MNEs from Poland: A Review of Extant Research

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The objective of the present paper is to provide a review of the current state of empirical research on emerging multinational enterprises (EMNEs) carried out in Poland. The review of empirical studies reveals that first exploratory efforts have already been undertaken to unbundle the motivations, geographic patterns, modes and resource advantages. Firm-specific resources are an important determinant of internationalisation and its performance outcomes. Major FDI projects of Polish firms are located in neighbouring countries, which expresses the still limited scope of emerging MNEs' international operations. Present research predominantly recurs to descriptive statistics, thus not contributing to the understanding of relationships between motives, strategies and outcomes of Polish EMNEs. Future studies should rely on larger samples and more refined research designs to enable normative contributions, particularly in relation to the competitiveness effects of foreign expansion.

Key Words: foreign direct investment, literature review, emerging multinationals, Central and Eastern Europe
JEL *Classification:* F21, F23

Introduction

'The rise of multinationals from emerging economies has been continuously redefining the scene of international business' (Marinov and Marinova 2014, 1). In fact, an ongoing debate in recent international business research has revolved around the distinct character of these firms' internationalisation patterns and their outcomes for home and host economies (Luo and Tung 2007). These firms' internationalisation patterns have raised the question as to the ability of extant international business theory to explain investment motives, resource endowments, location choices, entry modes (Jormanainen and Koveshnikov 2012). In fact, the so called emerging MNEs (EMNEs) already embarked on their international activities as early as in the 1970s (Dunning, Kim and Park 2008). However, more striking is the increasing growth of this phenomenon, which has rapidly accelerated in the 2000s, considerably faster than the expansion of developed country MNEs. The emergence of a new generation of corporate players in the global economy, as evidenced by both significant greenfield projects and spectacular acquisition deals in developed countries by firms originating from emerging markets, has legitimately raised attention not only of academics, but likewise of managers, policy makers and societies, in general (Jormanainen and Kovershnikov 2012).

Nonetheless, while there has been a dynamically growing stream of research related to Asian economies and firms, studies devoted to the expansion of businesses originating from the region of Central and Eastern Europe (CEE) have remained comparably scarce (Rugraff 2010). A significant part of this research adopts a macroeconomic view with focus on a particular economy or sector therein (e.g. Antalóczy and Éltető 2003), or comparison of outward foreign direct investment (FDI) from several CEE countries (e.g. Radło and Sass 2012; Svetličič and Jaklič 2003). One can also identify studies reconciling macro-level and firm-level analysis (Gorynia et al. 2012; Rugraff 2010; Zemplinerová 2012). These studies indicate that OFDI from the CEE region only emerged in the late 1990s and took off 2000s, although it is still low as compared to inward FDI. Furthermore, outward FDI by CEE firms shows a geographic concentration on Europe, particularly on neighbouring countries. Indeed, Rugraff (2010) indicates that a small number of large MNE's account for the majority of OFDI from the Czech Republic, Hungary, Poland and Slovenia in neighbouring countries. Zemplinerová (2012) finds for Czech companies that while they engage in OFDI for multiple motives, market- and efficiency-seeking motives predominate.

There is a clear gap in terms of firm-level studies on OFDI from CEE, most of which focus on emerging multinationals (Jaklič and Svetličič 2009; Kaliszuk and Wancio 2013; Kuznetsov 2013; Sass and Kovacs 2012). Existing evidence points to rapid growth of these EMNEs, while their size is negligible as compared to advanced country MNEs, and their scope of foreign operations remains confined to their home-country region. Predominant FDI motives pertain to the search of new markets, followed by resource- and efficiency-seeking motives. In this context it can be hypothesised that studies focusing on Polish multinationals should reveal similar patterns in terms of geographic patterns, motives for foreign operations, their modes and consequences. While, as it will be argued in the subsequent sections, Poland's current positioning in country classifications remains ambiguous, its development level and relatively short participation in the global economy imply that the contents of the ongoing debate on EMNES internationalisation are highly relevant for discussing the specific nature of foreign expansion undertaken by Polish firms.

Therefore, the objective of this paper is to provide a review of the current state of academic research on the international expansion of Polish multinationals, with particular focus on FDI as the most advanced entry mode, whose determinants and strategies have been the most important feature of the debate on emerging multinationals. Thereby, multinationals are understood in line with the early MNE definition of Dunning (1974, 13), according to which multinational corporations are firms that 'own and control income-generating assets in more than one country'. While this definition may seem overly simplistic given the organisational and strategic complexity of contemporary MNES, it allows to embrace firms from emerging markets, which can be considered as 'infant MNES' (Ramamurti 2010, p. 420). One can note that the term of FDI is used here a proxy for entry modes of internationally operating firms on the one hand, and for the consequence thereof which is the existence of an MNE, on the other. Accordingly, FDI is not used in the mere macro-level meaning of capital flows between countries.

The remainder of the paper is organised as follows. First of all, the background of Polish outward FDI at the country level is introduced to provide a context for the review of extant studies on multinationals from Poland. The latter is particularly concerned with the performance implications of undertaking FDI by these latecomer firms, as well their antecedents, which have still received limited scholarly attention. The paper concludes with implications of the current state of research and outlines directions for further enquiry.

Emerging Multinationals from Poland: State of the Art of Current Research

CONTEXT OF POLISH OUTWARD FDI

As the focus of this review is on outward FDI from Poland, it is legitimate to present the specificity of Polish economy's and firms' internationalisation. First, the notion of emerging countries has to be clarified. Hoskisson et al. (2000, 249) define 'an emerging economy' as a country 'that satisfies two criteria: a rapid pace of economic development, and government policies favouring economic liberalization and the adoption of a free-market system'. Transition economies are broadly recognised as experiencing institutional upheaval as a result of the shift from the centrally planned to a market economy. Thereby, not only political systems, laws, regulations, and financial markets, but also the fundamental values guiding business activities are being replaced, with a gradual predominance of market-based mechanisms over 'state-policed firms', limiting opportunistic behaviour (Roth and Kostova 2003, 315). However, clear-cut country classifications are burdened with important limitations. In fact, there are disparities between countries from one region, for instance within the CEE region, in terms of both economic development and the advancement of the transition process.

According to UNCTAD (2013), Poland and other EU-members from the CEE belong to 'developed economies', as opposed to 'developing economies'. In a similar vein, the World Bank (see http://data.worldbank.org/news/new-country-classifications) splits countries in categories delimited by GNI per capita.[1] Poland is classified as a 'high income country', although it jumps up from the 'upper middle income' level by a marginal amount (see http://data.worldbank.org/indicator/NY.GDP.PCAP.CD).[2] The OECD distinguishes its 34 members (in 2015), which include the so called G7 countries, as well as other countries, both developed and emerging (see http://www.oecd.org/about/membersandpartners). The classification of the IMF (see http://www.imf.org/external/pubs/ft/weo/2013/01/weodata/groups.htm) is another case illuminating that regional divisions do not necessarily correlate with the economic development category. Hereby, Poland ranks among CEE emerging markets. This position of Poland is also confirmed when the institutional dimension is taken into consideration. The MSCI Market Classification Framework (see http://www.msci.com/products/indices/market_classification.html) uses the criteria of economic development, size and liquidity, as well as market accessibility in order to assess investment opportunities. Poland, the Czech Republic, Russia and Hungary ranked as emerging markets, while other CEE, CIS and Southern European countries – as frontier markets.[3] This reflects the fact that certain sectors of the economy, particularly those related to advanced services such as financial intermediation, are still under development. In light of the quoted definitions and international classifications, Poland can be considered as an 'advanced emerging market', in line with some recent CEE studies (Gorynia et al. 2014a; 2014b; Obłój and Wąsowska 2012).

Poland has systematically emerged as a leading source of FDI from the CEE[4] region, increasing its share from 9% to 34% in the outward FDI stocks between 1990 and 2012. At the same time, it must be acknowledged that Poland's share in global outward FDI stocks has remained negligible, amounting to 0.005% in 1990, 0.012% in 2000 and 0.244% in 2012, respectively (UNCTAD 2013). However, a more meaningful assessment of Polish outward FDI requires a more detailed analysis of its geographical and sectoral structure. The available macro- and mesoeconomic data related to the structure of Polish outward FDI lead to the formulation of several observations. First, Polish outward FDI has systematically grown in the period 1996–2012,[5] with a stagnation arguably related to the economic downturn of 2008–2009. Second, as far as the geographic structure of outward FDI is concerned, Europe has consistently remained the fundamental destination for Polish firms throughout the last decade, whereby its share in Polish outward FDI has increased from about 74% in 2002 to 93% in 2012, which can be – at least to some extent – be traced down to Poland's systematic integration with European institutions (Trąpczyński 2014). European locations include both institutionally and economically more and less developed countries as compared to Poland, i.e. both EU-12 countries and emerging markets in Eastern and Southern Europe (such as notably Russian Federation or the Ukraine).

In terms of sectoral structure, a clear rise in the significance of service investments (currently about 65% of outward FDI stocks) can be witnessed. These include wholesale and retail trade and repairs, transportation and storage, accommodation and food services, information and communication, as well as financial and insurance activities (Trąpczyński 2015). Amongst industry sectors, manufacturing has clearly prevailed, followed by construction and mining. In general, the structure of Polish OFDI increasingly resembles the structure of activity sectors typical of advanced economies. However, the dominance of services among foreign affiliates could to a certain extent be explained by the fact that many of them engage in sales and marketing activities for their Polish parent firms.

EMPIRICAL STUDIES ON POLISH EMERGING MULTINATIONALS: OUTLINE OF FINDINGS

In order to identify extant studies on MNES from Poland,[6] academic papers from publishers listed in ESBCO, ProQuest and JSTOR were searched. This step was extended by adding books and printed journals, which account for a significant part of publications by Polish authors dealing with the analysed issues. The keywords used included 'multinational enterprises', 'foreign direct investment' and 'foreign expansion', as well as their equivalents in Polish. The identified 44 publications were categorised in terms of their predominant research questions and methods. In order to provide an overview for the ensuing section, figure 1 was devised to represent visually major aspects of MNE operations studied by current research. Based on the content analysis, the major aspects of MNE operations were identified and represented by oval fields in figure 1, while the relationships between them are depicted by arrows linking oval fields. Hereby, contributions placed within a given field are predominantly descriptive and concentrate on the scale and types of the given aspect of MNE operations, whereas contributions assigned to the arrows are more normative, focusing on the effects of one type of variables on another one. The findings of the review are described in the ensuing paragraphs and summarised in table 1.

Extant research can be divided into studies providing descriptive analyses of each aspect related to FDI, as well as those focused on the exploration of relationships between different dimensions, thus being more normative. It is the latter that the ensuing section will concentrate on. In terms of FDI locations, empirical research on FDI undertaken by Polish firms consistently reveals a concentration on neighbouring economies (Rosati and Wilinski 2003). Obłój and Wąsowska (2012) investigated the connection between host-country determinants and the level of Polish outward investment to these locations. They found that market size and economic growth are the most influential variables, with a lesser role of labour costs. This finding remains coherent with other reviewed studies (e.g. Czaplewski and Wiśniewska 2007; Karpińska-Mizielińska and Smuga 2007). Moreover, these authors' findings imply that although geographic distance is perceived as a relevant barrier to FDI, psychic distance is not relevant for location decisions, since the bulk of investments has been focused on culturally proximate CEE countries. The same marginal impact could be stated for political risk specific to the region (Obłój and Wąsowska 2012). On the other hand, Zdziarski (2011) found that the fact that a host country shares the historical legacy of economic and political transformation with Poland leads to a more significant FDI clustering of Polish firms. An interesting finding is related to the fact that location determinants vary across locations at a different level of institutional development. Jaworek, Szałucka and Szóstek (2009) find that while access to new markets, proximity of host countries and their market growth matter to investors selecting EU-15 and EU-12 countries, the evasion of trade barriers gains on importance in case of non-EU CEE countries. Moreover, resource-enhancing investments took place more frequently in EU-15 countries than others. Likewise, while barriers to FDI are mostly related to saturated markets, high competitiveness of foreign rivals in EU-15 and EU-12 countries, they comprised excessive bureaucracy, corruption and instability of legal regulations in non-EU CEE locations (p. 54–6). In the same vein, Jaworek (2013) found that market-seeking was a major motive for outward FDI, while other motives were found to be contingent on the level of economic development of the foreign market. A similar interrelationship was observed in the qualitative study of Gorynia et al. (2015b). Moreover, a relationship between the motives and modes of FDI was found, in that strategic asset-seeking FDI was carried out in the form of acquisitions, while efficiency-seeking investments rather took the form of greenfield investment (Gorynia et al. 2014a; 2014b). In terms of internationalisation paths and the character of FDI as opposed to received theory, there have been few attempts at investigating Polish outward FDI from this perspective. Previous studies have suggested a gradual expansion pattern, whereby exports precede FDI in a gradual internationalisation pattern (Gołębiowski and Witek-Hajduk 2007; Śliwiński 2012a). Indeed, Witek-Hajduk (2010) found evidence for the sequential internationalisation pattern, whereby for 70% of firms EU-15 countries were the first foreign markets, while export was the first foreign entry mode. However, on the other hand Jarosiński (2013) identifies born global firms in Poland, which follow accelerated internationalisation paths.

While Polish firms have been argued to possess certain marketing, managerial and organisational skills which can be leveraged in foreign markets (Gorynia et al. 2014a; 2014b), they have also been found to be limited in their financial potential or foreign market knowledge (Karpińska-Mizielińska and Smuga 2007). In general, there is no unanimity regarding the key resources of Polish firms, which can be effectively exploited in their internationalisation, particularly via FDI. Pierścionek and Jurek-Stępień (2006) found that the main resources leveraged by Polish firms in the internationalisation process include relationships with customers, competitive delivery times, product brand and reputation, as well as lower price at a similar quality. Moreover, the main sources of competitive advantage were related to labour costs in Poland, the ability to learn customer preferences, a careful choice of expansion strategy and its subsequent flexibility, the ability to absorb a new technology, or the possession of an own technology. Rosati and Wiliński (2003) found that competitive advantage of the foreign affiliates was determined by technology, marketing and organisation resources. However, other studies also indicate that the value and applicability of resources is context-dependent (Witek-Hajduk 2010). For instance, in EU-15 countries such resources as technology, unique products, product quality, reputation, etc. are more essential for firm competitiveness. Moreover, Gorynia et al. (2014a; 2014b) found that firms with a major FDI project in non-EU Eastern European countries claimed prior experience to be among their major advantages in entering these markets.

As for the impact of FDI on firm competitiveness, the related research has predominantly recurred to descriptive statistics rather than econometric hypotheses testing, thus extant conclusions can only be treated as preliminary indications of possible relationships. In regards to the effect of FDI on firm resources, Szałucka (2009) noted that it was mostly moderate. This finding remains in accordance with the predominant market-seeking orientation of Polish outward FDI, which is to a lesser extent driven by asset-augmenting premises. Similar results were obtained in relation to the impact of FDI on the competitive position, or performance of the parent firm. In one of the first studies of Polish FDI, Rosati and Wiliński (2003) observed only a moderate increase in exports, market share and sales volume increase due to FDI. The influence of an increasing number of FDI projects on MNE performance still remains ambiguous. While Ratajczak-Mrozek, Dymitrowski and Małys (2011) observed higher performance of firms using FDI or a combination of internationalisation modes over those focused only on exports, the study by KPMG (2010) points to a higher profitability of exporters as opposed to outward investors. Likewise, Doryń (2011) finds an inverted U-shaped relationship between internationalisation degree and financial performance. Nonetheless, this relationship still requires further research efforts, since attempts at its exploration have mostly recurred to descriptive survey items, which limits the value of obtained outcomes.

Conclusions and Directions for Further Research

The specificity of outward FDI from Poland as an advanced emerging country has to be interpreted carefully. In several aspects related to internationalisation via FDI, Polish firms behave in line with their peers from advanced economies. Firm-specific resources are an important determinant of internationalisation and its performance outcomes. Major FDI projects of Polish firms are located in neighbouring countries, which

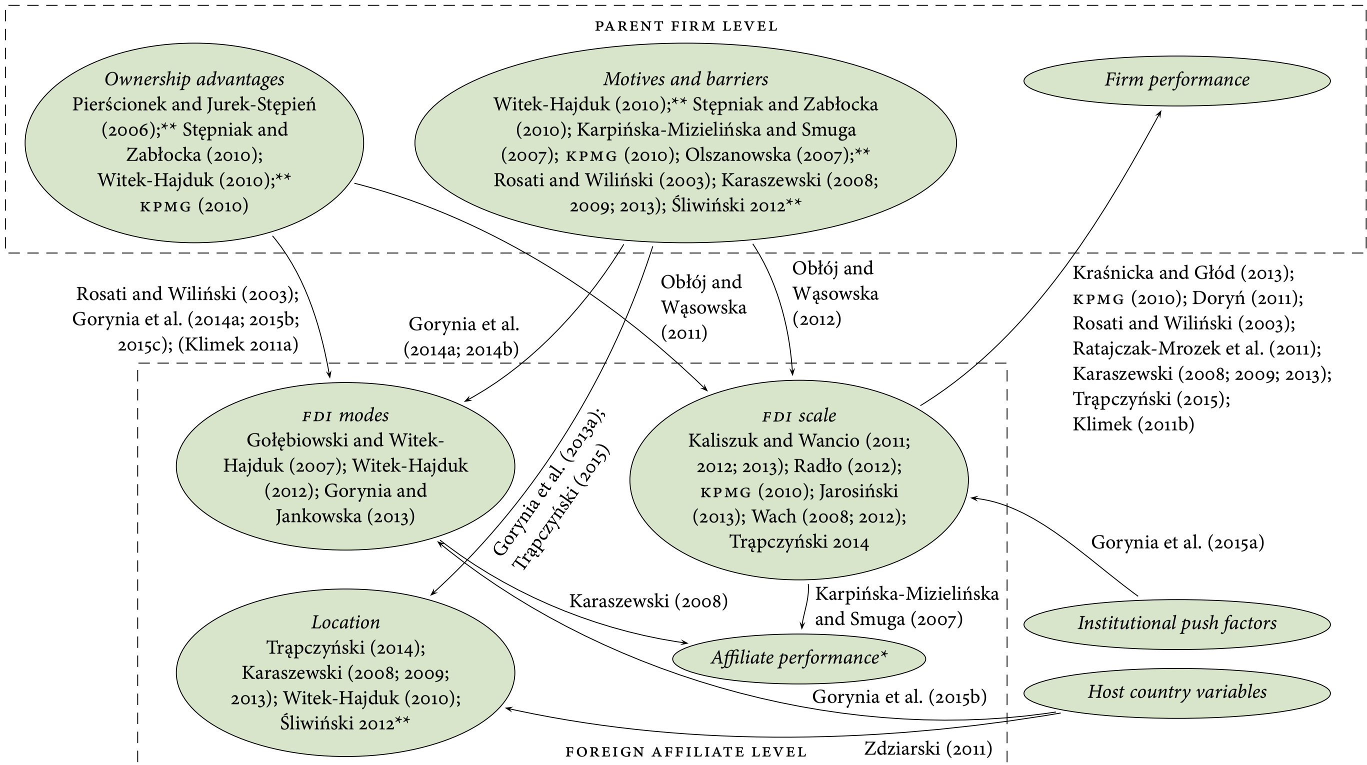

FIGURE 1 Studied Contents and Relationships in Empirical Research on Polish Outward FDI (* studies focused on firm resources; ** findings related to internationalisation in general, not only FDI; adapted from Trąpczyński 2016)[7]

TABLE 1 Overview of Empirical Research on Polish Multinationals

Witek-Hajduk (2010)	Ownership advantages; Motives & Barriers; Location	257 medium and large firms from electromechanical, foods, and chemicals, Polish ownership	Quantitative; descriptive statistics	Internationalisation motives: mainly cheaper sourcing, EU accession, managerial experience; Resources: technology in EU-15 more relevant than in Eastern Europe, conversely for local market knowledge; Entry sequence: for 70% of firms EU-15 were first markets, export as first mode.
KPMG (2010)	Ownership advantages; Motives & Barriers; FDI Scale; FDI Scale → Firm performance	112 manufacturing firms, 77% over 200 employees	Quantitative; descriptive statistics	Main internationalisation motive – sales increase; Main source of competitiveness abroad – high quality of products, Average 38% share of exports; Internationalisation modes: 88% export, 25% sales subsidiaries, 18% production subsidiaries, 4% JV; Main markets: Germany, Ukraine, Czech; Main internationalisation barrier: financing Impact on parent performance: exporters display 24% return on invest, 6.5% higher than domestic and 7% higher than FDI.
Pierścionek and Jurek-Stępień (2006)	Ownership advantages	72 Polish firms selling to EU markets	Quantitative; descriptive statistics	Most crucial resources: relationships with customers, delivery time, product brand and reputation, lower price at similar quality; Sources of competitive advantage: labour costs in Poland, learning of customer preferences, careful choice of expansion strategy and its flexibility, ability of learning a new technology, own technology.
Stępniak and Zabłocka (2010)	Ownership advantages; Motives & Barriers	17 exporters from the Pomorskie region	Quantitative; descriptive statistics	FDI determinants: market size, market growth, market proximity; Competitive advantage abroad: price, quality, brand.
Karpińska-Mizielińska and Smuga (2007)	Motives & Barriers	40 manufacturing firms (10 investors and 30 potential investors), 70% privately-owned, 97% large firms	Quantitative; descriptive statistics	FDI motives: market growth, large export to the target market, lower costs; Main barriers: state support measures, financial means, lack of market knowledge, risk of low or no returns, competition intensity; FDI outcomes – cost reduction, business diversification, sales increase, market position.

Olszanowska (2007)	Motives & Barriers	100 Poland-based firms operating abroad	Quantitative; descriptive statistics	Internationalisation motives: revenue increase, market size, production scale increase.
Karaszewski (2008; 2009)	Motives & Barriers; Location; FDI Scale → Firm performance	102 Polish firms, 40% manufacturing, 70% Polish-owned	Quantitative; descriptive statistics	FDI motives: new markets, market proximity, market growth, yet relevance depends on economic development of location; FDI barriers: saturated market, high competitiveness of foreign rivals (in EU-15 and EU-12 countries), excessive bureaucracy, corruption, instability of legal regulations (in non-EU CEE); Highest fulfilment of FDI expectations: in terms of sales growth and firm value, lower in profitability and firm resources, cost reduction; Parent resource applicability in the host-country dependent on location (highest in EU-12 and non-EU CEE countries).
Karaszewski (2013)	Motives & Barriers; Location; FDI Scale → Firm performance	64 firms with 279 foreign affiliates, 40% trade only, 30% service only, 5% production only, 62% Polish-owned	Quantitative; descriptive statistics	FDI motives: new markets, proximity, growth, yet dependence on economic level of location; FDI barriers: saturated market, high competitiveness of foreign rivals (in EU-15 and EU-12), excessive bureaucracy, corruption, instability of legal regulations (in non-EU CEE).
Rosati and Wiliński (2003)	Motives & Barriers; Ownership advantages → FDI modes; FDI Scale → Firm performance	27 manufacturing firms, 38% manufacturing, 62% service, 56% purely Polish, 71% medium and large	Quantitative; descriptive statistics	FDI motives: local market, low cost of manpower, strategic assets; FDI barriers: finance, qualified personnel, information, barriers in host country; Determinants of affiliate competitive advantage: technology; marketing, organisation; Outcomes for parent: moderate increase of exports, marginal effect on market share and total sales, negligible effect on employment.

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TABLE 1 *Continued from the previous page*

Śliwiński (2012)	Motives & Barriers; Location	32 fast growing firms based in Poland (500% revenue growth in 10 years), 63% small and medium	Qualitative-quantitative; multiple case studies, descriptive statistics	19 out of 32 expanded to EU markets, 10 to Asia; 7 firms own representative offices, 4 firms own production subsidiaries; 15 firms started expansion by exporting, 1 by JV, 2 by acquisitions; Internationalisation motives: sales increase, international market share; Internal drivers: leader determination, experience in foreign markets; External drivers: high internal demand and purchasing power, low real trade barriers, low level of competition.
Kaliszuk and Wancio (2011; 2012; 2013)	FDI scale	19, 25 and 30 leading Polish multinationals (secondary data)	Quantitative; descriptive statistics	European focus of the bulk of OFDI; Most preferred locations: Germany, the Czech Republic, Slovakia, Lithuania and Ukraine; Domination of market-seeking; Late start of Polish OFDI: 20 of the top 30 MNES set up their first foreign affiliate in 2000 or later.
Radło (2012)	FDI scale	case studies of 3 Polish outward investors (secondary data)	Qualitative-quantitative; case studies, desc. stat.	Focus on European markets; Main FDI motives: increase of market power and market access; Core competencies: know-how in developing specialised IT systems, clothing design, and developing branded food and drink products.
Jarosiński (2013)	FDI scale	241 firms from Poland; 121 medium, 120 large firms	Quantitative; descriptive statistics	Sales subsidiary 13%, sales/production subsidiary 6%, production subsidiary 4% (as opposed to 86% exports).
Wach (2008; 2012)	FDI scale	323 Polish firms, 95 SMES, 71% services	Quantitative; descriptive statistics	8.2% of studied firms possessed a branch within EU (6.9% beyond EU); 2.1% subsidiary within EU (2.3% beyond EU).
Gołębiowski and Witek-Hajduk (2007)	FDI modes	133 large and medium firms from food & light manufacturing industry, transport services	Quantitative; descriptive statistics	*In 2005 after Poland's accession to the EU* – Sales subsidiaries: 28 firms in the EU, 14 in Russia, 11 in other markets; Production subsidiaries: 14 in the EU, 5 in Russia, 7 in other markets; Production/sales subsidiaries –13 in the EU, 11 in Russia, 8 in others; Barriers: technology, lack of reputation, financing and strong brands.

Gorynia and Jankowska (2013)	FDI modes	230 Polish firms, different sectors and sizes	Quantitative; descriptive statistics	Internationalisation modes: In EU markets – greenfield 14%, acquisitions 6%; Other markets – greenfield 11%, acquisitions 5%.
Witek-Hajduk (2012)	FDI modes	244 medium and large firms from electromechanical industry	Quantitative; descriptive statistics	21.7% of studied firms possessed sales joint ventures, 13.5% sales subsidiaries.
Trąpczyński (2014)	Location; FDI scale	98 Polish outward investors	Quantitative; descriptive statistics	Most FDI projects of Polish firms are located in neighbouring countries (both advanced and emerging); most Polish MNEs have limited exposure to FDI (70% have up to 3 foreign affiliates).
Klimek (2011a)	Ownership advantages → FDI modes	50 Polish manufacturing firms	Quantitative; probit model	Larger firms are less likely to conduct greenfield investment; Greenfield is preferable for markets with low competition pressure.
Klimek (2011b)	FDI Scale → Firm performance	51 Polish manufacturing MNEs	Quantitative; mult. logit regressions	More productive, older and larger firms are more likely to get involved in FDI.
Gorynia et al. (2014b)	Ownership advantages → FDI modes	10 Polish outward investors, different sizes and industries	Qualitative; multiple case study analysis	Mainly regional focus of their international activities; Firms exploit their business experience more easily in equally or less institutionally developed markets; Firms expanded sequentially by exports to target markets before FDI.
Gorynia et al. (2014a; 2015b)	Ownership advantages → FDI modes; Motives & Barriers → FDI modes	10 Polish outward investors, different sizes and industries	Qualitative; multiple case study analysis	Main FDI motives: market-seeking, followed by efficiency-seeking and strategic asset-seeking motives; Strategic asset-seeking increases the propensity to choose acquisition; Market- and efficiency-seeking motives increases the propensity to choose greenfield investment as the FDI mode.

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TABLE 1 *Continued from the previous page*

Gorynia et al. (2015c)	Ownership advantages → FDI modes	60 Polish outward investors, different sizes and industries	Quantitative; logistic regression models	Leading role of market-seeking motives, followed by efficiency-seeking and strategic asset-seeking; Increase of previous host-country exposure, as well as host-country market attractiveness, favours the choice of greenfield mode; Greenfield operations tend to be located in politically stable markets.
Gorynia et al. (2013a)	Motives & Barriers → Location	10 Polish outward investors, different sizes and industries	Qualitative; multiple case study analysis	Dominance of strategic asset-seeking motives increases the propensity to invest in more developed countries; The role of host-country characteristics has a higher influence on location choice than investing firm characteristics in less developed countries, and vice versa in more developed countries.
Obłój and Wąsowska (2012)	Motives & Barriers → FDI scale	OFDI stocks in 53 countries (NBP data)	Quantitative; multiple regression models	Market size, labour costs, geographic distance are significant determinants of Polish OFDI.
Gorynia et al. (2015a)	Institutional push factors → FDI scale	Polish OFDI support measures	Qualitative; content analysis of secondary data	OFDI-dedicated support measures still remain relatively scarce, with responsibilities spread over several institutions.
Doryń (2011)	FDI Scale → Firm performance	43 listed firms; electromechanical, chemical, pharmaceutical, plastic sectors	Quantitative; multinomial modelling	U-shaped relationship between internationalisation and performance.
Kraśnicka and Głód (2013)	FDI Scale → Firm performance	100 SMES, trade 60%, services 13%, production 10%, construction 8%	Quantitative; descriptive statistics	Highest evaluation of performance for firms with branches; Higher performance for born globals than non-born globals.

Ratajczak-Mrozek, Dymitrowski and Małys (2011)	FDI Scale → Firm performance	124 firms, 91% SMES, 73% with domestic capital, 88% private	Quantitative; descriptive statistics	Firms using FDI outperform others in market share and sales volume, while those combining different entry modes display highest ROI.
Trąpczyński (2015)	FDI Scale → Firm performance; Motives & Barriers → Location	100 Polish outward investors in the quantitative study + 6 case studies	Quantitative; descriptive statistics	Best MNE performance for large firms; no performance differences depending on the number of FDI projects per firm. Emerging markets entered due to efficiency-seeking considerations, advanced economies due to the search for strategic assets, emerging markets of Eastern Europe perceived as more different to the home country than developed markets from the EU; main barriers in advanced countries related to competition intensity, while in emerging markets – to economic and political risks.
Gorynia and Trąpczyński (2014)	Host-country variables → Affiliate performance	91 Polish outward investors, different sizes and industries	Quantitative; linear regression models	Intangible resources and FDI experience, positive institutional differences have positive impact on FDI performance; Magnitude of distance is positively related to FDI performance.
Obłój and Wąsowska (2011)	Ownership advantages → FDI Scale	202 non-financial firms listed at the Warsaw Stock Exchange (secondary data)	Quantitative; multiple regression models	Foreign ownership is positively related to scope of internationalisation (number of countries in which the company has foreign subsidiaries); Individual ownership is positively related to the degree of internationalisation of sales.
Zdziarski (2011)	Host-country variables → Location	All non-financial firms listed at the Warsaw Stock Exchange 2007–2009 (secondary data)	Quantitative; explanatory network analysis	Geographic distance and historical legacy of transformation explain FDI clustering in foreign countries.

NOTES * Theory listed only if used for generating hypotheses, not for descriptive purposes. ** Primary data, if not specified otherwise.

expresses the still limited scope of emerging MNES' international operations. In terms of FDI motives and the role of foreign affiliates for parent firm strategy, while previous findings in the context of Central and Eastern Europe on the prevalence of market-seeking motives in outward FDI were not directly supported at the level of firm declarations about their investment objectives, market attractiveness turns out to be a significant determinant of affiliate performance. Conversely, the specificity of Polish FDI as compared particularly to the expansion of Asian multinationals, pertains to a lesser role of strategic asset-seeking FDI.

The review of empirical studies devoted to Polish outward FDI reveals that first exploratory efforts have already been undertaken to unbundle the motivations, geographic patterns, modes and resource advantages. The density of studies allocated to individual fields in figure 1 illustrates the relative abundance of descriptive contributions. However, even within particular aspects studied, there are still inconsistencies. For instance, while several studies point to the increasing relevance of intangible assets for the international competitiveness of Polish firms, others suggest that they still remain laggards, moreover constrained by financing possibilities and deficient market knowledge. On the other hand, the adversity advantage, or the home-grown entrepreneurial ability to do business in countries sharing a similar institutional blueprint, has not been subject of extant research, although they deserve distinct attention.

A certain shortcoming of this review, which hinders the formulation of conclusions in respect to FDI, is that FDI was treated as one of internationalisation modes in many studies, while many questions, e.g. related to foreign expansion motives or locations, refer equally to exports and FDI. Also, a conceptual problem related to previous points in this review is that there have been partial overlaps in studied variables, e.g. barriers to FDI combined internal and external factors, FDI motives combined host-country variables with firm objectives. Hence, there is a risk of misunderstanding what is actually being measured, as well as a potentially reduced comparability of results. These issues should be explicitly addressed in future research projects.

The aforementioned exploratory character of extant research on Polish multinationals is reflected by an overwhelming use of survey methods, whereby analyses mostly concentrated on descriptive statistics. This method might have fallen short of delivering more normative evidence on the relationships between FDI and different competitiveness dimensions. A related problem pertains to the fact that many of the said studies did not test theory-driven hypotheses, which would allow reaching beyond the present exploratory stage of research and contributing to extant international business theory by enriching it from the perspective of a Central Eastern European emerging market. Given the variety of subdimensions within competitive potential and position, for instance, more theory-driven research objectives should allow to detect more detailed relationships.

Accordingly, several of the above weaknesses could be addressed by future studies on this topic. Larger samples could be investigated in order to enable sub-sample analyses to better detect interactions between variables. The role of firm resources, including intangible assets and different types of international experience for affiliate performance could be examined in different host-country contexts. Furthermore, in a broader research design, including firms from both less and more developed home markets, foreign affiliates in an emerging CEE market could be compared in terms of their performance. A frequently discussed characteristic feature of emerging MNE internationalisation, and hence also the related academic debate, is the nature of the ownership structure of the said firms. While Taylor and Nölke (2010) note that a large percentage of Indian outward investors are family conglomerate holdings, Chinese outward FDI is significantly driven by state-owned enterprises owing to a highly regulated OFDI regulatory framework. Research shows that ownership matters for strategic motivations of emerging MNES, such that private firms were found to be rather market seekers, while state-owned enterprises were dominant among investments targeted at new technologies, brands, marketing or other types of know-how. Hence, further research on multinationals from Poland, as well as other CEE countries, could make meaningful contributions by studying strategic particularities of state-owned enterprises as opposed to private ones.

Likewise, government support has been found to positively affect Chinese OFDI (Wang et al. 2012). Governments can in fact impose both restrictions and incentives on international firm operations, as well as introduce policies to establish national champions in selected industry sectors and thus realise a country's strategic objectives. Some scholars suggest that in case of emerging markets the relationship between outward FDI and performance of the home economy might be less evident, which draws attention to the necessity of improving the capabilities of domestic firms and their business environment. Accordingly, more research on the effectiveness of policies supporting outward investors from Poland, as well as other countries having a similar profile, would provide new evidence that can lead to better grounded and more purposeful policy decisions.

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Notes

1 Low income: $1,035 or less; lower middle income: $1,036 to $4,085; upper middle income: $4,086 to $12,615; high income: $12,616 or more.

2 Between 2012 and 2013, also the Russian Federation moved to the 'high income' category, although being predominantly considered as an emerging market.

3 Similarly, FTSE assigns Poland to the 'Advanced Emerging' category in terms of, inter alia, market institutions quality, consistency and predictability, stability and market access, while some CEE countries such as Slovenia and Slovakia rank even lower – namely among 'Frontier' markets (see http://www.ftse.com/products/indices/country-classification).

4 CEE countries include EU-10 countries (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia), and further Eastern and Southern European countries: Albania, Bosnia and Herzegovina, Croatia, Serbia, Montenegro, Macedonia, Armenia, Azerbaijan, Belarus, Kazakhstan, Moldova, Ukraine, Georgia. The Russian Federation was excluded from the analysis due to the significant scale of its OFDI, which is to a large extent driven by investments in natural resources.

5 Comparable data were available only from 1996. The National Bank of Poland is the institution legally responsible for gathering annual data of Polish outward FDI, based on financial reports submitted by the investors. The definition of FDI used by the National Bank of Poland assumes 10% of capital share in the foreign affiliate (but not less than 10,000 euros), which is consistent with the assumptions of this dissertation.

6 The present review is concentrated on studies devoted to FDI. For a broader review of international business research in Poland, please see Puślecki, Staszków and Trąpczyński (2016).

7 The review excludes certain less popular topics, e.g. host-country market risk and attractiveness perception, determinants of strategy adaptation in the host country, or configuration of value chain activities (Witek-Hajduk 2010), or the methods of FDI effectiveness calculation or risk minimisation methods (Karaszewski 2009; 2013).

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