them having a common denominator and converge with the definition of 1948. It was suggested by American Marketing Association and, according to the authors' opinion, is any paid form of impersonal presentation and support of ideas of possessing goods and services made by a specific advertising sender [Barańska 2011, s.19]. The key advantage of this definition is the fact that is allows for identification of differences between advertising and direct sales, or advertising and public relations.

It is assumed that advertising should have the following functions:

- informative – information about a product or service, indicating its values, purpose or distinctive characteristics,
- inducing – convinces to buy goods or service of a specific brand,
- recalling – creates the loyalty of clients towards the brand [Dejnaka 2006].

The functions of advertising are closely correlated with the targets the attainment whereof it is to contribute to [Sarełо 2002, s 146]. They have been presented in the drawing below.

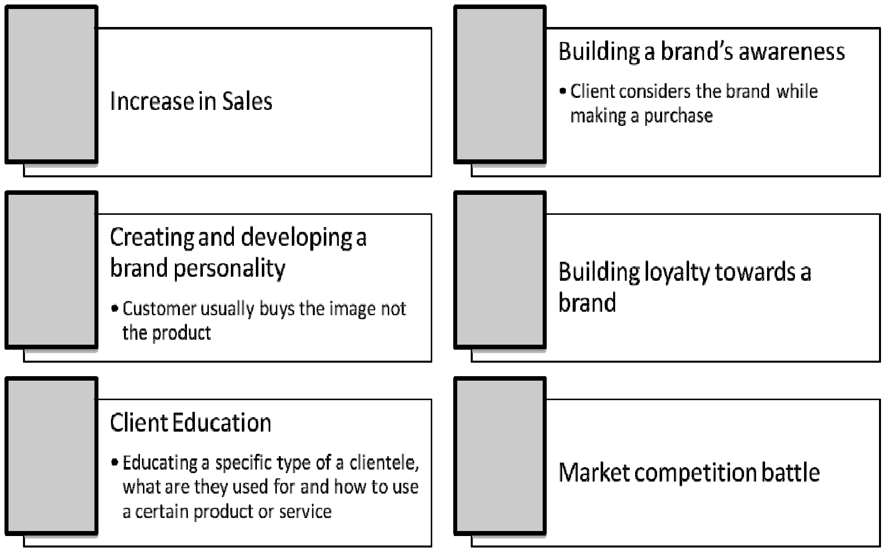

Fig. 1. Advertising targets
Source: [Sareło 2002, p. 146].

Analyzing the functions and targets of advertising the FCB matrix should also be presented to reflect clients' commitment in the purchasing process and purchasing methods.

In the context of advertising FCB matrix is also worth mentioning in order to indicate the impact on advertising made by client commitment and their purchasing motive.

Table 1. FCB matrix

	Information	**Emotion**
High price	Informative advertising	Emotional advertising
Low price	Habit creating advertising	Satisfaction providing advertising

Source: [Gorchels 2011].

In case of informative advertising the contents transmitted in this way assist the client in making their purchasing decision. An example may be electronic products. Emotional advertising is to affect the client's feelings and indicate emotional benefits such purchase would guarantee to them. It is often related to upmarket products. Habit creating advertising, in turn, presents the products so as to make it seem more attractive than those offered by the competitors. For example, it focuses on chemical sector products. Satisfaction providing advertising, however, presents a moment of pleasure, being the effect of the product purchased. Sweets can be an example here [Dejnaka 2006].

3. Media

Talking about advertising, it is necessary to pay attention to media, i.e. all the objects and equipment enabling the information transmission to the recipient by verbal, visual and audio means [Musioł 2006, s.9]. They represent the basic element of creating advertising strategies of a business [Kotler 2005, s. 11-112]. Media development dynamics cause that their typology was started to be made. The most popular ones divide media into [Strużycki, Heryszek 2007, s.49]:

1. Electronic, also called volatile, including means using digital and analog technologies.
   - radio,
   - television,
   - modern transmission technologies.
2. Printed, also called stable.
   - newspapers,
   - magazines,
   - advertising posters,
   - leaflets.

Another, immensely interesting typology, in the aspect of reaching the client and impact on their perception, is the typology dividing media into active and passive deserved attention [Gorchels 2011]:

- **active – perceived** by human left cerebral hemisphere: the Internet, mailing advertising, press,
- **passive –** by human right cerebral hemisphere: TV, radio [Strużycki, Heryszek 2007, p. 50].

The third typology divides media into traditional, i.e. ones that function 10-15 and modern with shorter life expectancy [Lawley, Cohen, Lowell 2011].

The criterion for characterizing the advertising medium

- The physical characteristics of advertising (eg, vision, color, sound)
- Life expectancy of advertising
- The impact and the scope
- The prestige
- Target Group
- Production costs and exposure

The criterion for characterizing the ad's recipient

- Mass or individual recipient
- Individual or institutional recipient
- Ad recipient's habits
- Recipient's localization
- Recipient's interests
- The impact of specific media on customer's decisions

The advertising's budget amount

Fig. 2. Advertising carriers selection criteria

Source: [Beckwith 2003].

Media play the key role in designing advertising communication. Various forms of media are often used for such designing. Therefore, while choosing appropriate media, the selection criteria of advertising carriers should be considered. They have been presented below.

In this point we should pay attention to the effectiveness and popularity of media reception by the consumers. They assume the following rates national television – 50%, national radio – 30%, local radio – 20%, local television – 15%, local daily newspapers – 15%, national press – 12%, local magazines – 12% [Budzyński 2005, s. 64].

The social characteristics of media function are also worth attention, including informative (providing information on current events), correlative (educational – explaining the meaning of specific events, commenting on the information presented), continuous (building and maintaining specific values, providing information on various cultures, supporting tolerance), entertaining (correlated with organizing entertainment, recipient's relaxation, reducing social tensions), mobilizing (taking up the subject of politics, economic growth, work or even religion) [McQuail 2007, s. 111-112].

Basing on the above characteristics we may conclude that the contemporarily advertising is a social life element, but also a creator of revenues for the businesses using it [Kowalski 2006, s. 65].

4. Advertising impact on subconsciousness

Media are generally available, therefore, their presence in the society increases. They make a strong impact on the system of values and the opinion of their recipients [Morbitzer 2008, s. 2]. Advertising mechanism functions so as to impose a new fashion, way of thinking or acting on its recipients [Morbitzer 2008, s. 85-88].

One of the most attractive target groups of advertising communication are young people and children. They are really susceptible to advertising, because they are often unable to choose appropriate information rationally and assess it. Children are highly involved in the information they receive. Media participate in education about the world, presenting specific phenomena by means of their own language and vision.

The impact of media on this group is stronger than on adults [Izdebska 2009, s. 5-9].

Media can affect the society directly and indirectly. Therefore, the meaning of media grows both in social and educational life, year after year. Media are the source of information on what is going on around, provide foundation for creating culture and substantial patterns and attitudes. Therefore, it is worth to distinguish major varieties of medial transmission impact on their recipients, which has been presented below.

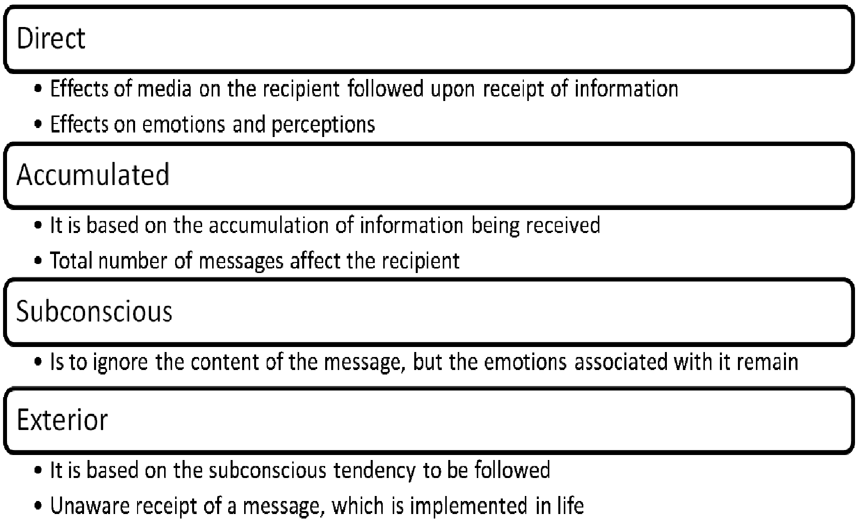

Fig. 3. Major varieties of medial transmission impact on recipients
Source: [Kuchta 2011, s. 30-33].

The above types of impacts confirm the theory of human unawareness of contents they receive from the external world and their susceptibility to medial messages. Therefore, mass media influence:

– human behavior (decisions made, behaviors, etc.).
– level of human knowledge (the type of information reaching them),
– restriction of human mental efficiency [Mathis 2005].

5. Advertising impact on children and youth

Marketing references more and more frequently used the word “kidnapping” that means the techniques used by marketeers in order to win young consumers’ minds and take control over them. The marketeers focus on the “dynamics and communication chain” that is adapted to child’s development in such a way that the child’s perception restrictions are known, which helps one use the child’s weak points. The basic target of market specialists is to attract the child’s attention, receipt of message and induce the wish to possess a thing or service. A child becomes emotionally involved, therefore they often surrender to advertising. The marketeers are capable of overpowering children’s minds so that the awareness of brand and product remain therein for a long time. The communication dynamics chain is constructed so as to evoke positive reactions to the product purchased by the child, so that the child would like to use it again. Such response leads to the wish to buy products from a specific brand and disseminate the positive opinion thereon among peers.

The experiment carried out in Stanford shows that children in the 3-6 age group are most susceptible to medial messages – this is the period when the child is most credulous to the world and its surroundings. Children of this age surrender to manipulation and persuasion, because they are unable to think logically. Their behaviors are rather impulsive, based on emotions, which imitation [Zwierzchowska 2010, s. 14-16].

Contemporary market is competitive, more and more new products and brands are launched thereon. Thus, the battle for the consumer begins, therefore the growing number of messages to the group most susceptible to advertising actions, i.e. the youngest ones – children and youth. A variety of strategies is used for this purpose, ones that particularly affect the target group analyzed.

They include:

1. Whisper marketing.
   - transmission of verbal information about a product to persons from the closest neighborhood (relatives, friends) with stress put on its advantages.,
   - the strategy is fast and really trustworthy.
2. Peer to peer promotions.
   - a variety of whisper marketing aimed at increase of the impact on information on a product of brand, disseminated by the consumers,
   - the Internet and rewarding for recommendation are applied here.
3. Viral marketing.
   - creating an attractive message and mailing it among recipients. on-line.
4. Trendsetting.
   - Soliciting customers who will create a specific style of dress, particular fashion,
   - Increased demand for specific brand products takes place.
5. Teenage clubs.
   - Brand membership clubs organized by businesses, membership is related to receiving discount vouchers, gifts, samples, etc.
6. Virtual communities.
   - Encouraging to buy by adding codes, games to the products,
   - A code with defined validity mobilizes to purchase another product of the same brand.
7. Ad-entertainment.
   - Addressing consumers who dislike advertising and avoid it,
   - Attracting client's attention through introducing humor or quiz / contest next to printed ad.
8. Product placement.
   - Using a product or brand as a gadget in a series, movie or video game.
9. Integrated and network marketing.
   - use of a character from favorite fairy tales and cartoons on products in order to increase sales [Jasielska 2010, s. 63-76].

The aspect of advertising impact on children is worth enhancing in this point.

Children represent a large group of advertising recipients, particularly of TV commercials. The surveys carried out in the USA confirm that children watch in average 3 hours of commercials only in a week, which takes place before and after their favorite programs [Braun-Gałkowsk-Kul 2002, s. 10]. Polish surveys, in turn, indicated that 83% children from 5 to 10 years old fully approve of advertising, which pre-school children just love it. School-age children are even more 'sentenced' to advertising impact, because they want to keep up with their peers and have what they have. They are able to force their parents into the purchase of a product or sweets. Children are unable to distinguish whether the product purchased really is like it was shown by the ad, their attitude towards it is very credulous and if they are critical they feel cheated by the parents rather than by advertisement [Braun-Gałkowsk-Kul 2002, s. 10].

We may also distinguish the child's attitude towards advertising, depending on their age.

Table 4. Children's advertisments perception (depending on the age)

Preschool children (3-6 years old)	• They are able to distinguish advertising from other programs, but do not yet understand its nature • Sensitive to the advertisement's view • Consider advertising as trustworthy, funny and interesting • They have a positive attitude towards advertising
School age children (6-11 years old)	• They are able to distinguish advertising from other programs and begin to understand its nature • They understand the purpose of advertising and to whom it is addressed • They can choose what they like in advertising and what they dislike • They begin to manifest their negative attitude towards advertising
School age children (11-16 years old)	• They are able to distinguish advertising from other programs and begin to understand its meaning • Understand the purpose of advertising and to whom it is addressed • They can choose what they like in advertising and what they dislike • Begin to manifest their negative attitude towards advertising

Source: [Braun-Gałkowska-Kul 2002, s. 10].

The businesses direct their advertising to the youngest as they know that the youngest will become adult some time as well. Numerous businesses begin to win their trust before they grow up, wishing to induce certain habits in them, in order to solicit a group of loyal clients. Such businesses try to invest in the future. Adult consumers are not so susceptible and it is hard to evoke their trust. Childhood habits, however, remain, so does the brand accustomization [Jasielska, Maksymiuk 2010, s. 28].

The authors of programs and ads directed to children, consider what children like while making such programs, i.e. fairy tales, comedies, simple plots. They are also aware that younger children watch the older ones and imitate them. Children are particularly attracted by the intensity of colors, interesting graphics, simple language and catchy music. The advertisements also offer humor, excite emotionally and encourage to play. The advertising communication directed to children does not include such characteristics as efficiency or quality, attractiveness is the only thing that counts. Cartoon characters loved and recognized by the children are used. Brands identify themselves with such characters, in order to reach the youngest clients who cannot read or recognize the logo. Advertisement directed to children is characterized with:

- product presentation – the advertisement providers present the product in the most attractive way,
- appropriateness of explanations – children have no vocabulary as rich as adults, therefore the communication is formulated clearly, indicating such formulations as „you must" and "have",
- Pressure on making the purchase – the advertisement providers often indicate that having a product is the expression of being approved by the group of peers [Mathias 2005].

Creating communications for a youth group is much more difficult and requires a thorough analysis. Teenagers are more susceptible to neighborhood and environment pressure. It means that they are much less loyal to a brand, because if only any new product appears, recognized as trendy at the moment, the loyalty ends. Teenager products must be changed and improved continuously in order to survive. Young people often change their surrounding, look for friends either at school or party, therefore, advertising communications often show situations they can identify themselves with. Using youth slogans, specific graphics often is the showcase of advertising in order to reach this consumer group. The limited frequency of advertising addressed to young people is also characteristic as young people hate impudence and excessive number causes the effect of "tiredness with ads" [Mathias 2005, s. 80-83].

The positive and negative elements of advertising impact on children and youth were identified on such foundation. The positive ones include providing entertainment, supporting creativity, inspiring children's folklore, consumer education, promoting healthy lifestyle, understanding social behaviors and norms [Jasielska 2010, s. 94-102].

The negative impact of advertising on children and youth is expressed by their later consumptive attitude, provoked gluttony and unhealthy nutrition habits, aggression, erotized imagination, conflicts with their closest ones or even underestimated self-assessment [Braun-Gałkowska-Kul 2002, s. 12-13].

6. Conclusion

While designing an effective advertising communication, it is worth considering all the elements affecting the group of children and youth. To build more trustworthiness of a business, however, it is worthwhile to focus its advertising on the positive aspects of impacting the recipient and eliminate the negative ones. Thus is should comply with the values, standards and ethics, thanks to which the brand and business at the same time create their image and trust, which translates into a stronger competitive position on the market.

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12 BAD PRACTICES IN THE GENERAL PENSION SOCIETIES' PROCESSES OF PERSONAL SELLING

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1. Introduction

According to the Act of 28th September 1997 on organisation and operation of pension funds, **pension society** is created by, managed by and represented in any contact with third persons by the fund. **Pension fund** is an institution by means of which capital pension insurance is most often realised. Its activities are related to the need of collective investment [Chybalski 2006, p. 26]. Through the management of pension funds responsible for collecting and multiplying the capital provided by the customers, pension societies should at present include in their activities, aside from quantifiable criteria, also those such as: ethical, ecological and social values. What becomes extremely important from this point of view is "honest personal selling", aligned with the concept of corporate social responsibility (CSR). Bearing the above in mind, the **aim of this paper** is to present practices used by the salespeople employed by General Pension Societies (GPS) in the light of corporate social responsibility.

2. The essence of corporate social responsibility in GPS

The idea of corporate social responsibility is interpreted in a variety of ways. Nowadays, the CSR concept informs us that the company is morally responsible and obliged to be accountable to the law and the society for its activities [Zbiegień – Maciąg 1997, p. 48 – 49]. It is accountable to: owners, employees, shareholders, customers, creditors, banks, ecological groups, suppliers, cooperation partners, public administration. These are the people fuelling the company and assessing its activities. Such point of view is supported by B. Wawrzyniak, who considers a socially responsible enterprise to be a company that responds in a positive manner to the expectations of the diverse environment, institutions and people, who create it [Wawrzyniak 1999, p. 213].

According to the definition by the Responsible Business Forum, CSR is [Makuch 2011, p. 4]:

- a management strategy, which allows to minimise the risk and maximise the chances for the company to achieve long-term success,
- the capability to lead the enterprise in a manner, that increases its positive input to the society, while at the same time minimising negative influence of its operations,
- the manner in which the company on day to day basis treats the participants of the market process (which is its stakeholders): customers, business partners, employees, local community.

According to this concept the enterprises, while at the stage of building the strategy, voluntarily include social interests and environmental protection, as well as the relationships with various groups of stakeholders. Being responsible, according to the CSR approach, does not only mean the enterprise meeting all of the formal and legal requirements, but going beyond that, by increasing investment in human resources, environmental protection and relationships with the stakeholders, who may have a real influence on the effectiveness of such organisations' business activity [Walecka 2011, p. 152-153]. This is a strategic and long-term approach, based on the rules of social dialogue, transparent relationships and seeking solutions beneficial for all.

CSR is also the implementation of transparent business practices in such a way that respect towards employees, community and the environment are taken into account [Rok 2004, p. 19].

As pointed out by A. Adamik and S. Lachiewicz, despite the fact that corporate social responsibility has a fairly short history in Poland, in many cases research shows that the managers and consumers understand its rules better and better. Increasing number of companies notices their stakeholders, implements ethical codes of conduct and see the need to have and implement a CSR strategies, which provide quantifiable benefits to all involved [Adamik, Lachiewicz 2007].

Corporate social responsibility is reflected in two dimensions of company operations: internal and external [Adamik 2008, p. 57-58]. The **internal dimension** covers:

- human resources management, and refers to e.g. equal treatment of employees, employees' ease of access to information regarding changes to the company's strategy and better exchange of information between employees and management, employee participation which is the engagement of staff in the decision-making processes, issues of personal development and qualification improvement, fair wages, support for the employees in maintaining work-life balance, employee training;
- ethical programmes for employees, e.g. ethical code of conduct, training on ethics, appointing the company ethics spokesperson, putting in place relevant procedures for cases when code of conduct is breached;

- job health and safety, which means additional – beyond those required by law – rules referring to safety in the workplace, various forms of healthcare for employees;
- capability of adjusting to changes, exhibited e.g. by including the interests of all parties in cases such as restructuring, in a way that minimises its negative effects, flexibility of employment, agreeing on rules of letting personnel go (e.g. outplacement);
- environmental protection management, which in practice means the reduction of energy usage, water usage, waste management, and first and foremost the procedures ensuring consistent minimising of the company's adverse effect on the environment;
- rules of corporate governance, which in practice result in e.g. transparency of information, methods of appointing and rewarding board members, investment in sustainable development, incorporating corporate social responsibility policies in the fusion process.

While the **internal dimension** consists of:

- relationships with the local community, covering the rules of cooperation with non-government organisations and other local partners, employee volunteering, engagement in philanthropy, the social effects of business activities, creating job opportunities for disabled people, citizen engagement, social investment;
- relationships with trade partners, supplies and customers as well as the rules of meeting the delivery deadlines and deadlines of payment to the cooperation partners, quality monitoring, reacting efficiently to customers' and other partners' complaints, determining the requirements related to the application of social responsibility systems by the suppliers or subcontractors and in general incorporating social and ecological aspects in business decisions, as well as delivering to the markets products and services, which are safe for the environment and people, counteracting corruption;
- human rights which is the company's promise to adhere to human rights, e.g. not employing children, no forced labour, creating equal opportunities, adhering to rules of fair trade;
- global ecological problems related to the issues of caring for the widely understood natural environment, e.g. the greenhouse effect, climate changes, technologies that limit the use of natural non-renewable resources, use of renewable sources of energy to meet company's needs.

As it can be seen in the above classification, socially responsible companies can engage and act on a multitude of levels. Starting from the care for their own employees and being responsible for their conditions of work and pay, as well as enabling them to maintain work-life balance, through to facing globalisation problems by means of using modern, environmentally-friendly technologies, etc. **With regards to the pension system**, corporate social responsibility is related to the pension institutions' responsibility for their own actions towards the pensioners. Having defined responsibility in such a way, one can identify four scopes of activity [Baran, Marzec 2011, p. 11]:

1. **Factitive** – the pension system should guarantee payment of a specific, defined pension, both from the moral, as well as legal point of view.
2. **Praxiological** – institutions operating within the pension system are responsible for their actions, and the pensioners can assess the level of payments received and the way the system and its institutions operate.
3. **Moral** – the pension system and its institutions are morally responsible to the pensioners for their actions and the level of pension paid out.
4. **Qualified** – professional activities undertaken by the pension sector institutions are linked to a particular level of risk, assumed and agreed to by the pension system participants; in cases of too high a risk, the institution takes responsibility for its mistake.

In the case of General Pension Societies, corporate social responsibility is a concept, according to which responsibility should go beyond ensuring profits for those setting up a fund and extend to all and every activity and decision that influences the stakeholders, aimed at improving their wellbeing and the protection of the environment [Głuszek 2010, p. 75]. The essence of corporate social responsibility is adhering, in the relationships with all of the stakeholders, to ethical values, such as: honesty, reliability and transparency. These values should be in particular of great importance to the **policy of personal selling** implemented by the GPS salespeople. In practice these values are often forgotten about and can only be found in the mission statements of general pension societies.

In order to analyse the values pension societies refer to in their mission statements, a review of websites has been conducted for fourteen of them. Results are presented in table 1.

Table 1. GPS mission statements

Open Pension Fund name	Mission statement
Allianz Polska OFE	„Allianz Group in Poland aims to have a leading and renowned position in the insurance and finance sector, which guarantees fulfilling the promises made to the customers, employees and shareholders. Values we look up to in achieving this aim are: customer care, modernity, professionalism and engagement as well as culture, tradition, strength and the experience of the Group".
PKO BP Bankowy OFE	„Society's mission is to ensure the fund members' satisfaction with the results obtained as a result of the management of entrusted savings and continuous development of the quality of service".
AXA OFE	„The focus of work of each AXA Insurance and Financial Representative is to create opportunities for building financial independence of their current and future Customers. The mission is implemented through offering highest quality products, excellent service and long-term cooperation with the Customer."

OFE POLSAT	„The main aim of the POLSAT S.A. General Pension Society is to achieve very good investment results, focusing on investing and multiplying the money entrusted, which to a great extent creates the basis of the POLSAT Open Pension Fund Members' future pension."
ING OFE	„ING's mission was and is to provide the customers with insurance, banking and asset management services, through a variety of distribution channels."
Nordea OFE	„Creating opportunities".
Generali OFE	No data available.
AEGON OFE	„Our organisation's mission has been based on Henry Ford's statement: „If you act like the majority, you shall fail like the majority. If you act like the minority, then like the minority you will achieve success."
OFE Pocztylion	„Pocztylion's mission is providing professional service for the fund's customers, focusing on meeting their expectations in terms of the service and service provider".
OFE PZU „Złota Jesień"	„Society's mission is to achieve maximum growth of the fund's accounting unit's value in the long term, while at the same time maintaining a high level of security of the investment activities conducted and ensuring a high quality customer service for the PZU "Złota Jesień" Open Pension Fund's Members.
Amplico OFE	„Our mission is the desire to be present in every family and satisfy their needs in the area of financial security. We seek to build a relationship with our customers that is passed on from generation to generation".
OFE WARTA	„WARTA's mission is aiming for the constant growth of the level of trust our individual and corporate customers put in us, through consistent increase of professionalism in all our distribution channels. This applies to all types of insurance offered. WARTA always remembers that the core of its activities and interest is the customer. High profits are achieved through effective work, secure risk management and constant increase of employee competencies".
PEKAO OFE	„Bank's mission is to guarantee the shareholders constant and attractive growth of the Bank's worth through strengthening its leading position on the national market and the consistent development in the markets of Middle Europe, as a universal financial institution that is a reliable partner for customers and the best workplace for the best people.
Aviva OFE Aviva BZ WBK	„Wealthy and peaceful life".

Source: Authors' own work based on the review of websites.

As it can be seen in the above table, there is no commonly accepted standard of formulating one's mission statement. It varies for different societies. Most often though particular focus is on the customer care, meeting their financial expectations, ensuring their secure and safe future. A lot is being said about **trust** the companies work hard to establish and which they wish the customer to feel towards them.

At the same time the experiences with regards to the personal selling activities societies have been using since May 2011 to convince future pensioners to join the Open Pension Funds indicated, that far more effort was put into generating their own profit rather than to present the customer with reliable information.

3. Personal selling activities in the market of Open Pension Funds and the CSR principles

According to the act of 28th August 1997 on organisation and operation of pension funds, personal selling activities are defined as any paid activity aimed at convincing a person to become a member of a pension fund or to continue being one. Personal selling activities also cover signing contracts, in the name of the open pension fund, based on which membership is obtained in that fund, and acting as intermediary in signing such contracts.

Personal selling activities in the market of open pension funds have started on 16.02.1999, a month and a half after the regulations on the second pillar of the pension system came into effect. Personal selling on behalf of the Open Pension Funds could be performed only by physical persons, registered in a database of people entitled to perform such activities, managed by the Polish Financial Supervision Authority. As T. Miziołek points out, a given person could be entered into that registry only if that person [Miziołek 2009, p. 113]:

– has not been convicted by means of a final and legally binding sentence for a premeditated offence against property, document credibility, life and health, justice, protection of information, business transactions, money and securities brokering, fiscal offence or any other offence listed in the criminal laws of the act on organisation and operation of pension funds,
– has a full legal capacity to act,
– pledges to properly perform the personal selling activities,
– has completed education on the at least secondary level.

Personal selling activities have played a **major role** in the perception of the pension system by its beneficiaries.

Each of the people conducting personal selling activities on behalf of "their" pension society should have been acting according to the CSR principles. These are presented in table 2.

Table 2. Principles of CSR

Principles	Description
1. Principle of reacting	Refers to the responsibility for one's actions as well as omissions, to overseeing the decision-making process and talking to the stakeholders with regards to executing strategic plans and meeting their expectations.
2. Principle of transparency	Underlines the necessity to make public and present, in a manner understandable for the stakeholder, the reports on activities conducted.

3. Principle of conformance	Refers to operating in accordance with the organisational policy assumptions, as well as good practices with regards to reporting and providing information on results.
4. Principle of accountability	An accountable organisation is an organisation, whose actions one can predict, which is responsible for itself, its actions and potential omissions, is ready to deal with its consequences. It is an organisation that meets the transparency criteria and criteria of compliance with declared norms.
5. Principle of inclusivity	It means that during each stage of the audit, the organisation takes into account the needs and expectations of particular stakeholder groups, which is those people who have some influence on the activities of a given organisation, as well as those the organisation has influence on.
6. Principle of completeness	It means all areas of organisation's operations, possibilities of its varied influence, are included. It also clearly determines the reasons why – at certain stages of analysis – particular areas of activity are not considered.
7. Principle of materiality	It means readiness to subject every piece of information and area of activity, that is important from the stakeholders' point of view, to measurable assessment.
8. Principle of regularity	Determines the necessity to adapt a time-specific schedule, to subject oneself to assessment, according to needs and expectations.
9. Principle of quality assurance	Refers to the organisation turning to an external auditor or an independent expert group for assessment of the product's or service's level of quality.
10. Principle of accessibility	Assumes finding the most efficient communication channels so that the necessary information can always reach those who seek it.
11. Principle of comparability	It means the possibility of making comparisons of consecutive reports of a given organisation (e.g. by continuously referring to previously set goals), as well as comparisons between different organisation in a particular sector or even different sectors.
12. Principle of reliability	It refers to efforts put into ensuring all facts, assessments, measurements are presented with appropriate diligence and honesty.
13. Principle of relevance	Underlines the importance attached to the assessment and information made available by the organisation to the opinion forming groups.
14. Principle of understandability	It means that particular data are presented in such a manner that they can be used in assessing the strengths and weaknesses of the organisation, even when performed by those without professional background in this area.
15. Principle of embeddedness	According to his rule the process of collecting data, making assessment and presenting results is permanently "built-in" into the organisation's system of strategic management.
16. Principle of continuous improvement	It means readiness to implement results of the strategic analysis in a repetitive process of planning, setting new goals and embarking on new developmental activities, defining procedures, documentation, further implementation, control, implementing corrective measures, monitoring the implementation etc.

Source: A. Adamik, M. Nowicki, Etyka i społeczna odpowiedzialność biznesu, [in:] A. Zakrzewska-Bielawska (ed.), Podstawy zarządzania. Teoria i ćwiczenia, Wolters Kluwer, Warszawa 2012, p. 516-517.

Experience had shown, that it was very rare for such principles to be used in practice. In particular this referred to the rules of: transparency, conformance, comparability or reliability.

While performing personal selling activities various methods were used that could cause doubt as to their compliance with the ethical code of conducting personal sale. These may include for example:

– granting additional material benefits for joining the fund,
– misleading customers by presenting results referring to different periods or presenting outdated results, which have no comparative value,
– informing the customers of an impending bankruptcy of the fund given customers were members of,
– obtaining personal information and processing databases in an illegal manner,
– extorting customer's signature before they had a chance to familiarise themselves with the information brochure,
– providing false information on competitive funds.

As shown by the provocation by Gazeta Wyborcza newspaper, pension societies' agents reverted to further dishonest practices. Apart from providing customers with false information on competitors, extorting decisions to join the General Pension Fund without providing sufficiently detailed information about it, and often what was almost harassing the future customers, the salespeople would fail to inform clients of charges and costs of managing the fund, or lying to them as to the level of premiums and their relationship to the money earned [Bobowska, Bojanowski 2011, p. 30-31].

These practices could be seen in the pension societies on a daily basis. It is also confirmed by the Polish Financial Supervision Authority, according to which the sales people of the pension societies, having in mind only their own security and financial welfare, notoriously **misinformed the future pensioners** [http://www.knf.gov.pl/opracowania/rynek_ubezpieczen/ Raporty_opracowania / raporty_opracowania.html].

The salespersons would often take advantage of the customers' low level of economic awareness, as well as their passiveness, which could be exhibited by low levels of motivation to seek out the best fund.

And taking into account the fact, that the only point of contact with the fund was the salesperson and their activities, and the societies would in majority pay commission to their agents, a decision to use various – even if dishonest methods – does not seem to surprise. In particular as the pension societies find the customers who already work and have collected some funds in their account, as the most valuable ones. Hence there are such intensive efforts in acquiring them – often at any price.

4. Summary

The source of problems with regards to Open Pension Funds' personal selling was in majority of cases the lack of adherence to ethical principles when it came to the behaviour of GPS employees in their day to day activities. It resulted from the lack of knowledge of the basic rules of corporate social responsibility or, in the case of having such knowledge – from the fact it did not pay to apply it.

Therefore, being aware of the numerous malpractices by the Open Pension Funds' salespeople with regards to the corporate social responsibility, crucial changes have been introduced on 1st May 2011 to the functioning of the social insurance system, including the open pension funds. **The salespeople are forbidden e.g. to perform personal selling activities to Open Pension Funds** [Dz.U. from 2010 no. 34 pos. 189]. This means, that today in order to sign up to an Open Pension Fund, it is necessary to join the fund by correspondence, which is by means of sending membership documents, that can be obtained from the given fund's website. This is also the way in which a fund can be changed. People, who do not join an Open Pension Fund by a set deadline, will be allocated membership via a draw organised by the Social Insurance Institution.

Moreover in addition a fee charged for changing the fund before the membership period has exceeded 2 years has been abolished.

It would seem therefore, that the experiences of General Pension Societies in the area of personal selling policies should become a starting point of a discussion on Polish enterprises' CSR. Each and every of the companies striving to be perceived as socially responsible should not only be familiar with the basic principles of CSR, but first and foremost must ensure these are implemented by the management, as well as single employees. Taking into account the fact, that many companies implement temporary remuneration systems it is worthwhile to think about methods of avoiding unethical behaviours of our employees in their struggle to earn money.

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SUMMARY IN POLISH

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Przedsiębiorczość i powiązane z nią: kreatywność i innowacyjność stają się kluczowymi czynnikami budowania przewagi konkurencyjnej współczesnych przedsiębiorstw. Wpływają również pozytywnie na rozwój gospodarczy, wzrost zamożności społeczeństwa i wyrównywanie różnic pomiędzy poszczególnymi regionami. Podstawowym źródłem przedsiębiorczości stają się obecnie małe i średnie przedsiębiorstwa, chociaż zachowania przedsiębiorcze powinny dotyczyć również dużych korporacji i działających w nich pracowników (tzw. intraprzedsiębiorczość). Wszystko to powoduje, iż rozwój przedsiębiorczości jest procesem bardzo złożonym, stawiającym wiele wyzwań przed naukowcami i praktykami biznesu.

Tym zagadnieniom poświęcono niniejszą monografię. Ze względu na bogactwo tematyki zdecydowano, że **celem opracowania** będzie przedstawienie wybranych, współczesnych problemów i wyzwań rozwoju przedsiębiorczości w praktyce biznesu. Książka składa się z 12 rozdziałów podzielonych na trzy części.

W pierwszej części podkreślono znaczenie przedsiębiorczości i kreatywności dla rozwoju współczesnych organizacji. Pierwszy rozdział poświęcono kreatywności i innowacyjności, które poprzez kreowanie zmian i wywoływanie ruchu w otoczeniu zostały potraktowane jako podstawowe czynniki budowania trwałej przewagi konkurencyjnej przedsiębiorstw. W kolejnych dwóch rozdziałach zwrócono uwagę na rolę wiedzy oraz na znaczenie i ocenę kapitału ludzkiego w procesie rozwoju współczesnej przedsiębiorczości.

Część drugą poświęcono wybranym uwarunkowaniom rozwoju przedsiębiorczości w małych i średnich przedsiębiorstwach. Trzy pierwsze opracowania poświęcono metodom rozwoju i finansowania przedsiębiorczości w firmach sektora MSP. Zaprezentowano tu możliwości wykorzystania koncepcji franchisingu oraz społecznej odpowiedzialności biznesu, a także omówiono podstawowe zasady i efekty wykorzystania leasingu w praktyce gospodarczej. Ostatnie dwa rozdziały z tej części dotyczą natomiast barier oraz uwarunkowań wspierania przedsiębiorczości w małych i średnich przedsiębiorstwach.

W trzeciej części monografii zaprezentowano wybrane wyzwania związane z rozwojem przedsiębiorczości we współczesnej praktyce biznesu. Pierwsze opracowanie poświęcono projektowi innowacyjnego przedsiębiorstwa działającego w sektorze odnawialnych źródeł energii. Następnie zwrócono uwagę

na rolę sieci lameralnej w procesie podejmowania decyzji we współczesnych organizacjach. Ostatnie dwa rozdziały skupiają się natomiast na komunikacji przedsiębiorstw z otoczeniem i realizacji funkcji marketingowej. Przedstawiono tu wpływ działań reklamowych na segment dzieci i młodzieży, a także zwrócono uwagę na kontrowersyjne praktyki w procesach akwizycyjnych realizowanych przez powszechne towarzystwa emerytalne.

Wyrażamy nadzieję, że zaprezentowane w niniejszej monografii tematy i przedstawione wyniki badań spotkają się z zainteresowaniem właścicieli, menedżerów oraz przedsiębiorczych i kreatywnych pracowników różnego typu przedsiębiorstw, w szczególności należących do sektora MSP. Mogą one stać się również inspiracją dla organizacji działających w otoczeniu biznesu, kierujących swoją aktywność na różnego typu inicjatywy wspierające przedsiębiorczość.

Zaprezentowane materiały mogą być również wykorzystane z powodzeniem w procesie dydaktycznym związanym z kształceniem i rozwijaniem postaw przedsiębiorczych wśród studentów i słuchaczy studiów podyplomowych.

Liczymy również na zainteresowanie ze strony środowiska naukowego, w szczególności pracowników zajmujących się problematyką przedsiębiorczości oraz małych i średnich przedsiębiorstw. Celem niniejszej publikacji jest bowiem również aktywne włączenie się w dyskusję nad rozwojem kreatywności i innowacyjności współczesnych organizacji. W tym kontekście przedstawione rozważania mogą służyć do prowadzenia badań komparatywnych oraz być źródłem inspiracji dla nowych tematów badawczych.

POLITECHNIKA ŁÓDZKA
WYDZIAŁ ORGANIZACJI I ZARZĄDZANIA

Katedra Zarządzania
Politechniki Łódzkiej

LBT

Ludzie Biznes Technologie
Politechnika Łódzka

ISBN 978-83-7283-540-6