



THE INFLUENCE OF FOREIGN INVESTORS ON THE DEVELOPMENT OF POLISH ENTERPRISES – A CASE STUDY OF BANK ZACHODNI

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ABSTRACT

Pursuant to the definition proposed by Eurostat the foreign direct investment take place when a resident entity in one economy seeks to obtain a lasting interest in an enterprise resident in another economy. A lasting interest implies the existence of a long-term relationship between the direct investor and the enterprise, and an investor's significant influence on the management of the enterprise. Foreign investors do not only exert impact on given company's board of directors, but importantly provide production capital in privatized companies. Additionally they equip them with both know-how on the performed economic activity as well as technical know-how. They send their specialists whose task consists in eliminating the previous insufficient level of performance. Furthermore, these "ambassadors" of foreign investors introduce international standards in daughter companies smoothly. So from the theoretical side, the presence of foreign investors is associated with many benefits. It is worth verifying whether this translates into practice. The object of study is therefore demonstrating on a selected example the strength of the strategic investor's influence in a selected enterprise from the banking sector. Indeed, in this paper the author will deal with the impact of a foreign investor on the development of Bank Zachodni. A literature review will be applied for this aim. It covers detailed analysis of transaction documentation and post-audit statements of both the Supreme Audit Office as well as delegations of the Ministry of State Treasury. Thanks to research it can be assessed how AIB has positively influenced the operation of Bank Zachodni after the acquisition of shares. So the hypothesis in this article is as follows: AIB made a significant contribution to the qualitative development of the bank after purchasing shares in Bank Zachodni. Thereby, the results of this study contest popular opinion about exploitation of domestic employees by foreign companies.

Keywords: *Foreign Direct Investment; Know-How; Performance*