

Barbara Olszewska, Leon Olszewski***

DETERMINANTS OF THE STRATEGY OF FIRMS DURING TRANSITION

Two groups of determinants influencing the strategy of Polish firms during transition have been analysed in the article. The main external determinants have been indicated: the processes of globalization, keen international competition, regulations connected with Poland entering the European Union, processes of the privatization of national property and the principles of industrial policy. Based on the empirical research results there have been described internal capabilities of the companies as to the formulation and realization of a coherent concept of their development. The paper also describes the difficulties in the formulation of strategies, resulting from the lack of experience and knowledge, which is connected with the long-term functioning of the companies in a centralized system of economy.

1. INTRODUCTION

The system transformations that have taken place in Poland since 1990 overlap with the processes of dynamic changes in the contemporary international economy. The liberalization of international exchange and progress in internationalization, globalization of the economy together with the intensification of regional economic and trade links created new conditions for business. Nowadays the changes affect not only international firms, as it used to be before, but also a group of small and middle-sized companies.

The Polish economy is at the stage of essential structural transformations such as the transformations in the structures of organization and ownership, the size of firms, and their domain. The newly established, or rather radically transformed, companies face unknown internal and external problems. The latter arise not only from general tendencies characteristic for a modern economy, but also from Polish economic policy, aimed at joining west-European structures: the European Union and NATO.

In Poland, as in developed west-European countries, the foundation of basis for the competitiveness of business is one of the primary goals of economic policy. It involves active industrial policy which would facilitate achieving competitiveness by firms.

* Department of Development Strategies in Industry, Wrocław University of Economics.

** Institute of Economic Science.

2. NEW CONDITIONS OF INTERNATIONAL COMPETITION

In the decade of the 1980s there were significant changes in the field of technological progress in the international economy. The world entered the period of "a new technological paradigm" characterised by an exceptional development of information technologies. The development of such fields as computing, microelectronics, or telecommunication resulted in significant changes in the industrial structures of highly developed countries. The industrialized countries based their international specialization on "high-tech" industries, including computing, semiconductors, fibre optics, industrial control systems, robotics, and high definition television. The tendencies leading to international specialization became more clear. The industrial countries of Europe specialized mainly in the development of industries at the early stage of the product life cycle. Apart from the above mentioned industries it concerns also space industry, biotechnology and artificial intelligence. The developing countries continued the development of industries in their final stage – mining, metallurgy, shipbuilding and machine industry. The only exception to this dichotomy was the appearance of newly industrialized countries, which entered the world markets of rapidly developing products, endangering the position of highly developed countries.

In the past there were three factors deciding profits of industrial countries: high efficiency of work, labour costs and the undervaluation of their currency. During the last two years labour costs have grown considerably, mainly because of high social costs. The possibility of applying a "competitive devaluation" policy has also been limited. Low labour costs in less developed countries have resulted in the direct investments and in the shift of production to the countries of the south. This was connected with traditional fields of industry, mainly textile and clothing industries, which do not require so much technological knowledge or professional training as modern industries. The process of delocalization of investment caused the technological progress whose effect was the shift from the technology of high scale to the technology of flexible systems of production (Mouhoud 1992). The shift of many industries to developing countries has been stopped and the direct investments have been partly relocated in the highly developed countries. In mutual co-operation of these countries, products which were similar have started to dominate, and specialization has developed within the industries, and not among them. The quality, the brand, and technical parameters play the most important role, not the price. The growing market of industrial products creates new conditions of international competition and problems of the choice of specialization in particular sectors of the market.

The products of the age of information, also called new products (*World Economic and Social Survey* 1995, p. 171), have become of greater importance in the global export of industrial products. The relatively rapid growth of the world economy in the second part of the 1980s was connected with the high rate of export of the new products. Even though in 1990–1993 the world economy developed slower, the high rate of export of these products was maintained. The ratio of the new products' export to the export manufactured products has systematically been rising. It concerns chiefly the group of newly industrialized countries (Table 1).

Table 1
Share of new products in manufactured exports of selected countries
and groups of countries (in %)

Groups of countries	1980	1985	1990	1993
Developing economies	16.2	17.5	18.3	22.9
Asian NIES	16.2	17.5	28.0	31.7
Hong Kong	13.2	14.3	17.4	19.3
Republic of Korea	10.8	13.3	23.7	24.4
Singapore	32.6	36.0	51.2	55.7
Taiwan	15.5	15.6	22.7	25.3
Malaysia	47.5	53.0	51.7	53.9
Thailand	0.7	2.2	24.2	24.7
Developed Economies	7.6	11.2	11.3	12.6
United States	11.4	16.5	16.5	16.5
Japan	14.6	21.7	24.4	24.5

Source: *World Economic* 1995, p. 174.

Business units are under the strong pressure of competition and have to choose the right strategies in order to stay in business. The government has to pursue the same route. If it wants to form an effective international specialization of economy it has to adopt an industrial policy which would impart dynamism to the structural changes of developing industries, and not to the declining ones. Technological development has become more and more significant in national economy growth compared to former periods. Innovation processes have become a primary determinant of economical growth and comparative profits of the modern economy. The integration of trade, industrial and technological policies on various levels: micro-, mezo- and macroeconomic becomes a necessity, independently of the economy character, phase of development and ratio of participation in the international division of work.

The functioning of the Polish economy within a centralized system and imperative planning has resulted in forming an outdated economic structure. As compared to developed countries Polish economy is characterized by high contribution of the first sector in forming GNP (gross national product) with a relatively low contribution of the third sector (Table 2).

Table 2
The structure of forming GNP in Poland and other countries (in %)

Country	Sector I		Sector II			Sector III
	Year	Farming	Total	Industry	Building	
Poland	1978	7.3	64.2	49.9	14.3	28.5
	1988	7.7	59.0	49.4	9.6	33.3
	1991	9.3	50.1	39.2	10.9	40.6
	1994	7.0	50.4	40.6	9.8	42.6
	1995	6.4	34.4	-	-	59.2
Greece	1990	13.5	24.1	18.0	6.1	62.4
	1995	21.0	36.0	.	.	43.0
Spain	1989	5.0	40.0	31.0	9.0	55.0
	1995	3.0
France	1991	3.1	28.8	23.5	5.3	68.1
	1995	2.0	27.0	.	.	71.0
Holland	1991	3.9	29.2	23.9	5.3	67.7
	1995	3.0	27.0	.	.	70.0
Germany	1991	1.3	34.9	29.5	6.4	57.6
Great Britain	1989	1.0	34.8	29.6	3.0	63.5
	1995	2.0	32.0	.	.	66.0
Italy	1991	3.3	32.1	26.2	5.9	64.6
	1995	3.0	31.0	.	.	66.0
The United States	1990	2.0	30.0	25.0	5.0	68.0
	1995	2.0	26.0	.	.	72.0

Source: selected from Felbur 1995, p.118 and Rocznik Statystyczny 1997, p. 664-665.

The realization of system reforms planned on a wide scale started in 1990. In the first stage it brought about a considerable collapse in industrial production and a decrease in GNP. It also influenced the formation of effectiveness relations for particular sectors. The development of the second sector had a material and capital consuming character (Felbur and Ważniewski 1993, p. 58). Moreover, the production was in 30% unused as compared to the late 1980s.

The reversal of declining tendencies, which took place after a few years of Balcerowicz's plan realization, was connected with an 8% decrease in the

participation of the mining industry in industrial sales, with about a 2% increase in the participation of the manufacturing industry.

Active technological policy is indispensable to achieve modern and high quality production, which is necessary for competitiveness. Polish industrial products are not modern enough, and in the long-term there exists a danger of losing current competitive position because of the decrease in expenditure on research and development. The situation is outlined in Table 3. The numbers presented in the table show low level of revival and modernity of industrial products.

Table 3
The degree of modernity of Polish industrial production in 1989-95 (in %)

Specification	1989	1990	1991	1992	1993	1994	1995
The ratio of the new and modernized products value to the gross sales of products including	5.3	3.0	3.3	3.4	4.8	6.9	5.4
– products of the electromechanical industry	13.0	7.0	8.1	9.5	14.8	15.9	16.0
– products of the electromechanical and electronic industries	18.9	12.4	6.6	13.5	12.0	14.9	9.9
– products of the food industry	1.6	0.4	0.8	1.2	1.3	2.0	1.7
The ratio of the licence products sales to the sales of production	1.1	1.5	1.2	1.9	1.7	2.2	–
The ratio of the export of licence products to the national export	2.7	2.1	1.9	4.6	7.0	5.7	–

Source: Rocznik statystyczny przemysłu 1994, p. 211 and 218; 1995, p. 206 and 213; 1996, p. 222.

The measure indicating the potential capability of the modernization of production is the index of the ratio of research and development expenditure to GNP. In highly developed countries the index oscillates at the level of a few percent, with a noticeable increasing tendency. In 1993 the index for the USA and Japan equalled 2.7, for the European Community countries – 2.0, while in Poland there have been noticed a decrease from 1.9 in 1990 to 0.58 in 1993.

The development of the private sector is a factor which accelerates the increase in industrial production and dynamics of its structures. The sector's

participation in industrial production rose from 27.1% in 1991 to 39.3% in 1993, 41.6% in 1994, and to 46.3% in 1995. The national sector is still dominating the gross production of industry.

New frames for international business contacts with the European Union were established when Poland signed the European Treaty. It also defined new requirements of adapting to the principles of the European Communities' functioning. The adjustments considerably affect the industrial sector, as they include the issues of free products flow, competition policy, standards of environmental protection, taxing system, public order system, customs system and the protection of intellectual, industrial and trade propriety.

Thus, it is evident that the integration of Poland with the European Union is a decisive factor determining the conditions of functioning of Polish firms. The awareness that in these conditions state institutions cannot be indifferent, but should pursue a dynamic industrial policy, has become popular, after a short period of manifesting too far fetching economic liberalism. It does not mean that there exists a unified view on the issues and instruments of Polish industrial policy in the system transformation period.

Apart from the general, external conditions of the functioning of the firms of the 1990s mentioned, there are also some specific external factors that affect them considerably. This concerns chiefly the source of development financing, and the national policy towards export, technology, ownership and production structures and information.

When the firms functioned within the centrally planned economy, they were exposed to "soft budget limits", which did not promote effectiveness and caused the increase in inflation. The system transformations based especially on the principle of strict controlling of the budget deficiency and "tight money" resulted in considerable difficulties in the financing of the current, and even to a greater extent – of the long-term functioning of firms. The financing from banks was hard to achieve and very expensive. Small and middle-sized enterprises (SME) especially could not afford the support from banks.

The analysis of business financing and the role of credits in their activities shows that, as opposed to other countries of the Wyszehrad Group, the increase in industrial production in Poland was the result of self-financing of the companies, and not the bank credits (Sgard 1995, p. 792). Restrictive credit policy, certain successes in the managing of the portfolio of "bad credits" and the strengthening of bank control of the companies resulted in the more dynamic adaptation of the business units to the conditions of competitiveness. Nevertheless, the problems of their restructuring and growth have not been solved. This chiefly concerns the SME sector, which has considerably developed for the last few years, creating new places of work and facilitating the

process of restructuring of national companies. Presently there are about two million small and middle-size businesses in Poland, employing about 60% of the work force and producing nearly 50% of the gross national product and thus, considerably contributing to the financing of the national budget. During the last five years employment has increased about 1,5 million people owing to small enterprises (*Małe i średnie...* 1995).

The principles of national policy towards this sector take into account several initiatives which are to stabilize the conditions of functioning and rising their competitiveness and the development of financial services for this group of businesses. The governmental program mentions only three sources of financing development: resources of the firms, external resources and resources from the national budget. The lack of clearly defined concept of financing the development of SME is visible.

The problem is not solved in the countries of the European Union, either. Banks are not eager to give credits to small firms. Only the businesses within the high-tech industry are reliable and have 20–30% growth rate can easily get credits.

In Western Europe there are various societies and companies which look for projects worth financing – including venture capital and capital development. The firms, however, do not like to be controlled by them, asserting their suggestions concerning inner transformations in the units as too nosy. In Poland the above mentioned financing institutions should be introduced as soon as possible, in order to create more possibilities of receiving credits. Although there are some prejudices against them, they fulfil their task, supporting the most dynamic firms.

3. THE CONCEPT OF POLISH INDUSTRIAL POLICY

The liberalization of international trade and the processes of reorientation of the streams of commercial exchange, which took place in the early 1990s, created a new situation in specific sectors of the Polish economy. Economic freedom clearly indicated the level of competitiveness of particular branches of industry and their chances of development in conditions of a global market. The centrally planned economy formed a structure which resulted in industrial and commercial specialization of Poland, promoting to a large extent resource industries. They were the main export products, owing to their quality and competitive prices. However, even in this field the situation is getting worse because of the slow progress in the rationalization of employment and the limited possibilities of modernization. Another issue is the situation of the metallurgical industry, which possesses a relatively large export capability, but

cannot realise most of them because of the protective restrictions set by the European Union.

The manufacturing industries were tightly connected with the markets of former CMEA. The confrontation of this industry with the world market has shown how weak this sector was, this was characterized by the large depreciation (60–100%) of the equipment, low capability of self-financing the development and low standards of environmental protection.

The challenges that have to be faced by Polish resource and manufacturing industries connected with freeing the Polish economy, and especially with the programs of integration with the countries of the EC are visible in the concept of industrial policy, and then in the programs of restructuring of resource and manufacturing sectors. The restructuring of the industries, especially the manufacturing industry, is an important element of the programs. To a large extent the restructuring is to be based on foreign capital.

The comparatively poor results of privatization during 4 years of system transformations (Monkiewicz 1994), and insufficient foreign capital have resulted in the abandoning of a popular, radically liberal statement, "the best industrial policy is no industrial policy". The Ministry of Industry and Commerce has issued a document concerning the principles of industrial policy, which assumes a realization of defined goals from a problem-sector prospective (*Założenia polityki ...*, 1993).

Założenia polityki proinnowacyjnej państwa [*The Principles of Innovation Policy*] indicate particular industrial sectors, where national involvement should be especially noticeable. Four sectors have been defined: strategic sectors, high energy and capital consuming sectors, "first need" products, and "high chance" products. A diversified policy is to be performed for each group, using both financial and non-financial resources.

The industrial policy of the 1990s is dominated by the formation and reinforcement of competitive environment for firms, and support for the structural transformations of different branches of industry. In the European Union the protection of the competitive environment, where particular industrial branches could actively shape the directions of structural changes, is a primary goal (*Industrial...*, 1990). First of all, it means intolerance of excessive concentration and the balance of international competition requirements and the conditions of competition. The necessity to keep a large scale of the production to ensure its effectiveness involves high costs of innovation and distribution. Internationalization of markets makes business units merge with other units, which negatively affects the conditions of competition. Proper regulations and the control of the processes of concentration are a necessity. Even though the issue is complex, there is a tendency

to create regulations clearly defining which kind of concentration abuses the conditions of competition.

Modern economic policy is strictly connected with other activities directed at creating favourable conditions of the business development. It requires a well-functioning pricing mechanism, ensuring the proper distribution of savings and investments. Fiscal policy is especially important, as it determines the decisions about investments and the decisions concerning capital accumulation, which enables constant progress and technological innovations.

An important condition of effective industrial policy is a high level of education. As the conditioning of the branch development changes a lot, it causes a need to change the qualifications of the workers and shifts in specialization. An ability to accept a new technology, organizational methods, or culture is improved by constant education provided by various public and private units. Such activities are necessary for highly specialized and competitive environment.

The experience of various countries in creating industrial policy provides a lot of information as to how industrial policy of the 1990s should be oriented. The question arises: does the process of transformations create specific conditions which require abandoning basic frames for such policy created by highly developed countries? There is no easy answer to this question. Different authors give answers which are connected with their preferences to a particular trend of economic theory.

The existence of neglected or less developed, on the one hand, and fast growing fields, on the other hand, causes the pressure to dual approach issues of the development of industrial structures. Poland, however, does not have too much freedom in this field. Signing the treaty about the union with the European Community made Poland accept regulations connected with the openness of our economy, which do not allow creating any "protected sectors"(as the past experience showed, it was not effective).

Polish industrial policy should be aimed at increasing the level of competitiveness of business units, and then the whole economy. It means stressing positive reinforcement consisting in creating conditions which allow constant broadening of "the zone of effectiveness", i.e. these groups of business units which are competitive on both national and international markets. From this point of view, industrial policy of the period of transformations should not vary from EC standards.

In conditions of the shortage of national resources enabling essential financial support to business units, the positive action should concentrate on creating a large infrastructure of information, indispensable for the existence of a competitive environment. Further action should consist in the development of

educational system, stimulation of research and development and help with starting co-operation.

Strategic goals of the development of industry till 2010 (outlined in government documents) assume an increase in the participation of innovative sectors (High and Medium Technology) to around 40% of the total GNP from industry and an increase in the participation of the highly innovative sectors to around 10% of the total industrial product (*Strategia...*, 1995). In order to achieve these goals, a highly dynamic innovative policy has to be adapted.

Założenia polityki ...[The Principles ...] mention nine reasons for the low level of Polish innovative policy:

1. Very low contribution of budget expenditures on scientific research and development in GNP,
2. The lack of possibilities of financing research and developmental innovations from the accumulation of the business units themselves,
3. Low renewability of the equipment,
4. Decrease in the number of scientific research staff,
5. Low utilization of computing in designing, managing and directing the processes of production,
6. Low contribution of so-called innovative industries,
7. Low level of modern technology of application in leading branches of industry,
8. Not very high innovation of direct foreign investments, consisting in the introduction of new technologies and products,
9. The level of product standardization (ISO 9000 Standards) and certification do not promote proper quality and modernity of the products and services (*Założenia polityki ... 1995*).

The contemporary state of a developmental research base does not guarantee fast industrial development. Budget limitations result in insufficient support for research work from the national budget, and the industrial units cannot afford it from their resources because their tax obligations are higher than their financial accumulation.

Links between research and industrial units are very weak because of the financial position of the former as well as the lack of effective legal and organizational solutions. The process of forming public administrative structures at central and local levels still takes place and thus the links between the businesses, the research units and academic centres are not sufficiently supported by central, regional and local authorities. The situation is particularly negative in the sphere of the technological transfer to SME. The sector is practically left to itself, as there is no institutional infrastructure which would stimulate the access of small and middle-sized business units to modern technologies.

In *Założenia polityki ... [The Principles ...]* a comparatively critical assessment of the significance of foreign investments in raising the level of innovation of Polish economy can be noticed. It is very difficult to estimate global profits of technological transfer by foreign business units. Evidently they provide the necessary conditions for employing a more intensive innovative policy of the businesses. It is especially visible when the links between foreign and local units takes on the form of strategic alliances, arisen from general tendencies of internationalization and globalization of the economy. However, the rapid progress of research internationalization may cause a danger of drainage and marginalization of the local research base. If the foreign investments and related progress of research and development sphere are not followed by linking local, regional and national industrial units – the positive effects of the research may be commercialised outside the national economy. Preventing such situations requires an effective economic policy taking into account the global conditions deciding the efficiency of the national industrial system (the mainly the infrastructure, educational system, research and development base, support for business innovations, extent of integration with the world economy).

Polish attempts to join the European Union and a particularly active innovative policy in Poland are connected with the necessity to achieve standards in the range of the level of technology, international quality standards, and compatible with standards certification of products and services, rationalization of the use of energy and maintaining natural resources, and legal protection of intellectual ownership. Particularly dynamic transformations in this range are especially important because EC undertakes efforts to make innovations the primary factor of raising international competitiveness of the Union.

A recently published The Green Paper, dealing with innovations, constitutes a program which, to some extent, can be a paradigm for procedures necessary for promoting and spreading of innovations in the national economy (*Livre ...*, 1996). Specific spheres and steps that have to be undertaken, both on the level of particular nations and the Union to co-ordinate efforts promoting innovations. basically, there have been stressed these elements which were mentioned in *Założenia polityki ... [The Principles ...]*, but more detailed and methodologically elaborated. From this document we can draw a banal conclusion: without coherent, macro- and microeconomic policy ensuring the frames of effective operation of firms, promoting their dynamism in all basic spheres, no assumed goals can be achieved. And it is not the sequence: first good economic system, then the action in sectors that matters. The problem consists in integrated actions in various fields and at various levels simultaneously. The business units which want to and are able to actively create their strategies are very important in the process.

4. STRATEGIC BEHAVIOUR OF FIRMS IN PRACTICE

The behaviour of Polish firms during the first stage of the transition processes cannot be described as strategic. The firms were under strong pressure of contemporary obstacles, which caught their attention. The removal of the difficulties often did not have any positive effect because the companies used only so called shallow reserves, e.g. the decrease in employment. The adaptation of the firms to the environment has been improving with passing time, because they have acquired new experience connected with the functioning within the market economy. The adaptation consisted mainly in undertaking fragmentary restructuring, marketing, training programs, etc. The restructuring of the firms still has little in common with transformations planned with the future in mind. There was no long-term strategies for the firms' development. It was connected both with the absence of the need of formulating such concepts and with the inability to prepare them. Up to now compilations dealing with the future of firms, defined by them as strategies, embrace only a short-term prospective, usually 3-4 years. They are not complex, concentrate on marketing and financial issues. The executive boards of the firms have monopolized the creation of the plans. The employees on lower levels of the hierarchy have been practically excluded from decision making. The contribution of the supervisory boards is astonishingly low as far as the strategic plans are concerned, which gives evidence of neglect from the owner, especially in national units. Information about strategic plans was seldom communicated to the employees. This situation was often prescribed to the need for secrecy, but in most cases the workers were not interested in the strategies.

Practically all units stated intensified competition, both from foreign and local units, as the main danger to their development. The former compete with each other only for the customers, but the latter also for the suppliers. Local business have only recently started to perceive one another as competitors. The program in the process of privatization, however, has changed their behaviour to more competitive. It can be noticed especially in the food industry. Insufficient information about rivals is generally felt to be a weak point of strategic analyses. It also signalizes that in future the analysis of rivals will become more and more important for the construction of strategies.

Another problem faced by Polish firms is the shortage of capital and the difficulties arising when trying to obtain credits. Most firms stress that their development largely depends on the changes in the attitude of financial institutions, their will to co-operate with industry and their help in solving the difficult problems of the firms.

Consistent continuation of system restructuring processes, as well as the advancing process of internationalization and globalization of the economy, which determine the immediate and broader environment of Polish companies, made their executive staff realize that the new conditions of functioning and development of firms are irreversible (Kaleta, Kozarowicz 1996). The implications included new challenges for the management involving the need to formulate the concept of company development in form of a formalized document, rendering in detail the different development issues such as marketing, finances, production, and innovation. More and more companies embarked upon formulating their own strategies. In large firms attempts at creating a long term development concept had been made much earlier. However, it can be said that in most firms, especially in the sector of medium-sized units, the opening stages of strategic management have now been initiated.

The greatest headway was made in the field of determining the long term strategic goals of firms (Godziszewski 1996). They do not differ significantly from the standard goals formulated by firms functioning in the conditions of a highly evolved market economy for many years. They both have universal character, dealing e.g. with increase of production and sales, retaining market share, expansion of export, development of distribution channels, etc., and specific character, connected with the nature of restructuring processes. The specific character is expressed by the methods and scope of privatization and restructuring of companies. The time horizon of formulated strategic goals varies and ranges from 3 to 5 years, or 8 to 10 in some cases. There are many different factors determining the choice of time horizon of strategic goals. They can be related to the date of lifting tariff walls, time needed for running feasibility tests of new products, period of time needed to pay up leasing instalments, reality of investment planning or financial simulations.

An important factor influencing the choice of goals is the awareness of Polish managers that a further increase of market competition resulting from Poland's progressing integration with the EU is inevitable. This is why more and more firms, both export businesses and those operating exclusively in home market, formulate goals and undertake actions aimed at improving the standards of their produce and work quality through applying for ISO certificates. Besides, they often consider the possibilities of improving their competitiveness through fusions or mergers.

From numerous analyses on the behaviour of Polish companies carried out by different research centres show that the stage of strategic analysis has improved. The analyses are increasingly complex and prepared with the use of analytical methods, such as SWOT or BCG. Such methods as experience

curve, or analysis of value chain are used sporadically, and often are completely unknown.

On the other hand, the stages of formulating strategic variants, choice of strategic options and their implementation in most firms do not have the character of organized, systematic procedures. The process of generating strategic options is frequently limited to formulating one general strategic variant. Evaluation and choice of strategy is made on the basis of commonly recognized criteria, such as: accordance with the results of strategic analysis, chances of realization and acceptance by all interested parties.

5. CONCLUSIONS

The progressing process of internationalization and globalization of the economy considerably influences the ways of behaviour of Polish companies. Management has to think and act strategically.

The necessity to think and act strategically has become indispensable for staying on the market not only for large units, which have to make long-term plans, but also for middle-sized, or even small firms. Most firms suffer both from the lack of strategic concept and the lack of finances necessary to apply the strategy. The problems became more painful in the case of large companies because of the scale of social problems connected with them.

National industrial policy should provide considerable help in working out the strategies for firms. When the goals and instruments of such policy are clearly presented, then the strategic actions of the units can be more effective.

The lack of such policy in the first years of transformation, and leaving the units only to themselves were the factors inhibiting "learning" of strategic thinking and acting of managers. This was connected with the lack of experience in functioning in the conditions of market economy, and the increase in turbulence of the environment resulting from the interference of diversified processes, connected both with transformations in the international environment and in the Polish economy.

REFERENCES

- Felbur, S., Ważniewski, P. (1993): *Opcje i mechanizmy przemian strukturalnych w gospodarce polskiej w latach dziewięćdziesiątych* [The Options and Mechanism of Structural Evolution in the Polish Economy in the 1990th]. Instytut Rozwoju i Studiów Strategicznych. Warszawa.
- Godziszewski, B. (1996): *Działania strategiczne polskich przedsiębiorstw w okresie transformacji* [Strategic Activities of Polish Companies During the Transition Period], in: *Restrukturyzacja w procesie przekształceń i rozwoju przedsiębiorstw* [Restructuring in the Process of Enterprises Transformation and Development]. TNOiK and AE, Kraków.

- Industrial Policy in an Open Competitive Environment* (1990): Commission of the European Communities, Brussels.
- Kaleta A., Kozarowicz H., (1996): *Praktyka budowy strategii przedsiębiorstw polskiego przemysłu – raport z badań* [The Formulating of the Strategy of Firms in Practice], in: *Polityka przemysłowa a strategie przedsiębiorstw* [The Industrial Policy and Strategy of Firms]. AE, Wrocław. Prace Naukowe AE [Research Papers of the WUE] no. 726.
- Livre vert sur l'innovation* (1996). La Commission Europeenne, Bruxelles.
- Małe i średnie przedsiębiorstwa w gospodarce narodowej. Polityka wobec małych i średnich przedsiębiorstw* [SME in National Economy. The Policy toward SME] (1995). Ministerstwo Przemysłu i Handlu, Warszawa.
- Monkiewicz, J. (1994): *Program powszechnej komercjalizacji (cele, uwarunkowania, zagrożenia)* [The Programme of General Commercialization. (Goals, Circumstances, Threats)], "Gospodarka Narodowa" no. 12.
- Mouhoud, E.M. (1992): *Changement technique et division internationale du travail*. Economica, Paris.
- Rocznik Statystyczny* [The Statistical Yearbook] (1997). GUS, Warszawa.
- Rocznik Statystyczny Przemysłu* [The Statistical Yearbook of Industry] (1994; 1995; 1996). GUS, Warszawa.
- Słezak, Z. (1997): *Strategiczna reorientacja przedsiębiorstwa na przykładzie Zakładów Azotowych „Kędzierzyn” S.A.* [Enterprise's Strategic Reorientation by the Example of Nitrogen Plant „Kędzierzyn” S.A.], in: *Tożsamość i strategia przedsiębiorstwa – modele i doświadczenia* [The Identity and Strategy of Enterprises – Models and Experiences]. Politechnika Wroclawska, Wrocław.
- Sgard, J. (1995): *Ajustement des entreprises et distribution du credit pendant la transition. Une comparaison de quatre pays d' Europe centrale et orientale*, "Revue Economique" no. 3.
- Strategia rozwoju przemysłu na okres do 2010 roku* [The Strategy of development of the Industry to 2010] (1995), in: *Materiały Ministerstwa Przemysłu i Handlu*. Warszawa.
- World Economic and Social Survey* (1995). United Nations, New York.
- Założenia polityki przemysłowej* [The Principles of Industrial Policy] (1993). Ministerstwo Przemysłu i Handlu, Warszawa.
- Założenia polityki proinnowacyjnej państwa* [The Principles of Innovation Policy] (1995), "Gospodarka Narodowa" no. 1.