

# **Competitiveness as the Main Feature of the Anticipatory Systems**

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## **Abstract**

Every enterprise determines the objectives of its activity and operates in such a way as to make the defined and pursued objectives created favourable conditions for the most profitable effects.

An enterprise is characterized by large internal complexity. At the same time it is subjected to many factors of various nature. They influence its competitiveness understood as a quality which determines the enterprise's abilities to create constant development tendency, productivity increase (measured on the micro scale) and to develop markets while the competitors offer goods or/and services which are: newer, better and cheaper.

Enterprises - participants of the market game, make present operational decisions of strategic range, which refer to the future. Therefore, there is a necessity to carry out multi-parameter and multi-factor analysis of the current condition of the enterprise, market situation and mutual relations occurring between real market competitors. This, in turn, leads to the necessity of effective forecasting.

Competitiveness, the enterprise's quality, is connected with the environment in which it operates. If we assume that the enterprise formulates competitiveness increase as its strategic goal we can state that at the same time it determines methods of its accomplishment closely related to this goal. These methods are designed to help the enterprise in running business effectively in market economy - now and in the future.

## **Keywords**

Competitiveness, Globalization, Enterprise, Global Strategies of Competition.

## **1. An Enterprise as an Anticipatory System**

An enterprise is a system of physical, personal and social elements linked by a network comprising mutual relationships of its members cooperating with each other in order to obtain a joint objective [Fiodor (ed.), 1992, p.228]. In order to run business and develop an enterprise should aim not only at achieving inner balance between various elements occurring in its organization but also in relation to external environment.

Considering an enterprise as an anticipatory system we should make the assumption that it can forecast future environment conditions, which will accompany future business activity. At the same time the enterprise should be able to adjust its existence to changing

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environment on the bases of forecasts. Adjustment processes are carried out in order to maintain its existence and needs to accomplish its own objectives, which are in fact the essence of its existence and activity.

Every enterprise determines the objectives of its activity and operates in such a way as to make the defined and pursued objectives created favourable conditions for the most profitable effects. Operating in accordance with selective rationality, the enterprise makes decisions which serve to pursue the defined objectives. At the same time, the decisions made by the enterprise eliminate undesirable effects of the earlier decisions, which turned out to be wrong as far as the accomplishment process of the objective is concerned.

The process, which dominates market environment of a contemporary enterprise, is competition. It implies definite action on the part of every enterprise. Moreover, it leads to the existence of various objectives of the activity, which is carried out. However, we may ascertain that growing complexity of these objectives is closely connected with the competition process and that is the reason why the aim of a contemporary enterprise is to strive for development achieved by increased competitiveness.

Research on competitiveness of an enterprise is increasingly more complicated. It is due to the complexity of processes taking place in globalization of finance, markets, products and also the above mentioned process of competition. It is necessary to carry out analysis of the course of a large number of processes at long periods of time. Proper analysis should allow for stabilized (determined) course of the processes taking place in a scheduled time range.

However, we should remember that the analysis tools determined and applied so far in any analysis are based on linear picture of reality. In other words, they are based on simplified (due to practical reasons) mathematical tools. During the research of chaos it has been stated that reality is not linear. It indicates that reality can only be described by means of nonlinear mathematical dependencies. Research results of any processes carried out by means of nonlinear dependencies depend on small changes of initial conditions introduced to these dependencies at the beginning of research. It is a characteristic feature of any nonlinear dependencies.

In every research (not only in case of competitiveness) the value of parameters is fixed at the beginning and indicates the beginning of research (the  $t = 0$  moment). Due to its nonlinearity, the obtained image may not be suitable for operation in reality. It happens so because only the  $t = 0$  parameters' values have been considered. Whereas the course of processes may be influenced by the unexpected (other than deriving from forecasts or calculations) changes of some parameters resulting from their  $t = 0 - 1$  value.

Moreover, the nonlinear courses are of complicated nature as far as the geometric image is concerned - the function illustrating the course. While carrying out analysis by means of the linear methods we are unable to recognize it. Even when research is carried out by means of nonlinear apparatus we cannot forecast the real image of parameters' sum without knowing the „real” starting point of a given change.

An enterprise is characterized by large internal complexity. At the same time it is subjected to many factors of various nature. They influence its competitiveness understood as a quality which determines the enterprise's abilities to create constant development ten-



gency, productivity increase (measured on the micro scale) and to develop markets while the competitors offer goods or/and services which are: newer, better and cheaper.

## **2. Enterprise and Competition Globalization as Coexisting Processes**

The enterprise's desire to increase competitiveness is closely related to the necessity of defining strategic aims and then determining ways of execution. During the last dozen or so years the process of globalization involved all areas of economic life. It gave rise to the enterprise's development tendency based on mechanisms, which settle the allocation of resources on a global scale. Thus, there is a change of approach to formulating strategy within the enterprise itself. In order to survive and act effectively in a competitive environment, the enterprise must take into consideration the process of competitiveness globalization, which is taking place.

The notion of globalization refers to many complex processes, which are characteristic of the current world economy. Many publications on globalization have appeared in the professional economic literature, but so far there has been no universally accepted theory dealing with this complex and dynamic process [Barnet, Cavanagh, 1994, s.19]. It is claimed that globalization processes take place in various fields: economic, technical, sociological and cultural [Zorska, 1998, pg. 13]. It has also been noticed that the greatest progress in the globalization process takes place in the economic sphere, which contributed to the creation of the basic principles of global economy [Dunning, 1992, pg.8].

Generally speaking, globalization is a process, which consists of activities or phenomena of the worldwide range [Sundram, Black, 1995, pg.9]. Economic globalization refers to economic activity, economy, trade markets, economy branches, enterprises and competition [Zorska, 1998, pg.13].

In the light of considerations on enterprise competitiveness, the processes of competition globalization in connection with the enterprise's globalization process acquire special meaning. Globalization refers to the concept of enterprise management, which is orientated towards world markets and is based on world production factors [Pierścioneck, 1996, pg. 317]. The orientation towards world markets leads to the elimination of the existing shortages on some national markets and surplus on others and the orientation towards the world production factors creates the bases for increasing effectiveness and innovation much more effectively than on the national scale. Enterprises supplying world markets are superior to national companies due to their access to the world markets as well as the markets of production agents.

The globalization process of an enterprise results from changes taking place in the current world, which refers especially to, those connected with technical progress. Also, changes in the quality of social and political life contributed to the creation of more favourable conditions for international cooperation. New cooperation methods accompanying more and more effective competitive methods have been worked out. This caused the necessity to create enterprise development strategies involving all accessible methods of competition.

Enterprise globalization involves management on a global scale. It means their in-



volvement in international commercial and manufacturing activity and the possibility of offering all kinds of services including material as well as non-material (banking, finance).

The process of enterprise globalization by coexisting with the process of competence mechanisms' globalization resulted in growing interest in creating internal competitiveness in enterprises running business in multinational markets. It is connected with the necessity to determine a proper strategy of enterprise development in which competitiveness would be one of its essential elements. Preparation of an enterprise's strategy involves making a choice of activity making the enterprise appear on the market and then determining the resources which will be essential for the enterprise to survive and develop [Strategor, 1995, pg.25]. Accepting the suggested determinants as basic in creating the enterprise's strategy enables concentration on two aspects of the formulated strategy:

1. membership of the enterprise in a definite group of manufacturers or field of activity (corporate strategy); strategic choices made in this field, make the enterprise enter one sector, or another or leave it in order to maintain a properly balanced products portfolio,
2. the enterprise's activity on the market undertaken in order to achieve a favourable competition position in a given sector (business strategy).

The second aspect of the enterprise's strategy is strictly connected with determining the aim of its activity defined as „achieving a favourable competition rank.” In order to achieve a goal which has been formulated as above, a preliminary determination of the level of the enterprise's competitiveness seems necessary.

### **3. Global Strategies of Competition in the Light of Research on Enterprise Competitiveness**

Enterprise globalization entailed globalization of competition. This causes the necessity to work out new strategies of enterprise competence taking into account the global character of the environment.

Global strategy is one in which a definite region is treated as one, identical market [Manorek, 1998, pg.18]. Global strategies are essentially different from national strategies. The relationship between the enterprise and its environment is the basis for determining a strategy and its effectiveness depends on the fact whether a particular enterprise performs an activity which is inaccessible to its competitors [Kay, 1996]. The global strategy in relation to competence must therefore form a sequence of decisions, which interrelate and are executed forming a consistent and compact system of the enterprise's performance in a global environment.

For a few dozen years the evolution of views on issues connected with enterprise globalization has been taking place. In the 60's research results were published [Chandler, 1962] and dealt with the correlation analysis of three systems: the environment, enterprise development strategy and structures of enterprise management. D.Chandler stated that development strategy determines changes in management structure and the changes of environment, especially the market changes, are a common determiner of the strategy as

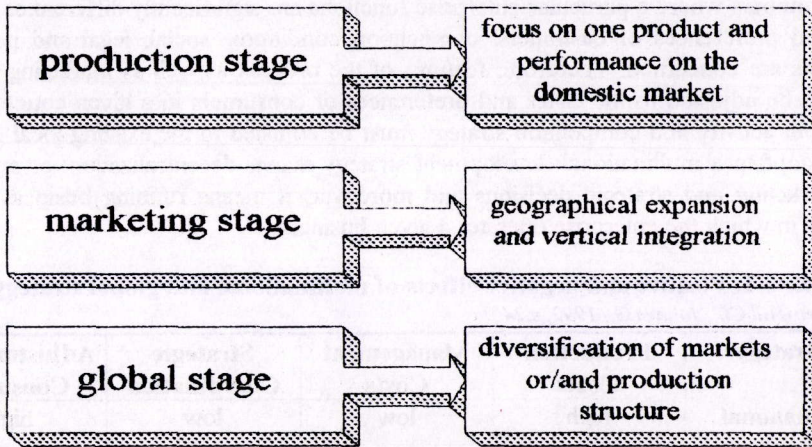


well as of management structure. The research conducted by A.D.Chandler laid the basis for the distinction between three basic stages of enterprise development, namely [Ansoff, Mc Donnel, 1990, s.3-8]:

1. „production” stage consisting in mass production (dating between 1900-1930 in the USA),
2. „marketing” stage consisting in the application of mass marketing (dating between 1930-1950),
3. „global” stage consisting in the application of total marketing connected with enterprise (dating since 1950).

The „global” development stage of an enterprise, which is functioning on the international market, creates the necessity to search for the sources of competitive lead. They lie mainly in [Ghoshal, 1987]:

1. differences in the „expenditure-effect” calculation in various countries,
2. effects of the production scale,
3. effects of the production activity range resulting from the fact that the total cost of manufacturing two or more products in a batch is lower than manufacturing the two or more products separately.



**Fig. 3.1. Interdependence between the stages and the strategies of enterprise development**

*Source: own, based on [Pierścioneek, 1996, pg.228]*

A.D. Chandler has drawn up the presented model of enterprise development on the basis of research on the development of American enterprises over a long period of time [Pierścioneek, 1996, s.228]. The strategic behaviour analysis of American enterprises enabled the differentiation of clear development stages with specific development strategies, which were characteristic (Fig.3.1):



1. in the „production” stage - concentration on one product and operating on the domestic market,
2. in the „marketing” stage - geographical expansion and vertical integration,
3. in the „global” stage - global diversification connected with diversity of markets (geographical diversification) or/and diversity of production structure.

There are factors, which determine the development of the current globalization processes, including [Filar, pg.102]:

1. the existence of a global client - consumers' preferences are similar and it is unimportant in what part of the globe a given enterprise offering its products is located,
2. expenditure on the technical progress development - desire to carry out activity on a global market is connected with the necessity to incur relatively high expenditure on Research and Development,
3. desire to reduce costs which means locating manufacturing companies in regions where the production agents are cheap.

The basic development strategies of enterprises functioning on international markets are divided into multinational strategies and global strategies [Hout, Porter, Rudden, 1982] [Levitt, 1983]. In the multinational strategies we make the assumption that markets of the countries where a particular enterprise functions are significantly different as far as tastes and preferences of customers, competition conditions, social, legal and political conditions are concerned. Therefore, features of the product as well as marketing methods must be adjusted to the tastes and preferences of consumers in a given country and the current activity and competition strategy must be adjusted to the existing local conditions. Adopting a multinational development strategy means decentralization: or production, marketing and strategic decisions and moreover, it means running business in all countries in which the enterprise operates a given business.

**Table 3.1. Positive and negative effects of multinational and global strategy**

*Source: (Hill Ch., Johnes G., 1992, s.245)*

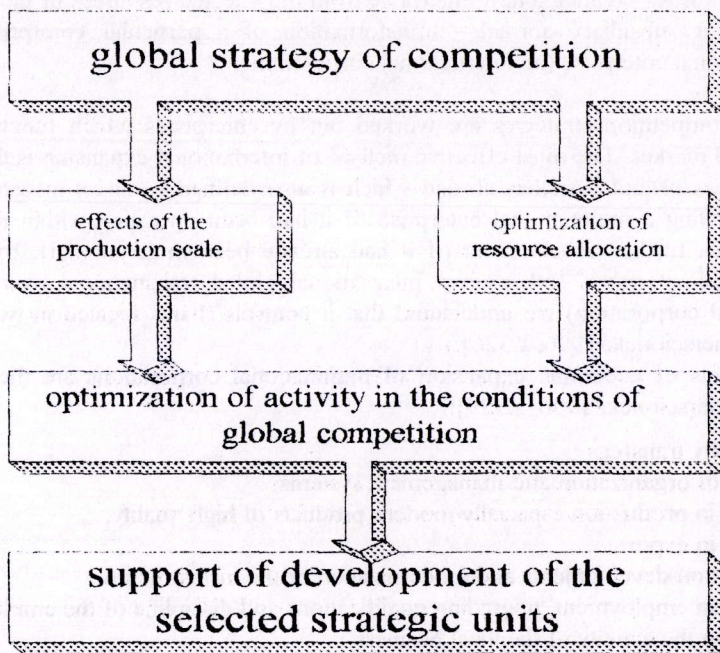
Strategy	Production Costs	Management Costs	Strategic Coordination	Adjustment do Consumer
multinational	high	low	low	high
global	low	high	high	low

However, in the global strategies or enterprise development we assume that there are no relevant differences between markets of the countries where this enterprise runs business as far as the tastes and preferences of customers as well as conditions of external environment are concerned. Therefore, the enterprise manufactures homogeneous products for all local markets and applies homogeneous marketing methods. Adopting global strategy leads to running business by the enterprise only in those countries in which the relationships between effects and expenditure (including, first of all, the costs incurred to



run business) are the most profitable. Therefore, the enterprise applying global strategies is characterized by a considerable concentration of production in order to obtain scale effects, much greater than in case of an enterprise, which applies a multinational strategy (Table 3.1).

Positive effects of applying a multinational strategy are connected with the possibility of adjusting the product, marketing methods, management methods and competition strategy to the local conditions existing on the domestic market. It creates the basis for working out the precise market analyses, which enable quick adjustment reactions of the enterprise. Moreover, adopting a multinational strategy provides the enterprise with the bases of better cooperation with the managerial staff of the country in which the enterprise runs its business than in case of the global strategy situation. Negative effects of applying multinational strategy by the enterprise are connected with fewer possibilities of obtaining the effects of production scale and difficulties relating to the optimal allocation of production reserves. Therefore, production costs are higher than the costs incurred by an enterprise carrying out global strategy. As an effect the possibilities of cash flow among strategic units in order to support development of the selected units are smaller in the case of adopting a multinational strategy (Fig.3.2).



**Fig. 3.2. Positive consequences of executing the global strategy of competition**

*Source: own*

The advantage of a global strategy in comparison to national strategies involve incurring relatively low production costs and is connected with creating costly competitiveness



by the enterprise - competitiveness related to the incurred expenditure as well as the obtained effects. However, incurring high management costs indicate the necessity to treat human resources in a special way as they have a significant impact on the enterprise's competitiveness. Relatively low adjustment to the client creates a new challenge for the enterprise, which aims at efficient activity on the international market and the necessity to influence the competitiveness, level by an increase in the quality of the offered goods. Additionally, it is connected with the necessity to determine the area of enterprise domination in strong correlation with the needs reported by the global market which is not a simple sum of local markets but consists of the total, with all this implies.

Among many global strategies taking into account the nature of competition on partial markets Z.Pierścionek distinguishes the following methods of global expansion [Pierścionek, 1996, pg.322]:

1. export - a traditional method of international expansion allowing the enterprise to adjust to foreign markets and foreign competition,
2. licensing - an agreement according to which a foreign licensee acquires (for a fixed charge) the right to produce and sell goods of the enterprise which grants the license,
3. franchising - a sale of limited rights to use the company's name controls,
4. joint-ventures - creating a new enterprise from the selected resources of the founders,
5. branch or subsidiary abroad - transformation of a particular enterprise into an international enterprise (an international corporation).

Global competition strategies are worked out by enterprises which function on the international market. The most effective method of international expansion is the creation of subsidiaries or/and branches abroad which is also defined as direct investment. This involves creating a multinational enterprise (if it had been operating within the country before) or its further development (if it had already been multinational). By the term „multinational enterprise” (other terms: international, global, transnational, overnational or multinational corporation) we understand that it controls shares located in two or more countries [Pierścionek, 1996, s.326].

The effects of economic expansion of multinational corporations are the following [based on: Pierścionek, 1996, s.329]:

1. technology transfer,
2. transfer of organization and management systems,
3. increase in production especially modern products of high quality,
4. increase in export,
5. construction developments and modernization of the infrastructure
6. increase in employment, upgrading qualifications and discipline of the employees,
7. increasing the activity of the local business,
8. increase in competition
9. expansion of foreign contacts made by local enterprises,
10. development of the economic information system,
11. natural environment protection.



In the 90's there was a significant growth of interest in Poland as a place for making investment by foreign entrepreneurs. This was caused by the reduction of investment risk, mainly in effect [Dworzecki, Cygler, Kalinowski, Nowak, Umiński, 1998]:

1. improved overall economic indices of the country,
2. liberalization of legal regulations connected with creating conditions favourable for foreign investors,
3. upgrading life standards,
4. changes in the mentality of Polish society,

There is a special interest of foreign investors in strategic alliances with Polish enterprises involving long-term agreements between present and potential competitors based on partnership principles (the obtained profits are adequate relative to the partners' shares and still remaining as a distinct organization). Most often they acquire non-capital forms (e.g. franchising) or capital (e.g. joint venture or partial acquisition) [Cygler, 1995, pg.17-20].

Research on strategic alliances with foreign partners and the influence of these alliances on the operation of Polish enterprises in the 90's lead to the following conclusions [Cygler, 1998, pg. 306-309]:

1. the market position of Polish enterprises has strengthened,
2. there has been a change in the market performance of domestic companies due to intensification of marketing activity including promotion,
3. innovational processes have been set in motion,
4. there have been structural changes in Polish enterprises leading to profound restructuring.

Summing up the influence of strategic alliances on the activity of Polish enterprises, it has been stated that the alliances have a larger impact on the organizational restructuring of these enterprises than the marketing restructuring [Cygler, 1998, pg. 309].

Moreover, stress is put on the creation of strategic alliances and their influence on the competitiveness of Polish enterprises indicating that various forms of concentration may be beneficial in the short as well as long term [Poplawski, 1998, pg. 33]. Over a long period of time by executing the strategic goal of the enterprise formulated as an increase of competitiveness, the strategic alliances have been conducive to the adjusting processes of the Polish enterprises, which aim at meeting the requirements of the market compulsory for the European Union.

In order to take a position on the above mentioned conclusions, it can be stated that organizational restructuring is the condition for market restructuring which influences the increase of competitiveness of Polish enterprises.

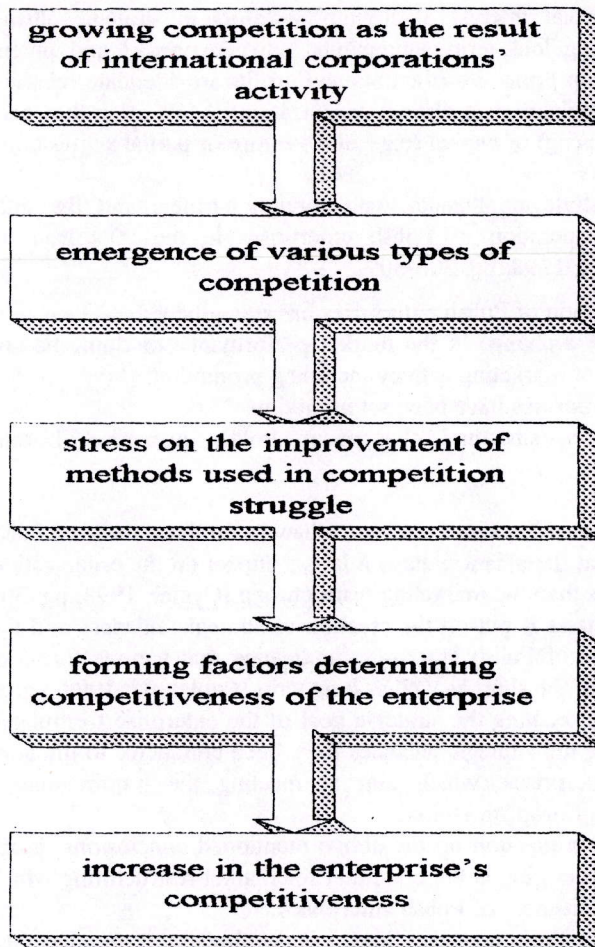
In the context of these considerations it is worthwhile to mention the fact that many Polish enterprises' operation is of a global nature; their number is increasing as well as the size of direct investments made by them. They enter the market by carrying out various types of activity whose forms comply with Polish Law. In connection with the started process of adjusting the Polish economy to the requirements imposed by the member



countries of the European Union, we can state that the acceleration of the system changes' pace is strictly connected with favourable conditions created in Poland for global companies to operate.

#### **4. The influence of global strategies of competition on the competitiveness of enterprises**

The mechanism of market competition is the basic regulator of all the resources allocations as well as a determinant in making economic decisions in the enterprise.



**Fig. 4.1. Influence of multinational enterprises' growing competition on their competitiveness**

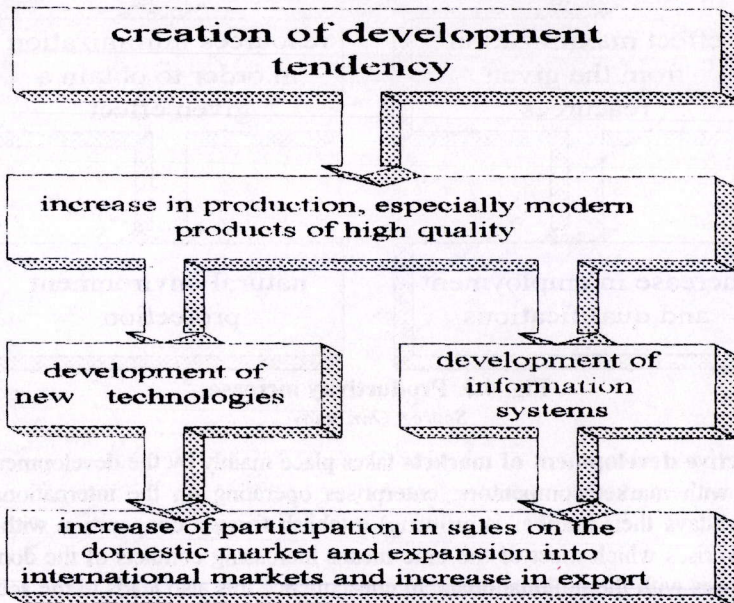
*Source: own study*



Growing competition leads to the creation of various forms of competition in their varieties and types characteristic for the local markets entered, to an increasing extent, by international corporations. By adjusting to the already existing conditions they lead to development of more complex contemporary variations of market competition. There is a pressure to improve methods of competition struggle and therefore search for the enterprise's features, which would allow for the lead at a particular market. As a consequence the enterprise forms factors determining the level of competitiveness aiming at the increase of this competitiveness with relation to other enterprises - its market competitors (Fig. 4.1).

By the term „enterprise competitiveness” we refer to the property which defines its possibility to create development tendency constantly, increase productivity and efficient development of markets while the competitors offer goods (products or/and services) which are newer, better and cheaper. By separating the determinants of competitiveness according to the listed features characterizing competitiveness, that is creating development tendency, increase in productivity and efficient development of markets, we can state that:

- **creating development tendency in an enterprise including international corporations takes place through an increase in production, especially modern products of high quality possible thanks to the development of new technologies (technological transfer) and more modern systems of economic information.**



**Fig. 4.2. Creating development tendency**

*Source: own study*



The consequence of creating development tendency in an enterprise is its development, expansion on the domestic market often manifested by growing participation in sales or by expansion into international markets and increase in export in the case of multinational corporations (Fig. 4.2);

- **productivity increase** in an enterprise takes place due to efficiency increase of resources management, on one hand, and on the other, stress is put on obtaining the largest possible effect from particular resources. Therefore, according to current development tendencies, an enterprise which intends to increase management productivity also intends to increase employment and upgrade qualifications of employees and moreover, puts stress on the protection of the natural environment (among other things, connected with lack of profitability resulting from paying fines in cases where ecological requirements are not fulfilled) (Fig. 4.3);

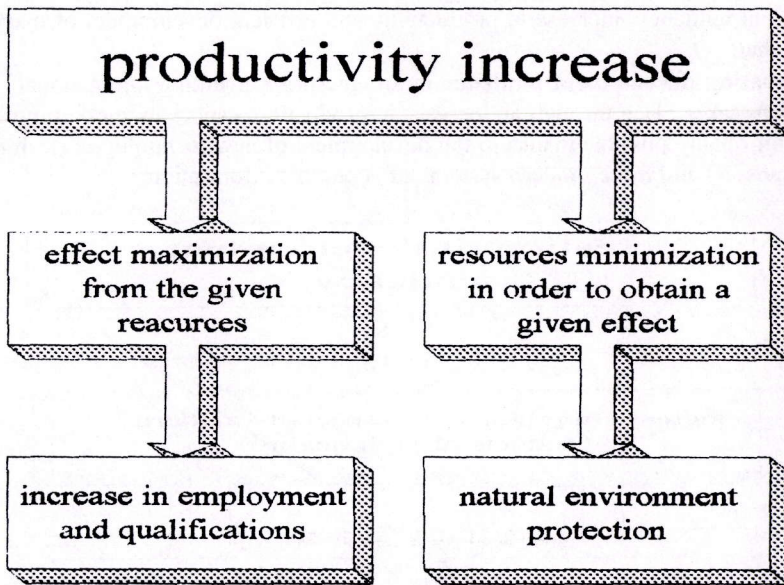
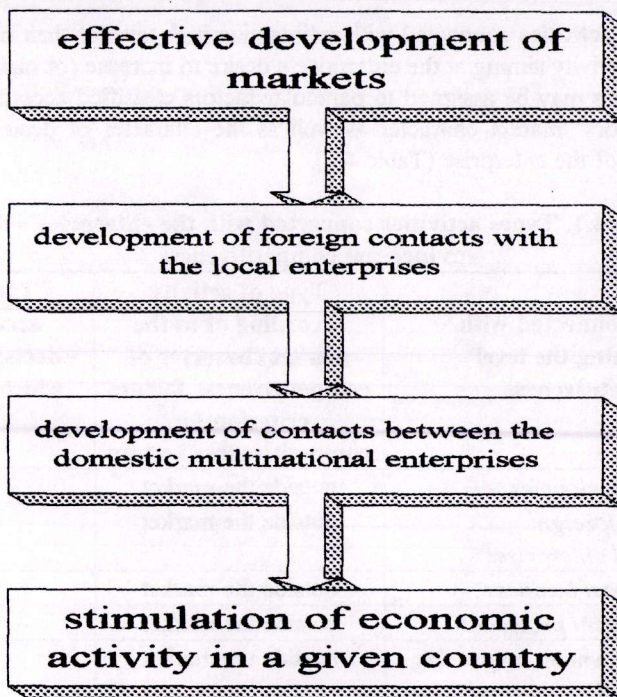


Fig. 4.3. Productivity increase

Source: Own study

- **effective development of markets** takes place mainly by the development of contact with market competitors; enterprises operating on the international market (nowadays their number is growing) establish foreign cooperation with the local enterprises which most of the time means increasing contacts of the domestic enterprises with the multinationals. In consequence this also leads to the activation of economic activity in a given country. Moreover, the enterprises try to make the external conditions of their activity including the infrastructure in a broad sense, to be developed and meet the requirements of the companies entering the domestic market and the companies, which dominate there (Fig. 4.4).





**Fig. 4.4. Efficient development of markets**

*Source: Own study*

In the light of the presented considerations it is worthwhile pointing out the increase of productivity and its influence on the competitiveness of the Polish enterprises. It is claimed that Polish managers should concentrate on the potential possibilities of the employees and make an attempt to influence them in order to improve productivity of the enterprise's particular resources in the conditions when the enterprise's productivity as a whole is improving not worsening [Gableta, Pietron-Pyszczek, 1998, pg. 17].

The improvement of productivity in an enterprise is strictly connected with making proper investment decisions. We can also make an assumption that not only investments but also restricted investments (understood as a restriction to the range and scale of the enterprise's activity [Osbert-Pociecha, 1998, pg.12] make up a significant factor influencing the improvement of the enterprise's productivity indices. This derives from the fact that both, the investments and the restricted investments are to maximize the efficiency of the activity. At the same time both directions of changes in enterprises are to improve the enterprise's current results including finances and the related profitability of production.

The effects of activity carried out by an enterprise in the market economy (regardless its range, that is whether the enterprise is operating on the domestic or international market) lead to the necessity of working out such development strategies which would allow for the enterprise to remain on the market and operate efficiently. Enterprises put special



special stress on activities connected with maintaining high level of their own competitiveness. Types of activity aiming at the enterprise's desire to increase (or maintain high) level of competitiveness may be assigned to particular factors classified according to the criterion of the factors' market character as well as the character of decisions influencing competitiveness of the enterprise (Table 4.1).

**Table 4.1. Types activities connected with the enterprise's desire to increase competitiveness**

Activity connected with maintaining the level competitiveness	Type of activity according of to the market character of competitiveness factors criterion for competitiveness factors	Type of activity according to the decision's character which is the division
<i>infrastructure development</i>	outside the market	external
<i>development of foreign contacts by local enterprises</i>	outside the market	external
<i>stimulation of local business</i>	outside the market	external
<i>natural environment protection</i>	outside the market	external
<i>increase in employment, upgrading employees' qualifications and discipline</i>	outside the market	internal
<i>production increase</i>	market	internal
<i>export increase</i>	market	internal
<i>technology transfer</i>	outside the market	internal
<i>transfer of organization and management transfer</i>	outside the market	internal
<i>information system</i>	outside the market	internal

Source: Own study

Activities which aim at achieving and next maintaining high level of competitiveness by the enterprise are connected with the most important spheres of economic life and are formed as much by the enterprise itself as the external environment. Development of infrastructure, the natural environment and stimulation of the local business closely related to the development of foreign contacts made by the local enterprises may all occur only in favourable conditions created by the country. Therefore, the above mentioned activities show the character of the enterprise's external conditions.

Whereas the following:

1. employment (including increase in employment),
2. size of production (including increase in production) and the related export (including increase in export),



3. technology used in production,
  4. implemented organization and management systems,
  5. development of economic information systems
- are decided upon by the enterprise which in favourable conditions of the growing entrepreneurship stimulates internal factors influencing competitiveness.

In the conditions favourable for increasing the importance of entrepreneurship, internal factors influencing its competitiveness are activated.

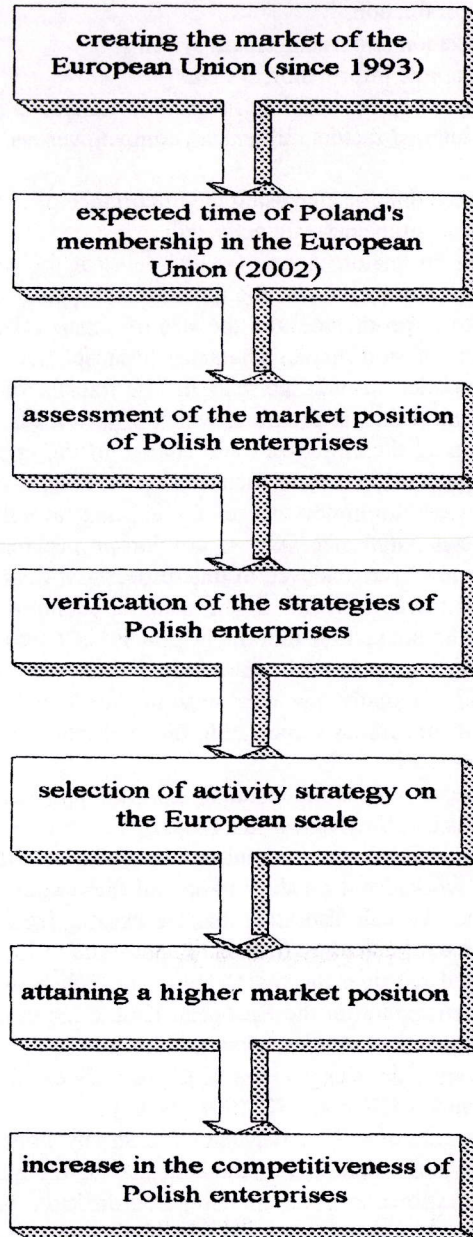
The actions implying the maintenance of a high level of the enterprise's competitiveness include those, which strictly refer to the quantity and quality of goods offered on the market, namely, the size of production and the size of export related to it. However, the rest of the activities are of non-market character because they refer to the decisions, which are not directly connected with the market. The transfer of technology is the consequence of implementing technical progress, which in turn leads to the necessity of upgrading the qualifications of the employees and change of the organization and management system. With regard to the future membership of Poland in the European Union (Fig. 4.5), we should stress the importance of the existing, modified and created conditions of a formal and legal nature necessary to develop proper market mechanisms in the Polish economy. Much has been achieved in this respect. On February 24, 1990 the first resolution, which began market reforms in the national economy, was passed. It was a resolution dealing with counteracting monopoly practices; it was amended on July 24, 1998 and called the anti-monopoly and protection of consumer interests law. The main goal of passing the anti-monopoly law was: ensuring the development of competition, protection of interests of the entities subjected to the application of monopolistic practices and consumer protection.

Evaluating these legal regulations resulting from the application of the above mentioned bills, we can stress its effectiveness. Moreover, we can also notice that they are not very different from similar legal acts compulsory in countries with a developed market economy as they were worked out on their basis and these countries' experiences were taken into consideration. We can also state that the existing legal regulations connected with the creation of a market economy in Poland contribute to the execution of the goal, which was already formulated over the first years of the Polish system reforms and connected with Poland's participation in the European Union. However, there is still a lot to be done on the macroeconomic and microeconomic level.

Attention is also drawn to the sluggishness of the process of adjusting the Polish legislative system to European law [Zymonik K. 1998, pg.12].

Globalization of the enterprise's activity and the strictly connected globalization of competition impose new, non-traditional methods of playing the market game. Moreover, it is also important for Polish enterprises operating in a difficult, demanding market environment, to build such development strategies, which allow them to enter European markets effectively.





**Fig. 4.5. Consequences of creating a European Union market for Polish enterprises**  
*Source: own study*



However, it is not an easy task because [Godziszewski, 1998, pg. 288]:

1. the technical progress and the related technological progress have undergone a significant acceleration,
2. the lifetime of products is shortened,
3. difficulties grow as far as defining potential clients and markets are concerned,
4. problems with identification of potential competitors have appeared.

The above mentioned complications result mainly from the disappearance of state borders and establishing of new market competition mechanisms acquiring a global character. This requires reevaluation of many elements in the formulated development strategies of Polish manufacturers. The necessity of constant adjustment to the changes taking place in the environment provides an opportunity to achieve a high level of competitiveness of Polish enterprises on the European market. In connection with the constant development of economic relationships with the countries of the European Union, there is a necessity to react to the occurring changes and also create these changes and their anticipation. Moreover, the essential issue is the knowledge of the market development tendencies, which acquire a global character.

Finally, we should mention that increasing competitiveness of Polish enterprises acquires priority importance in the situation of the progressing processes of economic integration and due to Poland's future membership of the European Union and especially in connection with many controversies over the pace of the Union's expansion into the countries of Central and Eastern Europe [Maliszewska, 1997, pg.77]. The arguments supporting the fast process of joining the European Union by other countries such as Poland, include the statement that the associated countries should be provided with fast and full membership of the EU because it is the most effective method of guaranteeing that these countries will maintain their reform path and economic growth [Crombrugge de, Minton-Beddoes, Sachs, 1996]. It is essential from the point of view of the member countries and the mechanisms of competition regulating the European market. Also, the associated countries must aim at productivity increase in order to meet the requirements of competition. Productivity growth is one of the three significant elements of competitiveness apart from creating a development tendency and effective development of markets.

The process connected with the membership of Poland in the European Union has undergone a considerable acceleration related to the decision made by the Council of Europe in December 1997 at the session in Luxemburg, to invite Poland, four other countries of Central and Eastern Europe and Cyprus for access negotiations. The package of documents entitled „Agenda 2000” also included actions, which the European Union should undertake at the turn of the century in the context of the challenges, it faces including the next expansion. Apart from specific issues for particular countries seeking membership in the Union, the European Committee has mentioned two problems common for these countries [Kawecka-Wyrzykowska, 1998, pg. 40-53]:

1. strengthening of the institutional and administrative abilities of the candidates,
2. adjusting the enterprises to community standards.



It must be stressed that one of the priority problems refers to enterprises. The adjustment of Polish enterprises to the community standards means creating such conditions, which allow for effective operation in competitive environment, which is directly connected with the improvement of their competitiveness.

Clear tendencies towards globalization of the world's economy, not only the European market, and the related processes of competition globalization impose difficult tasks on Polish enterprises. Not completing them means remaining outside of the world progress and thus in the system of national economy. Therefore, it is essential to carry out research on the competitiveness of enterprises by considering the macrocompetitiveness of the Polish economy in close relation to its external environment. Globalization of the world economy and the related processes of competition and enterprise globalization impose putting emphasis on the increase of competitiveness. It happens mainly due to the liberalization of trade exchange, elimination of customs barriers and an increase of capital flow. Lack of adjustment to the new rules of the market game, which takes place on the international forum, creates the risk of pushing the country not complying to the margin of national economies. Enterprises, which intend to meet these new requirements, must put stress on the increase of competitiveness in their development strategies. The increase of competitiveness is strictly connected with seeking the possibility to increase microproductivity, creating development tendency and effective development of markets. Thus, there is a necessity to improve the internal, market and non-market factors when making decisions in the enterprise.

A question arises, whether in these new conditions of running economic activity Polish enterprises are able to attain a high level of competitiveness becoming entities of global range? It is difficult to formulate a clear-cut answer to this question because the analysis of system changes and their pace in Poland in the correlation to the pace of changes taking place in the potential environment of the Polish enterprises' activity requires further and more profound research.

Among the countries participating in the process of globalization, special importance is attributed to a group called the Triad [Ohmae, 1985] comprising about 20 well-developed countries of North America, Eastern Asia and Western Europe (mainly the European Union). Undoubtedly, if Poland could meet the conditions of global competition and become a member of the Triad after having joined the European Union it would be a great success for Poland. If the strategic goal for Poland at the turn of the 20th and 21st century is membership of the European Union, then joining the group called the Triad could be called a goal of „substrategic” character with a much longer period of execution.

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