

4. Personnel institution clearing/completing projects from the ESF has tendency of technocracy, formal planned results of the projects are far more important than the results of completing the projects.

5. There is a chaos of information which in favor beneficiaries being well informed about the terms and conditions of accession to the programs or projects (Grewiński, 2009, p. 22-23).

6. The existence of the need for the law of public procurement law and the provisions in the grant agreement, which are more restrictive than the law itself, requires selection of suppliers of goods or services based solely on the lowest price, which often is associated with not the highest quality (Kwiatkowska-Ciotucha, 2013 p. 178).

Eliminating these problems in the near future will lead to accelerating the activity of public administration in the implementation of ESF projects and contributing to a more effective and efficient spending of EU grants funding from the European Social Funds.

PARTNERSHIP IN SLOVAK-FOREIGN JOINT VENTURES

The most important precondition of joint venture success is the right choice of the partner. Partner selection criteria, along with strategic motives of international joint venture (IJV) creation, management control and IJV performance are the core dimensions of this type of strategic alliances (Glaister, Husan & Buckley 2005). According to B. Nielsen (2002), company which wants to create strategic alliance should make an analysis of current and potential future resources and capabilities of the partner needed to achieve alliance success. He divided the partner selection criteria into two groups. Partner-related criteria include mutual trust among the managements, partner's reputation or positive experience with the business interaction in the past. Task-related criteria comprise of access to knowledge about the local markets, regulations and culture, access to suppliers and customers of the partner and to its distribution channels. Degree of favourable past association among partners seems to get more important for partner selection as the number of prior relations increases. The more prior relations with potential partner, the higher the importance of favourable past association as partner-related selection criterion (Glaister, Husan & Buckley 2005). Financial health of the prospective partner is also important when making a selection (Zambuto, Kumar & O'Brien 2013). The higher the uncertainty, the higher the consideration given to the potential partner's status, and the tendency to rely on company that can be trusted (Chung, Sing & Lee 2000). Companies which want to create an alliance should be more aware of the value of personal networks especially in regard to the selection of partners in joint ventures and strategic alliances (Boyd, Dyhr Ulrich & Hollensen 2012).

In the 1990s, basic attitudes of the partners, IJV financing or division of profits were often not formalised in the joint venture agreement of Slovak-foreign IJVs (Šestáková 1994). However, risk and profit allocation, scope of the alliance and valuation of respective partners' inputs and equity shares are important aspects which must be clearly defined if the partners want to prevent disagreements during the alliance existence (Pekár & Margulis 2003). Rights and responsibilities of the partners, their contributions to the alliance, and processes in the alliance, conflict resolution and expected outcomes of the alliance should be defined in detail in the IJV agreement. Other important aspects include clearly specified information-sharing process, alliance termination and which severe violations of agreement could eventually lead to the end of the partnership (Kale & Singh 2009).

Careful specification of the various cooperation aspects should lead to lower risk of partner's opportunistic behaviour. Joint venture agreement is also decisive in division of

competences among the alliance partners (Smolková 2009) and important tool to exert control over the joint venture. Clearly defined critical aspects of alliance functioning are thus an important prerequisite for successful partnership. According to Glaister, Huan and Buckley (2005), partner companies seek to concentrate on particular aspects of IJV control associated with their key skill and competences. The company which is trying to create a joint venture should also think about the potential reactions of the partner in unexpected circumstances (Smolková & Borovský 2005). Risk management is an important aspect of alliance management. It includes management of the risk of worsened reputation, intellectual property rights protection or management of legal risks (Išoraitė 2009). Partner selection and effectiveness of the agreement are the priorities to achieve long-term outcomes of international strategic alliances (Kimiagari et al. 2015). Formalized management structure of the alliance is more costly, but it should lower the risk of partner's opportunistic behaviour. The higher the risk of opportunistic behaviour, the higher the expected benefits of alliance based on equity arrangement. Different set of skill than that of the other partner might lead the company to the idea that its role in alliance is irreplaceable and subsequently to the opportunistic behaviour (Globerman & Nielsen 2007). It can be assumed that the cooperation of partners in equity arrangement alliances is more intense and the interests of the companies are interconnected, which lowers the risk of opportunistic behaviour (Teng & Das 2008). Other factors limiting this risk are positive reputation of the partner and mutual communication of the companies (Ali 2013).

Methodology

The paper presents results on selected issues concerning partnership in IJVs based on the research of 45 Slovak-foreign joint ventures - for the purpose of the research, Slovak-foreign joint venture is a company created by at least two entities from different countries and at least one of these entities (Slovak company) was established in Slovakia. It is the first detailed research of these strategic alliances with Slovak participation since 1990s. The information has been gained via questionnaire survey, with IJV partners as respondents. The questionnaire itself was focused at three main areas: background information and structural characteristics of the international joint ventures; international joint venture relationship characteristics; and finally ownership changes and performance-related issues. The IJVs were included in the research sample only if they met one of these conditions: a) the company established in Slovakia is a partner in an international joint venture established and conducting business in Slovakia, or b) the company established in Slovakia is a partner in international joint venture established and conducting business in country other than Slovakia. The ownership structure can be often verified using the information in the Slovak business register: names or business names and countries of origin of the associates (in the case of limited liability company) or, if stated, the shareholders (in the case of the joint stock company).

Nevertheless, there are also companies which formally fulfill the joint venture definition, but they are not real joint ventures as they do not comply with the basic requirement to be considered as this type of alliance – cooperation of different partners from different countries in order to share their resources and learn from each other. These enterprises were not included in the research sample as they are more similar to the affiliates of foreign investors, established by their other affiliates from different countries.

As for the size of IJVs, the research sample includes 17 (37.78%) large (250 and more employees) companies, seven (15.56%) medium-sized (50-249 employees) firms, 11 (24.44%) small (10-49 employees) enterprises and eight (17.78%) micro-companies (less than ten employees). Two companies stated the number of employees only in the interval of 10-99, it can be therefore assumed they are either small or medium-sized enterprises.

Research results

The companies included in the research sample were asked about issues concerning the choice of the alliance partner, as existence of their previous relationship, number of potential candidates, or reputation and referrals on the partner. The other set of questions was focused on the quality of the partnership during the IJV existence, mainly the communication and behaviour of the partners. The figures accompanying each issue examined in the research visualize the opinions of respondents on statements cited in the figure titles. In some cases, certain companies did not provide any answer

Relationship with the future partner before the IJV establishment: 20 respondents (45.5%) did not have any previous relationship with their current partners before the IJV establishment. Two companies described the relationship as technology transfer agreements, other two firms chose the IJV option. 13 partner companies had supply contracts and four had signed marketing agreements with their future alliance partner. Two respondents had supply contracts and marketing agreements at once. The rest of the research sample quoted other options such as long-term cooperation, agreement of the CEOs or cooperation agreement. One respondent did not provide answer for this question. Only 54.5% of IJV partners therefore had any previous business experience with their future partner.

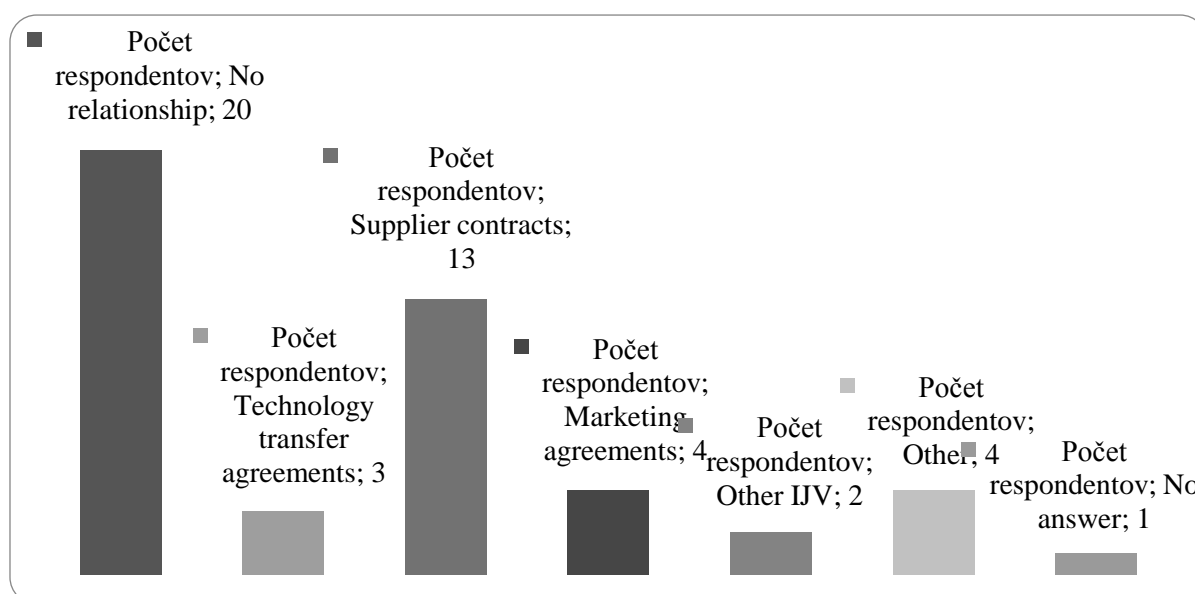


Figure 30: Relationship with the future partner before the IJV establishment

Source: own research

Previous alliance with the partner: 12 respondents (26.7%) had any type of alliance before the IJV establishment. Satisfaction with the previous alliance was very high in the case of six firms, high in another four and moderate in two companies. One of the respondents which had other alliance with the same partner did not specify the level of satisfaction.

Number of companies considered as potential partners: the majority of the respondents – 28 (66.7%) stated that they did not evaluate any other potential partner than the current one before the final choice on IJV. Eight (17.8%) companies considered two partners, four (8.9%) firms made decision among three to five companies and two (4.4%) respondents made their choice among six to nine firms. Three companies did not provide answer on this topic.

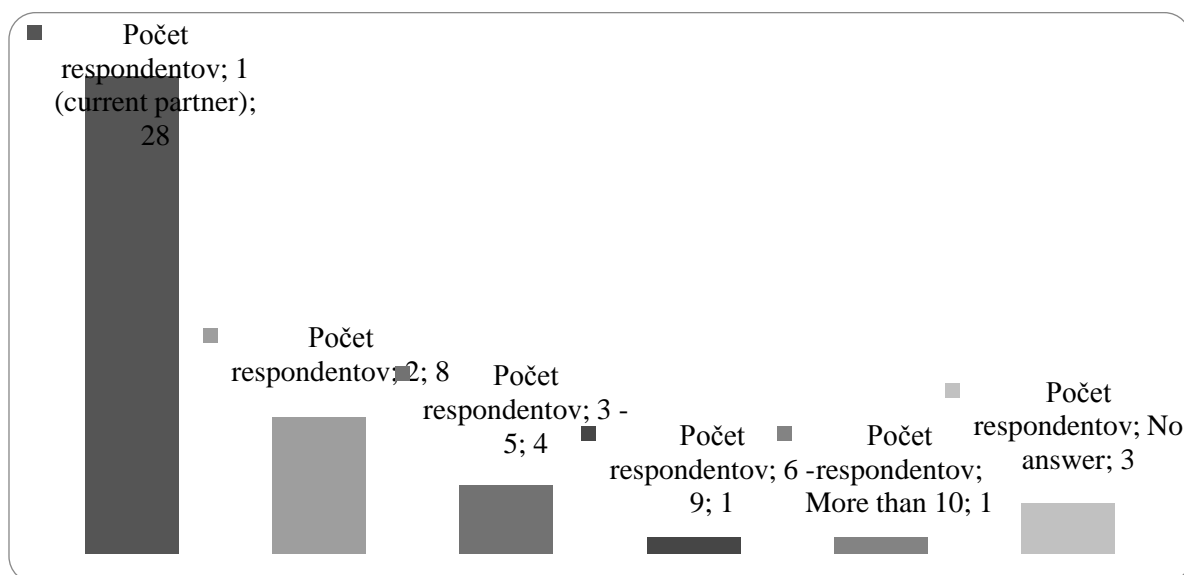


Figure 31: Number of companies considered as potential partners

Source: own research

Reputation of the potential partner for being competent: 20 (45.5%) of the companies in the research sample described the extent to which partner's reputation for being competent in terms of resources and abilities was favourable as very high, 19 (43.2%) firms quoted the extent of favourable reputation was high. Moderate extent of partner's favourable competence reputation was expressed by four (8.9%) companies and only one (2.2%) partner considered the extent of favourable reputation as low. One (2.2%) respondent did not reply this question.

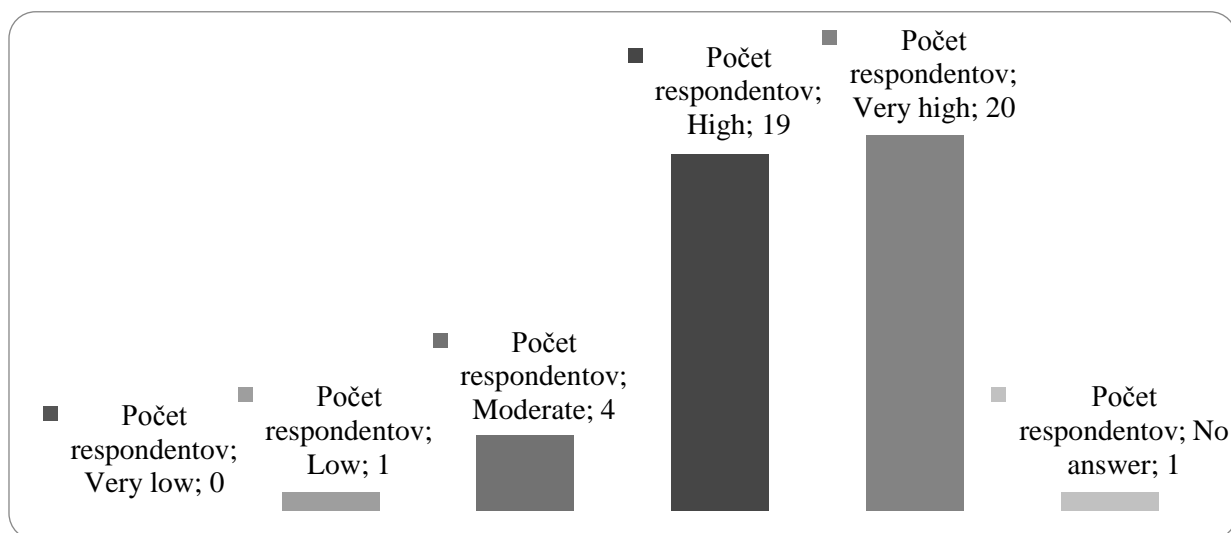


Figure 32: Reputation of the potential partner for being competent

Source: own research

Reputation of the potential partner for being trustworthy: as for the reputation of being trustworthy, 21 (47.7%) firms expressed the extent of favourable reputation as very high, 18

(40,9%) companies as high, four (8.9%) respondents as moderate and one (2.2%) partner as low. One respondent did not state the opinion on this issue.

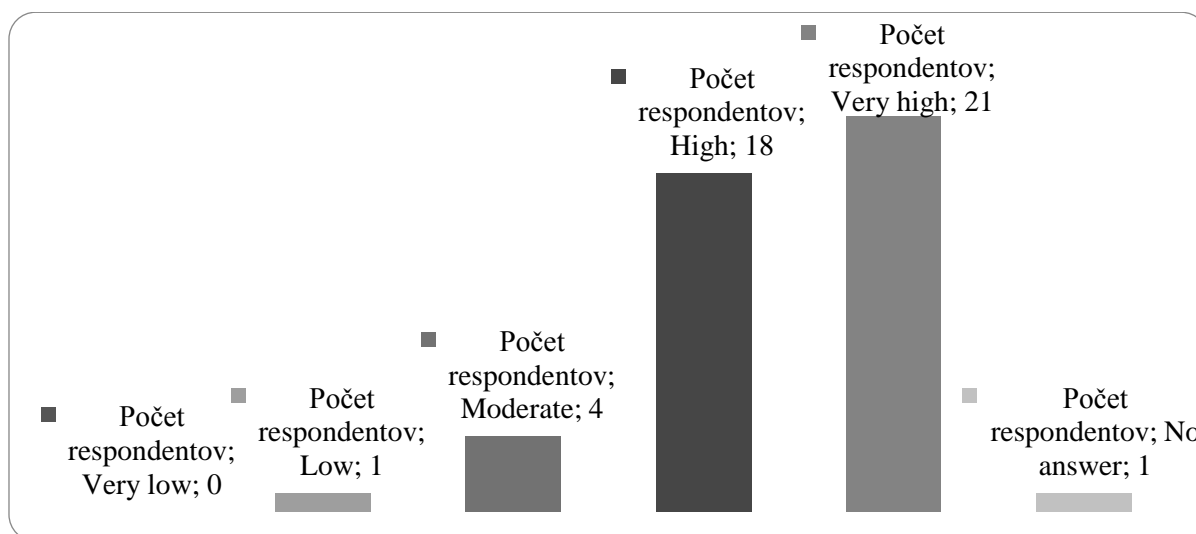


Figure 33: Reputation of the potential partner for being trustworthy
Source: own research

Quality of communication between the partners: 25 (55.6%) respondents strongly agreed that quality of communication between the partners is on a very good level, 12 (26.7%) IJV partners partly agreed with this statement. Five (11.1%) companies held the neutral view, while two (4.4%) firms partly disagreed and only one (2.2%) partner strongly disagreed with the positive opinion on the quality of communication.

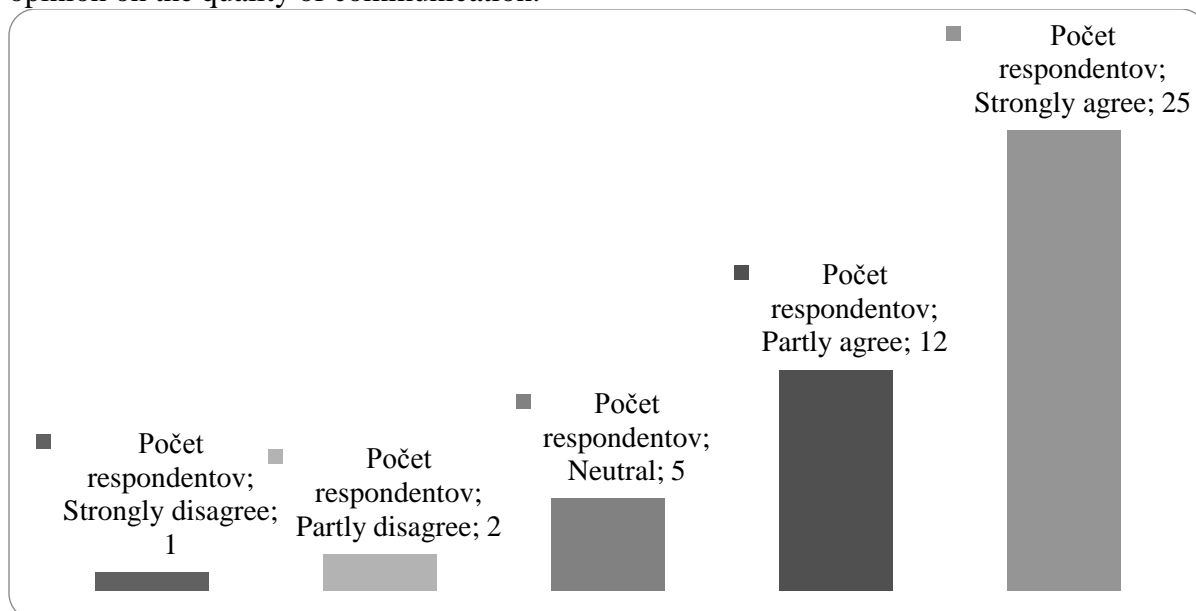


Figure 34: Quality of communication between the partners is on a very good level
Source: own research

Misunderstandings and conflicts among the partners: 12 (26.7%) IJV partners strongly disagreed that misunderstandings and conflicts among the partners are common, while nine (20%) other respondents partly disagreed with this opinion. 13 (28.9%) companies had neutral

standpoint, nine (20%) firms partly agreed that misunderstandings and conflicts are common in the partnership and two (4.4%) respondents strongly agreed with this assumption.

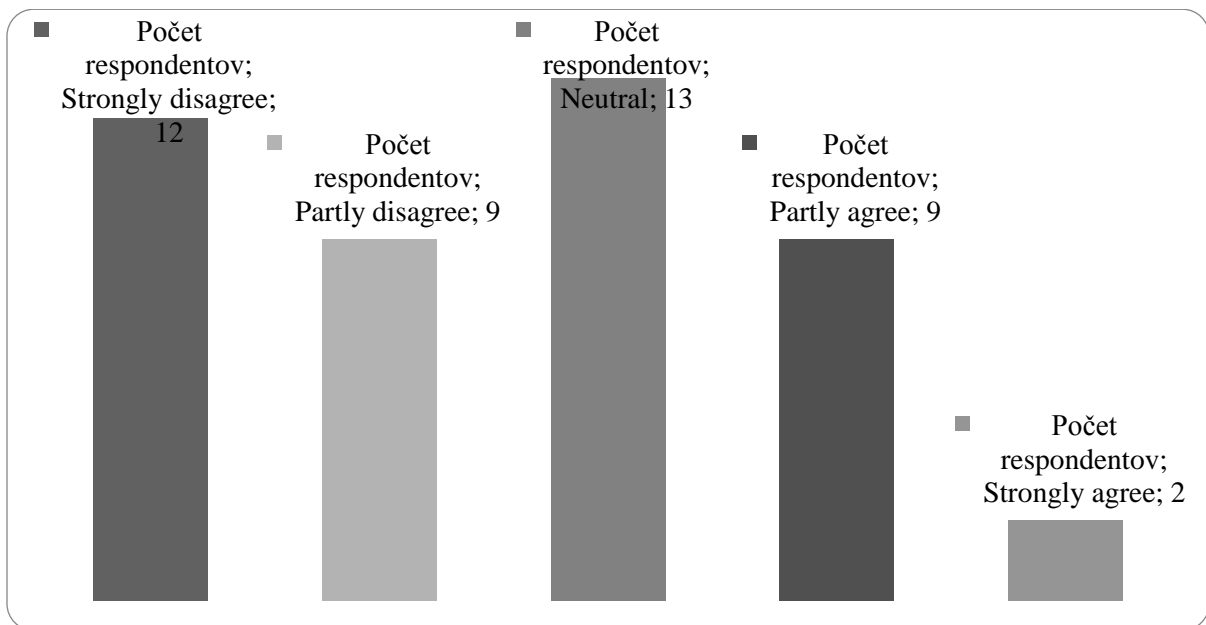


Figure 35: Misunderstandings/conflicts among the partners are common

Source: own research

Opportunistic behaviour of the partner firm: 25 (55.6%) companies strongly disagreed that their IJV partner behaves opportunistically and six (13.3%) firms partly disagreed with this opinion. Nine (20%) companies held the neutral view on this issue. Two (4.4%) respondents each partly agreed or strongly agreed that their alliance partner engages in opportunistic behaviour. One (2.2%) respondent did not provide answer on this question.

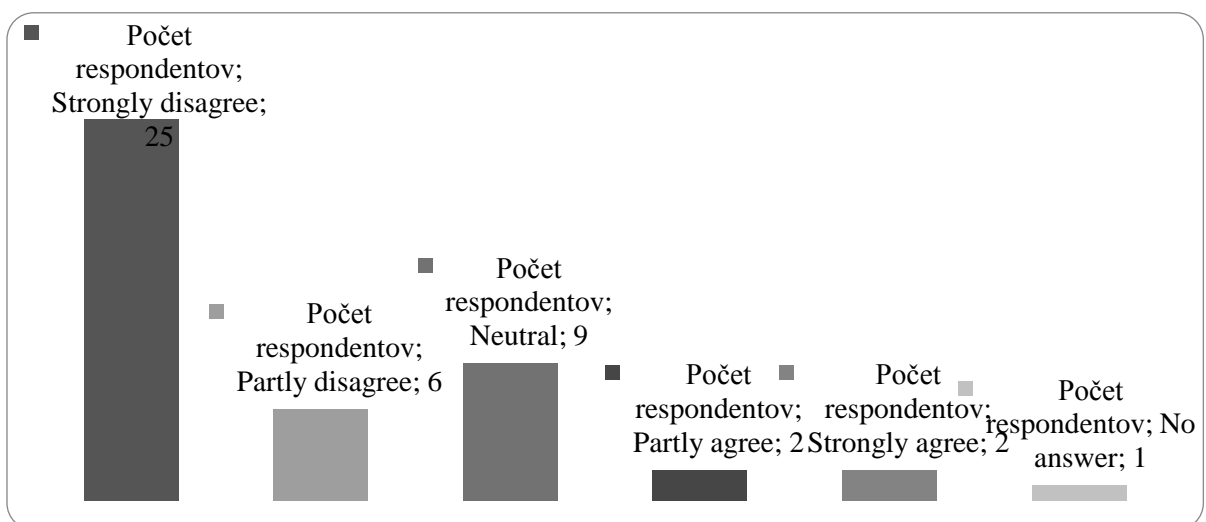


Figure 36: Partner firm engages in opportunistic behaviour

Source: own research

Disagreements on IJV operations and strategic decisions between the partners: 22 (48.9%) companies strongly disagreed that there are disagreements and conflicts between partners on operations and strategic decision of IJV, while ten (22.2%) other respondents partly disagreed with this opinion. Six (13.3%) IJV partners expressed neutral standpoint, other six (13.3%)

respondents partly agreed and none of the companies strongly agreed that there are always disagreements/conflicts between partner firms on operations/strategic decisions of IJV. One (2.2%) respondent did not express its opinion.

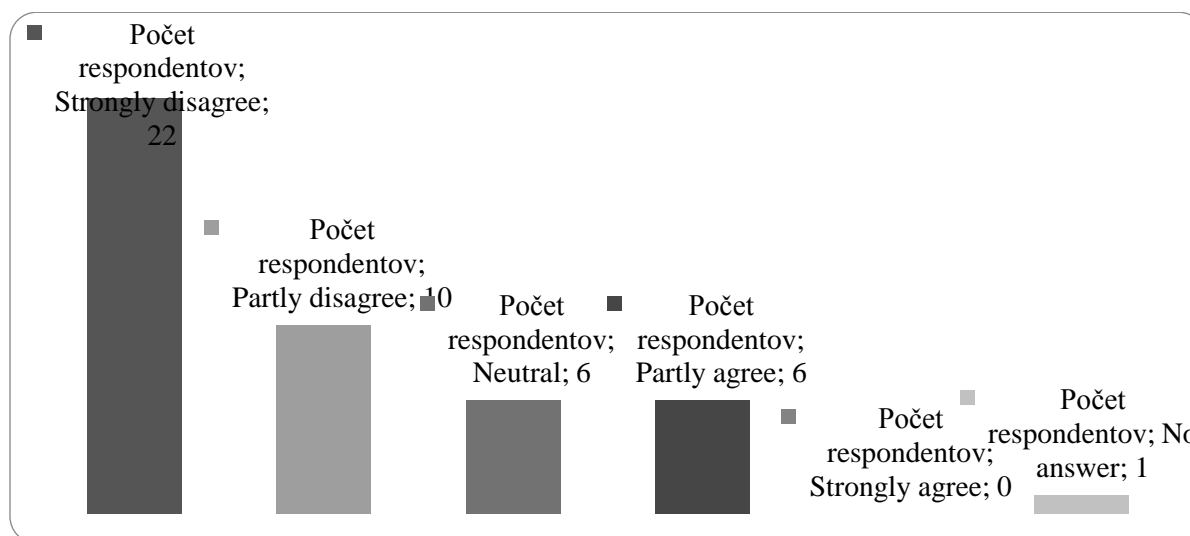


Figure 37: There are always disagreements/conflicts between partner firms on operations/strategic decisions of IJV
Source: own research

Conclusions

After more than 20 years of functioning in the market economy and accession of Slovakia into various integration entities and international organisations such as the European Union or Organisation for Economic Co-operation and Development, it can be assumed that Slovak companies have amassed certain amount of knowledge and experience in international business operations, as well as in cooperation with other companies. It can also be expected that the managerial know-how in Slovak companies has improved since 1990s, partly because of the aforementioned assumptions and partly due to foreign investors' presence and transfer of their know-how. This positive development might lead to better preparedness for cooperation with partners and more precise formalisation of respective cooperation aspects as the ultimate outcome. However, it is quite difficult to gain any information on Slovak-foreign IJVs, as there is no official statistical information on number of this type of business entities or on any other characteristics of these companies. The questionnaire survey among the IJV partners therefore seems to be the most suitable way how to learn more about these alliances with Slovak participation. The size and structure of the research sample is limited by the possibility to determine whether any company is or is not a Slovak-foreign IJV. In case of certain types of firms (such as limited liability company or joint stock company), it is usually possible to find the information on the company owners. Nevertheless, to create research sample formed by the other category of strategic alliances – contractual agreements – is virtually impossible as they can be tracked down only by their mentions in media or based on the own information of the researcher.

The research on the sample which is partly presented in this paper is thus the most complex research on IJVs or any kind of strategic alliances with the Slovak participation since several studies written in 1990s. However, more recent efforts to describe the international joint ventures in Slovakia were more focused on case studies of selected companies than on the effort to provide detailed information based on the larger research sample. The conclusions of the research presented in the following paragraphs are centred on the partnership in Slovak-foreign

IJVs. Partnership, its formation and quality is one of the most important prerequisites of alliance success and longevity.

Even though previous relations with the potential partner are important factors in partner selection process, only slight majority of the respondents had any previous relation with the alliance partner before IJV creation and only 12 companies had previous alliance with the very same IJV partner. Two thirds of the respondents did not consider any other firm than their current partner before alliance establishment. The vast majority of companies expressed that the extent of partner's favourable reputation in terms of competence and trustworthiness was very high or high. The results of the research hint at the possibility that the firms in the research sample do not count only on their previous experience with other companies, but they are willing to take risks and consider unknown firms as potential alliance partners. Nevertheless, the reputation of the chosen partner was usually favourable. As for the arrangements formalized in the IJV written agreement, the situation has significantly improved compared to 1990s. The vast majority of the companies have specified aspects as alliance management, cooperation, conflict solution or impact of the written arrangements on real cooperation in their IJV agreement. Nevertheless, management of unanticipated circumstances which might occur during the joint venture formation and operation is the least formalized part of the cooperation, which might pose a threat to continuity of the alliance: the unexpected and crisis situations tend to be difficult to manage and they often need to be solved as fast as possible. If the basic framework which specifies how to act in these circumstances is missing, it may be difficult to coordinate the partners' efforts and to minimize the negative outcomes. However, several IJVs still do not have these aforementioned important issues formalized, as was the case of many Slovak companies in 1990s. In these cases, any disagreement among partners on important issues might pose a risk for the quality of their cooperation and continuity of the alliance.

The majority of respondents (32 companies - 71.1%) - strongly or partly disagreed that there are misunderstandings or conflicts among the partners on operational and strategic decisions in IJVs, which is partly in line with research results on misunderstandings and conflicts in general (21 partners – 46.7% - strongly or partly disagreed that misunderstandings and conflicts among the partners are common). It can be assumed that even when they occur in IJV, they concern less important issues than strategy or operations of IJV. 37 (82.2%) respondents strongly or partly agreed that the quality of communication between the partners is on a very good level. Well-functioning communication is an important prerequisite of partnership success and longevity and its perceived good quality is theoretically interconnected with the decreased risk of opportunistic behaviour. This theoretical assumption is (at least in part) confirmed by the results of the research, as 31 (68.9%) companies in the sample strongly or partly disagreed that the partner firm engages in opportunistic behaviour. The findings of the research hint at the positive development in Slovak-foreign IJVs since 1990s, as the opportunistic behaviour of (usually foreign) partner was common in this type of alliances. Foreign investors often viewed IJVs with Slovak companies only as a transitional stage in getting the full ownership of the company and the legal prerequisite to enter the Slovak market. Unfortunately, the Slovak partners usually did not think about the alliance in similar way and expected the IJVs to be beneficial for all the involved companies. The lower level of opportunistic behaviour is thus in line with the assumption that alliances based on equity arrangements decrease the risk of partner's opportunistic behaviour. Unlike the situation in 1990s, the majority – 32 (71.1%) of the Slovak-foreign IJV partners in the research sample expressed their satisfaction with the IJV performance (2 companies did not provide answer on this issue). The shift in performance satisfaction is the ultimate outcome of changes in numerous characteristics of these alliances which occurred in the previous 15 years and also the most

striking difference between the present day IJVs and the likes of them in the 1990s. The intent of majority of the respondents to continue their participation in the alliance is less surprising, as Slovak companies seem to understand – now and also back in the period after the fall of the socialist regime – the benefits of partnerships with foreign firms. Even if some of the partnerships will end up as a failure for the Slovak partners, these alliances undoubtedly contributed back in the 1990s and still contribute nowadays to the country's economic success and, from the long-time perspective, have also learning and transformational effects on the Slovak business entities in general.

EFFECTS OF COMMERCIALIZATION OF HOSPITALS MANAGED BY LOCAL GOVERNMENTS

The most important social tasks of local governments in gminas, powiats (gminas and powiats are principal units of territorial division in Poland of the first and second level) and voivodeships in Poland include health care and health promotion. These governments have become governing authorities for independent health care institutions and took over these tasks from units of government administration after the reform from 1998. They are facing the increased expectations of inhabitants in terms of availability and quality of services.

The tasks of out-patient health care entities as the most basic health care units by local governments can be considered as achieved efficiently. Out-patient health care has been restructured to the highest extent through commercialization and privatization. A serious problem is in-patient health care (hospitals). They belong to a particular category of health care units since statutory activity is aimed at people who need all-day health services (Dercz&Rek 2010). Local government hospitals are equipped in some 60% hospital beds in Poland (Journal “WartoWiedzieć” 2016).

Difficult financial standing of independent public health care institutions (in Polish: SamodzielnePubliczneZakładyOpiekiZdrowotnej, SPZOZ) causes that maintaining, renovation and investments of these entities is now responsibility of local governments, which can transfer designated subsidies, including investments in real estate and purchase of medical equipment (Doroszkievicz, Gniewosz 2015). In 2014, local governments spent nearly 3,675.2 million zlotys including:

- gminas: 561.3 million zlotys, mainly for alcoholism prevention (72.5%) and out-patient health care services (5.0%),
- powiats: 1274.0 million zlotys, including 14.4% for hospitals,
- cities with powiat status: 1065.2 million zlotys, including 29.0% for hospitals,
- voivodeships 774.7 million zlotys, including hospitals 58.5% (Central Statistical Office 2015).

However, health safety of inhabitants largely depends on the decision made outside the local governments, concerning legal and financial solutions.

Management of public services in local governments should be based on thoroughly prepared strategies and plans with regard for the objectives and analytical studies (both internal and external), evaluation of the effectiveness of activities through confrontation of the aims planned with the aims achieved and quality expected with the quality achieved and on the analysis of unit costs of services. (Wrona 2015, p. 223) Therefore, for this reason and facing financial difficulties of hospitals, many local governments, without waiting for systematic regulations, started activities using previous legal regulations. Negative financial result in the SPZOZ caused the threat to the continuity of their operation. The debt exceeded the real capabilities of handling it by the founding bodies. These transitions need a very transparent concept, substantial determination and cooperation between many institutions (Kachniarz 2008).