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In-house Offshored Business Processes and Degree of Embeddedness of Foreign Enterprises` Offices in Trójmiasto/Gdańsk (Poland)

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„…*die Zeit des Daseins ist unbestimmt, seinen Ort zu wählen aber sind wir weiterhin frei. Er wird durch unseren Ursprunk beeinflußt, aber nicht diktiert. Den rechten Standort finden gehört mit zu einem gelungenen Leben,- aber auch mit zu einer geglückten Unternehmung,…*“

(Lösch 1962)

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Author

Milena Jakubaszek

Abstract

Due to today's globalization, international companies compete across the continents and not only goods, but also many internal tasks and processes are dispersed all around the world. Services are often conducted in service centres, so-called "Business Services Centres" or BSCs. These may be operated by the company itself or by other suppliers, often providing these services for more than one client. Since these services most often do not rely on natural resources like ore and other strictly location specific components, in theory, they can be conducted all around the world. In a strictly profit oriented theory of economy, these centres naturally move to locations, where the labor costs are as low as possible, the laws, with respect to lay-offs, are the most flexible ones, taxes are low and other directly service-related requirements are met. For the region, this reduces unemployment and contributes in a modest way to welfare, for the companies, the return on investment (ROI) is higher. If any conditions for these centres change in an unfavorable way, they are 'up and away' and settle somewhere else - where the situation seems to be better - because their main resource (besides electricity and internet connectivity), the human labor, is said to be ubiquitous. So such centres are called 'footloose', as they are said to have a very low degree of embeddedness, or not to have will or need to stay in one location. In this study, on the examination of Trójmiasto (Gdańsk), another picture is drawn. Indeed, a certain amount of embeddedness is to be found.

The preliminary results of this research may help local investors' supporters to increase the attractiveness of their location and it may help companies in finding a suitable location for their BSCs.

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Abbreviations

BP:	Business Processes
BPO:	Business Processes Outsourcing
BP/SSC:	Business Processes (in-house) Offshored or SSC
BSS:	Business Services Sector
BSC:	Business Services Centre
CEE:	Central and Eastern Europe
CEO:	Chef Executive Officer
CSR:	Corporate Social Responsibility
F&A:	Finance & Acquisitions
FDI:	Foreign Direct Investment
GBS:	Global Business Centre
GDP:	Gross Domestic Product
GSC:	Global Service Centre
HR:	Human Resources
IT:	Information Technology
ICT:	Information and Communications Technology
ITO:	Information Technology Outsourcing
M&A:	Mergers and Acquisitions
OBC:	Olivia Business Centre
R&D:	Research and Development
ROI:	Return on Investment
SKM:	Szybka Kolek Miejska [Trójmiasto's Agglomration railway]
SSC:	Shared Services Centre
UNCTAD:	United Nations Conference on Trade and Development

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"A lot of economy is indeed being supplied
by goods that are produced offshore.
And much of the reason for that is societal."
Frederick W. Smith

1 Introduction

Regarding the production of goods, Frederick W. Smith stresses the importance of societal factors as a relevant aspect in offshoring. As will be seen, this is even more important regarding the offshoring of business processes. According to the economic location theory, an investor chooses the most rewarding place for his/her business activities. The spectrum of possible locations is usually very broad, so it is not obvious where certain processes will be performed best. The questions to answer are: why are economic activities located where they are, and what location factors are responsible for that? Furthermore, what factors do distinguish a specific region from other regions and, finally, is the choice of location, not just economy-driven, but also based on individual motives? There seems to be one preference, regarding the location of the headquarters of big international companies. They tend to be located mostly in metropolises, such as New York, London, Hong Kong, Paris or Frankfurt/Main etc. Sometimes the choice of location seems to be dependent on the profession of the company too, e.g. "The City" or Frankfurt/Main for companies in the financial sector, contrary to the high fluctuation in other business lines.
Relocation of business seems to be more common in the BSS than in the production sector, where companies more often rely on natural resources. The focus in this paper is on location factors important in BSS and on factors, that may prevent relocation in the BSS. What does push an investor to locate his/her enterprise's business processes in a specific place and for a specific period of time?
The essence of my research is to analyze and to explain why, how, and for how long selected enterprises/investors move some of their business processes to a specific location (here: Trójmiasto/Gdańsk). How can business processes/services be performed abroad and what are BP/SSC-offices? What are the so-called hard and soft location factors? At the end of this paper, a closer look will be taken at the degree investors in Trójmiasto/Gdańsk are embedded and how sustainable BP/SSC-investments in the region mentioned are.

1.1 Motivation and Subject Relevance

Since foreign investment and enterprise expansion are no new subjects to business, their exploration has some tradition in science. Still I found some specific aspects, with respect to relatively new phenomena as globalization, advances in communication and logistics, that do not seem to have been paid sufficient attention to yet. The Trójmiasto region, where dynamic development is currently taking place, presents itself as a very good region for research in the field of BSS. In 2011, Poland was listed by “The Hacket Group” as the third most important “BPO location” worldwide, following India and China (Steindl 2012., n. pag.).

Although the BSS in Poland include many offices, opened with Polish capital, and although the ABSL (Association of Business Services Leaders, more in chapter 5.3) reports, “the country is now an established part of a network of cross border relations between international corporations and Polish companies providing business services” (Górecki et al. 2016), foreign offices still predominate in all Polish cities: 177,000 job positions in the BSS in Poland are at foreign owned centres and only 35,000 are at Polish centres (ibid.). Comparing the numbers of employees in this sector among Polish cities, Trójmiasto/Gdańsk ranks after Warsaw, Kraków and Wrocław (Foy 2015, n. pag., Rynek usług dla biznesu w Trójmieście - wywiad z Marcinem Piątkowskim 2015 and figure 1):

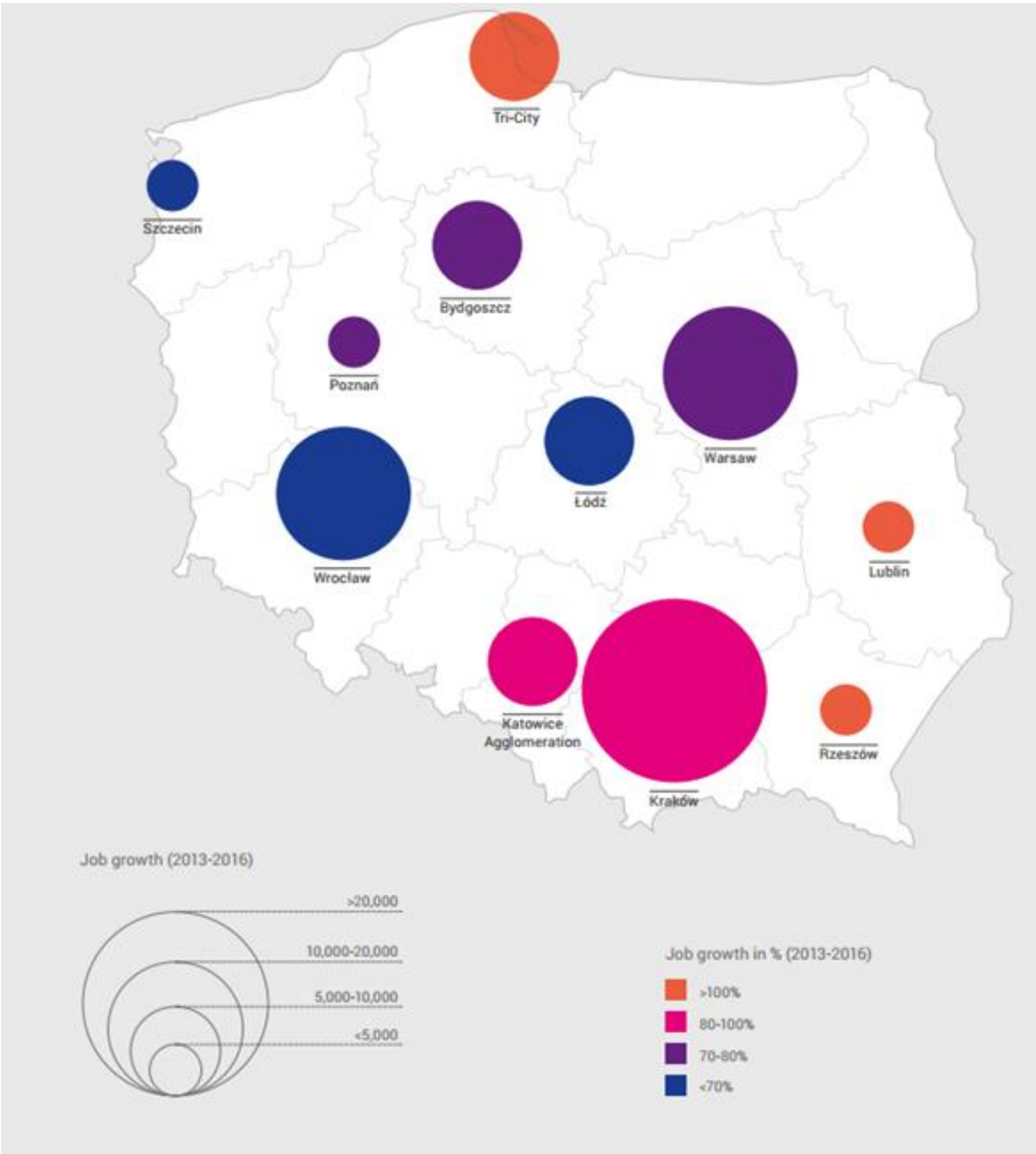

Figure 1: Changes in Employment Level at Foreign Services in Poland in 2013-2016
Source: Górecki et al. 2016, p. 24

Even more relevant for this study, the employment level at foreign services centres in Trójmiasto has recently grown the most drastically.

1.2 Structure of this Paper

The empirical part of this paper is preceded by an explanation of the chosen theories used to approach the subject. This is done in order to put it into the appropriate framework and hence understanding the basic problem questions and the papers' goals (see chapter 3). After a brief discussion of the process of globalization and its consequences on today's markets, companies and strategies, the relevant terms like offshoring, outsourcing, BPO etc. are introduced. Following, the term embeddedness and its relevance, as well as the location theory and the term "footloose industry" are introduced. From there, the leading question and the study's targets emerge and the studied region will be presented including its BP/SSC situation. Going further, the applied methods are presented. In the main part of this paper, in-field-observations and interviews' relevant statements are analyzed. All studied enterprises are anonymized (to 'Office 1,2,…12') as are the interviewees. In order to evaluate the degree of embeddedness of the studied offices, selected outcomes are semi-quantitatively analyzed.
Finally, after having discussed the relevance of factors for the degree of embeddedness with regard to the engaged actors, the methods applied are critically reflected.
All figures, graphs, tables and data that are not needed for the immediate understanding of the text, are put into the appendix (I), as are the questionnaires and the interviews themselves (appendix II).

2 Theoretical Background

The character of this research is interdisciplinary, as are the used definitions and terms. As Enxing says, in order to „recognize the office-owner as a decision maker with his/her individual aims, motives and limits", a combination of economic and socio- (anthropo-) geography is needed in order to understand economic behaviour (from German: „*wirtschaftliches Handel*") of humans (Enxing 1999, p. 30).
To approach this subject, I first followed Kuciński (2002)[1]. The introduction into the BSS is mainly based on the work of Palugod (2011)[2]. For a closer examination of the dynamics in the BP/SSC-Sector and for example locations, again Kuciński (2002) and additionally Glückler (2008) were used. The interaction of global economy and regional development, mentioned by Romanowski et al. (2016) and Sassen (2016) are also briefly presented. Following, the

[1] His works are completed by: Glaser (2014), Maslowski (2007), Williams (2005), Appadurai (2005), Budner (2011), Kotlarsky (2010), Puslecki (2007)
[2] Completed by Rubenstein (2005), H Juma'h (2007), Banachowicz (2007)

approach to embeddedness of socio-economic activities and its later development (considering accessible literature during the time of the project) is briefly and critically discussed. The theoretical part is finished with an overview of location theory and although its origin dates back to the 19/20th century, it is in my opinion still valuable in today's research[3].
Further sources used were online statistical data from the World Bank and from UNCTAD as well as online encyclopedias such as "Spektrum der Wissenschaft", "Investopedia". ABSL's (Polish Business Association, details follow) report and several media articles will also be taken into account.

2.1 Competitiveness and Globalization

According to Kuciński, the most common phenomenon in economics and a basic source for richness is "*competitiveness*" (Kuciński 2002, p. 80). Its actors are enterprises, capital groups, countries, regions and local societies (ibid.). According to Kuciński, competitiveness, which used to be about looking for the best solution to a specific problem within a specific space, time and resources, helped the industrial revolution to arise (ibid.). Later however, during the development of capitalism, competitiveness adopted a slightly new meaning: instead of being a tool to reach economic aims, it had become an aim in itself (ibid.). "Under liberalization, privatization and deregulation of economies, competitiveness […] has become a way of economy's functioning where domination and survival is a cue" (ibid.). Due to the globalization process at the end of the 20th century, competitiveness has gained global character, i.e. it is present in all branches and regions, among all actors, who compete for anything (Kuciński 2002, p. 113). Consequently, competitiveness is not only an aim for enterprises, but also for national economies and for regions and as Kuciński says, these also try to dominate in technological, industrial and retail matters (ibid.). In order to do so, they create the best possible structural conditions in financial, technological, ecological, societal, political and institutional areas for both their own economies and for enterprises' activities (ibid.). In addition, Kuciński argues that in modern economy, quality is more crucial than quantity and that the quality of work, largely depends on the educational system and on culture (p. 91). Since the 1980/90's, human capital became an additional player in the process of competitiveness.
Nowadays, national economies and regions have to care about their position in the global value chain. Their politics and regulations have to be compatible with enterprises' needs in order to stay competitive (Kuciński 2002, p. 150-151, 155). According to Glaser, "globalization" is specified by an increase of international interconnections and interlocking in the areas of economy, politics and culture, with these processes depending on and influencing one another (Glaser 2014, p. 152). Thus, a global economy is created by globalization and by regional

[3] Foremost statements of Weik (1985), who based his work on theories of Alfred Weber (1914), Krink (1971), Mikus (1978), Behrens (1971) are presented. Additionally, theories of Staudacher (1991), Lösch (1962) and Christaller (1995); interpretated by Grabow, Henckel and Hollbach-Gröming in (1995) are also taken into account

integration at the same time (Kuciński 2002, p.159), "the modern economy" is characterized as "progressing in servicing" (Glaser 2014, p. 178). With the growing complexity in business processes, used in productions of material and non-material goods, the demand for motivated, skilled and well educated workers also increases. The enterprises' fixation on unit labor costs leads to competitive disadvantages and in order to be economically attractive, productivity must be reflected in salaries, too (ibid.).

During the globalization processes, three economic pillars, i.e. North America, Western Europe and Asia, have gained strength (Glaser 2014, p. 178). Since the 1990's, Brazil, China, India, Russia and South Africa (the BRICS states), have become new seeding points, helping the global players in getting wealthier (ibid.). These "global players" are enterprises acting within an international manufacturing and distribution system and are present on almost all national markets (Spektrum der Wissenschaft 2001). Globalization, for Masłowski a result of advances in IT and its increasing importance in communication and transports, portrays the world's growing economic, political, technical and cultural interconnections among individuals, societies, corporations and governments (Masłowski 2007, p. 85, in accordance to Levitt 1983).

The concept of "commodification", finally, suggests that there is an economic logic where the interpretation of perspective on life is done through the market and where actions are taken to enlarge profits (Appadurai 2005, p. 35 and Williams 2005, p. 14).

2.2 Enterprise's Expansion and Reallocation

Foreign investments are one of enterprises' sources of capital (Kuciński 2002, p. 134). Foreign direct investments (FDIs) are signified by joining, creating or buying enterprises; they are "physical investments and purchases made by a company in a foreign country" (Investopedia 2017). The 'direct investors' usually are interested in some sort of control with respect to the enterprises where their capital is engaged (Kuciński 2002, p. 134-135). Investment in foreign countries often poses a risk, related to the political and economic situation of these countries, which consequently influences the return on investment (ROI) (Kuciński 2002, p. 135). The fluctuating and country specific investments regarding the FDI, can be researched e.g. by using the World Bank Database. In 2015, comparing the FDI net inflows in selected countries, Poland took the 6th position, following India, Mexico, Chile, Indonesia and Turkey (see FDI net inflows in selected countries in 2000 and 2015 in appendix I). The country with the largest FDI inflow, amongst the above mentioned ones, is China. However, putting the FDI net influx in relation to the size of a country's population, it turned out that Poland, in 2015, took the third rank in FDI influx, after Chile and Latvia. Additionally, it performed far better than the worldwide average. In addition, the world's FDI net inflow in 2015 rose by about 30%, compared to 2000 (ibid.). Also Budner strengthens the fact that dispersion of processes will not drop back (p. 192).

2.2.1 Business Services Sector and Relevant Definitions

A service is defined as “any activity that fulfils a human’s want or need, and returns money to those who provide it. […] The service sector economy is subdivided into three parts: consumer services, business services, and public services” (Rubenstein 2005, p. 405). The type of services, studied in this paper, are business services. Their goal is “to facilitate other businesses” (Rubenstein 2005, p. 406). This type of services can be divided into two subgroups, the first one is “producer services” which initially help people/enterprises to “conduct other businesses” and the second one is “transportation and similar services”, which “diffuse and distribute goods”, Rubenstein names them “information services” (ibid.). The Business Services Sector, as the subject of my study, contains both of the above mentioned types of business services. Producer services nowadays often include knowledge intensive processes. As the “global strategy concentrate[s] on core business and [on] improve[ing] efficiencies” (H. Juma’h 2007, P. 50), they are often performed in other locations than the core services are. Today’s business on the global level means daily consideration of global market trends and customers’ needs, from all around the world (Banachowicz 2007, p. 312). Moreover, “corporations acting internationally realize their own need for growth, absorbing other units and joining other, smaller and larger companies” (ibid.). As Banachowicz claims, such structural diversity and many business lines in many different countries may lead to less standardization and unification of systems and processes (ibid.). Here, BSCs where business processes are accumulated, seem to be the solution of choice. The commonly used term/abbreviation describing in-house business services performed or moved abroad is “BPO”, which is, however, often confusing. “The use of the terms outsourcing, business process outsourcing (BPO), and offshoring have been used interchangeably and have caused considerable confusion” (Palugod 2011, p. 13, see also the use of the “BPO”-term in “Outsourcing and More” magazine about modern businesses in Poland, where the title itself indicates misunderstandings). Puślecki sees a definition-conflict here: “the terms of outsourcing, offshore outsourcing and offshoring often replace each other, despite of important differences in application” (Puślecki 2007, p. 156). Palugod shows a clear and in my opinion suitable distinction between outsourcing and offshoring which I chose as the leading one for this paper:

Table 1: Outsourcing vs. Offshoring Terms

	Where is the Function Located?	
	Domestic	Foreign
Function Performed Internally	In-house	In-house Offshored
Function Performed Externally by another firm	Outsourced	Offshored and Outsourced Third Party Offshoring

Source: Palugod 2011, p. 17

A further term related to the offshoring of business processes as well as to standardization and optimization of services within a corporation, is “SSC”, standing for Shared Services Centres. Such centres are created in order to process information in accounting, operational or other areas of the company, in a short time and for low costs (Banachowicz 2007, p. 313-314). Such service centres are units performing support of processes, and are operated as an independent business (“in-house Offshored” or “Third Party Offshoring”, see above). In Banachowicz’s opinion, the SSC-term does not replace terms as “centralization”, “reengineering” or “outsourcing”, even if in an SSC, “elements of these processes are included” (ibid). Running an SSC demands sector-specific knowledge and expertise (ibid.). In order to simplify the reading of this paper and to stay in accord with presented reports and interviews (see chapter 5), the abbreviation BP/SSC is used where Business Processes (In-house) Offshoring and/or Shared Services Centres are meant.

The recent dramatic increase in outsourcing/offshoring in the BSS actually refers to the outsourcing [and offshoring] of ***services***, particularly of data processing services[4] in contrary to the former outsourcing of ***manufacturing processes*** (Palugod 2011, p. 15). According to Palugod (contrary to Banachowicz), whose definitions are used in this paper, offshoring may also refer to a subsidiary or shared services division. Nevertheless, outsourcing and offshoring at the same time are possible, if the process is relocated to another company abroad (ibid.).

If IT-processes are performed by a third party, this procedure is called “information technology outsourcing” (ITO) (Palugod 2011, P. 14). So the business processes offshore market started, when enterprises began to use computers and optimizing software. Nowadays outsourced/offshored processes include processes listed below per branch:

Table 2: Outsourced/Offshored Processes Moved

Procurement and Logistics	Supply chain management.
Finance and Accounting	Billing and Payments , bank processing, sales ledger, financial reporting, accounts receivables
Health Care	Medical transcription, medical billing, coding, tele-radiology
Payment Services	Credit card services, check processing, loan processing, electronic data interchange
Human Resource Management	Recruiting; Training; Talent Management, Pension fund administration
Content Development	Engineering and design, Animation
Customer Relationship Management	Contact Centers, Call Centers, Help Desk, Marketing, Sales
Knowledge Process Outsourcing	Legal Services, Patent Research, Business analytics, Marketing Intelligence, Pharmaceutical Contract Research

Source: Palugod 2011, p. 17

With respect to the area of study, most often outsourced/offshored to Poland according to ABSL are F&A processes, Business Development and Project Management Processes and IT prozesses (Górecki et al., p. 29-30).

[4] “The globalization of service offshoring and outsourcing begun to take off in late 1990s. The basic driving force was the growth and technological improvements in information and communication technology (ICT)” (Palugod 2011, P. 13; see also Masłowski 2007, p. 91)

The BP/SSC-constructs are FDI-like. “It is a long-term relationship, where both parties are dependent on each other in seeking benefits and minimizing risks” (H Juma’h 2007, p. 51). Juma’h indicates an exchange and cooperation between the core of an enterprise and an offshore-location (considering both Third Party Offshoring and In-house Offshored BP/SSC-offices). According to Palugod, the major locations for services offshoring in 2004 were India, China, and the Philippines; “the continued dominance of these locations is attributed to a low cost, large scale, highly skilled talent pool and high degree of offshoring maturity” (p. 14-17). Although India, China, Canada, Ireland, and the Philippines were accounted for 95 percent of the total market for BP-offshoring in 2004 (UNCTAD 2009), by 2008,

> “the share of these five countries has declined to 80 percent, [because of] the countries that have made some inroads in the market for BPO include Malaysia, Vietnam, Thailand and Singapore in Asia; Czech Republic, Hungary, **Poland**, Ukraine, and Romania in Europe; and Argentina, Brazil and Guatemala, El Salvador, Costa Rica, and Mexico in Latin America” (ibid.; see also Puślecki 2007, p. 155).

…because “global diversification is occurring partly as a result of multisource strategies, adopted by service providers and by the [growing] competition among destination countries” (Palugod 2011, p. 15).

The number of applied multi-sourcing strategies increases, because clients and providers can (thanks to global market trends) mitigate “concentration risk” (ibid.) and discover new markets while delivering services, and because they can use skills at lower cost in these markets[5]. “While access to cheap labor was previously the dominant motivation […] some emerging markets attract more high-value activities, such as research and development (R&D) and knowledge-intensive processes, [while others] are [still] competing on labor costs, struggling to differentiate” (Kotlarsky 2010, p. 28, compare also to Puślecki 2007, p. 158).

2.2.2 Dynamics of BP/SSC-Sector and Exemplary Destinations

For many regions it is crucial to attract foreign investors/enterprises and there is even “a fight for foreign investment inflow from all around the world” (Investopedia 2017). Kuciński states that, compared to the past where enterprises had to ask for investment locations and permissions, today potential locations “fight for enterprises” on a global level.

In the German journal „Geographische Rundschau“, issue 9 („Globale Wertschöpfungsketten“, 2008, [i.e. „Global Value Creation Chains“]), the international distribution of labor and the participation of power between producers and retail in 2008 are discussed. With „the potential of a global infrastructure”, the question of who does order and dictate, who does win and who

[5] “Vietnam for example is emerging as a low cost IT destination whose cost for IT functions is lower than that of China and India. Thailand is an alternative to mature destinations for tapping low cost English speaking talent pool. Ukraine is another emerging IT destination with technical skills derived from its Soviet-era legacy. South Africa has a significant number of skilled personnel in the actuarial field. Turkey has language skills for supporting European clients’ particularly German speaking clients. Similarly, Guatemala and El Salvador is an emerging destination for bi-lingual English and Spanish talent besides being in the same time zone as the United States which is the major market for IT and BPO offshoring.” (Palugod 2011, p. 16)

is defeated in this worldwide competition for sales markets, production locations and raw material resources is brought up („Globale Wertschöpfungsketten“ 2008, n. pag.). Modern working processes are supposed to achieve a maximum in value creation. The globalization processes help entrepreneurs, producers, sellers and other globally involved players, both in importing and exporting products, and in changing the overall working processes, including their moving and spreading across the world. Thanks to spatial integration nowadays, a product, be it an object or a service, may have many “sources”. For the involved players, the profit however may vary deeply. Glückler defines “Service Offshoring” as “an expression of a new, global division of labor in the services sector” (translated form German, *„Ausdruck einer neuen globalen Arbeitsteilung der Dienstleistungen*“), including BPO and similar processes (Glückler 2008, n. pag.). Translational-processes (“*Verlagerungsprozesse”*) have, just as Glückler states, two different dynamics and offer new possibilities for involved [possibly competing] locations (ibid.). With Hungary (Budapest) and South America (Uruguay, Montevideo) used as examples, Glückler shows how these locations, at the “periphery of world’s economy” (“*Peripherie der Weltwirtschaft*“), can take advantage of arising possibilities. He writes about a positive effect of “upgrading” through an almost inevitable development of knowledge-based processes. Polish researchers Romanowski und Wałkowiak-Markiewicz summarize that enterprises which outsource and offshore business processes to Polish cities, trigger their transformation of the latter into big metropolises (Romanowski, Wałkowiak-Markiewicz 2015, p.67-88). These metropolises, on the other hand, if offering highly developed infrastructural conditions, being innovative and having highly skilled potential employees available, will attract further foreign enterprises and global players (ibid.). In this way, BPO-practice can support the growth of a city and may motivate a city to invest into a modern education space (ibid.).

In the theoretical part of this paper so far, it was shown that the BP/SSC-sector is the logical consequence of the global integration of products, services and regions and is advantageous as well for enterprises in their value creation chain, as it is for regions in knowledge development. This interdependence is illustrated in the following graph:

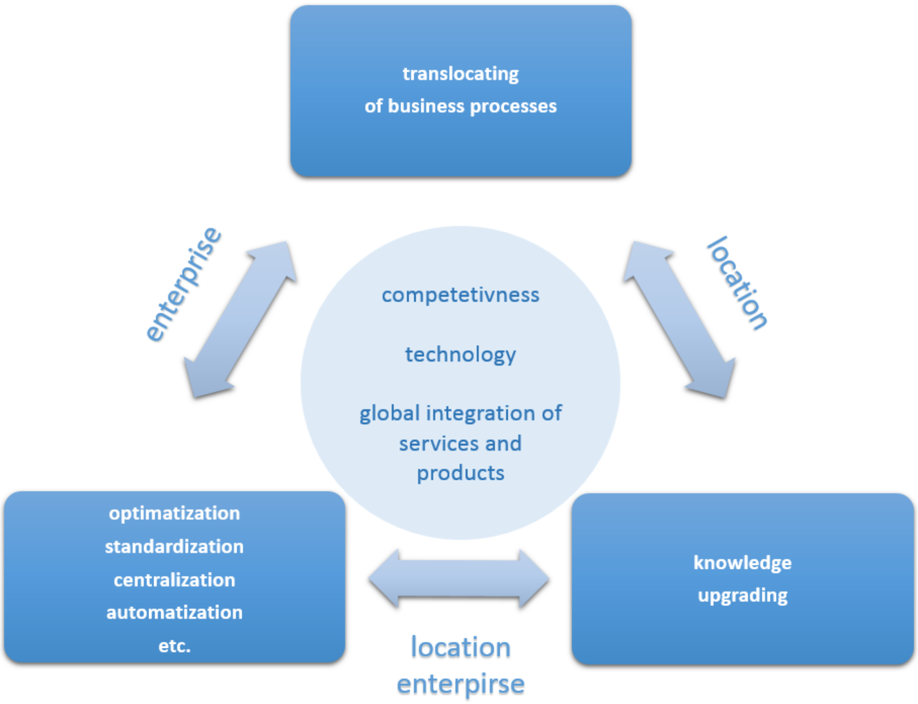

Figure 2: Business Processes and Translocation
Source: own Editing

The question that remains is which regions are the most favourable ones for investors at a given time. Do entrepreneurs favour countries where labor markets are flexible, where employment and dismissal largely depend on the employer (Kuciński 2002, p. 98)? Do they favour the countries where quality of work is high, where costs are low, where human capital is available, where the labor culture is economic-oriented and where innovative infrastructure is developed? Since it is probably difficult (if possible at all) to find locations offering all of these factors, seeking an ideal location is a lot about prioritizing location factors. Prof. Sassen in her study on the largest metropolises ("Global Cities") and the paths of their development and growth for example claims that "different types of companies need to be in different types of cities" (Sassen 2016a, p. 102). Following Sassen in "Global Cities" and with regard to the cities and 'their' companies, it seems that those companies can anchor there, i.e. are embedded in these suitable locations. Maybe, depending on the relation between the location (infrastructure and local actors) and on the quality of the performed processes including the ROI aspect, it is also possible for BP/SSC-offices to be embedded.

2.3 Towards Embeddedness

"Embeddedness" has become a significant concept in the economic geography. In the rational, modern approach, following Bathelt and Glückler, the social and cultural environment of the actors is the main focus in explaining the spatial dimension of socio-economic activities (2003, p. 30). Nevertheless, definition and application of the term "embeddedness" seem to be subjected to an ongoing and challenging both theoretical and empirical progress. Simplified, "embeddedness" today, is to be understood in terms of embedding economic activities into socio-cultural systems, i.e. embedding of an enterprise in its socio-cultural environment (Wirtschaftslexikon 2017). In other words, the subjects of study are no longer considered being spatial alone, but are economic innovations, varieties of structures which appear across enterprises and thus are processes of collective-institutional learning (Wigeo IV 2008). The origin of the concept of embeddedness is to be found in Granovetter's works of 1985 and it derives from milieu research. Here, every actor is embedded in a network of economic activities and socio-cultural systems (Wigeo IV 2008). Therefore, market processes, too, are formed by social networks (Lutter 2014, p. 4). The rational approach contrasts with this traditional, spatial-economic one. According to Hess, the approach in itself has to be re-conceptualized by reconsidering, in particular, the works of Granovetter and of Polanyi (1944). Hess' main question became "*who* is embedded in *what*, and what is so *spatial* about it?" (2004, p. 166). He argues that the metaphor of a rhizome may be helpful in approaching "the nature of networks and the idea of embeddedness" (Hess 2004, p. 178). Here, the "Actor Network Theory highlights the importance of linking time and space within heterogeneous networks" (ibid.). The fundamental categories of embeddedness are set in relation to each other in the graph below. There, the processual character of embeddedness emerges (Hess 2004, p. 179).

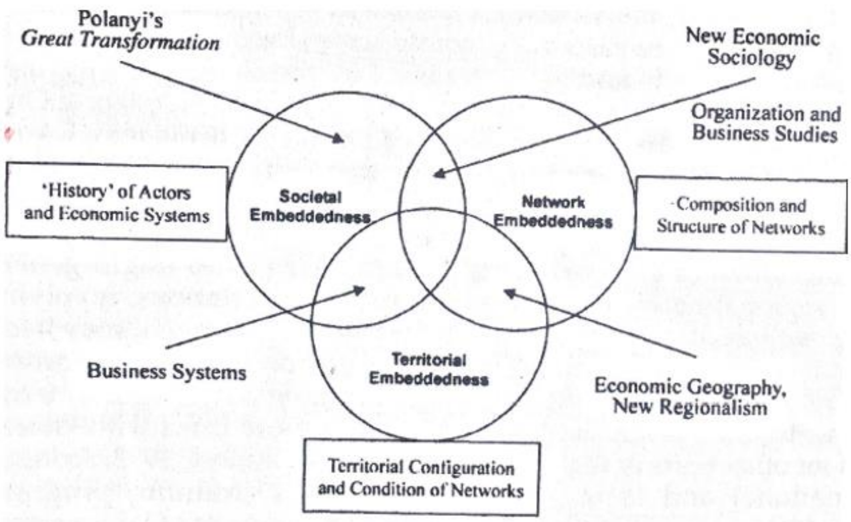

Figure 3: Fundamental categories of embeddedness
Source: Hess 2004, p. 178.

In Hess' summary, him quoting Wilkinson (1997), "economic activity is socially constructed and maintained and historically determined by individual and collective actions expressed through organizations and institutions" (2004, p. 181). Embedding, with respect to rhizome-networks' development and within its processual character, is never static or "being" but it is evolving, "becoming" by "growth and amalgamation" (Hess 2004, p. 182). Noteworthy also, "disembedding" may happen by "rupture", termination of the fundamental relation (ibid.).

In contrast to both approaches, Jones, although calling the rational approach "seductive", because "the influence of 'non-economic' world on the object of economics' analysis" (2008, p. 85) is considered, still sees the need for an extension to the view on embeddedness. Therefore, with respect to a "global interconnectedness", he introduces both spatial and temporal dimensions which may reflect the greater complexity of economic activities. His intention is not to re-conceptualize the "embeddedness" framework, but to introduce a new "relational and associational" approach. Jones questions the studying of spatial and even of temporal dependencies. Taking into account the contributors to the actor-network theory, he claims that the tracing of activities, relations and decisions which all "shape practices that then shape [economic] outcomes" should be the main subject of interest (2008, p. 80).

> "In the case of transnational firms and their translocal linkages, the question becomes how the success or failure of firms (or even clusters of firms) emerges from the sets of associated practices that produce outcome through places. […] Place(s) is/are where the theory-building processes ends up, not where it starts" (ibid.).

In my opinion, however, and thus criticizing Jones, the theory-building processes may rather be seen as circular processes. Places, as not being vacuums or static, 'finished' spaces, but being (by human activities) constantly reconstructed cultural 'bodies', can as well be starting points as they can be ending points of theory-building. Any crucial individual and collective activities do construct such a place and therefore this place has to be considered in order to find external practices or beliefs which in turn may impact the studied subjects' behaviors and final decisions. Then indeed the exact tracing of the practices and linkages, applied by the studied subjects will be needed to understand the type and origin of spatially observable future (economic) outcomes. Therefore, the place(s) may be the spot where theory-building both starts and ends. Prior to 2010, when globalization processes were pretty new to science and seemed to be revolutionizing existing theories, theories especially concerning spatial interactions, as in the case of embeddedness, were re-conceptualized or even replaced by new 'global approaches'. In studying network-, social- and territorial embeddedness, the analysis of global economic activities, seems to be an important point. With the world and its networks shared, still history and sociology of places and traditions', the strength of relations and people's socio-economic aims are relevant (dis)embedded practices which may lead to (dis)embedded economic outcomes.

As long as enterprises' activities and economic outcomes influence regions on a large scale, they must be given the researchers' attention and therefore be subjects of study (Haas, Neumair 2007, 31f). The analyzed sector in this paper requires an approach, where the interconnectedness and growing (business-) network complexity are taken into consideration. Most modern business processes belong into the field of KIBS, short for "knowledge intensive business services" (see "KIBS" in Peiker 2017, p. 22, following Simmie/Strambach 2006, p.

27) which form the “4th sector” (see Peiker 2017, p. 21, following Kinder 2010 and p. 266, Kulke 2008, p. 142), that relies on human capital and is hitherto inter-territorial. In case of business process offshoring, the subject of inter-territoriality seems to be even more significant: first, social capital may in itself be a product of embeddedness and second, offshored business services are “traditional” business services, relying on seemingly ubiquitous human capital, on its “givers” and “receivers”. Those services have a mediated character, being connected across the physically different locations. Studying the enterprises’ embeddedness in the places where their business services are performed must not only be interdisciplinary, but also empirical and if possible, over a longer period of time. Important aspects directly dealing with spaces have been developed rather early within the so called “location theory”.

2.4 Location Theory

The “Location Theory” has its roots in the end of the 19th century, when scientists began to research the geographic distribution of industry. Soon specific regulations, structures and models evolved. The first criteria and models were developed from an economic point of view (Weik 1985, p. 4). At the beginning of the 20th century, Alfred Weber did some fundamental work on this subject. He defined the term “location factor” as „eine[n] seiner Art nach scharf abgegrentzten Kostenvorteil, der einen bestimmten Industrieprozess hierhin oder dorthin zieht“ (Weber 1914, s. 57, quoted by Weik 1985, p. 4). During that time, an industrial process was understood as a process of production and sale, so costs of materials and transportation factors were crucial for agglomeration- and de-agglomeration tendencies within an industry (ibid.). Location factors reflect many local conditions, with some of them being physical, others economic, social, political, cultural and so on. They may have positive or negative influence on manufacturing (Mikus 1978, p. 20, quoted by Weik 1985, p. 5). Location awareness, as Weik states, has to deal with the question whether „an enterprise is either location-dependent or more or less location-independent“ (Weik 1985, p. 5). Location-awareness imperatively demands prioritizing the location factors (Weik 1985, p. 5; according to Behrens 1971, p. 82). In consequence, various types of orientation can be defined, such as „procurement-, sales-, transport-, natural resources- orientated types“ (ibid). Similarly, Staudacher, writes that location factors correlate to “decision criteria about spatial behaviour of economic enterprises”; these criteria are made out of function requirements *(“Sach- und Formalziele”)* and they are a tool while looking for new locations out of a set of possible, requirements fulfilling locations (Staudacher 1991, p. 97). Location awareness, location factors and the specific priorities do have a large impact on entrepreneurial and personal success. Explaining the distribution of establishments in a given region Grabow, Henckel and Hollbach-Gröming, based on

Christaller's and Lösch's works categorize the locations factors into the so-called hard- and soft factors, as can be seen in the following graph:

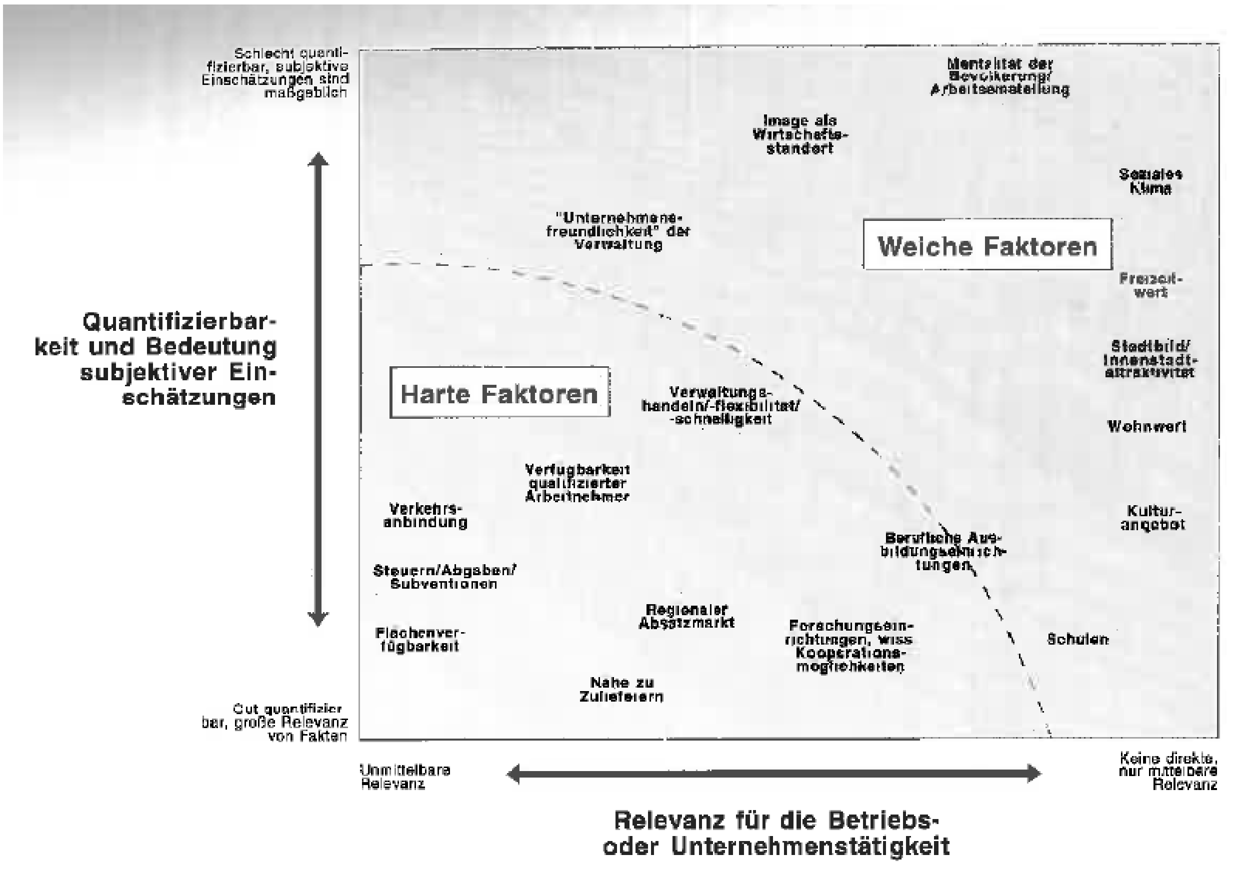

Figure 4: Hard and Soft Location Factors, "Kontinuum der harten und weichen Standortfaktoren"
Source: Grabow, Henckel and Hollbach-Gröming 1995, p. 65.

Every enterprise, upon choosing a location, compares location-conditions with its own location-requirements (Weik 1985, p. 9) and weighs them according to its priorities. Apart from the industrial sector, which requires exact location-specific factors which are often rare to find and limited, there are sectors that are largely location-independent, the so called „footloose industries" (Weik 1985, p. 10). They are the ones that „produce with ubiquities or they can find the needed resources in many various places" (ibid). These enterprises choose locations due to their individual preferences, i.e. „they find a rational location while choosing through ‚homo oeconomicus', even if the influences are subjective" (ibid.). As long as the major resource needed is "human capital" (as it is in BSS), which is seen as very ubiquitous, the services can be performed in many places all around the world. This is why the business services sector and, more precisely the enterprises in this sector, are often called „footloose" ones.

All in all, considering the globalization processes where spatial dispersion of economic activities is more and more common and even still increasing, many of the former mentioned studies and observations are still gaining in importance and validity in order to describe the phenomena.

3 Leading Question and Study's Targets

Taking into account the above presented development of the BSS and its importance to Poland including its dynamic development in Trójmiasto and taking into account the theory that enterprises in BSS and especially BP/SSC-offices do not anchor, the leading question of this study emerges as follows:

According to what parameters are the foreign enterprises to be found in their specific locations in Trójmiasto and to what extend are they embedded?

In order to approach the answer to this question, the following study targets have been pursued:

- *Finding decision makers and analyzing their relation to the studied location regarding their investment perspectives*
- *Gaining a better understanding of the strategies used in getting the business processes in the analyzed enterprises done*
- *Defining location factors relevant for doing business processes*
- *Defining factors leading to the embeddedness of the enterprises in Trójmiasto*
- *Defining a degree of a possible embeddedness of the studied offices in Trójmiasto*

Since European economies follow – more or less - European social standards, the unit labor costs in these countries are usually higher than e.g. in Asian countries. Nevertheless, this does not necessarily lead to a higher competitiveness of Asian countries in the BSS (see chapter 2.1, Kuciński 2002, p. 98). But why do investors come to Trójmiasto and how are they supported? Do they plan to keep their offices there?
In order to deal with the subject of the BSS in Trójmiasto, a closer look to this area of study has to be taken.

4 Area of Study: The Trójmiasto Agglomeration, Gdańsk

Gdańsk is a Polish harbor-city at the shores of the Baltic Sea, and is a member of the "Trójmiasto"- agglomeration (which means "Tri-city", in German "Dreistadt"). It is the biggest city both in this agglomeration and in the northern region of Poland, the so-called "Pomerania" voivodship. Gdańsk, with its more than 460.000 inhabitants, is considerably larger than Gdynia with 250.000 inhabitants and Sopot with 38.000 inhabitants. It is advantageous to live in Trójmiasto since it is easy to travel between the three cities. So, for example, one can live in Gdynia, work in Gdańsk and spend some leisure time in Sopot, with each of these cities being different in culture and industry.

4.1 Geographical and Economic Framework

Technological development worldwide and structural changes in post-communist eastern Europe in the 80's and 90's have largely influenced Trójmiasto, with its economic space getting closer and closer to Western one in appearance and in function. Economic progress and growth in Trójmiasto have been further strengthened by Poland becoming a NATO member (1999) and a member of the EU (2004). The infrastructure has been extending, cooperation with other provinces, regions and countries were established and new education and working places have been created. Trójmiasto (despite of decreasing birth rates) offers a promising business location with its universities (about 100.000 annually registered students in the region)[6], with respect to a potentially skilled labor force. Moreover, according to records from the Trójmiasto's website "Obszar Metropolitarny Gdańsk Gdynia Sopot", the economic structure in this area is very favorable, because of 926.000 inhabitants (i.e. ¼ of Trojmaisto's inhabitants) being of working age[7]. In addition, the real estate market is growing, more living and leisure time places (for citizens and tourists likewise) are being created and renovated. In 2013, the EU-Commission named Gdańsk an innovation-friendly city (EU-commission 2013, n. pag.). In the same year, a new Technology Park was opened and further business parks and centres have been being planned or are built now.

Target cities of outsourcing/offshoring of business services should be, in my opinion, amongst all other local advantages, easily reachable from all over the world. Surprisingly, Gdańsk is not reached that easily and does not offer best flight connections, neither with European nor with American or Asian metropolises. The maps showing the best flight connections between sample headquarter-locations and Gdańsk compared to other possible European BP/SSC-locations are to be found in appendix I. From Berlin, for example, it is faster to get to Sankt Petersburg than to Gdańsk. Just Madrid and Munich are indeed very well connected to Gdańsk. In sum, there are better flight connections between metropolises worldwide and the Gdańsk's Eastern European competitors than with Gdańsk. Taking this into account, together with the high dynamics in BP-offshoring to Gdańsk, there have to be location factors that are rated higher in the eyes of decision-makers, than traffic connectivity.

4.2 BP/SSC-Sector in Trójmiasto

Above all, the Trójmiasto region seems to be set up quite well for business and innovation. In 2016, about 16,9 thousand people were employed in all of the BPO, SSC, IT and R&D centres in Trójmiasto (ABSL's report 2016, p. 12). Trójmiasto hosts 104 business services centres (Warszawa 155, Kraków 138, Wrocław 111) (ABSL's report 2016, p. 15). In 2016, Trójmiasto was named „Best city [in Poland] of the Year“ regarding the BP/SSC sector

[6] and [8] source: http://www.metropoliaGdańsk.pl/metropolia-dla-gospodarki/

(biznes.Trójmiasto.pl, 6.02.2016, N.N.). On the „CEE Shared Services and Outsourcing Awards" website, Trójmiasto was listed as the "Most Dynamically Developing City" in 2016 and the "Olivia Six" tower as the "Best New Office Development for SSC/BPO Sector" in Poland (ceeoutsourcingawards.com, 2016). However, many citizens seem to have a negative attitude towards this sector and against foreign corporations' offices in general. This can be observed in internet portals, such as Trójmiasto.pl. Their fears are closely related to one of the subjects of this paper. They fear namely that foreign ventures in the BSS are "footloose" and unstable. They are afraid of consequences which may arise in case of the relocation of offices, such as dismissals. Moreover, they act very emotional and feel "used" by those "richer" people. An in-depth analysis of this social perspective is not conducted in this paper, which independently and objectively tries to define the practical degree of embeddedness of the analyzed BP/SSC-offices.

The BP/SSC-offices in Trójmiasto, are presented in the following ArcGIS-based maps:

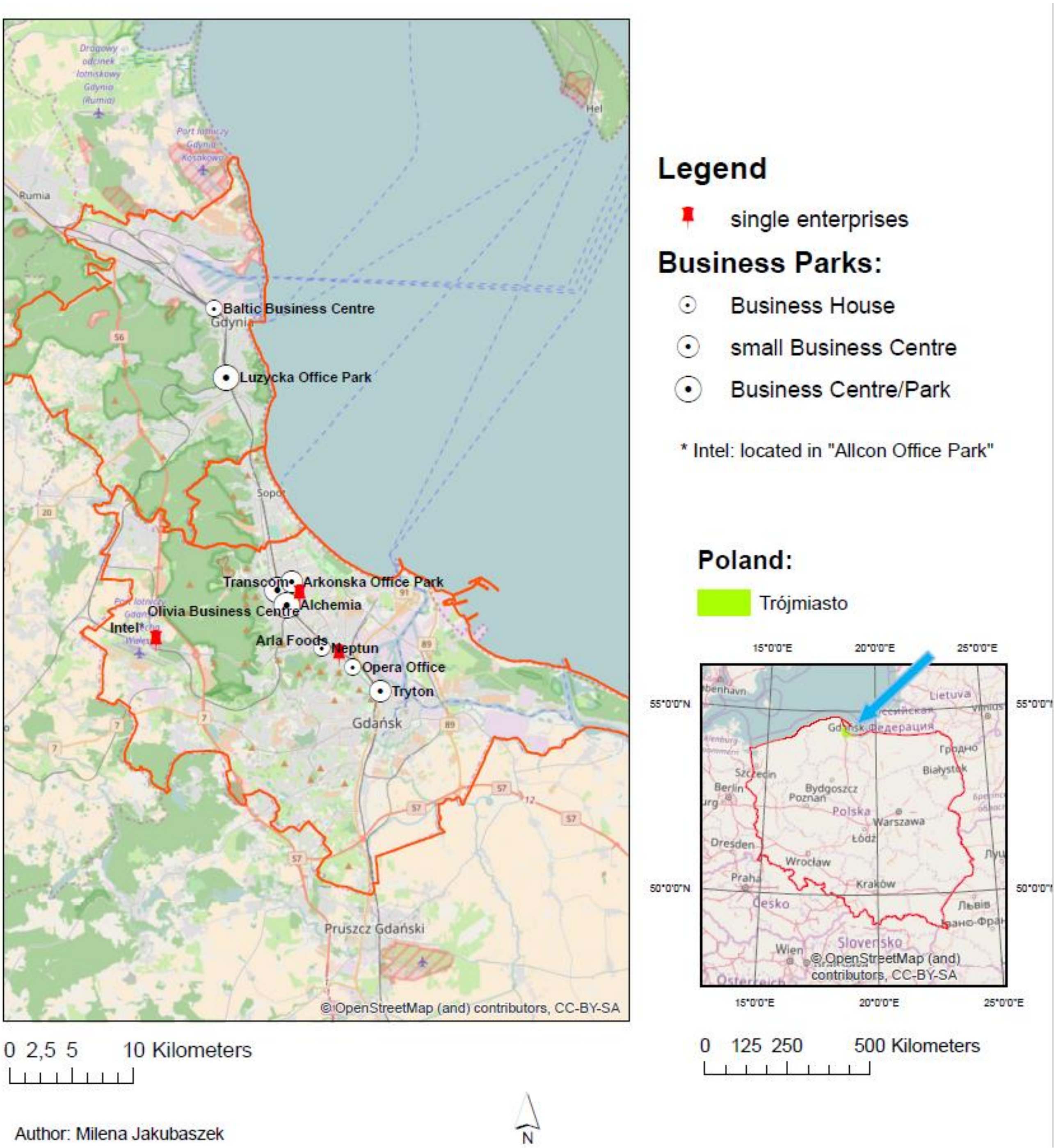

Figure 5: Business Parks in Trojmaisto
Source: Own editing

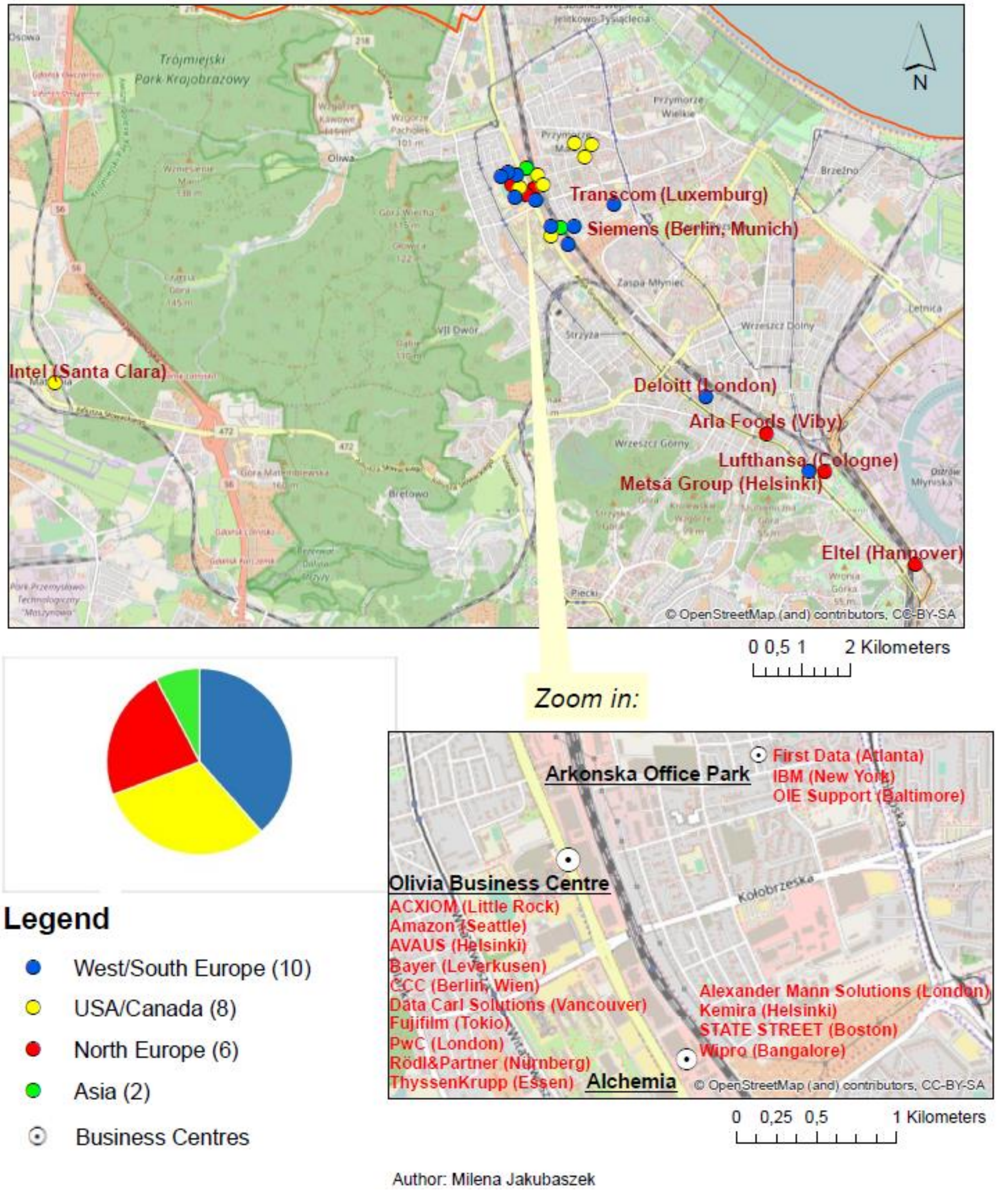

Figure 6: Foreign enterprises in BSS sector in Gdańsk
Source: Own edition

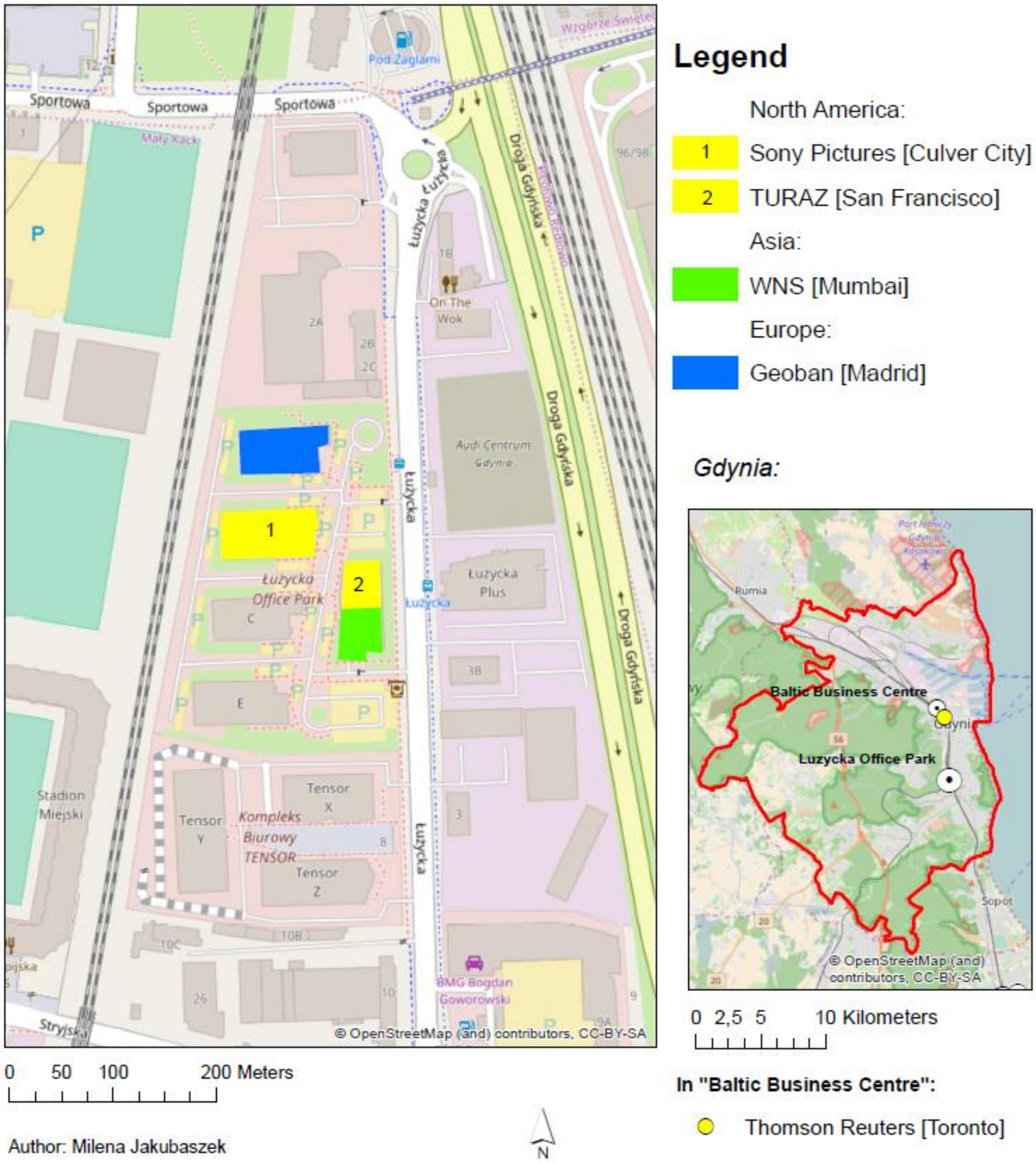

Figure 7: Foreign enterprises in BSS sector in Gdynia
Source: Own editing

5 Methodology

To start this research, a closer look had to be cast on exactly what kind of progress in the BSS has been taking place in Trójmiasto. In the media, as mentioned above, Trójmiasto (Gdańsk) is reported to be a new, emerging BPO/SSC destination in the CEE-region. At first glance, indeed more and more new offices, business buildings and business parks have been built recently.

For this research project, methods and interview partners had to be found who, first of all could help in understanding and defining those infrastructural changes and the observable business activities in detail. Following that, further methods and new interview partners were needed to come closer to an answer to the leading question. All of them are discussed below in detail.

5.1 Initial Methodological Consideration and Overall Objectives

In order to understand why and how business processes of foreign enterprises are performed in Trójmiasto, the initial plan was to create a list of enterprises offering business services in that region, sorted by their country of origin, by kind of services and type of office (BPO, 3rd Party Offshoring, in-house offshored, SSC…). However, shortly after the beginning of my on-site research and after the first interviews with BP/SSC-Sector's experts, it turned out that Trójmiasto's business-processes-phenomenon is mainly based on "in-house offshoring" and on SSCs which are part of the foreign (often global) enterprises.

In order to understand the structure and coordination of such centres and offices, of the decision-making processes and of location factors, the modified plan was to interview the investors themselves. But since, with most of the selected enterprises, the investors themselves are not or even never have been in Trójmiasto, the next evolutionary step in adapting the plan to reality had to be taken, as follows.

5.2 Applied Methods and Naming Conventions

Because every enterprise and institution is unique, the semi-structured, qualitative character of the interviews proved to be highly useful. In order to get into the subject, and to be able to define eventual relations between investors and the region, first interviews were made with regional 'foreign investors' supporters' (ABSL and Invest in Pomerania). Following these interviews, the list of appropriate enterprises was refined. One investors' supporter (InvestGDA) was left out as an opportunity to check at the end of the empirical study the overall uniformity of the local investment supporters' attitude towards the regional economy and towards foreign businesses, and to ask any questions left (see interviews in appendix II).

After the first interviews with foreign investors' supporters, it became clear that the local management boards of the selected enterprises are made up of locals. These locals are rarely the end-to-end decision makers on the enterprises' international level. After the first phone calls to selected companies, and while asking for interview partners, it evolved that the most appropriate person for an interview were the Human Resources Managers and not the (local) directors themselves. HR Managers indeed on the one hand are very close to the workers and, on the other hand, have to be informed about any plans or changes according to employment prospects, to enterprises' strategy and location preferences.

In order to "provide a comprehensive overview of the business services sector in Poland" (Górecki et al. 2016, p. 8), the ABSL based its report on a survey completed by local members of by the ABSL analyzed companies (170) in Poland, even though a part of their report is an "assessment of the location as a place to do business" (Górecki et al. 2016, p.18). For some reason, ABSL's target group for the study consisted of Polish representatives and not of end-to-end decision makers or investors. In addition, the ABSL' study was quantitative in a narrow sense of the word and thus limited in its interpretation.

The participant observation was another method applied in this study. It was carried out not only while visiting my interview partners in their offices, but also in form of small excursions around and in the business sites I explored. Coffee shops, fitness studios and other elements belonging to the business location (kindergartens, "talent centres") were visited in order to gain overall impressions of these sites. This kind of participant observation not only proved very useful when analyzing the organizational and cultural structure of BP/SSC-sector in Trójmiasto, but it was also used to get into touch with employees and even to directly interview some relevant people. An example for this approach was the participation at the "Smartmetropolia" congress, where speeches by regional decision makers, politicians and managers were attended and a few spontaneous chats were possible (see chapter 6.1).

Since company policies did not allow direct recordings, notes were taken directly during the interviews – the interviewees were more at ease that way. After every interview, I went over these notes again to fill in missing information and to structure them. Most of the interviews were conducted in Polish and later translated into English. Every interview was individual, nevertheless following a predefined structure with the same key questions. Depending on the interview partners, two fields of study were covered: 'field A', where interviews with managers of local investment-supporting institutions were covered, and 'field B', where interviews with managers from enterprises were covered. Both fields followed their individual questionnaires (see appendix II). The interviews were then utilized by their (questionnaires regarding) topics. The interviews are coded: Topic 'T', 'field [A. or B.]' and 'topic-number [1-7 in field A, 1-6 in field B]', e.g. T.A.7. The interviews are coded 'INT.A.'+'1…3' for any interview covering field A, and 'INT.B.'+'1…12' for interviews in field B, since 3 interviews were conducted in field A and 12 interviews in field B. Therefore, the code "T.A.2.INT.A.1" signifies answers of "interviewee 1" to the "topic 2" in the "field A". These codes as sources for all interviews' citations used were

put into footnotes for better readability of the text. All interviews as well as general information about interview partners, institutions and enterprises can be found in appendix II.
The final method applied was a semi-quantitative analysis of the interviews (chapter 7). Here, the crucial, individual statements were put into relation to each other, both inside the interview itself and between the specific interviews, so that a statistical calculation was made possible. This method has proved helpful to find out the most important reasons for enterprises to keep their offices in Trójmiasto. These items turned out to be identical with location factors. Following, a possible level of engagement (also taking into account the “age” of the offices) leading to an estimate of overall embeddedness in chosen offices has been evaluated.

5.3 Selected Institutions and Enterprises

To gain insight into the BSS in Trójmiasto, local institutions which support and deal with foreign investment were selected (field A of study). Managers of three institutions (ABSL, Invest In Pomerania and InvestGDA), whose common mission is to attract and support foreign investors in Trójmiasto and Gdańsk were interviewed.
ABSL is short for the ‘Association of Business Service Leaders’ in Poland with ABSL Trójmiasto having its office in Gdynia. ABSL (Trójmiasto) particularly supports the SSC sector. ‘Invest in Pomerania joint stock company’ is a non-profit initiative and part of InvestGDA, which is the Gdańsk Economic Development Agency Ltd. These two institutions are located in Gdańsk and both of them support all kind of investments in BSS and in the industrial sector.
Additionally, at the end of the empirical study, I talked to a manager from PSSE, ‘Pomeranian Special Economic Zone LLC’, in order to find out whether the fact that Trójmiasto is part of a special economic zone is relevant for foreign investments in BSS.
In order to study the BP/SSC-offices (field B of study), I first contacted a lot of foreign enterprises, active in the analyzed sector in Trójmiasto at that time (see chapter 4.2, Figure 6). Some of them did not reply for unknown reasons. Others could not be contacted successfully due to lack of contact partners on their homepages, guarded entrances for accredited visitors only or company policies not allowing their taking part in such studies. There were 12 ssuccessfully contacted and interviewed offices which names had to be anonymized due to firm policies:

Table 3: Studied Enterprises and Interviewees

Enterprise's anonymous name	**Interviewee**	**Nationality of an interviewee**	**Interview's code**
Office 1 LLC	Managing director	Polish	INT.B.1
Office 2 LLC	Sales Manager	Polish	INT.B.2
Office 3 LLC	HR-Manager	Polish	INT.B.3
Office 4 joint-stock company	Communication specialist	Polish	INT.B.4
Office 5 Europe BS LLC	HR-Manager	Polish	INT.B.5
Office 6 SSC Ltd.	Manager and CEO	Polish	INT.B.6
Office 7 Group Services LLC	HR-Manager,	Polish	INT.B.7
Office 8 GSC LLC	HR-Manager,	Polish	INT.B.8
Office 9 Group Services LLC	HR-Manager,	Polish	INT.B.9
Office 10 Ltd	Software engineering manager	Polish	INT.B.10
Office 11	CEO	Polish	INT.B.11
Office 12	CEO	English	INT.B.12

Source: own editing

No common denominator could be found regarding the offices agreeing to interviews. Sometimes it was not possible to recognize an office as a BP/SSC one, prior to the interview. So 'Office 2', '11' and '12' turned out not to be in-house offshored offices. Nevertheless, these interviews are included as far as their comments were related to the subject of global business services dispersing and location.

6 Fields of Study

The following chapter starts with insights gained at the "Smartmetropolia" congress, followed by findings from participant observation and by the structured analysis of the interviews conducted. The perspectives of local investors' supporters and the perspectives of local enterprises' managers follow thereafter. In the end, 'individual weights' will be assigned to the most important location factors mentioned in the interviews. Also, the degree of companies' embeddedness with respect to the location and other factors derived from the interviews, will be estimated.

6.1 Smartmetropolia Congress, Insights

The "Smartmetropolia" congress was organized by the city of Gdańsk as a two-day event (23-24.11.2016), with its focus on the actual and future situation and development of Trójmiasto in relation to environment, politics and economy. There was no congress fee, yet an early registration was required. The program included open discussions with regional decision makers, subject experts and enterprises' managers. An image of Trójmiasto as a modern, innovative, enterprise-friendly agglomeration with highly standardized, comfortable living and working conditions was remarkably important from the congress organizers' point of view. Sustainable and lasting development can only be possible in cooperation between the three Trójmiasto's city members, enterprises and with the provinces and inhabitants - was the message of the congress. According to the HR-manager of Thomson Reuters in Gdynia, Witczak, the economy depends on a *"metropolitan kind of society"* (Witczak 2016). The cultural integration was an important factor while building 'Office 4''s operational centre in Gdynia (ibid.). Details in chapter 6.4.3. Prof. Orłowski (Chief Economic Adviser for PricewaterhouseCoopers) claimed that BSS is very important in the creation of working places and hence, educating people for business' needs should be on a high level in and around the metropolis. *"Business attracts business as well as knowledge attracts knowledge"*, he said. According to OBC's CEO Woźniak, the University of Gdańsk contributes essentially with its many linguistic faculties offering foreign languages' teaching. He also claimed that BSS in Trójmiasto can only grow successfully because of the "*co-working and innovative relations*" among all enterprises in the region (Woźniak 2016). Foreign enterprises look on one hand for qualified students available and on the other for a favorable infrastructure for new business relations.

> "So far, we have done something completely different comparing to other Polish cities: we have introduced dialogue between enterprises and the region, we have been asking enterprises what are their specializations and needs, we have been gathering different enterprises and creating a mix of specializations" (ibid).

Foreign investors take new experiences in the fields of accounting, client service and IT into the region, but they closely monitor the political stability and costs of working (ibid.). According to Woźniak, most boards of directors in OBC consist of Polish members. Enterprises have various strategies and procedures for settlement. Some choose mentoring, some employ HR agencies and others rely on local relations and contacts (ibid.). Woźniak reported that the OBC in general cares about the enterprises and constantly stays in touch with them, so that OBC can react or help whenever necessary. OBC's aim is to be profitable and therefore to have all available office spaces rented. More details about settlement strategies and about investors' support are to be found in the next subchapters.

> "OBC was supposed to be something more than just an office block. For managing personnel, the attractiveness of the city of Gdańsk is a very important locational factor (ibid.)."[8]

At the congress there were, however, also less optimistic voices concerning Trójmiasto as a foreign-investors-destination in BSS. E.g. Prof. Sassen (known for analyses of globalization processes, international migration and "multiple cities"), held a lecture about cities which put a lot of attention to their history, tradition and roots as examples of sustainably developing ones. Accordingly, she said, Trójmiasto should focus more on its shipyard and situation at the Baltic

[8] During my conversation with Wozniak, we were joined by a politician from Gdańsk, praising the concept of the OBC

sea than on developing into Poland's "best BP/SSC" destination. A journalist of the "Financial Times", Foy, whose research is focused on the CEE-region, said that in Eastern Europe, there are several "fantastic places" for the shared services sector and that Gdańsk should compete with places such as Hamburg or with Italian sea ports, not trying to be another Wrocław in the North. According to Foy, Romania, Bulgaria and Ukraine are going to be "top destinations" for foreign enterprises and investments in the future. Poland, he argued, needs to "think smarter" and to build its own individual brand. Also Trójmiasto should upscale its cities, especially "Gdańsk while showing its BPO-success should not forget about the value of big names that everyone knows, as Lech Walesa or John Paul II" (Foy 2016).

6.2 Participant Observation: Locations and Interviews' Situation

GDAŃSK:

- **Olivia Business Centre (OBC)**

The OBC is currently the largest and probably most relevant business centre in Trójmiasto[9]. The OBC is located at Gdańsk's main street, which connects the city with Sopot and Gdynia. The complex is built next to the University of Gdańsk. It is owned by a Polish and an English businessman, Grabski and Jephcott. According to Grabski's biography which is well known in Poland, he was co-founder of "Wirtualna Polska" – the first Polish internet service.

Many of the people employed in OBC visit the centre's coffee shop/bakery "Gorąco Polecam Nowakowski" during lunch time or after work. It is also a space to book for business meetings. The bakery itself is very modern and offers healthy modern food, self-made sandwiches, salads and "smoothies". During my participant observation, I met Jephcott once, who spontaneously agreed to a short conversation about my research subject. Jephcott has been director of the OBC for 7 years now. He moved to Gdynia 15 years ago in order to lead a technological start-up, when after 2 years he met Grabski, who was planning the OBC project. As Jephcott said, they got along quite well and so decided to work together. In Gdańsk they saw an opportunity to invest, whereas they recognized Gdynia and Sopot as nice places to live in. According to him, Trójmiasto is a diversified, good working and living combination. Jephcott, calling himself a Trójmiasto-citizen, said "I love to be in Gdańsk because of its beautiful old city and meanwhile, after 15 years, it feels like home", he also has no plans to move away. He is willing to develop the OBC even further and to participate in making the whole city of Gdańsk more international, to attract more foreign workers and more foreign enterprises. In these efforts, the OBC cooperates with the mayor of Gdańsk, Adamowicz (Jephcott 2016).

[9] OBC: Gdańsk, al. Grunwaldzka, suburb: "Oliwa"/"Przymorze Uniwersytet". Its construction project started in 2010 and several project stages have not been finished yet

With its all additional facilities (a gym, restaurants, small shops, pharmacy, a laundry…) the OBC itself to some extent mirrors a modern mall. Every building/tower has its own name and the “Olivia Star” which is currently being built is going to be the highest sky scraper in the region (180m, including the antenna). The OBC complex offers a detailed map, which is very helpful while looking for specific places and companies (see OBC map in appendix I). Especially related to the outsourcing topic, the OBC also a host a “Talent Centre” for career advises, the “BPO Education Centre of Sopot University of Applied Science” and Gdańsk’s Job Centre unit, both of the latter are training people on the subject of BPO. Sometimes people are trained directly for specific enterprises (in March 2016, e.g., there was a training called “Cooperate Accounting”[10] on behalf of among others Fujifilm and ThyssenKrupp). Here, and additionally in adverts outside the OBC complex, the cooperation with universities and the attraction of potential workers to OBC and BP/SSC-offices are explicit topics. Even on the campus itself, there were posters promoting workshops, trainings or job offers within the OBC. The entrances to the OBC’s towers and their floors themselves are designed in an extravagant way. Some of them look like high-class hotels. In every tower, there is a security/ check-in desk, where every visitor needs to identify him/herself. Only after proper identification and registration, a visitor’s card allowing to enter will be given. At the entrances to the offices spaces themselves, there are additional intercoms, sometimes with cameras.

‘Office 7’, for instance, has its office in OBC. It is dominated by blue-white colors, extended to computers and desk-equipment (pens etc.). The conference room is in front of the entrance, allowing for a view of the Baltic sea. Many enterprises rent one or more entire floor(s). Between them on the floors and in lifts, there are always some people to meet, walking between the office spaces. The working space of ‘Office 11’, however, (which relates to a completely different character of the company, see 5.3) is much smaller and less extravagant than the one of ‘Office 7’. ‘Office 1’ on the other hand is located in „Olivia 4” (“O4”), a very different space in the OBC, compared with its other towers. “O4” is about amplifying business innovations; it is a small „start-up-world”, where relatively small IT enterprises found their space. ‘Office 1’ fits in there, and cooperates with other companies on the same floor much more (thanks to the infrastructure- and floor- sharing) than centres of larger enterprises between different floors and towers do. The Invest in Pomerania’s office space in the OBC is very impressive: after entering the floor, there is a reception desk with a large view across the Baltic sea at its back.

Because of the “open”, “living” character of the OBC, it was possible to walk between its towers and to openly talk to people (employees) there. As already mentioned, I met Jecphcott at the coffee shop, I also met Adam [anonymized name] there, an English employee at PwC, during his cigarette break. Adam, being asked about working conditions at the OBC said, they were

[10] Source: http://www.oliviacentre.com/razem-znaczy-wiecej/

better for him here than back in London. He moved here because of his Polish girlfriend from Gdańsk's region and because the recruitment process in PwC's Polish branch was "five times faster than the one in England" (Adam 2016).

- **Alchemia**

The second biggest Business Park "Alchemia" is next to the University, too, on the opposite side of the street. Behind Alchemia, there is a railway station called "SKM Pomorze Uniwersytet". Alchemia is hosting enterprises such as State Street, Kemira, Wipro or Alexander Mann Solutions. Alchemia is smaller than the OBC, but still has its own gym, a kindergarten, a swimming pool and a cantina with daily fresh food at special rates for Alchemia's workers and for students. Furthermore, companies often use its catering service and direct-office delivery service, as a State Street's employee said.

At Alchemia, 'Office 12' has its office space. It consists of three rooms (relatively small, compared to State Street's (a bank) renting of a whole building for its about 1000 employees) and there were paper boxes everywhere. The company used Alchemia (which is supposed to be a common strategy, especially for small enterprises, according to 'Office 12''s CEO) as an "incubator" for the start-up process, with an intention to look for a less expensive place after acclimatization in Gdańsk.

Alchemia is currently expanding (the developer company is "Torus"). It is interesting to see the posters around the complex with statements such as "keep calm and fall in love in Alchemia", "keep calm and come to Alchemia" or "keep calm and work in Alchemia".

- **Arkon Park**

A further Business Centre very close to OBC and Alchemia (see chapter 4.2, Figure 6) is the "Arkon Park". Although still smaller, there are also some additional facilities available: a private primary school, a restaurant or the "Arkon Hotel". Next to the Arkon Park, there is a housing estate with new apartments being built right now.

In the Arkon Park there is a "Gdański Inkubator Przedsiebiorczosci" ("Gdańsk's Incubator for Enterpreneurship"), a EU-grands financed institution for founders and start-up projects.

- **Tryton Business House**

'Office 6' has its seat in another of Gdańsk's suburbs, next to the shipyard and very close to the old part of the city, in Tryton Business House. This one is older than OBC and Alchemia, and it is a lot smaller. The only additional service offered here is a small coffee shop inside of the building. On the wall of Tryton Business House, it says in capital letters "I am from Gdańsk".

'Office 6''s infrastructure is designed as an open space with a few separated managers' rooms. Employees can take part in designing their space, likewise in 'Office 8'.

- **Opera Office**

Another studied enterprise, 'Office 9', has its seat at Opera Office, another relatively small Business House, which is close to the technical University in Gdańsk. 'Office 9''s infrastructure is mainly designed as an open space, too. Visiting ‘Office 9’ as a guest, I received a bag with a pen, a notebook, a small book presenting the whole company, its groups and mission. It seems as if the integration into and identification with the complete ‘Office 9’ is seen an important part, and they don’t feel like “just another back office”. The railway distance between Opera Office and the cluster of the previously described business parks and the University of Gdańsk is about 20 minutes in time. In the Opera Office, there is also Lufthansa Systems Poland (since 1998 in Gdańsk), which will be moving to Alchemia’s new building “Argon” soon because of the modern, high standard infrastructure there[11].

GDYNIA:

- **Łużycka Office Park**

There are also several business parks/houses in Gdynia (see 4.2). The biggest and the latest one is Łużycka Office Park, which is placed at the exit way to Sopot, close to a railway station in one of Gdynia’s richest suburbs “Orlowo” and next to the Gdynia’s Technology Park. In Łużycka Office Park, ABSL has its office space and the interview with ABSL’s manager took place there. ABSL has an open space, several separated manager rooms and a small kitchen for common use.

- **Baltic Business House**

In Gdynia there is also the Baltic Business House, where ‘Office 4’ has its seat. The Baltic Business House differs very much from the newer OBC’s and Alchemia’s centres; from the outside it looks like a ‘normal old building’, and inside, although modern, it is small and looks less luxury than the other business houses/parks mentioned. Next to the security desk there is a tiny coffee shop with a menu and adverts in English. My interview within the ‘Office 4’ took place between its working spaces/rooms, in a small resting area. There were some people passing by, mostly smiling – creating an open and friendly atmosphere.

- **ErgoArena**

The interview with a manager of InvestGDA took place in their office at ErgoArena in Gdańsk – a conference hall with several additionally offices, located on the outskirts of the city, behind the shipyard. InvestGDA’s office is more traditional, divided into several smaller and bigger rooms. At the ErgoArena hall the “Smartmetropolia” congress described was taking place.

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[11] relocation plans have been supported by CBRE, commercial property and real estate services adviser, see homepage of Lufthansa System Poland: https://www.lhsystems.pl/en/lhsystems/news/alchemia.html

INTERVIEWS' SITUATIONS:

Most global enterprises prefer renting their office space on the most prestigious, highest floors in the OBC, with an impressive view of the city and the Baltic sea. This and/or the culture of an "open space" is probably the only common characteristic of the BP/SSC-offices in the OBC. Every office space then has its individual design, which is in accordance with the enterprise's specific culture (see above). 'Office 3', for instance, has black furniture only, including black leather sofas, and most of the rooms are separated by glass-walls. The interview with 'Office 3''s HR-manager took place in the 'Office 3''s office, as did interviews with other managers: 'Office 2' and 'Office 12' (at Alchemia); 'Office 1', 'Office 7', 'Office 11' (at OBC); Thomson Reuters (at Baltic Business House), 'Office 9' (at Opera Office), 'Office 6' (at Tryton Business House). The interview with a manager from 'Office 10' (placed next to the airport), further away from the city and close to some logistic companies probably due to a need for specific laboratory space for its R&D department, took place outside of the company's office in a café in Gdańsk. Two further interview partners, HR-managers from 'Office 5' and 'Office 8', offered a meeting in the „Gorąco Polecam Nowakowski" coffee shop. The interviews with investor's local supporter organizations took place at the institutions' offices (Łużycka Office Park, OBC and ErgoArena). It is worth to be noted that the interview with ABSL took place on the 1st November (Polish National Independence Day) and although all state institutions were closed, ABSL had a working day – being common in private and foreign owned companies, which often serve clients abroad, as ABSL's manager explained.

Making appointments with the interview partners proceeded similarly. Either there were direct telephone numbers of the selected staff/managers (Invest in Pomerania, ABSL, 'Office 1', 'Office 11', 'Office 2', 'Office 3') on the enterprises/institutions' homepages, or there were telephone numbers of their secretaries (InvestGDA, PSSE, 'Office 5', 'Office 7', 'Office 4') who then would forward to the managers and experts. These secretaries often acted like some sort of enterprise's "firewall" in case of external calls, so luck was helpful: e.g. when I called 'Office 7', the secretary was not at her desk, and a HR-manager passing by picked up the phone and directly agreed to an interview. Contact to 'Office 8' was made thanks to recommendations from the HR-manager of 'Office 5', and interviews with 'Office 10''s manager and with 'Office 12''s CEO took place thanks to private contacts. Getting into 'Office 9''s and additionally into Wipro's (an Indian enterprise) office was surprisingly easy without a pre-arranged appointment. However, after a short description of my project at the reception desk and leaving my contact information, only the HR-manager from 'Office 9' called back.

The atmosphere during all interviews was friendly and welcoming. All interviewed HR-managers were women, so there may have been a natural trust created between interlocutors. This was slightly different when interviewing male directors, who perhaps wanted to impress a female interviewer.

All studied enterprises rent their offices spaces. ‘Office 10’, in the beginning, had a leasing contract that later changed to renting.

PRELIMINARY CONCLSION OF PARTICIPANT OBSERVATION

Most representative for the BP/SSC sector and for foreign enterprises in Trójmiasto is the “Oliwa/Przymorze Uniwersytet” suburb, where OBC, Alchemia and Arkon Park are located. At the railway station there were several adverts (with titles like “why global players come to Trójmiasto” or “what does sustainable development look like”) initiated by the developer “Torus”. They are written both in Polish and in English. On some posters of January 2017, there were statements made by the Head of HR from the State Street Bank GmbH LLC, by the Head of Administration Operations from AMS (Polish Power Technologies Company) and by the Managing Director of Kemira BSC Gdańsk. According to the Head of HR in State Street, the process of location choosing had taken a few years, and Gdańsk was finally chosen because of the following factors: availability of qualified personnel, closeness to universities with a high reputation and willing to co-work with an investor, highest quality of office spaces, a developed transport infrastructure, i.e. connections with European offices, and the high quality of life. This last factor is getting increasingly relevant for today’s personnel, most of them being member of the generation of the millennials, where a healthy so-called ‘work-life-balance’ is highly valued (just as Head of HR in State Street mentioned). A representative from AMS, according to one of the posters, stated that “*Gdańsk accumulates talented people from the region and from the whole country, which is very important in a business world*”. In addition, the support by InvestGDA and Invest in Pomerania was a further location factor mentioned in these adverts.
Places as the “Gdański Inkubator Przedsiebiorczosci” in Arkon Park, a “Talent Centre” in OBC; restaurants, gyms, kindergartens, beauty salons (in the OBC even a laundry and pharmacy), and other retail services are not only for the people employed here, but for everyone (and especially for students). The centres follow – except for the office spaces, of course – an ‘open space’ philosophy and are useful, in some way, also for larger parts of the population of Trójmiasto. In Alchemia’s gym, there are also extra fitness classes offered in English. English is a language which can be very often heard around the Business Centres, but also in bars surrounding them and in the railway station (not only because of international employees, however, but also because of international/exchange students).

6.3 Foreign Investors’ Supporters: Field A of Study

The interviewed managers from the local investment supporting institutions (field A of study) agreed that the BSS in Trójmiasto is primarily about BP/SSC-offices. 3rd party outsourcing companies in this area are both of foreign (offshoring and outsourcing at the same time, hybrid models) and polish origin, also see topic T.A.1 in appendix II. "*Whether an investor decides on SSC or BPO (which is not the same) depends mainly on the processes and their specifics (IT, F&A, HR)"*[12]. Dealing with BP/SSC-offices, the term "BPO" should not be used, according to ABSL since, in the eyes of enterprises and their employees, it has a negative image[13]. Moreover, according to InvestGDA and to the theory-chapter of this paper, most people are not really familiar with the terms BPO and SSC[14]. BP-Outsourcing models are still very popular when dealing with IT-processes, which often use or require external, specific expertise (ibid.). In order to provide investor's support, specific knowledge about businesses is required. Among others, it is important to know what kind of mission and aims a given enterprise has, and what operations are to be performed. According to Invest in Pomerania, there is one common motive, all enterprises share: profit. *"As long as business is about profit (which it is), its aim is to have economical, profit orientated strategies in order to be competitive on the target market*"[15]. Nevertheless, enterprises differ when it comes to detail:

> "Nordic Enterprises have flat structures and invest in workers a lot. American enterprises often need to learn European perception of things, a different (or any) "work life balance" and the fact that job is a mean for further targets here, thus for Americans job is life and they seem to be surprised when someone asks for "free days". Japanese enterprises are very hierarchical and "per se", the chauvinism in decisional processes is noticeable. West European Enterprises culturally find themselves between American and Asian ones, they focus on profit and on relations with clients." (T.A.1: INT.A.2.)

Opening a new SSC-office takes a lot of time, and then there is even more time needed until it works properly[16]. The opening process may take about 2-3 years[17]. The methods may differ in minor details but generally speaking, experienced workers from another location of the enterprise are involved. They initialize the corporate culture and train the new employees in the new location; in addition, an expert knowledge about BP/SSC-offices is required[18]. In order to examine and choose a final office location, often external consulting companies, properties- and HR-experts are hired[19]. Meanwhile, in Poland, less enterprise's effort is needed because Polish personnel have grown more qualified and experienced in this field. Local providers as Invest in Pomerania or ABSL also offer the advantage of easing the necessary networking processes[20]. Usually, enterprises' first contact is with PaIlIZ[21] or Invest in Pomerania[22]. In addition, so-called "*ambassadors*" from already existing offices engage in regional promotion,

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[12] T.A.1: INT.A.2
[13] T.A.1: INT.A.1
[14] T.A.1: INT.A.3
[15] T.A.1: INT.A.2
[16] T.A.5: INT.A.1, INT.A.2, INT.A.3
[17] T.A.7: INT.A.1
[18] T.A.5: INT.A.2, INT.A.2
[19] T.A.5: INT.A.
[20] T.A.5: INT.A.2
[21] PAIiIZ: Polska Agencja Inwestycji i Handlu S.A.: Polish Investement and Trade Agency is an investment promotion agency, a joint-stock company with State Treasury as the only stockholder and Ministry of Development as supervising authority (see PAIiIZ Website: http://www.paiz.gov.pl/investment_support)
[22] T.A.5: INT.A.3

attracting further investors. Incentives, as for example tax benefits are rarely available in the BSS, unlike in the industrial sector, where the FDI is larger and an investor often manages lots of production facilities at the same time[23].

6.3.1 Attracting Investors: Why Do They Come

In Poland, for the time being, several attractive conditions for potential investors in the BSS and in offshoring activities seem to be present. Two main advantages of Polish agglomerations seem to be lower costs in running businesses and, at the same time, a high quality of work[24]. Even more important, Poland is a politically and economically stable EU-member[25]. Additionally, for enterprises wanting to reach into the Eastern market, Poland is one the furthest eastern countries still being member of EU (ibid.). Stressing this, Invest in Pomerania Trójmiasto-location further states that

> "European mentality and awareness, time zone, quality of life, security… In India, e.g., there often occur several conflicts already when the telephone conversation needs to be done. […] Comparing polish cities to Asian ones, polish cities offer quality whereas Asian locations are about quantities. Additionally, the Baltic countries, for instance, are under Russian influence…" (T.A.7: INT.A.2)

In addition, in Trójmiasto, free and affordable space is available and, compared to other metropolises, in financially attractive business areas, there is a good transport infrastructure within the whole region, as all interviewees agree. Trójmiasto is about highly skilled and educated workers, experienced personnel with knowledge of foreign languages including the - in other BP/SSC locations - rarer Scandinavian languages[26].

Comparing Gdańsk to other Polish BP/SSC-destinations as e.g. Kraków, Gdańsk is much less crowded. Consequently, many enterprises having their offices there decide to open a further one in Trójmiasto - whether in Gdynia or in Gdańsk is not a real difference[27].
In general, Trójmiasto attracts investors with plans for medium-size offices:

> "To Trójmiasto come those investors, whose plans are to start with a small amount of employers first (same as in Poznan), contrary to those who choose e.g. Warsaw. Most of SSCs in Trójmiasto employ about 100-150 people each, not 2000. Even though Gdańsk develops, a plan for employing over 300-600 people can be risky" (T.A.2: INT.A.1).

Promoting the location and attracting investors usually happens on a business-to-business level: "*SSCs in terms of real estates are built and paid by polish developers; they even promote the centres and infrastructures, often cooperating with other promoters*"[28]. Because foreign enterprises just rent their office space, there is the risk the vacancies, but "*there is always some investment risk, even if at the moment, it is still very optimistic and future-oriented*

[23] T.A.6: INT.A.3
[24] T.A.2: INT.A.1, INT.A.2
[25] T.A.2: INT.A.3
[26] T.A.2: INT.A.1, INT.A.2, INT.A.3
[27] T.A.2: INT.A.3, T.A.4: INT.A.3
[28] T.A.4: INT.A.1

market" (ibid.). Important when promoting the region is a contact interface[29]. Invest in Pomerania, therefore, is a "*one stop shop*" for foreign investors and a "bridge between an investor and the whole Trójmiasto region, provincial parliament, industrial sector and logistic sector" (ibid.). Just as InvestGDA puts it, not only active regional promotion but also an intense "investment encouragement" can be a decisive location factor: "*whether an investor chooses Poland or e.g. Romania, depends on costs, so in Poland there is PAIilZ and other local councils caring about financial benefits, in form of grands, or e.g. through paying stipendiums for students' internships*"[30]. Nevertheless, the conditions are flexible and the more jobs an enterprise creates the more benefits the region may offer[31]. InvestGDA states that personal relationships between regional actors (promoters, experts, politicians) and presence on job fairs and similar events as Expo Real in Munich, plus a promotion via social media, "*bear fruits in business*" (ibid.).

6.3.2 Keeping Investors: How to Make Them Stay

There is an obvious motivation to keep investors in the BSS in Trójmiasto. As reported by ABSL, the sector creates stable working places and offer the possibility for an international career while still in the home country. Additionally, Polish companies are forced to be more competitive with regards to salaries which are on the rise. Thus a "*chain of progress*" is initiated, with other sectors being influenced and thereby developing and competing, too, as can be found in the real estate market[32].

> "The entire regional ecosystem of cooperating and related companies is being improved […] [the BSS] does not have an input on GDP's growth, but it also does not impact it negatively. Oppositely, it can drive the economy thanks to the mentioned chain of progress and brought soft know-hows, it supplies to polish market many 'soft' know-hows, supports the polish start-up scene." (ibid.).

Moreover, the Invest in Pomerania's manager calls the BSS an "*industrial engine*"[33]. Thanks to foreign-owned SSCs, the Polish-owned centres has developed and improved. In the initiative "Gdańsk 2016", a new SSC for Polish educational services has been established[34]. Furthermore, "*It is huge prestige for a region to have such global players as Fujifilm, or State Street as active enterprises. It is a value added*" [35].

Thus, Investors' supporting local institutions put a lot of efforts in post investment care, which is foremost understood in terms of creating sustainable networks, and as it seems, they have been being successful so far. Integrational events and teaching workshops are organized; the focus is on knowledge exchange and, in addition to that, on "*unification of activities in business,*

[29] T.A.4: INT.A.2)
[30] T.A.4: INT.A.3)
[31] T.A.4: INT.A.3
[32] T.A.3: INT.A.1
[33] T.A.3: INT.A.2
[34] T.A.7: INT.A.2
[35] T.A.6: INT.A.2

in politics and in education"[36]. There is a constant promotion in this sector and a permanent cooperation between the region and the enterprises (ibid). Most events, as Invest in Pomerania reports, are however not regular and they depend on current needs (ibid.). InvestGDA stresses that "*the directors and managers can count on us by any problems that they have […] it is important that companies feel that they are under care and that they can really count on the regional supporters*"[37]. An additional example of (post-) investment care is the Gdańsk's Technology Park with its space for knowledge sharing and –exchange. It was stressed that especially newcomers can find a helpful space there, with it playing an incubator-like role for them (ibid.).

It is commonly and location-independently assumed that the BP/SSC- (or SSC/BPO-) model provides additional value for an enterprise. "*An SSC leads to the processes' centralization, so this is very cost efficient, moreover it leads to standardization, so it also improves the quality of core services*"[38]. Therefore, awareness of other competitive regions and possible difficulties that may arise in the future plus constant monitoring of the market situation is essential, but still, unpredictable events having a large impact on the BP/SSC-sector in Trójmiasto may happen[39].

> **"**Business is as water and it is about avoiding obstacles, its future relies on it. An enterprise always needs to ask, whether it is possible to do something better, cheaper, and/or faster. Nothing more than the quality and productivity are advantages which Trójmiasto can offer for enterprises' business services, and as long as it is so, as long as an investor profits on the end-market, this region stays favorable for BSS and it is competitive among other comparable locations. At the universities there should be fields of study supported, where students are educated for business needs. At the end, the business dictates the economical and working order, not the other way around" (T.A.7: INT.A.2).

Since there are more job offers than available workers, efforts in education and especially IT education should be increased and the potential in migrants coming to Poland should be realized[40]. Furthermore, the fact that Poland is an EU-member is very favorable and the recent nationalistic and anti-EU tendencies are not advantageous at all[41].

> "The right-wing growth and nationalization are dangerous for globalization and its many constructive processes, yet, the capital does not have a nationality! [...] Governmental procedures indeed often block many business activities in this sector. "Invest in Pomerania", among its other jobs, does also work against that, and plays a 'bridge role' between the authorities and the comapnies." (T.A.7: INT.A.1).

However, contrary to this (ABSL's) view, InvestGDA did (at that time, before the 'Tusk-Poland-EU-drama') not see a negative impact of politics on investors[42].

The interviewee from ABSL claimed that Poland's larger size relative to its Eastern European neighbors, as e.g. the Czech Republic, is an important location factor in BSS. In the light of the

[36] T.A.3: INT.A.3
[37] T.A.6: INT.A.3
[38] T.A:7: INT.A.1
[39] T.A.7: INT.A.1
[40] T.A.7: INT.A.2, INT.A.3
[41] T.A.7: INT.A.1, INT.A.3
[42] T.A.7: INT.3

Ukrainian conflict and its economic consequences, efforts for political and economic stability are essential, too[43]. At present, Poland has advantages due to the instable situation in other competing regions[44]. Apart from this, the global political-economic situation may always influence local developments. As Invest in Pomerania claims, the Brexit has already influenced the BSS in Trójmiasto in a way that it strengthened the Polish banking sector[45]. Still, British investments in Poland also depend on the situation in Ireland (although closer to England, yet more expensive) (ibid.).

According to InvestGDA, no foreign enterprises have left Trójmiasto so far, neither in the business services nor in the industrial sector[46]. Contrarily, as Invest in Pomerania reports, two enterprises which did not manage to get their SSCs properly started due to their policies had to leave[47]. Nonetheless, many of the foreign enterprises employ more and more people, e.g. Kainos, Bayer, State Street and the recently opened Swarovski[48]. Furthermore, if any foreign investor should leave from Trójmiasto, another one will come, with additionally more and more new jobs being available in a growing banking sector (ibid.). The risk that Gdańsk with its "raising BPO/SSC star"-status may become an overcrowded place as Kraków is, is relatively small since there are initiatives against such a development (ibid.). That way, the balance between the BSS and regional economy is kept and regional enterprises, especially those from the sea sector are supported, too (ibid.). Here PSSE offers support for the industrial sector, both for Polish and foreign enterprises.

6.4 Enterprises' Perspectives: Field B of Study

Most of the interviewed BP/SSC-offices' managers do not define their offices in terms of out/insourcing or (in-house) offshoring. For instance, 'Office 3' (a call centre, 3rd Party Outsourcing for its clients and in-house offshored to Gdańsk) was not defined as a BP/SSC-office, because the processes in the headquarters and those provided at Gdańsk are more or less shared. That means they are not completely or consequently moved[49]. Sometimes BP/SSC-offices undergo an independent development, leading to a broader spectrum of services as an answer to local needs[50]. Even though in few cases offices' names include words as "shared", "global" and "services", "Shared Services Organization" is not seen as a prestigious name; likewise the SSCs and BPOs also have a negative association with the term "*Call Centre*"[51]. The preferred term here is "*Competence Centre*" (ibid.). Notwithstanding,

[43] T.A.1: INT.A.1
[44] T.A.7: INT.A.3
[45] T.A.7: INT.A.2
[46] T.A.7: INT.A.3
[47] T.A.7: INT.A.2
[48] T.A.7: INT.A.3
[49] T.B.1: INT.B.3
[50] T.B.1: INT.B.4
[51] T.B.1: INT.B.5

managers from the offices of ‘Office 6’, ‘Office 7’, ‘Office 8’ and ‘Office 9’ seemed to agree with the term “GSS”[52]. Despite this fact, ‘Office 6’’s manager stresses:

> “We also care about the company’s image and want ‘Office 6’ to be recognized everywhere in a similar way, even though we are a “back-office” here, we want to be understood, both by people from the outside world and by all ‘Office 6’’s workers. There is a plan for a project called “a day in business”, where exchanges between workers from our different locations will be possible. A goal is to show how the whole enterprise functions.” (T.B.3: INT.B.6).

Interviewees from offices with extended R&D and IT departments do not identify themselves within “BPO/SSC” terms[53]. On ‘Office 10’’s homepage, however, it says that in Gdańsk there is an R&D-centre <u>plus</u> (among others) a “Staffing Shared Service Centre [which] supports the entire recruitment and hiring process in the EMEA region”.[54]

During the interviews with companies’ managers (field B of study), many statements were very similar to those of the local investor’s supporters (field A of study). Concerning the subject of choosing a location, for example, everybody agreed in that the general political and economic situation in the country is considered and thereafter the city itself will be chosen. Also the fact that business spaces, such as OBC or Alchemia, often play an important “incubator” role for starting the business was confirmed: “*It was easy to move in here at the beginning, but now, after we get to know a region better, we can move somewhere else*”[55]. Likewise, the statement (field A of study) that the development of the BP/SSC-sector may start a “*chain of progress*” within other sectors was mirrored by one interviewee in the section B:

> “It is a huge advantage if a company employs IT-workers, because they are very well paid and therefore average salary for all employers is higher, even a salary of the secretary is better than in the company without an IT-department.” (T.B.3: INT.B.8)

On the other hand, development of high standard real estates may also lead to higher costs of living:

> “It is noticeable that the costs of living in Trójmiasto are getting higher (this due to the fact that other branches are influenced by economic progress and that they are developing as e.g. real estate market) and it can lead to less potential employees available. Therefore, we offer trainings and free German lessons.” (T.B.6: INT.B.7)

SSCs receive indeed few (if any) financial grants, so the local investment support is more about social activities: “*I don’t have any knowledge about governmental grands; I know that “Invest in Pomerania” supports and attracts investors*”[56]; “*I don’t know about any grands, but there was and still is a solid cooperation with “Invest in Pomerania*”[57];

[52] T.B.1: INT.B.6, INT.B.7, INT.B.8, INT.B.9
[53] T.B.1: INT.B.1, INT.B.10
[54] According to ‘Office 10’’s official website
[55] T.B.2: INT.B.12
[56] T.B.3: INT.B.3
[57] T.B.1: INT.B.8

> "There is a Newsletter in OBC, which informs about integration events, which have both sociable and business-like character. […] Considering the labor market, job searchers can really choose between many offers here. They have more and more possibilities and chances for better salaries" (T.B.2: INT.B.11).

'Office 4''s interviewee claims that Invest in Pomerania provides post-investment care, as well as ABSL does, with which 'Office 4' has even closer relations because the company took part at building the ABSL few years ago[58]. According to the 'Office 5''s interviewee, the only condition to receive Invest in Pomerania's support is to present their logo[59]. Contrarily, the 'Office 9''s interviewee claims that there was no post-investment care or no networking provided at all:

> "Probably there was some cooperation with Invest in Gda or/and with Invest in Pomerania at the beginning, but now, on the HR's site at least, there is no one […] There is no close cooperation with other SSC-offices, sometimes, there are meetings for general directors." (T.B.3: INT.B.9)

This could be related to 'Office 9''s location outside the OBC. On the other hand, 'Office 6' is located even further from OBC and 'Office 6''s interviewee still remembers a cooperation and a post-investment support[60]. It is worth mentioning that 'Office 6' started its business in Gdańsk in 2016, about 3 years later than 'Office 9' did and that the start was in close cooperation to Invest in Pomerania, whose manager is to be found on the 'Office 6''s Polish homepage as an 'Office 6''s contact person[61]. 'Office 10''s interviewee, however (consider that 'Office 10' has been in Gdańsk for 23 years), similar to 'Office 9''s manager, reported: "*there are no meaningful clusters and no direct relations or actions with other companies from our sector*"[62]. He stressed nonetheless, that sector-expansion and more job offers in the market are relevant regarding the recruiting processes (ibid.). Summarizing 'Office 9', 'Office 6' and 'Office 10' in this aspect, it seems that it is not the exact location in Trójmiasto/Gdańsk which is relevant, but rather the time their businesses already spent there.

Field-B-interviewees, just as the local investor's supporters, do also realize a problem concerning the sinking amount of available labor force: "*already now the number of IT-workers is not excessively high. If a company employs IT-workers, it really needs to care about them and a job must be attractive*"[63] and "*there is a real serious consideration that there will be not enough IT-workers available in the nearest future*"[64], at the same time this problem does not concern Poland or Trójmiasto only: "*the company is growing, and the largest problem can be the lack of IT-personnel, but it is not only the case in Poland but Europe as the whole*"[65].

As mentioned by the local investor's supporters, managers likewise consider open boarders as a very important component for success, because this takes additional "*hands to work*", but

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[58] T.B.2: INT.B.4
[59] T.B.1: INT.B.5
[60] T.B.1: INT.B.6, T.B.2: INT.B.6
[61] See 'Office 6''s homepage: http://www.eltelnetworks.com/pl-pl/polska/wiadomosci/eltel-otwiera-centrum-usug-wspolnych-w-gdasku
[62] T.B.3: INT.B.10
[63] T.B.1: INT.B.8
[64] T.B.5: INT.B.8
[65] T.B.6: INT.B.1

it is even more important to care for current workers, to make them stay at the company[66]. There is the optimistic belief that the economic situation is dynamic enough and therefore an overcrowded labor market may turn very soon into its contrary (ibid.).

The location in OBC is seen by many interviewed managers as value added: "it is a prestige to have an office in the OBC and also the presence of other enterprises, of global players brings a prestige, too"[67];

> "We are planning to move from O4 to Olivia Star [OBC's buildings/towers], which one is being built now and which is going to be the highest skyscraper in Trójmiasto. This brings prestige and in addition an office there is perceived as an attractive working place" (T.B.6: INT.B.5).
>
> "The office in OBC is very favorable, it is a business environment, maybe there are no direct relations with other companies, but it is a prestige to be here. Especially while call centres are negatively associated in Poland. So if one sees our office here, it surprises him/her in a positive way" (T.B.2: INT.B.3).

In the interviews from field A of study, workers were also mentioned to switch between different enterprises in the same business area: sometimes they are looking for better working conditions or new experiences on their own initiative and sometimes they are just 'hunted' by other enterprises. A good example is 'Office 5''s HR-manager's experience: she received an offer for the HR-position in 'Office 5' while being already employed in 'Office 8'[68]. According to her, nonetheless, the relation with 'Office 8''s has not turned worse (ibid.). For the interviewed manager of 'Office 8', the OBC is like:

> "[…] a small village, the workers change their working places and jump so to speak from one company to another… The advantage of that, however, is that the exchange of experience is possible. Additionally, there are extra meetings for HRs and for IT-workers organized, there is also a common will to share achievements. So the co-working takes actually place more on the human level than on a business/company one" (T.B.2: INT.B.8).

Therefore, there are various tasks and careers possible in different enterprises at one location. Another manager states, the fact that other SSC-like constructions exist in the region may be positive. 'Office 6' e.g. was settled in Gdańsk in cooperation with the already operative Kemira SSC's office[69]. Due to some sort of SSC-culture, "*there are meetings organized for HRs and experiences can be shared*"[70]. Furthermore, especially for 'Office 6' it is relevant that there are other Nordic-owned offices being run here and employees can look for new career possibilities[71].

6.4.1 Key Location Factors: Hard and Soft Factors

In all of the performed interviews, both in field A and in field B of study, key location factors for BSS in Trójmiasto were named. Some were named more often than others, in some interviews

[66] T.B.4: INT.B.3
[67] T.B.2: INT.B.1
[68] T.B.1: INT.B.5
[69] T.B.1: INT.B.6
[70] T.B.2: INT.B.6
[71] T.B.3: INT.B.6

only a few were mentioned, other interviewees added new ones, some factors even were repeated several times in one and the same interview. Since no questionnaires with scales were used (pre-defined possible items were to be avoided in order to allow freely given answers), a combination of qualitative and quantitative methods were finally applied. In these simple semi-structured interviews, all key location factors named, were understood as more or less equally important, as confirmed by the interviewees upon being asked.

Regarding the enterprises' view (field B of study), the following table lists the performed interviews and the therein mentioned location factors. If a factor was not mentioned, the equivalent cell is empty. If a factor was mentioned once, there is a '1' written into the cell. If this very factor was mentioned several times in the same interview, this '1' is multiplied by the number of the factors' occurrences per interview (e.g. '*3'), thus signifying the intrinsic higher importance of this factor, its 'weight' in this interview. The last column on the right side finally summarizes the occurrences of the weighted factors, thus indicating their overall importance, ranking, in the studied field.

Table 4: Key Location Factors and Frequencies

Factors / **Mentioned by interviewee**	**INT.B.1**	**INT.B.2**	**INT.B.3**	**INT.B.4**	**INT.B.5**	**INT.B.6**	**INT.B.7**	**INT.B.8**	**INT.B.9**	**INT.B.10**	**INT.B.11**	**INT.B.12**	**SUM of weighted factors*** **
Language(s) Scandinavian/German/ English		1*1	1*4	1*1	1*2	1*1	1*1	1*3	1*1			1*2	**16**
Situation of BSS: developed, but not overcrowded			1*2	1*2	1*3	1*2	1*1	1*2	1*1				**13**
Skilled potrntial employees	1*2		1*1	1*2	1*1	1*1	1*1	1*2	1*1	1*1			**12**
Local support			1*2	1*3	1*2		1*2	1*1	1*1			1*1	**12**
Good life quality	1*1		1*1	1*1	1*1	1*1	1*1	1*1	1*2		1*1		**10**
Lower costs			1*1	1*1	1*1		1*3	1*3					**9**
Good infrastructure (transport)	1*1		1*1	1*1				1*1	0,5**			1*1	**5,5**
Infrastructure of offices			1*2	1*1	1*1								**4**
Cultural similarity	1*1							1*1	1*2				**4**
Geographical location		1*1				1*1			0,5**		1*1		**3,5**
Political-economic stability				1*2									**2**
Availability of possible clients		1*1			1*1								**2**

a secondary factor   * further details in chapter 7

Source: own editing

Following, there are all in interviews mentioned location factors listed, some with most significant comments on them:

- Availability of skilled labor

> "Not only Croscom as a company at the time and its brand counted while locating 'Office 10' in Gdańsk, but also people. Surely there was a solid, good working team with appropriate technological skills here. It was not a decision about the city itself. 'Office 10' has found here good, qualified engineers." (T.B.2: INT.B.10);

- Potential employees with knowledge of English language specifically
- Potential employees with knowledge of foreign languages

> "While recruiting, the most important is a knowledge of foreign languages. Education and degree are not that important. Everyone has equal chances for the job." (T.B.3: INT.B.3).

- Support from "Invest in Pomerania" in political and economic matters, plus the fact that they organize training programs preparing attendants to work at SSCs or in its specific departments as in IT what prevents possible lacks in personnel

> "Invest in Pomerania has always been our supporter and they are a great host here. The institution plays a role of a bridge between the company, the city and political representatives […] We can rely on the OBC-Administration, too." (T.B.1: INT.B.5)

- Size of the city and its transport infrastructure incl. regional public transport, roads and connections to the airport
- Culture and mentality

> "There is a small fear about India as a location competitor, because it is much cheaper in India. But we rely on our quality of work, which in India, is lower (with all due respect to Hindu). (T.B.6: INT.B.8)

- Developed BP/SSC-Sector, but not overcrowded and presence of enterprises of same country of origin with multicultural surroundings. Better opportunities towards specific tasks and projects (because of the less crowded BP/SSC-Sector, agglomerated structure of the region, the universities and available personnel, the of quality of life and the seaside-location,

> "It is also important that there are other companies from Germany which are active here. We compete with Bayer in a healthy way […] Gdańsk's community from the BSS cares about fairness and pushes aggressive actions away. E.g. in Kraków, there are head hunters waiting for workers leaving their jobs, just in front of the office buildings" (T.B.2: INT.B.7)

> "Gdynia offers high quality of living conditions, it has good standards, it is near to the sea and it is less commerce than e.g. Warsaw or Kraków. [Importance of these conditions] attract people, potential employees, what by the way can mean that this office has been considered in a long run perspective..." (T.B.2: INT.B.4).

6.4.2 Decision Makers and Their Relation to Gdańsk

In all studied SSC-offices, the actual end-to-end decision makers were not reachable, furthermore, not even (if ever) present in Trójmiasto. They are managers from headquarters, committees or from other offices, who, after a detailed analysis of possible SSC-locations worldwide, decide what kind of specific processes should be moved out and to where[72]. With an SSC already existing, there are sometimes spontaneous visits of other site managers or

[72] T.B.1: INT.B.1, INT.B.2, INT.B.4, INT.B.5, INT.B.7; T.B.2: INT.B.9

management staff[73]. On-site managers and directors cooperate with other managers and project leaders[74].

> "The Gdańsk's 'Office 10' CEO is Polish and he is a member of a board of 'wise presidents' and he is already an element of the headquarter, an important decision maker. Therefore, the headquarter, so to speak, is permanently here. He has been here from the beginning." (T.B.3: INT.B.7, INT.B.10).

> "The CEO at our office is Polish; some operational decisions are made in the USA or in the UK, and some are made directly here. But basically we are doers with a limited autonomy and we do not decide about the strategy at all." (T.B.3: INT.B.7)

Further contact between the studied offices, their headquarters and other offices or departments within this enterprise, is often maintained via digital solutions. These may be informational videos, where the corporation's performance is shown[75]. These may also be project-related video-conferencing with superiors[76]. The relation from end-to-end enterprise's decision makers towards the BP/SSC offices in Trójmiasto is very often neutral, "*the head office managers and main directors have a neutral relation to Gdańsk, only overheads meet and know each other*"[77]; "the quality of life in Trójmiasto is getting better and better. This is important for (potential) employees and for those managers who visit Gdańsk. For a board of directors in general, it is not very important though"[78].

In an already existing office, further decisions or plans are often made on a semi-democratic communicative and negotiated level[79]:

> "Strategic decisions are made via conversations between the office here and the head office. But there are also several initiatives and projects that are brought up here, then, questioned and concerned from above and eventually possible for us to perform." (T.B.1: INT.B.3)

But this is not true for every company. In 'Office 2', although it has been in Gdańsk for several years, "all strategical decisions are made in the head office or in Warsaw. The decision about the planned relocation from Alchemia (now) to OBC (better offer) was made in Warsaw, too"[80]. Maybe this is because the 'Office 2' in Gdańsk provides and sells 'Office 2' products, as many other Polish offices of 'Office 2' do. So perhaps a central coordination is needed, in contrary to the SSCs' situation, where an enterprise may have just one or very few such offices.

The in-house offshoring strategy for business services can also be induced externally. 'Office 3' for instance opened its office in Gdańsk due to its client initiative, causing a growing need for German speaking callers[81]. Moreover, a decision about location, both for an SSC and for a general office extension can be made regarding location-specific advantages (see 5.3.2) or due to a very individual, personal situation of the decision maker or his/her advisors. For

[73] T.B.3: INT.B.3, INT.B.4, INT.B.8
[74] T.B.3: INT.B.7, INT.B.10
[75] T.B.3: INT.B.8
[76] T.B.3: INT.B2, INT.B.9
[77] T.B.1: INT.B.3
[78] T.B.2: INT.B.1
[79] T.B.1: INT.B.3, T.B.3: INT.B.9
[80] T.B.2: INT.B.2
[81] T.B.1: INT.B.3

instance, moving from Warsaw to Gdańsk in case of 'Office 8' was a purely business-driven decision from 'above': "*there were teams that stopped being viable, the decision makers had had a new vision, planned other tasks, changed a focus. It was more suitable in their eyes to begin in Gdańsk from then on*"[82], but the fact that 'Office 8' is engaged in Poland at all, has its own individual, human-factor history:

> "The decision about locating the SSC in Poland has its own and very interesting story: in that time the director of one UK's 'Office 8' office was a Pole (he was born in Poland but grew up in England), so he was pretty bounded to Poland, because of his roots. He has influenced other decision makers to choose Poland for the SSC-location, he convinced them that it can go here well – because of high quality of work and still lower costs of employment. He has known Polish mentality and he is a phenomenal person who was able to turn 'Office 8''s directors' eyes onto Poland" (ibid.).

'Office 10' for example came to Gdańsk through "pure" business activities (M&A). The enterprise was not looking for a place, but it had found a well-functioning IT-company "Olicom" and decided to buy it. Olicom itself had had its seat it Gdańsk, because it had purchased another (then) start-up, Croscom. The American Croscom went to Poland because of its Polish founder, who had migrated to the USA and who then decided to manage Croscom back in Poland, in Gdańsk.

> "The history of origin is long and complicated. 'Office 10' has bought another Danish company (Olicom, door-to-door-selling) which had been working in Gdańsk before. Olicom on the other hand, has also bought another company, Croscom, which was the initial company in this chain and has a very interesting genesis. Croscom's CEO, Tadeusz Witkowski, was a Pole who was living in the USA and knowing Poland; he found a company there and started running it here. There is an autobiographic book about him and Croscom called "od nędzy do pieniędzy, czyli znad bogu na wall street" [translated: "from poverty to wealth, that is from the Bóg river to Wall Street"] (T.B.1: INT.B.10).
>
> "So the fact of acquiring of Start-ups by corporations (also Witkowski's Croscom was a start-up) led 'Office 10' to Gdańsk and can be seen as a booze business consequence. It is a regular element of a corporate strategy: acquiring small, well prospering companies - if a corporation does not want to invest a lot itself." (T.B.2: INT.B.10).

'Office 12''s managers, have moved to Gdańsk because of the wife of one of the managers, who is Polish and who did not want to move to England. Previously, thanks to their relationship, the 'Office 12' managers also came to know Gdańsk and then decided on running their business there[83].

> "So the reason to move to Gdańsk was very personal, but the reason to stay was… purely business like. Especially now we are in the right place, because market deregulations in the energy sector in Poland are ahead. Gdańsk is a great place to live, 'Office 12' is not here because of cheaper labor, we employ English people anyway […]" (T.B.2: INT. B.12).

6.4.3 Internal Organization of Jobs and Local Social Engagement

As already described earlier, working in an SSC varies depending on its "age": working in a newly opened office is very challenging, it's similar to working in a start-up[84]. On the other

[82] T.B.1: INT.B.8
[83] T.B.1: INT.B.12, T.B.2: INT.B.12)
[84] T.B.1: INT.B.5, compare also to Adam in chapter 6.1

hand, the work in BP/SSC-offices depends on the exact processes or projects, which are to be done in the following areas: data analysis, finance & accounting, customer contact and support, HR or IT[85].

At the beginning or in the first years after opening a new office, i.e. before processes are stabilized, a lot of traveling may be necessary[86].

> “Moving business processes from other offices to our office is very cooperative, there are many exchanges and know-how-transfers. Now, we are adapting the processes from Germany and Holland and then undergo a stabilizing phase. Later on there will be processes from further offices taken over.
> The methods for finance- and for HR-processes differ a lot. For finance processes there is a ‘lift-and-shift’ method, where documents are transferred, then there is a stabilizing phase and after that an optimization of tasks takes place. HR-processes on the other hand, are implemented, additionally, not all HR-tasks can be done elsewhere. But, there can be a uniform system for employees’ data base.” (T.B.3: INT.B.5)

Additionally, to traveling needs while opening a new office, being employed by an international corporation raises chances for getting a position abroad within the same company.[87] This is, however, not often asked for, neither from a worker’s nor from the company’s side.

> “Twice a year there are integrational events organized, for people working on the same projects (it would be too expansive to organize such meetings more often or for all employees). By the way people who are working here, want to be here” (T.B.4: INT.B.1).

A reason here may be that such employee-relocations get complicated due to employment regulations in countries abroad[88].

In all studied SSCs it was reported that they are part of larger structures and that the employment situation is stable and in each of them there are no fixed-term working contracts. The initial training phase of a newcomer depends on his/her exact tasks and individual abilities; it takes from about 2-3 months up to 7 months[89]. It also depends on the fact whether the “*migration of process*” (visiting other offices) takes place or not[90]

In some SSCs there are so many tasks which have to be done immediately, so that there is less or even no time for training or internships left:

> “We don’t offer any internship programs, because our tasks have to be done immediately, we don’t have time for trainings (but that is why “Invest in Pomerania” runs trainee programs which are paid by other institutions, foundations or government).” (T.B.3: INT.B.8).

This, however, does not apply to all companies, ‘Office 5’ e.g. offers internships and ‘Office 10’ offers, additionally to internships, also working student positions[91]. In ‘Office 10’’s case this may be related to their extended R&D needs.

[85] T.B.1: INT.B.7, INT.B.8, INT.B.9; T.B.3: INT.B.1, INT.B.3, INT.B.4, INT.B.6, INT.B.7, INT.B.8, INT.B.10
[86] T.B.3: INT.B.3, INT.B.5, INT.B.9
[87] T.B.3: INT.B.5
[88] T.B.3: INT.B.8
[89] T.B.3: INT.B.4, INT.B.5, INT.B.6
[90] T.B.3: INT.B.7
[91] T.B.3: INT.B.5, INT.B.10

According to ‘Office 9’’s interviewee, the average employee stays in an SSC from two up to five years, “because [its] structure is relatively flat and not everyone can find a development path for him/herself”[92].

In ‘Office 10’, however, there are employees working more than 20 years at its Gdańsk office[93]. The average employee seems to be about 30 years old, “people in this age can easy adapt to new environment”[94].

If the interviewed managers talked about the local/social engagement of the enterprise, the mentioned activities seemed to be similar between the companies and were about cooperating with local universities[95] and about supporting charities. Engagement in charities, although it helps while building a long lasting relationship with a region, does not seem to be a necessary activity. Charity actions are organized by on-site “event teams” and may include the collection of clothes for poor families, building of Christmas packages or cleaning in a forest[96]. The presence on job fairs, or other branding events or job portals is important to some companies, too[97]. ‘Office 4’ for instance co-organizes school exchanges and workshops, and even coaching for pupils who are slow learners in school[98]. For the training of possible future employees, ‘Office 4’ has its own lab at the department of economics of Gdańsk’s University[99]. Similarly, ‘Office 10’’s employees have some hours of lectures at the Technical University of Gdańsk[100].

Further cooperation with the local economic infrastructure take place while cooperating with Polish gastronomical companies and ordering office equipment from Polish suppliers[101]. Nevertheless, ‘Office 9’ for example gets its office equipment from the mother company in Sweden – ‘Office 9’ creates paper and other products from wood[102].

As it seems, the analyzed offices do have their own, specific corporate cultures, just as noticed during the participant observation. As some managers put it:

> “it is important that we keep a friendly and not a hierarchical atmosphere here, we all call each other per se. It is a rule of the whole corporation which is respected in all our offices.” (T.B.4: INT.B.3)

The dominant nationality, with about 90% of the BP/SSC-offices’ employees, is Polish (including the local boards of directors, see chapter 6.4.2). Furthermore, almost every interviewee with some international employees at his/her office was able to tell them by name, indicating relatively small numbers[103].

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[92] T.B.3: INT.B.9
[93] T.B.3: INT.B.10
[94] T.B.4: INT.B.4
[95] T.B.3: INT.B.2, INT.B.4, INT.B.8, INT.B.10, INT.B.11
[96] T.B.3: INT.B.5, INT.B.8, INT.B.10
[97] T.B.3: INT.B.5, INT.B.6
[98] T.B.2: INT.B.4
[99] T.B.3: INT.B.4
[100] T.B.3: INT.B.8
[101] T.B.3: INT.B.4, INT.B.6, INT.B.8
[102] T.B.3: INT.B.9
[103] T.B.4: INT.B.3, INT.B.4, INT.B.5, INT.B.6, INT.B.7

> "We don't have any special wishes towards nationalities of our employees. Once, over 2-3 years we had here an American, Will, who […] went back to the USA […] then decided to […] come to Poland again! So now he's working with us […] We are planning to employ an applicant from Latvia now, we have a Russian female worker and earlier we had one man from Spain. Our job offers are to be found in English, but on Polish domains" (T.B.4: INT.B.8).

Those foreign employees in BP/SSC-offices are from countries all over the world and no specific preferences were named[104]. Both the foreign and the Polish employees are believed to be well integrated and they form "*international teams*"[105]. Gdańsk's 'Office 10' receives a lot of applications from India and other Hindi countries:

> "'Office 10' is a worldwide employer and also at our office Polish <u>and</u> international workers are welcome. Most of our employees are Polish, though. Foreigners, after application, are considered in technical and regulatory terms. Indeed, we receive many applications from abroad, especially from India, Hindi regions" (T.B.4: INT.B.10).

Foreigners can apply for a job from abroad (job offers are in English and in the working place, it is a commonly used language), but in many cases they actually first apply for a job on-site since most of them already live in Poland due to personal-, partnership- or family-related reasons[106].

> "Most of our employees are Polish, but we have 3 foreign workers by now (among them there is a man from Holland who has come here because of love); our finance director e.g. is Finnish." (T.B.4: INT.B.5).

In the offices belonging to enterprises from neighboring countries (Germany, Finland, Sweden, and, close to, England), few foreign employees actually come from these countries[107].
Regarding the multinational situation in Trójmiasto, Witczak (met on the Smartmetropolia congress, see 6.1) claims that many bureaucratic problems with employing foreigners definitely should be reduced; also, the regional planners should care more about them with e.g. city signs in English. Enterprises need not only more personnel in general, but also more English native speakers. *"Most of the Poles know English, but just on the intermediate level and on many positions we need much more*." (ibid.). Also the integrational politics, as Witczak says, should be taken more to the business level: now, enterprises need to care about their employees and about their future on their own. The fact that foreign employees stay longer in Poland and if they continue to do so if they will be supported may have a positive influence on investments. Here, free Polish language lessons could help while upgrading the regional attractiveness. So far, a sort of social integration on *"bigos [polish traditional meal] and vodka level*", has been working well, as Witczak reports. No one should feel alienated because of culture or because of language; it is a basic claim for the internationalization process. Witczak, being asked for the future of 'Office 4' in Poland, says that there will be a change of the

[104] T.B.4: INT.B.3, INT.B.4
[105] T.B.4: INT.B.4
[106] T.B.4: INT.B.4, INT.B.5, INT.B.8
[107] T.B.4: INT.B.6, INT.B.7, INT.B.9, INT.B.12

business model, of strategy, of services and offers, but the office in Trójmiasto is very stable and at present there are no known plans for its relocation.

6.4.4 Business Processes Offshoring: On-Site Investment and Longevity

In all studied cases of BP/SSC-offices[108], they are to be understood as “back offices”, which support and often relieve other enterprise’s departments or headquarters from business tasks. Cumulating processes at one place and hence standardization and unification of them, adds value to an enterprise, “*in terms of being on the same page*”[109]. Nevertheless, the processes performed in an BP/SSC-office are not always defined as an alleviation for a core business or other offices, whereas offshored processes can be very different from the core ones[110].
Excepting ‘Office 7’ (it has 7 back offices of BP/SSC-type worldwide[111]), all studied offices for now are the only offices of this kind throughout their enterprises.

> “Now, the processes from country offices are being moved to our office, but with the time, processes from all ‘Office 6’’s locations will be offshored here” (T.B.3: INT.B.6).

An additional issue upon moving processes from one office to another, or while cumulating and standardizing several business processes in an SSC, may be laying off people in the remaining non-SSC locations, although the interviewees claim that enterprises try to change their tasks instead of running dismissals.

> “So HR-possessions will not stop existing in other locations, there will just be less jobs and other focuses. No one is unhappy.” (T.B.3: INT.B.5)
>
> “In the locations from which the processes are moved to our offices, ‘Office 7’ tries not to lay off or lies off as less people as possible (German trade unions are powerful anyway). Sometimes those workers’ jobs are slightly different or they have less tasks after all.” (T.B.3: INT.B.7).
>
> “Some ‘Office 8’’s employees from other locations who had been working on the processes that are now done here have lost their jobs. However, ‘Office 8’ tries to provide modified or new tasks for its employees, if it’s possible. But this is how the employment looks like nowadays: while introducing some new projects, one office employs new people and another does not” (T.B.3: INT.B.8).

From offices abroad[112], or from already existing Polish offices[113], one or two experienced managers are sent for some time (for a few weeks[114] up to 4 years[115]) to a newly opened BP/SSC-office in order to implement the enterprise’s culture and to train the newly employed people. The new (Polish) employees are recruited by another existing Polish department of this company[116], the headquarters[117], a company’s office closest to Poland, or by external consultants/experts[118]. Meanwhile, since the BP/SSC-Sector in Poland and in Trójmiasto is

[108] T.B.1 and T.B.3: all
[109] T.B.3: INT.B.5
[110] T.B.1: INT.B.4, T.B.3: INT.B.4
[111] T.B.1: NT.B.7
[112] T.B.1: INT.B.3, INT.B.6, INT.B.8
[113] T.B.1: INT.B.8
[114] T.B.1: INT.B.3
[115] T.B.1: INT.B.4
[116] T.B.1: INT.B.2
[117] T.B.1: INT.B.3
[118] T.B.1: INT.B.9

constantly growing, the need for managers to Poland/Trójmiasto as trainers or mentors has decreased[119]. There are more and more qualified Polish people with an expertise to run an SSC themselves and to organize knowledge transfers and trainings[120]. However, e.g. 'Office 5', because of its "*strong Japanese tradition*" does still have a Japanese manager in Gdańsk[121]. He previously worked in 'Office 5''s German office in Düsseldorf and thus already knew Europe and its culture (ibid.).

In some enterprises, maybe because of their service in data-processing, the traditional BP-Outsourcing scheme cannot be applied:

> "our clients do not want any third legal subjects; our employment therefore relies on job contracts and 'Office 8' does not use any third parties." (T.B.3: INT.B.8).

The general plan for an SSC is created at the enterprise's headquarter about one or two years in advance[122]. An average time for a new BP/SSC-office to adapt is about 2 years at least.

> "While Gdańsk's 'Office 3' office has had to learn and adopt 'Office 3''s call centre processes and tasks, some financial processes were at the beginning outsourced to another, Polish company. But one year ago we resigned from outsourcing of these processes and since then we have been doing all processes on our own" (T.B.3: INT.B.3).

> "Düsseldorf's office has done the recruitment processes for our directors, for HR- and finance- areas. This process had been lasting 2 years long. Now we are recruiting on ourselves" (T.B.2: INT.B.5).

An SSC in its first two-three years grows rapidly and thereafter reaches its planned size and stays stable, or it grows further but by far less dynamically[123].

The tasks and projects performed are mostly given to the BP/SSC-offices, either from headquarters or from other country offices[124]. Nevertheless, all executed tasks in every office are believed to influence the enterprise's global strategy (ibid.). The more IT- or R&D processes are performed additionally, the more creativity and freedom in decisions, this office seems to gain[125].

In all studied cases, no relocation plans or fundamental changes were known to be in store, despite plans for growth or additional expansion. Interestingly, the statements about future plans were very similar to each other (T.B.6), some of them follow:

> "There are no plans for relocating or opening new competence centres […] in the nearest future our tasks will stay as they are, there is just an idea towards further expansion into the West" (T.B.6: INT.B.1).

> "The plan is to grow and develop, there will be up to 250 people (about 100 more) employed. We will move into another, bigger office […] there is also no fear about relocation to another city in Poland …" (T.B.6: INT.B.3)

> "Our office here is not growing as much and dynamic as in the previous years, but still, it expands […] because the corporation is stable at the moment, the future of 'Office 4' here is stable, too" (T.B.6: INT.B.4)

[119] compare INT.B.3 and INT.B.4 ('Office 3''s Polish office was founded in 2014 and 'Office 4''s office in 2006)
[120] T.B.1: INT.B.7, compare chapter 6.3 and T.A.5: INT.A.2
[121] T.B.1: INT.B.5
[122] T.B.1: INT.B.3, INT.B.4, T.B.2: INT.B.5
[123] T.B.1: INT.B.4, INT.B.9
[124] T.B.3: INT.B.4
[125] All of INT.B.1 and INT.B.10

> "By the end of this year we are planning to double the number of our workers, in the further future we want to employ three times more people" (T.B.6: INT.B.5)
>
> "We just have started running the office here, so it is hard to talk about relocation and about other cities which could be threateningly competitive for Gdańsk. Also because we are in a developing process, it would have no sense to relocate now or soon" (T.B.6: INT.B.6)
>
> "It is possible that there will be just one SSC for the whole enterprise, but there are no plans about it known for now. A reason for such decision would lie on quality of work and/or on business costs […] our plan is to employ here ca. 700 people. We are planning a closer cooperation with universities..." (T.B.6: INT.B.7)
>
> "We are planning to employ more people, especially by the time when the office in Warsaw will be closing" (T.B.6: INT.B.8)
>
> "So far, Gdańsk was a very good location choice […] for a relocation there would be much time needed or something really unpredictable in the politics or on the market would must happen. For now, there are no visible threats for that." (T.B.6: INT.B.9).

Nevertheless, some less optimistic statements were also to be heard:

> "Generally, we need to prove that we are good, or, that we are the best and qualified for what we're doing - so that 'Office 7''s decision makers can recognize and believe in the fact that Gdańsk is a great location for their SSC" (T.B.6: INT.B.7)
>
> "Whether it will happen that any of 'Office 10''s processes performed in Gdańsk or Gdańsk's office will be moved to another location, e.g. to India, is a matter of business […] within today's advanced globalization which determines us every day we have to take all possible developments into account." (T.B.6: INT.B.9).
>
> "In the business or in the politics, it is hard to predict what the future will bring. Who knows if we are not going to write with Cyrillic alphabet in the future?" (T.B.6: INT.B.10)

In accordance to further interviewees, no visible changes in politics in Poland and on the global level could seem to influence the studied offices. Again, the given statements were quite uniform (T.B.5), just as following examples:

> "The company is totally stable, with German working rules, so that no political changes can influence our offices in a negative way" (T.B.5: INT.B.2)
>
> "Recently, there have been being no changes in politics which could influence 'Office 5''s Gdańsk's office. Japanese people do not put business with politics together" (T.B.5: INT.B.5).
>
> "There are no visible political or economic changes yet which could have a significant influence on the 'Office 6' office in Gdańsk." (T.B.5: INT.B.6).

Here also some contradictory statements could be heard:

> "Membership in the EU is important for Asian investors, it ensures legal employment law and further legislative rules" (T.B.5: INT.B.5)
>
> "The political and economic situation in Poland has an input on us, e.g. according to the financing: we receive financial support from ministry – as long as we prove that we create working places. It is important what political direction does the government keep, because investors follow the news and it is always important how politicians behave… this is my very personal opinion" (T.B.5: INT.B.7)
>
> "There are advisors needed who help to get through the Polish employment law, it is still a very long process to get used to" (T.B.5: INT.B.12).

7 Semi-Quantitative Evaluation of Factors

The following evaluation tries to approach a level of ‘overall embeddedness’, in order to find crucial factors associated with embeddedness. The parameters selected have most probably an influence on the degree of embeddedness of a given company in a given location. These are: location factors, activities of the company with respect to the local structures and, last but not least, the time the company already spent in this location.

7.1 Location Factors and ‘Local Embeddedness’

Crucial interviews’ statements about location factors were weighed, as described above, due to the number of occurrences in a given interview. This was found to be useful in order to better define the location factors, to gain an insight in their relative importance and to estimate the degree of embeddedness of a given company. This method was inspired by „Centra usług w Krakówie i ich relacje z otoczeniem lokalnym” (in English: Services Centres in Kraków and their relations with the local surroundings”) by Micek et al. (2010). In chapter 6.4.1, all location factors named by the interviewees were presented. The factors were mentioned in different frequencies in total and per interview. This information built the base for the following calculations. In order to weight the importance of a location factor, they were transformed into percentages, thus their relative importance in their relation to each other, emerges.

With:
z = maximum number, the most often mentioned factor occurs (= 16 = 100%)
x = how often the factor to be evaluated, was mentioned (frequency)
y = the relative importance of a factor = x * 100 / z in [%], rounded to the nearest integer.

Table 5: Location Factors and Their Relative Meaning

Location Factors	Hard or Soft Factor? (Figure 3)	SUM of mentioned factors = x	relative importance of the factor in % (y)
Language(s) Scandinavian/German/ English	S	16	100
Situation of BSS: developed, but not overcrowded	H	13	81
Skilled potential employees	H	12	75
Local support	S	12	75
Good life quality	S	9	56
Lower costs	H	9	56
Good infrastructure (transport)	H	5,5	34
Infrastructure of offices	S	4	25
Cultural similarity, easy adaptation	S	4	25
Geographical location	H	3,5	22
Political-economic stability	H/S	2	13
Availability of possible clients	H	2	13

Source: own editing

One interesting insight derived from this table is that so-called ‘soft factors’ are often regarded equally important to ‘hard factors’. E.g. the ‘quality of life’ at a given location is regarded as important as are ‘low costs’ for the company, and the cultural similarity between the companies’ culture and the location’s culture seems to be rated as important as a good office infrastructure. Regarding these factors, it is worth mentioning that since the results were not obtained by multiple-choice questionnaires in the semi-structured interviews, the sole fact that a factor was mentioned at all, gives it a greater importance compared to the latter procedure.
The somehow limited insight, a fixed questionnaire may give, is shown in the graph below:

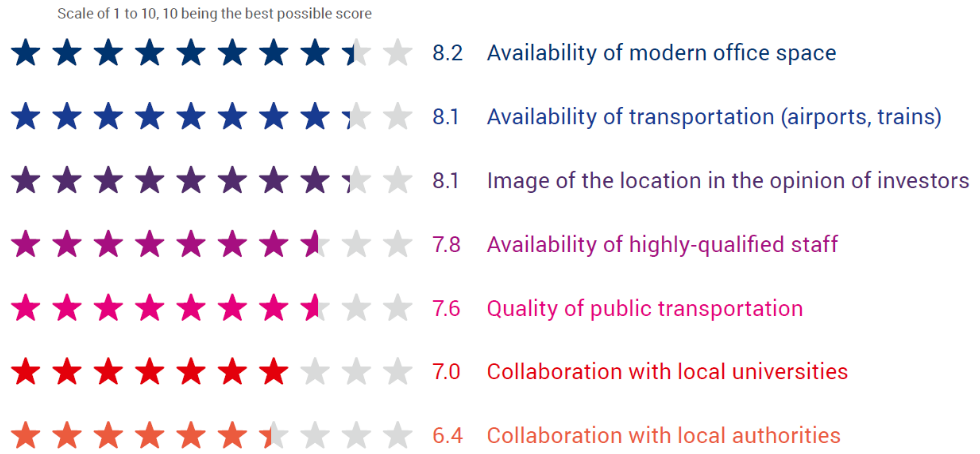

Figure 8: Assessment of the location as a place to do business […]
Source: Górecki et al. 2016, p. 18

The method applied above has three major drawbacks. First, the fixed set of possible answers may ignore factors, important to the companies. Second, no further insight above that, already present can be gained with a fixed set of parameters. Third, the result presented above is a summary of several cities with rather differing compositions in BP/SSC-companies and in those being in different states of development towards BP/SSC-locations. However, a fixed but maybe better equipped list of parameters definitely is a faster way to evaluate a big number of subjects (here: 134 companies).

The following radar-diagram shows the relative importance of the location factors in a more intuitive way.

Figure 9: Relative Meaning of Location Factors Mentioned, Radar-Diagram
Source: own editing

As it seems, some of the most valued location factors are related with the education of potential employees, be it in languages, or in service-specific skills. The local situation is also taken into account, not with respect to potential clients, but with respect to the local BP/SSC structure. A developed, but not overloaded situation is preferred. Local support and the quality of life are also important, and only then (maybe surprisingly for some economists) followed by low costs for the enterprise.

The fact that the geographical location itself has no high rating amongst other factors is perhaps in accordance with the fact, that political and economic stability were equally not seen as essential (at the very time of the interviews). Also, within the earlier presented geographical situation of Gdańsk (see chapter 4.1) and due to the presented flight maps, it can be assumed that Gdańsk’s physical location and consequently the travel possibilities are not that crucial.

In the following table, the weighted importance of the location factors relative to their maximum overall importance (100%, see table 5) is regarded in relation to their frequency per separate interview. Then those values per interview are summed up. Therefore, the resulting sum in the rightmost column signifies how much a given company relies on location factors (= reasons for choosing the location = reasons for staying (!) in the location).

Table 6: Location Reason (lr)

Frequencies of weighted factors (y)	Language(s) Scandinavian/German/English	Situation of BSS: developed, but not overcrowded	Skilled potential employees	Local support	Lower costs	Good life quality	Good infrastructure (transport)	Infrastructure of offices	Cultural similarity, easy adaptation	Geographical location	Ppolitical- economic stability	Availability of possible clients	lr = 'location reason'
INT.B.1	0	0	75*2	0	63*1	0	34*1	0	25*1	0	0	0	272
INT.B.2	100*1	0	0	0	0	0	0	0	0	22*1	0	13*1	135
INT.B.3	100*4	81*2	75*1	75*2	63*1	56*1	34*1	25*2	0	0	0	0	990
INT.B.4	100*1	81*2	75*2	75*3	63*1	56*1	34*1	25*1	0	0	13*2	0	841
INT.B.5	100*2	81*3	75*1	75	63*1	56*1	0	25*1	0	0	0	13*1	750
INT.B.6	100*1	81*2	75*1	0	63*1	0	0	0	0	22*1	0	0	422
INT.B.7	100*1	81*1	75*1	75	63*1	56*3	0	0	0	0	0	0	562
INT.B.8	100*3	81*2	75*2	75	63*1	56*3	34*1	0	25*1	0	0	0	977
INT.B.9	100*1	81*1	75*1	75	63*2	0	34*0,5	0	25*2	22*0,5	0	0	535
INT.B.10	0	0	75*1	0	0	0	0	0	0	0	0	0	75
INT.B.11	0	0	0	0	63*1	0	0	0	0	22*1	0	0	85
INT.B.12	100*2	0	0	0	0	0	34*1	0	0	0	0	0	234

Source: own editing

There is a special meaning in some of the cell-contents from 'Office 9'. Twice, the figures are not multiplied by 1 or more but by 0.5. This is due to the fact, that the interviewee actually named the factors, but immediately afterwards said they were not really significant.

The graph below shows the location factors (color), considered as important by the interviewees plus the relevance these are given to (size of colored rectangle).

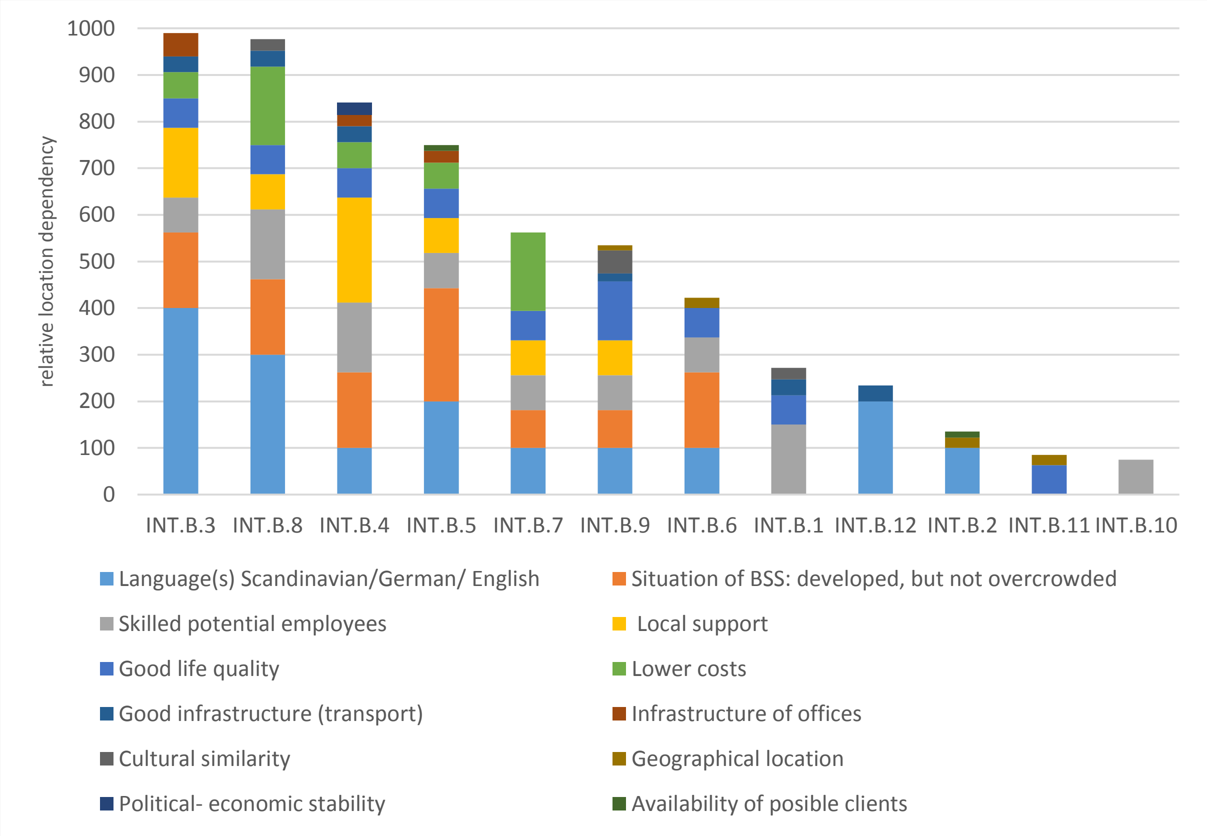

Figure 10: Relative Location Dependency of Studied Offices in Relation to Location Factors Weighted
Source: own editing

So the next logical question is whether or not a possible higher location dependency results in a higher degree of embeddedness. This may be true, since an equal or better match at a different location is harder to be reached, when more and more important requirements have to be met, with this harder gained advantage then not that easily being jeopardized.

In the following diagram, data from the previous table is used to illustrate the studied offices, grouped per location factor. To a given location factor, the companies finding it relevant are drawn as colored boxes (color), whereas the size of these rectangles signifies the relative importance, the companies attribute to that very factor.

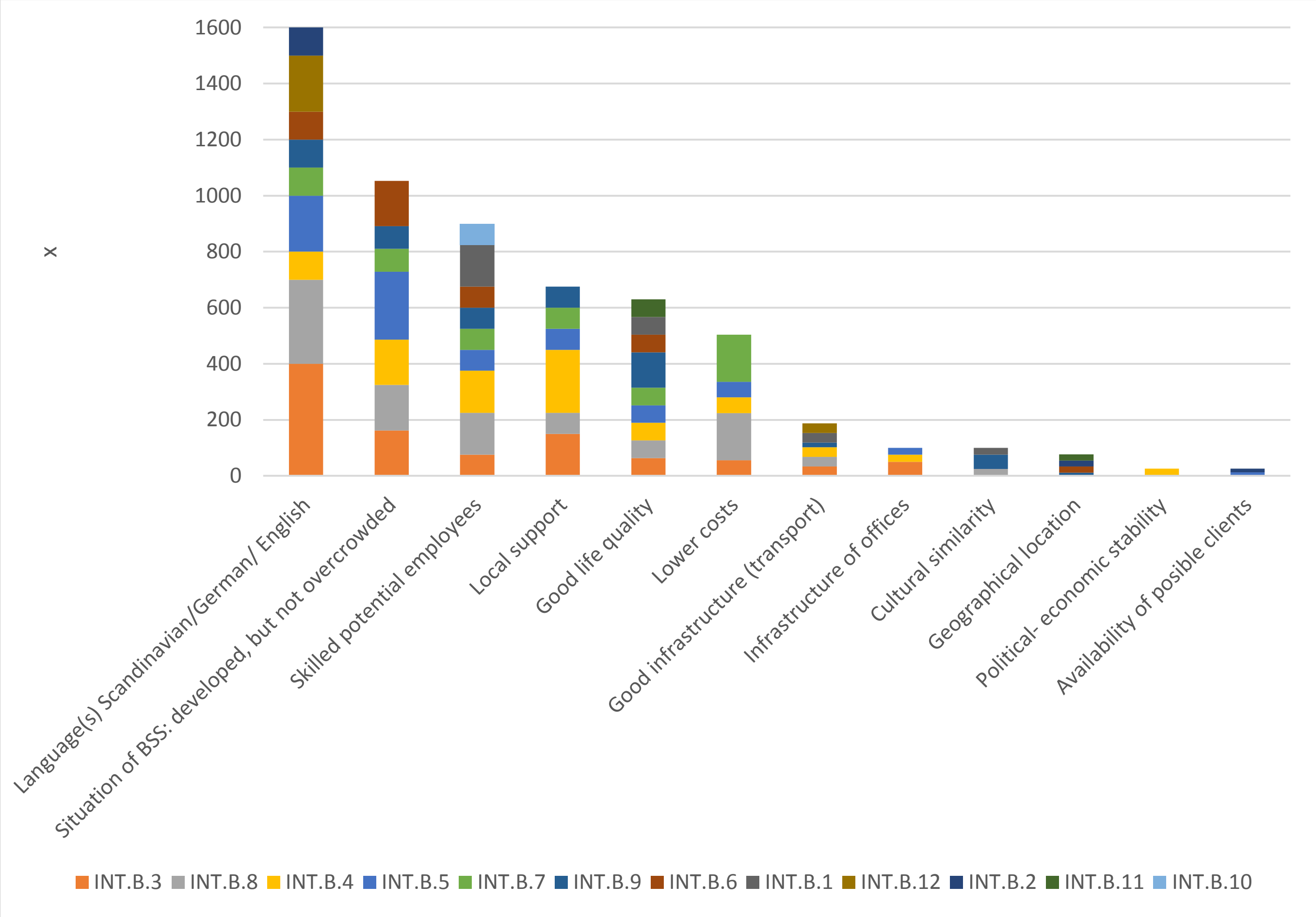

Figure 11: The Studied Offices Grouped per a Given Location Factor
Source: own editing

7.2 Local Activities and 'Active Embeddedness over Time'

The interaction of a given company with their local environment helps growing ties. Local noncommercial activities, but also interacting commercially with local companies helps in building a network of mutual trust. Another aspect in these activities is time. The longer a company takes part in or initiates, activities, the more trust/ties may be built. So here the presence of activities over time is evaluated.

A summary of the companies' local activities is shown in the following table. These local activities may be company related (e.g. presence on job fairs), socially related (e.g. gathering of clothes) or a combination of both of them (e.g. cooperating with local universities). The time since when the company has been present in Trójmiasto and until 01.2017 is given in years. To approach the degree of embeddedness, both the number of the companies' local activities and the time aspect are taken into account (see also Kraków's case in Micek et al. 2010, p. 103-111).

The result of the table below is a parameter, here defined as 'active embeddedness over time'. It is calculated as the sum of the activities per analyzed company, relative to the maximum sum of performed activities (here 5.5), in percent (=e[%]). Since activities, most probably, have a more embedding effect, the longer they potentially occur, e[%] is multiplied by the time the company has been in Trójmiasto (= t), with the parameter 'active embeddedness over time' (= et) as a result.

'Office 2', 'Office 11' and 'Office 12' were excluded. They helped to understand the specifics of BSS (through comparison), but here, more analysis would be needed.

In the following table:

INT.B.$_{1,3,4,5,6,7,8,9,10}$ = identifier for the interview's source and the company
1 = yes
0,5 = to some degree yes, with tendency positive
0 = not mentioned
-0,5 = to some degree no, with tendency negative
-1 = no
e = summed up values for local engagement
e[%] = e * 100 / e_{max}, with e_{max} = 5.5, e[%] rounded to the nearest integer
t = time aspect = years of office's existing in Trójmiasto until 01.2017
et = e[%] * t

Table 7: Local engagement, time aspect and 'active embeddedness over time [et]'

	INT.B.1	INT.B.3	INT.B.4	INT.B.5	INT.B.6	INT.B.7	INT.B.8	INT.B.9	INT.B.10
local managers of Polish origin	1	1	1	0.5	1	1	1	1	1
cooperation with local Univ.	0	0	1	0	0	0	1	0	1
social engagement	-1	1	1	1	0	1	1	0	1
presence at job fairs etc	0	0	1	1	1	1	1	0	1
cooperation with local companies	0	0	1	0	1	0	1	-1	-1
relatively independent from headquarters	-1	-1	-0.5	-1	-1	-1	-1	-1	1
offering internships	1	1	1	1	1	1	-1	0	1
SUM = e	0	2	5,5	2,5	3	3	3	-1	5
e[%]	0	36	100	45	55	55	55	-18	91
t	2	3	9	1	1	3	1	4	23
et	0	109	900	45	55	164	55	-73	2091

Source: own editing

The diagram below shows selected companies' local engagement, in percentage of the maximum value that occurred:

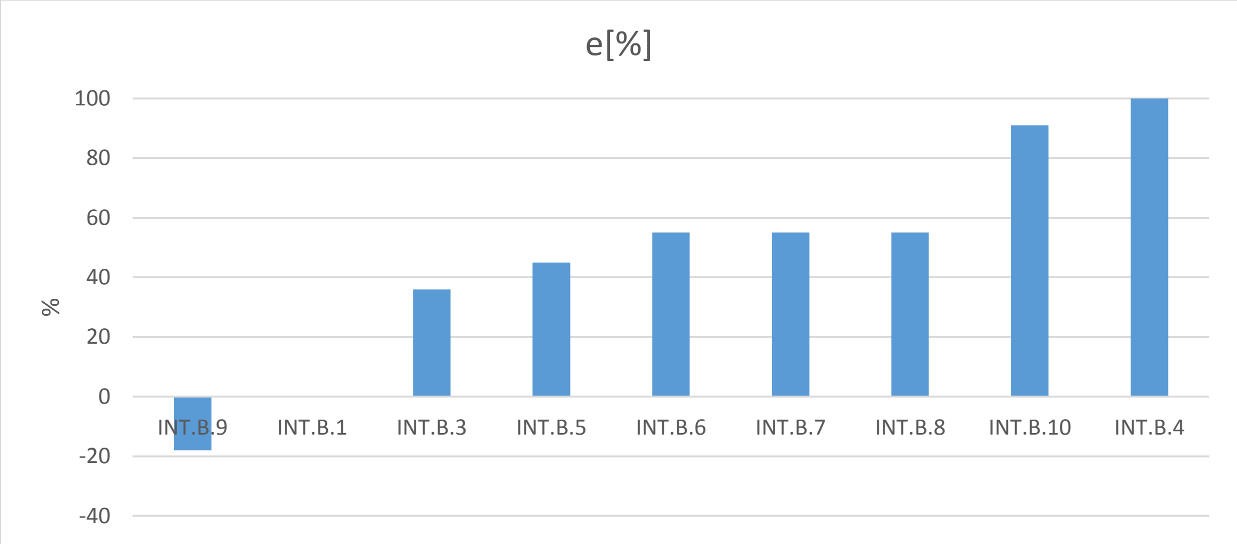

Figure 12: Local Engagement in %, with the Maximum Occurring Engagement = 100%
Source: Own edition

7.3 The Time Aspect Itself and 'Time Embeddedness'

As postulated earlier, time plays an important role in the persistence of activities. But time in itself is important too in the perception of a company or of the environment. The longer a stable routine or business relationship is kept, the more reliability is attributed, be it to conditions, be it to companies or to business partners. This reliability, coming with time, is a crucial component in doing business. So time is also considered here as a factor independently. Regarding embeddedness, the more time spent in a specific location, the more and deeper 'roots' may grow and the more embeddedness may arise. In the following diagram, selected companies and their years in Trójmiasto are shown:

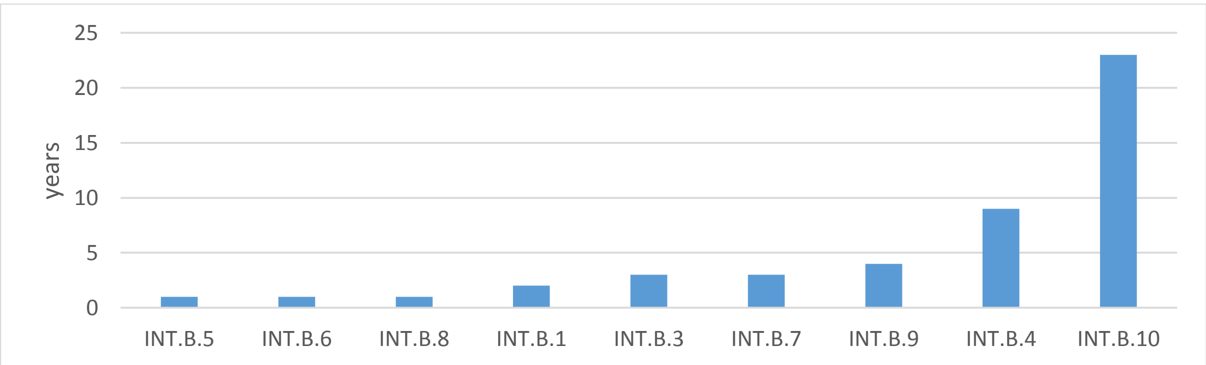

Figure 13: Selected Companies and Their Years in Trojmiaso until 01.2017
Source: own editing

7.4 Estimation of the 'Overall Embeddedness'

In order to get comparable and meaningful values, the original parameters (table 8) had to be adjusted.

Table 8: 'Location Reason', 'Embeddedness over Time', 'Time aspect'

	lr	et	t
INT.B.1	272	0	2
INT.B.3	990	109	109
INT.B.4	841	900	9
INT.B.5	750	45	1
INT.B.6	422	55	1
INT.B.7	562	164	3
INT.B.8	977	55	1
INT.B.9	535	-73	4
INT.B.10	75	2091	23

Source: own editing

The adjustment was done by defining the maximum value of the 'location reason, lr' (990) as a reference to which the two other parameter ranges were adjusted. With **'**active embeddedness over time**'**, this was done by defining $lr_{max} = et_{max}$ * adj_factor1, with adj_factor1 = lr_{max} / et_{max} = 990 / 2091 = 0,47345. Following, all values of 'et' were multiplied by adj_factor1 with n_et = et * adj_factor1. As a result, the maximum value in the 'et' range now, is also 990, as it is in 'le'.
The time aspect, now, the 'time embeddedness, te', was dealt with analogously. The maximum value was adjusted to 990 and so on. Here le = $lr_{max} = te_{max}$ * adj_factor2, with adj_factor2 = lr_{max} / te_{max} = 990 / 23 = 43,043 and n_te = te * adj_factor2. Now all 'te' values were multiplied with adj_factor2, with te_{max} now being 990, as are lr_{max} and et_{max}. All values were rounded to the nearest integer. The following table summarizes the results of these adjustments:

Table 9: Estimated Degree of Overall Embeddedness in Studied Offices

	lr	n_et	n_te	estimated level of overall embeddedness
INT.B.1	272	0	86	358
INT.B.6	422	26	43	491
INT.B.9	535	-34	172	673
INT.B.7	562	77	129	769
INT.B.5	750	22	43	815
INT.B.8	977	26	43	1046
INT.B.3	990	52	129	1171
INT.B.4	841	426	387	1655
INT.B.10	75	990	990	2055

Source: own editing

The next diagram shows the tables' results in a summed up bar graph manner, in order to allow an estimate of the degree of 'overall embeddedness'. These values are meant to be indirectly proportional to the degree of 'footloose-ness'.

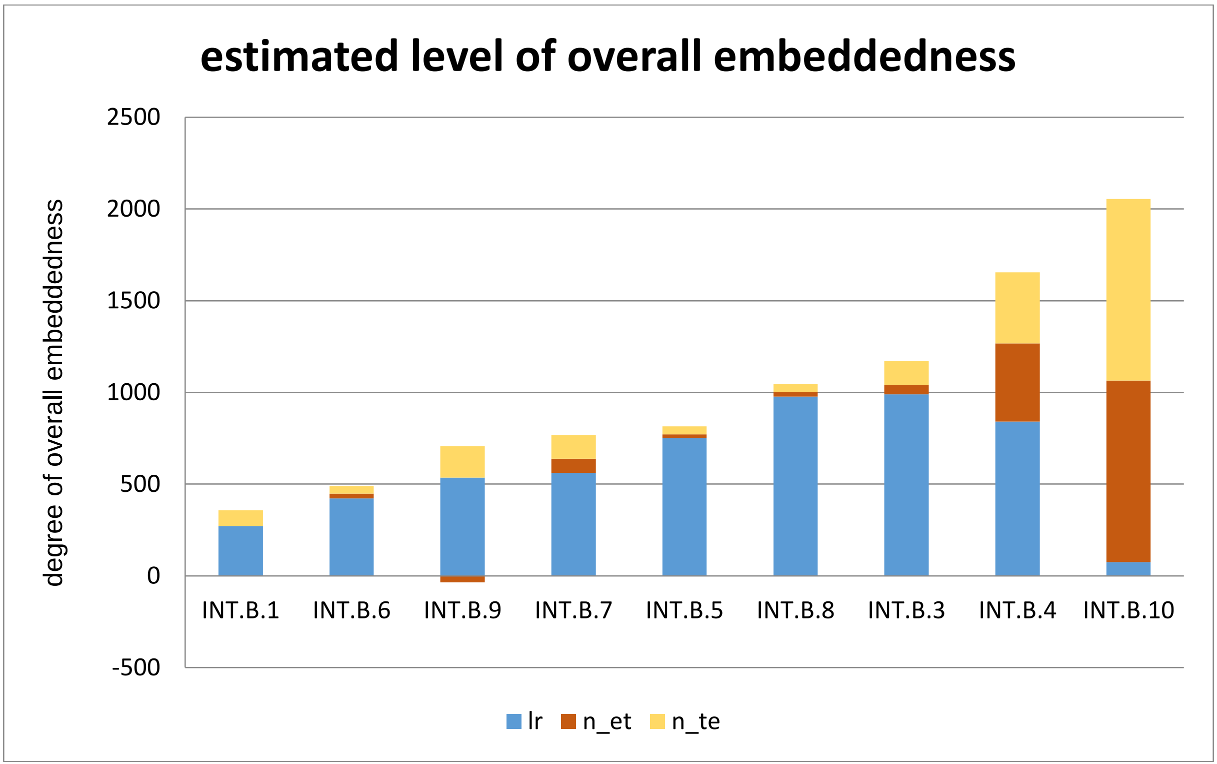

Figure 14: Estimated Degree of Overall Embeddedness in Studied Offices
Source: own editing

The sum in the diagram above shows an estimate of the degree of 'overall embeddedness' attributed to the companies. All three sub parameters of embeddedness contribute here. The interviews provided the necessary information about **the location factors (blue)**, **the activities in the local surroundings (orange)** and **the time the companies already spent in Trójmiasto (yellow).** As can be seen, a high degree of overall embeddedness can be reached by very different compositions and the three parameters contributing here may vary. With 'Office 10', for example, this highest degree of 'overall embeddedness' seems to be the least dependent on location factors. Instead, its embeddedness arises because of its long history in Trójmiasto and because of its continuous activities. On the contrary, 'Office 3' and 'Office 5', as well as 'Office 7', 'Office 8' and 'Office 9', seem to depend very much on location factors, as expressed in the 'location embeddedness'. The seemingly least embedded, 'Office 1' and 'Office 6', are the ones moved to Trójmiasto the most recently (2016). Perhaps the time to connect to the surroundings has been very short. Related to the 'age' of the office, the number of employees may be a further factor contributing to the higher degree of embeddedness. Here, 'Office 4' and 'Office 10' excel in the numbers of people they employ[126].

[126] Intel: 2000, TR: 1200; further details in appendix II (information about enterprises)

Worth mentioning again, are the statements presented from chapter 6.4.4. Besides these ‘three pillars of embeddedness’ namely, the personal connections are to be mentioned, too. As the examples of ‘Office 8’, ‘Office 10’ and even ‘Office 12’, shows, sometimes a personal relation to a specific location, be it roots or marriage, can be very influential or even decisive in the matter of business.

8 Conclusion

Foreign investments in the BSS have a visible impact on regional infrastructures: on real estates, on education and on employment. In this work, offices of foreign enterprises located in Trójmiasto have been studied in order to define a possible degree of their embeddedness. Therefore, a combination of economic and sociological methods, macro and micro analysis of the location, were applied. Due to the increasing globalization and progressing enterprise’s expansion, the BSS related topics gain more and more importance. The worldwide increasing dispersion of business services and their growing complexity triggers a need for the business processes’ standardization and unification. This seems to be possible thanks to IT solutions and to the skilled employees who can operate software, control processes, support the core businesses when e.g. serving the enterprise’s clients in various languages and thanks to even more skilled experts and managers who can run SSCs or similar constructs. These people are anything else than “ubiquitous”. According to the results of this study, soft location factors are yet almost as relevant as hard location factors not only while choosing the location for the BP-offshoring, but also while embedding the enterprise or its office. This emerged in the interviews with both the investor’s supporters and the BP/SSC-offices’ managers, giving an answer for the first part of the leading question “*according to what parameters the foreign enterprises are to be found in their specific locations in Trójmiasto*?”. The location factors, however, are not the only ones contributing to the degree of ‘overall embeddedness’. In chapter 7 three main groups of factors, the possible pillars of embeddedness, had been defined and the second part of the leading question, *“to what extend are they [the studied offices] embedded?”* was approached. In the group of the location factors, a ranking of these factors, according to the interviews of field B of study had been possible. In these interviews, key location factors emerged. The fact that ‘quality of life’ was given the same ranking as ‘low costs for the company’ did, may be a further sign for the increasing importance of so-called ‘soft factors’ and for a general orientation towards the ‘human factor’ itself. Local investment supporters, whose activities and (post-) investment care emerged to be extremely relevant for BP/SSC-offices, should take this tendency into account while shaping the local factors as well as regional authorities should. The two other pillars on which the degree of ‘overall embeddedness' may depend are the local engagement and the time. A relation between the enterprise and the region, a CSR, the size of an office, a relation between local managers and headquarters and an independency of the local BSS may contribute to the embeddedness, too. The theoretically location-independent "footloose industries" do not seem to be as "footloose" as suspected and can be a part of the sustainable development. Foreign investors' supporters, however, have to be aware, that one of this parameters is relatively fragile, one of this pillars is potentially unstable. This factor is "time". If this factor in itself is the main contributor to the embeddedness, the ties thereby created may prove to be too weak in times of crisis. Thus, the possibility of "disembedding" by "rapture" as mentioned in the theory has to be considered. Old couples also get divorced.

8.1 Possible Development?

The opening of a new BP/SSC-office causes costs for a company. Costs in time, and other investments, foremost in people and in the transfer of the knowledge. In the studied offices 'a relocation' does not seem to be seen as a serious or a realistic worry. In the contrary, the cooperation with the universities is planned to be extended, more people are planned to be employed and by some companies, larger office spaces are planned to be rented. Trójmiasto seems to be known for its attractive business conditions and a still growing number of office spaces. For enterprises, attractive and highly standardized office spaces seem to be relevant for a good reputation and for attracting new workers. Employees' well-being seems to be a commodified way to rise their pay.

Local investors' supporters in Trójmiasto first attract enterprises and later take part in networking and in creating the BSS cluster. The idea of a "metropolitan kind of society", among other advantages named on the Smartmetroplia congress, should help in attract new potential employees from abroad. However, for all such plans, the better legal regulations and procedures towards immigrants are still an issue to be worked on. Moreover, the current government in Poland expresses strong nationalistic tendencies. Shortly after the interviews were finished, the term "Pol-exit" appeared, becoming (and hopefully for a short time) a meaningful subject in Polish media. Taken the example of Hungary, where such political tendencies might have contributed to the dramatic fall of FDIs in 2015, this may not be very productive in the sense of the national economy and the BSS. Even if some of the interviewees expressed, only the situation of the mother company and on the market may impact the BP/SSC-offices, the influence of the local political situation, in my opinion, should not be underestimated. The claim that "business is about profit" sometimes seems to be underestimated. Enterprises are present in specific locations as long as these are viable, or as one interviewee indicated, any difficulties may lead to, from the local perspective, an infortune development: "we need to prove that we are good, or, that we are the best and qualified for what we're doing - so that [our] decision makers can recognize and believe in the fact that Gdańsk is a great location"[127].

The word "relative" in evaluating the "degree of embeddedness" was stressed, because there are too many and unpredictable factors that can cause a relocation of an enterprise than this short study can evaluate. Maybe, Prof. Sassen and the journalist Foy are right, advising Trójmiasto's regional decision makers to focus more on its shipyard and genesis, especially in Gdańsk, instead of on building its image on the presence of global players? In case of sudden relocating, which does not seem(!) to happen soon, but still, regional developers must be prepared for alternatives. Are people in Trójmiasto skilled enough to find jobs somewhere else or to eventually create new Polish-owned businesses? The time will show.

8.2 Reflection

In order to come up with better results and to answer the questions left, this research had to be carried out over a longer period of time, as well as more enterprises had to be studied. Of course, also other or additional methods may have been applied or in a different way, i.e., if possible, the actual end-to-end decision makers (in headquarters?) could have been interviewed.

A combination of both qualitative and quantitative methods was applied to have the contextual information appeared visually. Another approach could have been to ask the interviewees directly after these open interviews for the subjective importance they attribute to the factors they have already mentioned (using a scale, e.g. as in figure 8). This, however proved not necessary since all the interviewees upon being asked for the relative importance of the factors named them equally important.

Last but not least, the attitude of all interviewees towards the BP/SSC-offices and towards the investing enterprises was very optimistic and positive. Sometimes, their attitude was slightly formal within kind of long and diplomatic statements made. In the case of investors' supporters, this was probably because they are real promoters of the region. In the case of managers from BP/SSC-offices themselves, this might have been caused by (understandable) loyalty towards the company and in the view of the company policies. In order to gain a more comprehensive insight on the structures and on real life operations of the BP/SSC-offices, other employees could be interviewed, especially these very few foreigners who have been mentioned as being crucial.

All findings of this study can be used by local investment supporters for instance, since they give direct hints on how to increase the degree of embeddedness of foreign companies, thus reducing the risk of their sudden relocating. The companies' managers may use this in order

[127] T.B.6: INT.B.7

to better decide for or against a location. The parameters can be used to derive a set of recommendations for all potential actors in this game – but this has to be another project.

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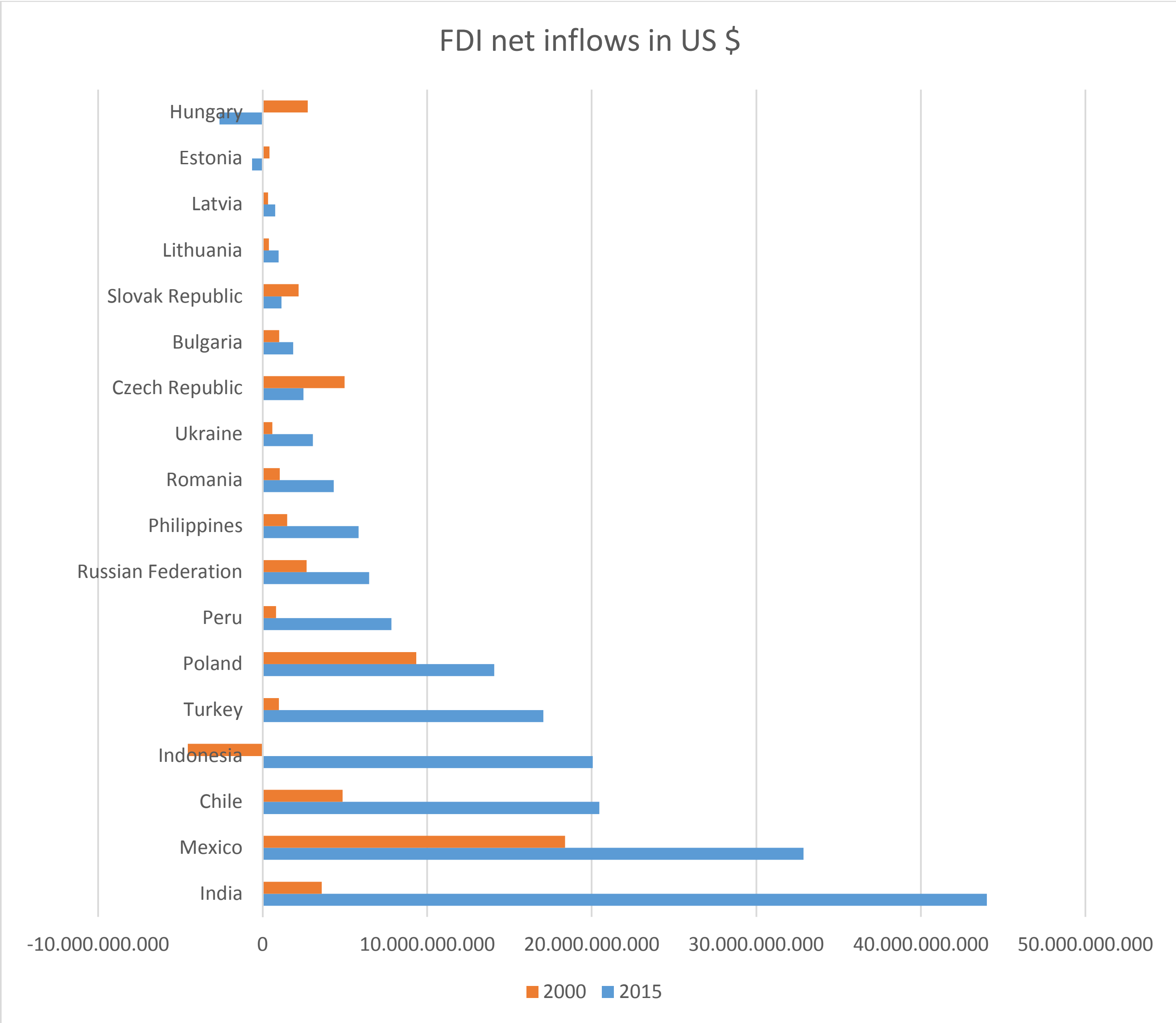
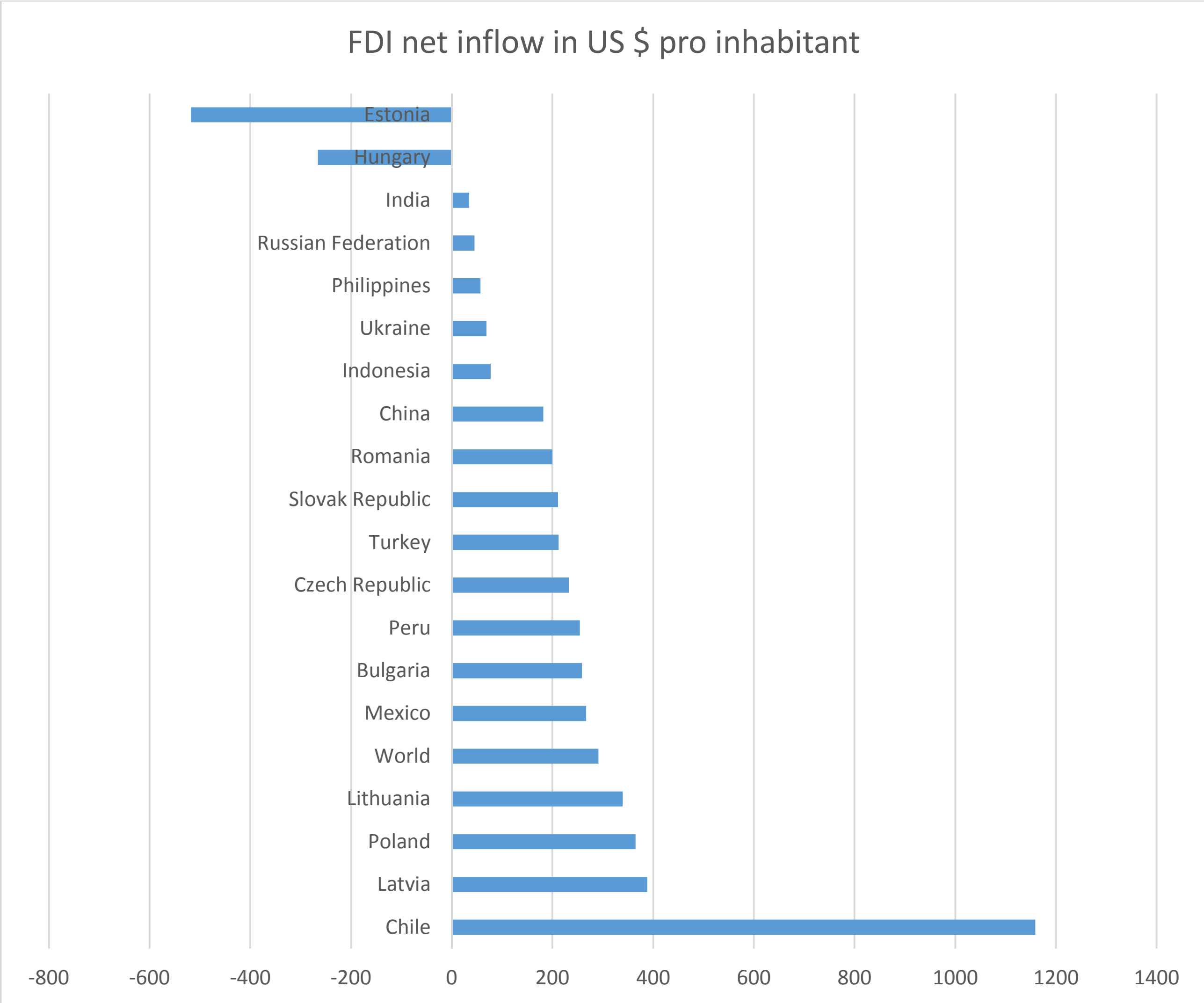
[Bibliographical information to the key interviews' partners is to be found in appendix II, as are the interviews themselves]

Appendix I

1. FDI net inflows in chosen countries and in Poland in 2000 and 2015:



Source: World Data Bank April 2017, own editing

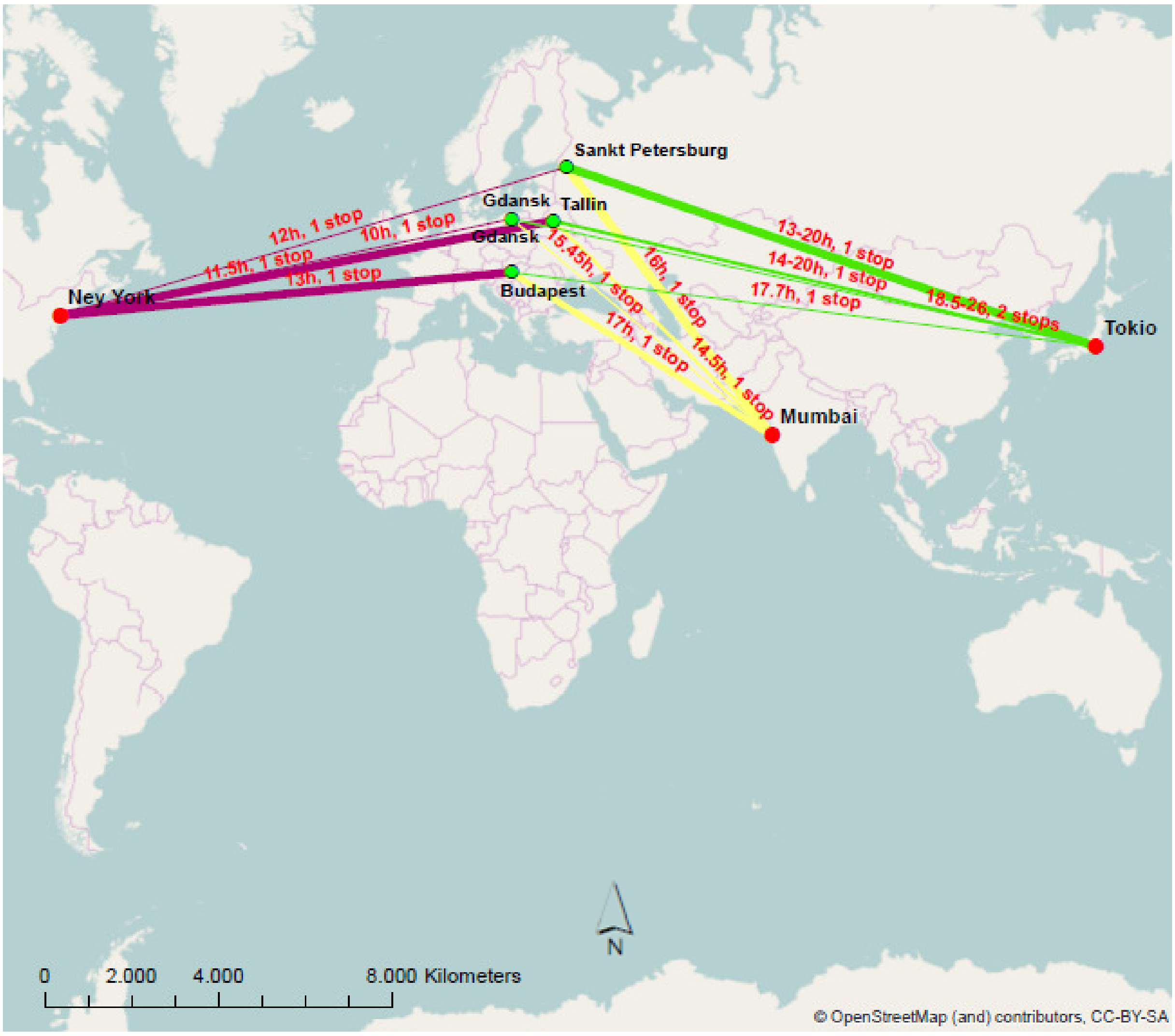


Source: World Data Bank April 2017, own editing

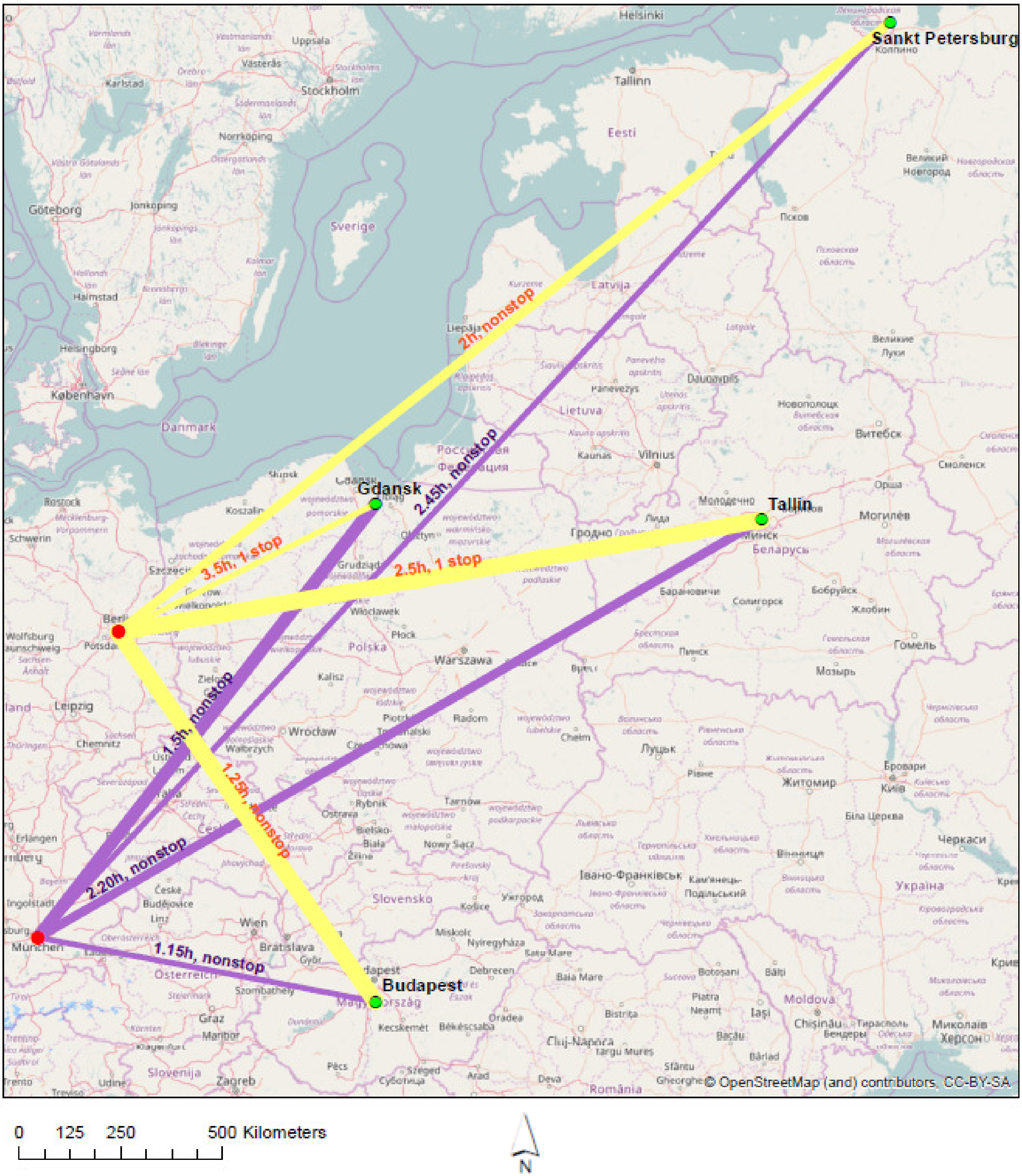
Additional overview:	2000	2015
World	1.460.696.633.152	2.135.702.931.874
Latin America and Caribbean	95.126.241.803	256.646.044.965
Middle East and North Africa	12.186.278.135	49.002.815.022
South Asia	4.367.540.968	49.603.323.383
China	42.095.300.000	249.858.920.111

2. Best flights

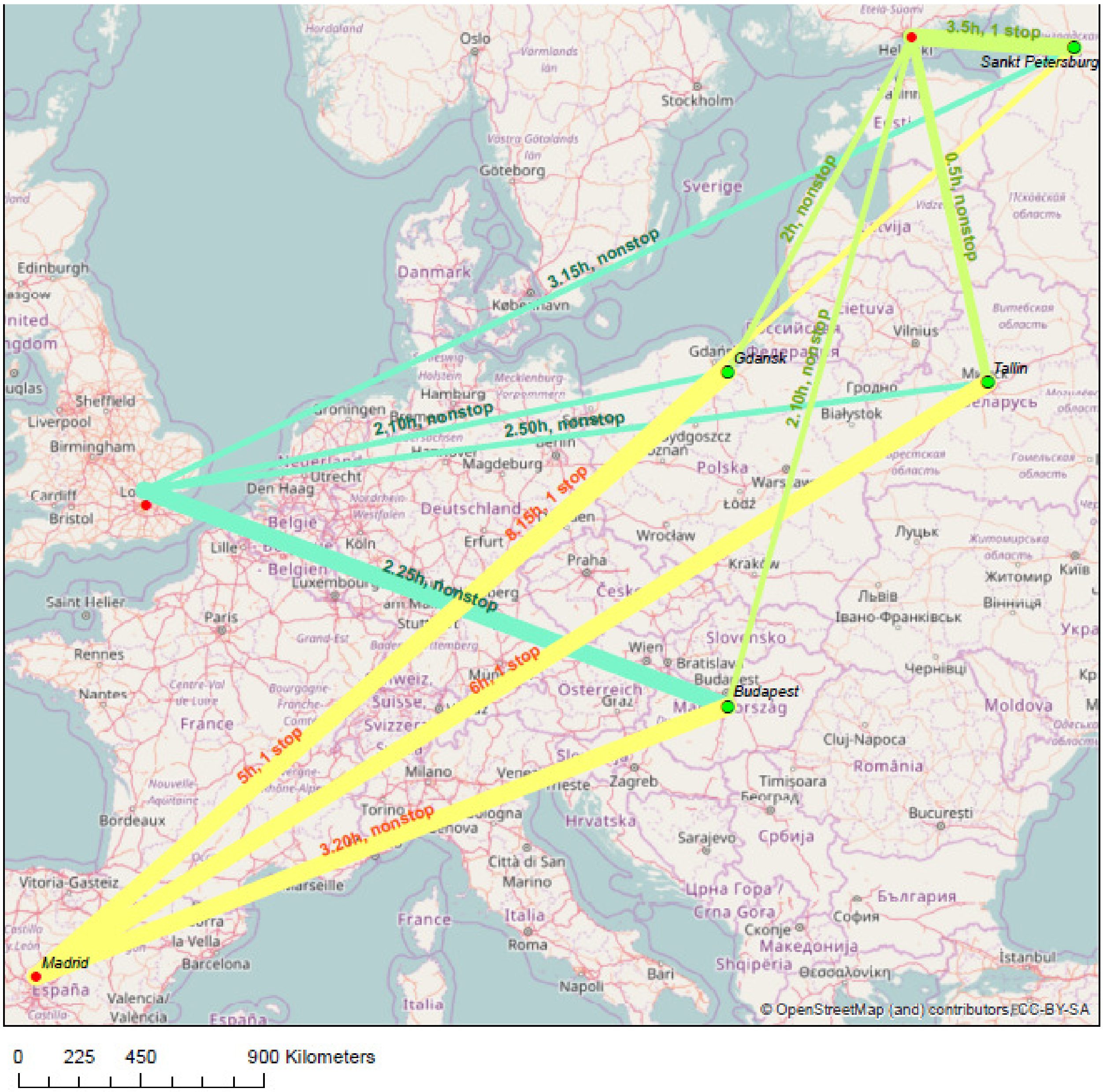
- ➢ flights have been searched on 29.12.2016 for 13.02.2017
- ➢ the thicker the line, the more flights available



Source: Own editing, ArcGis



Source: Own editing, ArcGis



Source: Own editing, ArcGis

N

3. OBC Plan-Map: