



## FOREIGN DIRECT INVESTMENTS IN THE BANKING INDUSTRY – CULTURAL BARRIERS. CASE STUDY OF POLAND

Lech Kurkliński

*Warsaw School of Economics, al. Niepodległości 162  
02-554 Warsaw, Poland  
Email: lech.kurklnski@data.pl*

**Abstract.** Cultural barriers for the international expansion of banks are described in the literature relatively rarely. The exceptions are studies on Islamic banking. This aim of the article is to present the banking sector in the Polish cultural environment context. The thesis says that the development of banking is strongly conditioned by cultural aspects, due to the nature of the perception of this kind of economic activity by the society, and historical conditions. The topic is even more underlined when it is confronted with the processes of globalization. The second thesis is: Poor knowledge and the problems of adjusting to the Polish cultural conditions for international investors can be a major barrier to the development of a bank in Poland, especially within strong ethnocentric tendencies, characteristic of many representatives of foreign capital. The level of ethnocentrism in banks - financial TNCs daughters in Poland is very high, and adaptability to local conditions vary, as it can be observed in comparisons of the financial results achieved by particular banks. The verification of author's thesis is based on the method of individual focus interviews (with bank managers - domestic and foreign) and statistical surveys.

**Keywords:** cultural barriers, banking industry, Poland, FDI.

**JEL classification:** F23, G21, M14.

### 1. Introduction

Banking belongs to those activities in which cultural factors play a significant role. The culture determines a general attitude to business and a special form of earning money – banking. This is due to several reasons related to universal human nature and circumstances of a particular society (e.g. different nations). Both dimensions are intermingled. There are a number of studies dedicated to the first field within the scientific discipline – behavioral finance. (Kahneman, Tversky 1979; Becker 1971; Hogarth, Reder 1987; Hens, Bachmann 2008; Shefrin 2002) But this paper is focused on the second theme – a national culture context of banking (attitudes to institutions of public trust and financial products).<sup>1</sup> This approach should be discussed with

references to the concrete country (nation). The study is based on the Polish environment, with very important religious background, the active role of the Catholic Church, historical and national aspects (in particular Polish-Jewish relations) arising from the history of Poland. The current approach to banking is the result of evolution of attitudes and cultural patterns. The culture change is very slow, in spite of such a fundamental political, economic and social transformation of the East and Central Europe during the last 20 years. The thesis of this article says that the development of banking is strongly conditioned by cultural aspects. Therefore, looking into the future we cannot ignore the historical and cultural circumstances, particularly having in mind the dominance of foreign capital in the Polish banking sector. Poor knowledge and the problems of adjusting to the Polish cultural conditions for international investors could be classified as the major barriers to the development of a bank in Poland. The problem is amplified by especially by strong ethnocentric tendencies, characteristic of many representatives of foreign capital. The level of ethnocentrism in banks - financial TNCs daughters in Poland is very high, and adaptability to local conditions vary, as it can be observed in compari-

<sup>1</sup> Also the impact of cultural factors on economic activity is quite widely discussed in the literature, e.g. studies of G. Hofstede, E. Schein, R. Gesteland, Ch. Hampden-Turner, A. Trompenaars, S.H. Schwartz, C. Kwock, S. Tadesse, (Hofstede 2001; Schein 2010; Gesteland 2005; Hampden-Turner and Trompenaars 1997; Schwartz 2006; Kwock, Tadesse, 2006) This list is far longer. However, a number of publications about impact of culture on finance, especially for banking (beyond the Islamic banking) looks modestly.

sons of the financial results achieved by particular banks. The verification of author's thesis is based on the individual focus interviews (with bank managers - domestic and foreign) and statistical surveys

## 2. Usury – the key to cultural attitudes

Banking has its roots in antiquity and the spread of money ore. With the collapse of the Roman Empire, the era of ancient banking ended. Only in medieval Europe, the development of commodity-money economy began to re-create conditions for the formation of organized, institutional forms of banking, to facilitate strong growth in trade.

However, it should be noted that with the arrival of precious money ore, there also appeared the phenomenon of lending for profit. Looking at the genesis and development of the banking - need to borrow/lend money, a cultural assessment of remuneration based on loans has been created. At the beginning the key role was the term - usury, with the pejorative overtones of the word, which was primarily founded on religious grounds. Initially, in Christianity and Judaism it was allowed to lend at interest to "alien people," but not coreligionists. This approach, however common to both religions, has been assigned only to the Jewish community. In this way, in medieval Europe dominated by Christianity, the sphere of money circulation was mostly in the hands of "alien people", in practice the Jews.

Finance, especially commercial lending, were assessed as highly morally reprehensible, very strongly condemned by the Catholic Church, especially among the Christians themselves<sup>2</sup>, but often also in relation to the dissenters, those "alien people". In Poland, Jewish settlement dates from X century, but more intensively from the period of the Crusades (1096 - 1270), being the result of the increase of hostility, and even hatred towards the Jews in the towns of Western Europe and their frequent expulsions. A lot of Jews were sheltered in Poland, relatively highly tolerant country in those days. This process was continued until the seventeenth century. At the end of the following

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<sup>2</sup> "Preachers from the thirteenth century argued that moneylenders were the main enemies of God, man and nature. After all, even blasphemers, murderers, and fornicators do not sin without breaks, at least because of fatigue. Even asleep moneylender increases his illicit profits and he is doing it without the work that God has commanded. (...) He demands more than lent, committing a sin against nature, because the infertile money don't give rise to new money." The Catholic exemplum's are informing us about sophisticated tortures dedicated for moneylenders in the hell. (Kracik 2005).

century, the Jewish population living in the territory of the Polish and Lithuanian Republic was about half the global population of those nations (Siewierski 2010). Religious and cultural diversity gave royal finances into their hands. They leased and managed mints of Polish kings: Kazimierz II (1138-1194), Mieszko III (1122-1202) and his sons. It gave them a privileged position and protection as "servants of national treasure." This situation intensified the indignation of the Catholic clergy, often calling for an open hatred, which was listened to the lower social strata. Despite that, king Kazimierz the Great (1310 – 1370) understood the role of the Jews in Polish economy, especially in creating the royal income (many Jews were tax collectors).

On the other hand, differences of religion and morals maintained their cultural distinctiveness, strengthening the status of "alien people" to the rest of the society. This opinion was created also by usury activities conducted by the Jews, often shocking by the demanded interest rate at the level of 108% per year. On the other hand, the credibility of the financial market operated by the Jews strengthened because of the principle of joint and several liability of Jewish communities (kahal) for the obligations of its members. So putting money in their hands was not risky and practically Kahals played the role of semi-banking institutions, paying interest per annum from 7 to 10%. (Jeziński, Leszczyńska 2010).

Prohibition of lending at interest among the Jews in Poland was abolished in 1607, by the Jewish parliament (official highest authority within Jewish autonomy). It contributed to the further development of the credit-financial system of this community. Polish Jews started their business relations with foreign countries, and especially the Netherlands more intensively. (Siewierski 2010) Also it increased domestic trade and the accompanying bills of exchange operations. There were accepted payments by bills, but the problem was the reliability of their issuers and frequent dishonesty. This led to the adoption of very strict penalties for issuing a promissory note without coverage. The degree of normalization in this area also shows the Kahal decision from one of the biggest Polish towns – Poznan, establishing a maximum rate of interest for loans among the Jews, at the level of 25%. (Jeziński, Leszczyńska 2010).

In a natural way the economic development of Europe was creating the need to increase the circulation of money. Initially, the region of central and northern Italy was affected by this process. From the XII century we could observe a growing demand for credit, including investment, involving an increased risk and the accompanying expecta-

tion of adequate remuneration for the lender. First financial organizations like semi-bank institutions were established. It was difficult for the Catholic Church to accept these processes. That's why the tendencies to condemn moneylenders were more intense. Theologians and moralists did not play a key role in creating such opinions, it belonged to widespread uttered "word of God" delivered by the clergy, causing the social condemnation of usury. Step by step, the ecclesiastical authorities were gradually changing their approach to the economic progress, especially the growing importance of financial transactions (e.g. the Franciscan Bernardino of Siena pointed to different aspects of usury - real and apparent, and urged restraint in its evaluation). Slowly the repressions against moneylenders were decreasing. However, the liberalization against usury reached Central and Eastern Europe with a considerable delay, that was not until the late thirteenth and fourteenth century. It was creating the need to find a theological justification for commercial lending. Finally the Catholic Church accepted the possibility to receive remuneration for a loan as an equivalent of the income from the land which belonged to the debtor for the period until the debt is repaid. Therefore there appeared a notion of repurchased rent referred to as *wyderkaft*. Pope Innocent IV declared that gratification not exceeding the normal income from the land worth as much as the borrowed amount, was not usury.<sup>3</sup> Among acceptable forms of credit, hire purchase was to be included.

Another form of actual avoidance of usury and protecting the poorest people, was the concept of Italian Franciscans - the pious banks (*montes pietatis*). Despite the theological doubts, the Church accepted this kind of partly paid interest for loans. In the territory of Polish-Lithuanian Union the first such banks were established in Vilnius (1579) and Krakow (1581). However, the scales of their operations were minimal. (Jezierski, Leszczyńska 2010).

From an official point of view the Catholic Church lifted the ban on usury only in 1830, and the final document - the new Code of Canon Law which sanctioned this decision was published in 1917 (Kracik 2005).

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<sup>3</sup> Another kind of compromise was to accept the principles of *lucrum cessans* and *damnum emergens* (meaning compensation for the lack of opportunities to dispose of the money) and *periculum sortis* (compensation for credit risk such as maritime transport). Moreover, it became permissible to punish the debtor for overdue loan (*poena conventionalis*). (Kracik 2005)

Initially, Reformation movements had the same attitude to lending and interest as the Catholic Church. M. Luther loudly rebuked this practice, calling it despicable. Anglican theologians occupied similar position. J. Calvin made the breach. He distinguished consumer loan from production loan. The second one received the right to be granted together with the applying interest rate. Of course there could be no full freedom. J. Calvin proposed to introduce the ecclesiastical control and judgment. Because of the constantly growing number of loans, the attention began to focus only on extreme usurious cases, leaving the rest relatively free. Calvinism had reconciled religion and the world of money, contributing to the emergence of a new Protestant mentality with values like work and prosperity. Hard-earned money began to deserve praise, but it had to be invested in the further multiplication of wealth, and not in ostentatious consumption. (Kracik 2004) New Protestant culture supporting a strong development of the economy, gave a good background to the progress of banking activity. This process took place partially outside of the Jewish society, as a result of earlier expulsions of the majority of Jews from Western Europe. They were not such an important social group as it was in Central and Eastern Europe. Generally, the Protestant Churches have taken a more liberal position (following the Calvinists), encouraging people to engage in financial activities.

Regardless of the position of the Catholic Church or the Protestant religion, the secular authorities of most countries have sought to regulate the issue of collection of interest on loans. They began to allow this practice, but as a rule prohibiting the use of an excessive amount of interest. In Poland, at the beginning it happened on the local level (such as towns as: Gdansk, Torun), and then extended to the entire area of the state (during the reign of the Polish king Stefan Batory). It was proposed to standardize the rules for charging interest (including the Jews) in 1775. When the Polish territories were under the occupation (XIX century) regulations were imposed, providing restrictions on the use of interest rate loans. Liberalization of the rules started in the second half of the nineteenth century, Prussia, Austria-Hungary and Russia introduced flexibility in setting interest rates. Because of the strong growth of lending, official authorities had to establish some rules regarding usury, together with various penalties for its use. (Leszczyńska, Lisiecka 2005)

Discussion and legal attempts to eliminate or reduce usury came back after World War I. Having strong inflation in mind, the Polish President issued a new decree on usury in 1924. In 1932

regulations limiting allowed financial benefits arising from monetary and credit relations, including banking were introduced. Additionally, in the spirit of the XIX century legislation the usury was penalized in the Criminal Code. From today perspective and the prospects for banking development in Poland, the discussion regarding usury came back in 2005. The new parliament act restored the historic criminal liability. Regardless of the consequences of a purely economic nature it has its own very distinct ethical and cultural context. It was a political response to public demand. Also it showed what special significance is accessed to financial markets and perception of banking institutions. Long tradition of anti-usury, with the strong role of the Catholic Church, had to leave a deep imprint on the cultural awareness and the attitude of Polish society, for spreading on not only lending and paying interest, but also on relationships between ordinary people and banks.

### 3. History of Polish banks – cultural context

Not only religious conditioning had a major impact on the development of banking services in Poland until the eighteenth century, but also socio-economic circumstances. The main role was played by Europe's economic duality – a quick progress of capitalism in the West and deepening of feudalism in the East and Central Europe. The reasons of this phenomenon were caused by several factors: great geographical discoveries, allowing the formation of colonial possessions and creating colonial empires, growing population, importance of urban centers, technological progress and rapid development of financial transactions. This picture of the sixteenth-and seventeenth-century Europe we can be attached only to the western part, separated by the Elbe river from very different countries lying to the east, including Poland and Lithuania. In the eastern territories these new trends and developments were not observed but, on the contrary, strengthening the dominance of feudal manorial economy. Unfortunately, this situation had had a significant impact until present days. The dependence of feudal society was escalated: legal attachment of peasant to landlord, increase of the scope of serfdom, consolidation of farms and the extensive cultivation of agriculture as the main economic base for the countries of this region. The development of cities and urban centers was severely restricted. Typical capitalist activities (workshop production, trade, finance and banking) were perceived as second rate or even unworthy. This approach to economic activity was widely accepted. The main role played manorial and serfdom culture for centuries. It was characterized by

the passivity of peasants and the expectation of receiving instruction in all matters. It resulted in belief that working for a landlord was only an obligation and that he was supposed to care of his property. It evolved into a kind of dual peasant ethics, different in relation to family, friends and different for strangers (including landlords). If someone took something from the farm it was not theft, but if it was done from neighbor's house – yes. Moreover, demonstrating leadership and examples of good work, were treated as actions against your own group and not gaining recognition among members of community. A huge gap between the peasantry and the lord was created. The last one was *de facto* and *de jure* identified with an official authority. (Glinka 2008)

Taking into account all the socio-economic conditions, in principle, is not surprising the lack of a broader financial activity among Polish people, except Jewish society. Followers especially of the Catholic faith (with few exceptions) did not engage in commercial banking. Recorded in the historic annals, projects such as montes pietatis had a limited scope such as supporting the poor people, but without financing major craftsmanship projects. A more active role of non-Jewish banking institutions appeared only in the eighteenth century, also largely conditioned by religious considerations. Among the representatives of the banking profession, in addition to Jews, Protestants led the lead. The greatest Polish banker of those days Peter Fergusson Tepper was the Huguenot. There were some exceptions among Poles, even of the well known magnate origin - Antoni Prot Potocki. For banking activities, the credibility of bank owners was always very important. However, until the first Polish banking crisis in 1793, it was not such a great importance, because no one imagined or experienced bankruptcy of a banking institution before. Insolvency of P. Fergusson Tepper caused the collapse of his banks and also the competitors. In this way, Polish banking sector went into ruins (seven major banks went bankrupt, including a Prot Potocki's). Only a few smaller ones survived. Very soon Poland lost its independence. Banking development in Polish territories was dying for several years and returned to a comparable level not before the mid-nineteenth century, (Morawski 2002)

After the collapse of the Napoleonic era, under Russian, Prussian and Austrian occupation it was limited range of initiatives to set up banks. The lack of formal banking entities was severe. Life doesn't accept a void. It was fulfilled by private nonofficial loans, usually based on usury conditions.

Social and economic changes were observed slowly. The mile stone happened in 1864 - the suppression of serfdom (in the Polish territories occupied by Russia in 1864 and in other partitions little earlier). It was the beginning of, the expansion of urban centers, the development of industries and the liberalization of official lending rules. These economic transformations allowed stronger development of banks and credit unions. Emerging financial institutions can be divided into: joint-stock banks and smaller credit associations. The first group was not strong and did not have extensive branch structures. Among the founders the prominent role played Jewish bankers such as L. Kronenberg initiator of Bank Handlowy (Commercial Bank – still existing as a part of Citigroup) in Warsaw. The domination of Jewish bankers was typical and similar like in the other European countries, especially in the eastern part of Europe.<sup>4</sup>

Because of weak position of banks and other banking enterprises, the large part of lending activity was in private hands, what we now call grey market. Paradoxically, the abolition of serfdom, high taxes, low prices for agricultural products and the economic freedom declared by official authorities caused a sharp increase in indebtedness of the peasantry. This was often done on usurious terms, mainly offered by the representatives of the Jewish community.

Under these conditions a cultural approach to banking with a very clear negative connotation was adopted. In addition, it was overlapped by growing anti-Semitism. The area of finance was attributed to the Jewish community. Attitude to banking was assessed through relations to the followers of Judaism. The situation didn't changed a lot after regaining the independence by Poland in 1918.

After the World War II, during the communist period, centrally planned economy marginalized the importance of banks as actors of economic life, as well as general public awareness. Some kind of reflection can be seen through the prism of a very high degree of feminization in banking industry. At that time emotions in relation to banking lapsed very seriously. Banks began to be treated as government offices, at a comparable level to the institutions representing the official authority.

A completely new chapter in the history of the Polish banking came after 1989, along with political and economic transformation. First non-communist

<sup>4</sup> For example, the Berlin Jewish bankers share was 55% in 1882. This tendency can be seen even more clearly in Vienna, where at the beginning of the twentieth century 80% of manager positions in the banks were occupied by Jews. (Schijf 2002)

government introduced several crucial economic changes. The new plan resulted in a drastic increase in interest rates, which caused a shock effect. Loans become sharply more expensive. The society educated at the communist period were hit by the first real encounters of market economy. People saw the new face of banking. At the beginning the banking sector was dominated by state banks. Also the first private banking institutions were created.. Shortly, some of them engraved in the history of banking transformation very infamously.<sup>5</sup> However, in combination with a very frequently occurring acute assessment of banks observed in the media, and even speeches and documents of the state authorities, it draws a rather negative image of the banking sector. During the recent financial crisis, the world public was widely informed about the moral hazard of bankers, managing banks in highly risky manners to get the best short term results and collecting gigantic bonuses. On the other hand, it was possible due to the existence of an unwritten rule that banks are institutions too big or too important to fail. In many cases, this principle worked and taxpayers of several countries were forced to rescue banks on a scale hitherto unknown. It must be said that Polish banks didn't play an active role in this crisis and we can treat them like positive institutions, managed according to conservative and safe rules. But general dark picture and common negative opinion about banks and bankers has been transferred to Poland with similar consequences for the bank image.

#### **4. The role of foreign capital in the Polish banking industry**

The present shape of the Polish banking sector has been the result of the second half of the 90s tendency to enter and strengthening of foreign capital. From the perspective of cultural and linguistic context it is interesting to call in Polish "foreign capital" as "strange or alien capital". Potentially it has its roots in above mentioned history. At the end of the first half of 2013, 62.9% of total assets of the banking sector were controlled by foreign investors. (Polish 2013) Both: the figures

<sup>5</sup> Prosper Bank was famous for its issuance of shares in a public offering on terms very unfavorable to small investors. Then, due to the extremely risky and irresponsible management, the resolution regime was introduced to the bank under state control, and the former owners were deprived of the ownership. Similar situation happened to Pierwszy Komercyjny Bank in Lublin (by the way owned by person with Jewish origin from Russia), offering an extra ordinary attractive interest rates on deposits. Both cases happened with very loud tone of negative media.

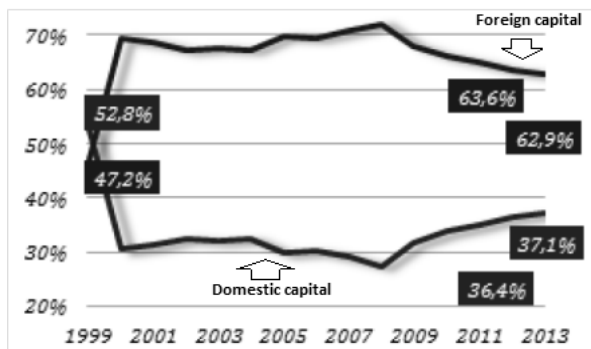


Fig. 1. The structure of the Polish banking industry the percentage of the total assets (Source: Polish FSA 2013)

and the general feeling are confirming the dominance of "foreign capital". It should be noticed that the market share of the banks owned by the international investors has been decreasing slowly, but systematically since 2008. Based on interviews with top managers we can observe the phenomenon of cultural dissonance among banks dominated by foreign capital, looking at relations between banks - clients and employees - the employers. They are underlining the high level of ethnocentrism represented by TNC headquarters (even pushy imposing of corporate culture without taking minding the local cultural environment). It is confronted with the Polish society. Poles show the reserve in front of banks and aggressive foreigners, as the result of historical and cultural background. We can compare this attitude with totally different historical and religious environment of banking development and cross-cultural relations in mother-countries of the majority of foreign investors. We should add a factor that Poles had to fight for freedom and independence of the Polish nation against external (foreign) aggressors for centuries. In Poland there is extremely strong importance of autonomy and rejection of patterns and rules empowered by foreigners (the fight for independence in the XIX century, the war against the Soviet Russia in 1920, the World War II, or the communist period – e.g. the Solidarity movement etc.). These days the similar behavior of many foreign investors can be noticed. They are imposing their own norms and values, ignoring the local culture and customs. Of course it has its negative consequences.

It is interesting, that among the 10 largest banks controlled by the foreign capital in Poland, none has built its market position solely through organic growth. All of them have achieved their position as a result of direct or indirect acquisition of Polish banking institutions with significant market share. Only Raiffeisen Bank Poland was ranked on the 7th position according to the results from 2012, but it happened after the acquisition of Pol-

bank (Greece bank). In this case we can speak about relative success in obtaining a fairly strong market position without previous mergers and acquisitions (2011 – 13<sup>th</sup> position).<sup>6</sup> (50 2013) However, the activity in Poland doesn't look successful comparing the results of this group in other Central and East European countries. Raiffeisen Bank Poland was classified as having the weakest performance in terms of market share in this region among this group subsidiaries.<sup>7</sup> The proof of the above described mechanism is related to the competition between two of the biggest banks in Poland: PKO BP (controlled by Polish government) and Pekao SA (fully dominated by Italian Unicredit). In 2007 Bank Pekao SA finalized the acquisition of BPH Bank. Because of this transaction Pekao SA became the biggest bank in Poland. It dethroned the leader – PKO BP. At the first glance the well managed foreign bank with support of Italian back-up facilities should win the further competition with the local bank without problems, additionally bound by governmental influences. But in short time this indigenous bank (PKO BP) proved better. The numbers are confirming this situation (Table 1 and Table 2). Unfortunately the ethnocentric tendencies are clearly visible in Pekao SA (keeping the Polish figurehead as the president of the bank for several years and at that time the bank was managed by the Italian deputy).

Table 1. The comparison: PKO BP and Pekao S total assets/equity (billion PLN) ( Source: Data of Polish Financial Services Authority)

Bank	Total assets		Equity	
	2007	2012	2007	2012
PKO BP	108,6	193,5	9,5	24,7
Pekao SA	123,8	151,0	10,6	23,5

<sup>6</sup> This Greek case is interesting, not only because of the mutual relations of Polish culture and Greek culture – the origin country of the Polbank's foreign investor, but also because of the role of organizational culture in the management of the bank in the context of national culture. (Belias, Koustelios 2013; Xiaoming, Jun-chen 2012; Rose *at al* 2008)

<sup>7</sup> Market shares of Raiffeisen group, on the basis of data from the end of 2007, were as follows: Poland - 2.1%, Hungary 7.6%, Czech Republic - 3.9%, Slovakia 15.7%, Slovenia 3.0%, Croatia - 11.1%, Romania - 6.1%, Bulgaria - 10.1%, Serbia - 9.4%, Bosnia and Herzegovina - 19.5%, 31.9% of Albania, Kosovo - 35.9%, Ukraine - 7.4%, Belarus - 10.3%. It is worth emphasizing the fact the Raiffeisen top management considered the most important role of Polish market, where practically the results were the weakest in this respect. (CEE 2008)

**Table 2.** The comparison: PKO BP and Pekao SA net profit (billion PLN) and C/I ratio (%) (Source: Data of Polish Financial Services Authority)

Bank	Net profit		C/I ratio	
	2007	2012	2007	2012
<b>PKO BP</b>	2,9	3,7	52,7	39,9
<b>Pekao SA</b>	2,2	3,0	47,1	41,1

It is interesting in another case of the private Polish bank – Getin. It was created in 2004 by acquisition of a very small bank GBG SA. But now this bank is the 6<sup>th</sup> biggest in Poland. Any foreign bank could achieve such results without an acquisition of well-established Polish bank. In the history of Getin Bank there are a number of acquisition, but all of these banks were small. The majority of growth has been achieved by the organic activity and there are no other example of such expansion. PKO BP and Getin bank are managed locally by Polish managers. They understand national culture and domestic circumstances.

On the opposite pole the case of HSBC in Poland could be presented. This bank (Polish subsidiary of HSBC) was established in 2003. After 5 years it sold its consumer finance division in Poland and three years later closed its new opened flagship activity – personal banking. Only limited offer for corporate clients remained. This is very a good example of what could be achieved when a bank in Poland is managed from London. There are no other designations about HSBC in Poland then the big failure. (Samcik 2011)

## 5. Conclusions

At the beginning of this article the question was posed: whether cultural differences and ethnically motivated behavior are above-average factors affecting the functioning and the success (failure) of financial institutions, especially the banks in Poland. According to the author, the answer is positive. It requires further research and analysis. But even based on present observations it could be suggested that foreign owners of banks in Poland should take into consideration Polish historical and cultural circumstances more seriously if they think about further success. The very well, worldwide known problem of the ethnocentrism<sup>8</sup> is especially important in banking industry, particularly in Poland. All interviewed managers confirmed this opinion. The last presented example of the bank ranked among the biggest in the world - HSBC

<sup>8</sup> There are a number of publications regarding this topic, e.g. works of R. Stulz, R. Williamson, G. Tabellini (Stulz, Williamson 2003; Tabellini 2010)

gives a very good proof. The British could establish only extremely marginal position at the corporate banking area and have experienced a total failure at their flagship activity - personal banking. Also the cases of PKO BP and Getin bank are confirming these interrelations.

Regarding present Polish-Jewish relations we don't have banks owned by institutions or individuals representing these nations. We don't observe any further problems or conflicts. But it looks like that to some limited extent, the historic role of the Jewish community for Polish banking industry (treating them like "alien people") has been replaced by foreign capital. It should be taken into consideration by the existing banks (owners) and newcomers.

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