

SERVICES FOR BUSINESS IN THE POLISH ECONOMIC PRACTICE

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ABSTRACT

Poland has been one of the world leaders in the sector of the so-called business services for several years now. Among these, accounting is the best developing service. The purpose of the article is to try to identify the factors having a positive and negative impact on the development of this type of services. The employed research methods include a descriptive analysis and deduction. On the basis of the analysis it was revealed that the sector is affected by the following factors: labour costs, professional competencies and skills, labour productivity, knowledge of foreign languages, the Internet and telecommunication services, transport (roads, airports, etc.), office space, political and economic situation, foreign investments, labour law, geographical location, cooperation between science and business, culture etc. The analysis concluded that, due to continuous influence of these factors, it is necessary to conduct an ongoing activities to increase the attractiveness of Poland as a location for the provision of business services.

Keywords: *outsourcing, offshoring, accounting, business services, Poland.*

INTRODUCTION

The development of the Polish business services market is based mainly on captive offshoring and offshore outsourcing. According to the Tholons report, such cities as Krakow, Warsaw and Wroclaw are listed among the 100 best locations for outsourcing projects worldwide. The purpose of the article is to try to identify the factors exerting an impact on the development of business services in Poland. The employed research methods include a descriptive analysis and deduction.

BUSINESS SERVICES – THEORY AND STATISTICS

Business services are defined as the performance related to the carrying on of a business activity and the provision of services for enterprises. This definition relies on the recipient of services, whereas it does not specify the type of services falling into this category or determine whether a simple acquisition of services or a strategic long-term cooperation (e.g. outsourcing) is concerned. According to the Central Statistical Office of Poland (GUS), business services are those rendered by specialist providers to entities placing orders for such services, to improve their competitiveness and productivity and increase their efficiency.

On the basis of the analysis of data available from GUS and other sources it can be stated that the business services sector, including IT, legal, accounting and tax, management, and numerous other services, is characterised by the highest dynamics of development. These services are often based on advanced technologies, as the service sector ceased to be

unsusceptible to innovation a long time ago, unlike the simple services whose provision was characteristic of the first development phase of the business services sector.

External services are provided on an outsourcing basis, i.e. by the contracting out of certain functions (in whole or in part) from the activity carried on by an enterprise and transferring them to third-party providers, to enable the enterprise to fulfil its objectives. In practice, such contracting out of a function often takes the form of offshore outsourcing (making use of specialist foreign suppliers) or captive offshoring (opening of a branch office and transfer of a given entity's activity, in whole or in part, to another country).

In accordance with the old classification, these services included legal activities, accounting, bookkeeping and auditing activities, consultancy, management activities of holding companies, architectural and engineering activities, technical testing and analysis, advertising, labour recruitment and provision of personnel, investigation and security activities, industrial cleaning and other business activities.

The new classification of business services, currently in effect, is presented in Table 1.

Table 1
CLASSIFICATION OF BUSINESS SERVICES

No.	Type of service	PKD classes/ subclasses
1	Software publishing	58.2
2	Computer programming, consultancy and related activity	62
3	Data processing, hosting and related activities; web portals	63.1
4	Legal activities, accounting, bookkeeping and auditing activities ; tax consultancy	69
5	Management consultancy activities	70.2
6	Architectural and engineering activities; technical testing and analysis	71
7	Advertising, market research and public opinion polling	73
8	Employment activities	78

Source: own compilation on the basis of Internal market in 2012, GUS, Warsaw 2013, p. 21

It should be emphasised that in 2011 the highest percentage of revenue from the sale of services abroad (30%) could be attributed to the activity which according to PKD (the Polish equivalent of NACE) was classified as class 69 Section M (which includes accounting, bookkeeping and auditing activities that had the largest share in the structure of revenue from sales – 36.7%).

Despite a relatively short period of development of this sector, GUS has already introduced several changes in the classification, however some services have not been included yet.

In practice a slightly different approach to the delimitation of business services has developed. This delimitation is based on a demand-driven rather than supply-driven approach. The sector thus delimited includes such services as finance and accountancy, tax consultancy, IT, research and development, customer service, human resources management, financial services, support for decision-making processes, purchase management and the like (e.g. legal services). The differences in classification hinder the analysis of the development of this sector (determination of the number of employees or the value of ratios indicating the place occupied by business services in the so-called third sector).

RESULTS

On the basis of the analysis of various sources and practical tests it has been established that the factors presented in Table 2 may exert an influence on the development of the business services sector. At present, in Poland the sector does not experience an economic slowdown, its employment figures grow and labour productivity increases, however labour costs are no longer so much lower than those in Western countries .

It should be emphasised that the main asset of Poland, as the location for business services, is the human capital, which, combined with the convenient geographical locality, stable political situation and improving infrastructure, provides a competitive advantage.

Table 2
FACTORS AFFECTING THE DEVELOPMENT OF SERVICES FOR BUSINESS

Group	Factor	Expectations of the sector
Employees	labour costs	low
	professional competencies and skills	high
	knowledge of foreign languages	English and additional language (e.g. client's language)
	labour productivity	high, with an upward trend
Technology	the Internet	low cost, high level of availability and quality
	telecommunication services	low transmission costs, high quality and availability
Infrastructure	transport (roads, airports, etc.)	low maintenance costs, good location, high level
	office space	low costs, high quality
State-host	political situation	stable
	economic situation	stable
	foreign investments institutions	expected support
	labour law	friendly, low level of corruption, open to cooperation flexible, making it possible to adapt to the client's needs
	geographical location	proximity of location and/or the possibility of solving time zone issues
	cooperation between science and business culture	strong relations cultural similarities with the client's country

Source: own compilation on the basis of the cited literature, research conducted in economic practice and the Internet sources.

The Czech Republic and Slovakia are listed most often as Poland's main competitors, located in the nearest vicinity, in the discussed services sector, because of, among others, their high ratings for a friendly approach to foreign investments, which may have an adverse impact on the development of this sector in Poland.

CONCLUSION

The strong position of Poland and its increasing importance as the location of business services have been achieved, among others, owing to the global crisis, which forced companies to reduce their operating costs and improve their efficiency, by contracting out not only simple activities, but also whole complex processes related to their core activity. Among these services a prominent position is occupied by accounting services, provided through outsourcing and offshoring.

Taking account of the changeable conditions both in Poland, such as an increase in labour costs, and in the countries surrounding Poland, such as their improving competitive position (openness to foreign investments, improvement in infrastructure and others), the activities aimed at enhancing Poland's attractiveness as the place for rendering such services should be undertaken continuously.

It should be also added that a noticeable obstacle to analysing business services is created by the nomenclature used in classifications and unclear divisions made at the level of statistical research.

ACKNOWLEDGEMENTS

The work is performed according to the Russian Government Program of Competitive Growth of Kazan Federal University.

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