

RESISTANCE TO RESTRUCTURING CHANGES IN COMPANIES WHOLLY OWNED BY THE STATE TREASURY

Jerzy Choroszczak¹

Abstract

This paper shows the crucial problem of the resistance to restructuring changes in companies wholly owned by the State Treasury. The primary goal of the author was to identify the causes and consequences of resistance to change in these companies wholly owned by the State Treasury. The following paper presents results of the research conducted by the author in a large corporation wholly owned by the State Treasury.

Keywords: *resistance to changes, restructuring changes, companies wholly owned by the State Treasury.*

1. Introduction

Organizational changes, especially the restructuring ones carried out in companies wholly owned by the State Treasury often encounter a strong resistance of the employees as well as part of the executives which frequently leads to undesirable effects of the restructuring changes. Resistance to such changes in companies wholly owned by the State Treasury is unique and differs from resistance to change in private enterprises, featuring more complex nature. The strength of this resistance will depend on many factors associated with both the specifics of the relevant change and details of the enterprise itself and relations between the employees of the company.

The main objective of this paper is to investigate such resistance to the restructuring changes in companies wholly owned by the State Treasury. The intention of the author was to analyze the sources of resistance, its specifics, and implications for the functioning of the company wholly owned by the State Treasury as well as ways to minimize negative effects of the resistance. The following paper presents results of the research conducted by the author in a large company wholly owned by the State Treasury. The management of this company did not agree to reveal its name; therefore, it will be renamed into ALFA in the following paper.

¹ Ph. D., Assistant Professor, Faculty of Social and Computer Sciences, Wyższa Szkoła Biznesu – National Louis University, ul. Zielona 27, 33-300 Nowy Sącz, e-mail: jchorosz@wsb-nlu.edu.pl.

2. Essence of the restructuring changes in companies wholly owned by the State Treasury

The State Treasury companies are a type of business set up by Minister of State Treasury at the request of the founding body, namely director of the state-owned company, work council or on their own initiative. On the one hand, such companies are subject to general rules laid down by the provisions of the commercial companies code, while on the other hand, they have quite specific characteristics that distinguish them as compared to other companies – private ones (Choroszczak, 2015, p. 56). The source of specific characteristics of such companies is the shareholder – the State Treasury. In companies wholly owned by the State Treasury the State owns 100% of the shares and has full control over them.

Initially, the legal form of the company wholly owned by the State Treasury was supposed to be a transitional form of the organization preparing state-owned enterprises for privatization. The unlimited time of the functioning of companies wholly owned by the State Treasury was established based on the passed act on commercialization (Czerwińska, 2002, p. 5). In such companies wholly owned by the State Treasury, a highly strong resistance to changes, the restructuring ones, in particular, takes place very often. To be able to understand the causes and specifics of this resistance it is essential to study the phenomenon of the restructuring processes occurring in companies wholly owned by the State Treasury. Generally speaking, the restructuring is a radical reconstruction of the company. It can be carried out in almost all areas of the company starting from the core business, through production technology and structure of the company and ending with the organizational and legal form of the enterprise. The source literature presents very different approaches to the restructuring changes:

- Restructuring is a process of fundamental and serious changes more extensively caused by external factors, or otherwise critical situations in the development of structures affected (Borowiecki & Kwieciński, 2001, p. 11).
- Restructuring is a strategy for the growth of the economy, sector, and enterprise (Grudzewski & Hejduk, 2000, p. 21).
- Restructuring is a strategic process leading to maximizing the value of the sector and enterprise (Kaczmarska, 2007, p. 14).
- Restructuring is a rapid change in assets of the company, capital structure and organizational structure (Kupczyk, 1998, p. 17).

Thus understood, the restructuring will affect particular changes. These are changes of radical, fundamental and groundbreaking character for the operation of the company (Borowiecki & Nalepka, 2003, p. 43). It can, therefore, be concluded that any restructuring is a change, but not every

change is the restructuring. Radical changes carried out in the process of the restructuring include:

- reformulating the mission, goals and core values of the company,
- changes in the management structure,
- reorganization (changes in the organizational structure, systems, and procedures),
- changing the organizational links (processes, information network, decision-making system).
- replacing part of the personnel (Grudzewski & Hejduk, 2000, p. 27).

Considering the specifics of the restructuring processes in companies wholly owned by the State Treasury, one can indicate some specific features of these methods.

Firstly, the restructuring processes held in such entities must be carried out relatively quickly because these entities often face a challenging financial situation which is usually characterized by developed pathological processes and also because, as Sapijaszka (1997) rightly believes that changes implemented slowly and gradually increase the risk of being subjected to pressures and political turmoil of various stakeholders, and promote intensification of organizational inertia, very strong in companies wholly owned by the State Treasury. The protracted destabilizing radical change will only increase the resistance of the employees with regard to changes therefore, such changes should be implemented as soon as possible.

Secondly, such changes have to some extent break with the past as they must be 'fresh', revolutionary and innovative because only such changes will increase adaptation of the organization to the changing market and the likelihood of success of the enterprise. These changes cannot be restructuring changes in name only. The more these changes resemble the changes that have already been introduced by the company and as a result led it to the state of crisis, the smaller probability that the company will deal with the crisis.

Naturally, fundamental and radical change is not a sufficient condition in the restructuring process. It must be a beneficial change which will adapt the enterprise to conditions in its environment and positively affect its competitive position.

Restructuring changes held in companies wholly owned by the State Treasury are carried out for quick adaptation of the enterprise's strategic potential to the expectations of the environment in order to eliminate or reduce an enormous huge strategic gap in this matter. Restructuring is an adaptive and reactive change aimed at complying the enterprises in crisis with changes occurring in the environment by means of radical measures. Restructuring processes are carried out when the company for a extended period of time neglected the process of permanent monitoring and adapting to the market.

Also, there has been a significant failure concerning the adjustment of internal processes to the requirements of the environment, and this situation very often takes place in companies wholly owned by the State Treasury. In this case, in the face of increasingly intense external changes, gradual and slow changes will make the company not keep pace with these external changes, and what is more, the company will continue to 'move away' from the environment instead of adapting. Only a quick change is required in such situation that will lead the enterprise back to a state of balance with the environment and to the fact that the process of adaptation will be possible again to be done by smaller gradual changes. The greater strategic gap between internal objectives of the company and expectations of the environment, restructuring changes should be quicker and feature radical character.

Another feature of the restructuring changes of companies wholly owned by the State Treasury is their strategic dimension associated with the economic objectives of the country. The direction of the restructuring should be to change the strategy of the company and the related systemic reconstruction of the organization and principles for the functioning of the company in order to achieve a long-term competitive advantage. This strategic restructuring change is imposed by an external entity, namely Minister of the State Treasury. Main, above restructuring objectives, in this case, are not built from the bottom by the employees of the company wholly owned by the State Treasury.

Such authoritatively imposed restructuring will require changes in the company's mission, objective goals, search for competitive advantages, and therefore basic elements of the strategic management process. The strategic dimension of the restructuring processes is also reflected in expanding or limiting the area of the company's activities, and what follows, it concerns the strategic choice of one of two main development directions of the enterprise: specialization and diversification. This choice, however, is imposed and controlled by the external entity.

Another feature of changes held in the restructuring process of companies wholly owned by the State Treasury is their complexity and various aspects. Restructuring changes of such entities should often be deep, 'structure breakers' concerning the most important parts of the organization. Authority in the field of the restructuring processes Prof. H. Singh when defining the restructuring often highlighted its extremely complex nature. His interpretation of the restructuring meant 'a rapid change in the assets of the company, capital or organizational structure (Singh, 1993). This change may involve a broad range of transactions starting from acquiring new areas of the activity, selling part of the company, changing capital structure through increasing debt and ending with the internal changes of the company's organization.

The complexity of the restructuring changes carried out in companies wholly owned by the State Treasury is also influenced by extensive and very often complicated relations between shareholders in such companies. Cooperation with shareholders in the restructuring process of the enterprise will mean the search for a convention between interests of many entities. It will allow to implement the restructuring program effectively, maximize profits and minimize losses in individual groups of shareholders (Porada-Rochoń, 2009, p. 40).

Another feature of the restructuring changes is their systemic nature resulting from the fact that these changes have, as already mentioned, complex and multi-dimensional character. Changes made in the restructuring process in one of the restructuring areas generally involve adaptive changes in other fields of the company's operation.

Restructuring changes described above can be an effective response made by the company wholly owned by the State Treasury to the crisis and the base for long-term development of the enterprise if precisely planned, very carefully prepared, consistently carried out in accordance with previously developed objectives and controlled. Under no circumstances may the restructuring be an uncoordinated and accidental process because the results will be short-term and partially useful, bringing at best ad hoc improvement in the effectiveness of the company's operation. It is also necessary not to treat the restructuring as an end in itself but as a means to achieve objectives of the organization. In addition, it must be emphasized that the restructuring involves not only 'hard' field of business management and material activity but also includes changes in the 'soft' elements of the management. Also, it indicates changes in the sphere of awareness of the employees which is very often forgotten in the restructuring processes of companies wholly owned by the State Treasury.

3. Resistance to restructuring changes

Any modification, to a greater or lesser extent, carries a risk and uncertainty when it comes to its influence and results for individual components of the organization. Primarily, this change will always raise natural resistance among employees of the organization, due in part to the very nature of organizational changes that in most enterprises are not natural. Usually imposed on the employees authoritatively and everything that is imposed may be a source of the opposition of people operating in the enterprise. Their fear of the change which always involves uncertainty, the comfort of the employees and fixed habits inhibit and make difficult to introduce changes in the enterprise and raise resistance. This resistance to changes as rightly noted by P. Senge: "...

almost always arises from the hazards of traditional standards and proved methods for carrying out specific tasks.” (Senge, 1990, p. 88)

Analysed resistance to changes is one of the most difficult issues associated with the change management process. It is an integral part accompanying changes. It can generally be said that the size of the resistance is proportional to the size of changes introduced in the organization. The resistance increases as changes are implemented, however, after reaching a peak point it starts to decrease.

The essence of the phenomenon of resistance can be characterized as a prevention of the implementation of a new, different order in the organization. In other words, these are all forces seeking to ensure that the change does not occur. Every organizational change involves shaping new situation, other conditions for the employees different from those they already got used to. It is a kind of a unilateral termination by the organization of the existing terms of the contract which was the result of previously achieved balance between services and expectations of both parties: institution and its members. Resistance occurs when new conditions are perceived by people as less favorable than the previous ones (Czerwiński, Czerska, Nogalski, Rutka & Apanowicz, 2002, p. 520).

When considering nature of the resistance to changes, one can take advantage in this matter of field theory by K. Lewin, according to which the behavior of the organization is the result of the impact of both forces pressing for changes and those inhibiting them. Positive forces are pressing and stimulating the introduction of changes to include inventions, competition, new materials, innovative technologies.. In contrast, forces inhibiting the process of changes are fear, group norms, and self-satisfaction. The greater impact of inhibiting forces, the smaller scope, results of implementing changes in the organization and greater elimination of positive effects caused by stimulating forces. If the forces supporting changes do not overcome those that cause resistance, the change itself will not have a reason to exist or will bring very little results. Considering the resistance to changes, their size and implementation time, one can come to two conclusions:

- 1) Proportionally to the scale size growth, the resistance increases and therefore the risk, uncertainty, need to pay more time and energy to employees for learning the process of changes increase.
- 2) Resistance to changes increases when a period for implementing organizational changes by the employees is shorter. The more rapidly introduced changes and in a shorter period of time, the employees have less time to get familiar with these changes and adapt to them. Changes introduced so quickly are often a shock to the employees and increase their reluctance to the process of changes.

Naturally, the attitude of the employees towards changes in the organization are not static as they evolve, transform as the process of changes progress and its effects are visible. Usually, at the beginning of the process of changes, the employees experience a kind of shock associated with something new, unknown, arousing fear, while next stage involves caution, defensive withdrawal to finally get used to the change, accept it and adapt. It can be stated that resistance to changes and negative attitude of the employees will decline as the changes will take visible and positive shape as well as bring positive results. The level of employee involvement will grow as time passes and the transition from the phase of prevention and acceptance to the phase of adaptation and assimilation.

On the other hand, when identifying outbreaks of resistance and its causes and analysing variety of their different classifications found in the literature it must be said that all kinds of sources of the resistance can be reduced to two basic groups: sources of the resistance arising from human nature and sources of the resistance caused by the very nature, specifics of the change.

The source of resistance to organizational changes can be primarily human nature of its own, natural anxiety of the unknown and fear. According to Daryl Conner, fear, anxiety, and loss of control during the process of changes are such strong feelings that demobilize most of the employees and suspend their actions even when the prospects for them are extremely beneficial. When destroying former order and system, changes are naturally the source of negative reactions. Everything that is new and foreign to human nature must raise concerns of the employee about his future towards changes introduced in the company. Each change always puts a man in a new situation that he had never been before and will have to find his place in a new reality. Perhaps, as a result, he can gain but also lose as rightly noted by Clarke (1997, p. 151), a change usually divides people into winners and losers. The greatest resistance occurs among employees who believe they will be in the latter group. This formation of the resistance, the source of which are employees depends undoubtedly on how much they have invested in the old ways of operation and how much they had to learn to function in the organization concerned. The more effort they put, the greater resistance to the new.

Vital issue in discussing sources of the resistance arising from human nature is the level of security or its lack among employees. If the employees do not feel safe enough in the company's concerned or when they know that the company fired in the past employees for errors they made, they will obviously resist any changes as a result of which they will have to learn from the scratch and thus the risk of errors and dissatisfaction of the management will immeasurably increase. A similar situation will take place in case of many people with long experience who already have a well-established position and

a great sense of security. Then, their resistance to changes will be relatively high. The point is that too high sense of security, as well as a high sense of insecurity, are not conducive to the process of change. That is why it is important as noted by Clarke: “*to control tension between security verging on inertia and insecurity verging on psychological risk*” (Clarke, 1999, p. 37). Specific balancing with the level of security may have a significant impact on the actual strength of the resistance to change. The idea is that on the one hand, employees are convinced that the organization is in a very difficult situation and that this situation will negatively affect employees so that they feel a kind of pressure of action. On the other hand, that these employees feel confident, be in a safe environment which does not punish immediately and severely with a proverbial stick because this disheartens employees from taking any initiatives. All sources of resistance associated with human nature can be divided into personal and sources inherent in the interaction of a social group.

Personal sources derive from individual attitudes, fears of every employee to changes in the organization. Each of the employees has a slightly different way of responding to change and reacting to stress associated with the process of transformation in the company. Shape, size, and strength of the resistance arising from this type of sources will be influenced by such factors as age, tolerance of uncertainty, the level of self-confidence, experience in relation to the effectiveness of changes, position in the company. Such personal sources can also include:

- fear of ‘losing face’ against new tasks, anxiety that new tasks will surpass the employee,
- concern about one’s own competencies whether they will be useful after changes,
- fear associated with increased workload, the fact the change will require more energy, time and learning,
- negative experience from the past associated with changes, their negative results and unfulfilled promises.

Resistance arising from this source of human nature can furthermore be dictated by habits and routine of the employees, abandoning previous habits and behavioral patterns. Sometimes it is easier to learn something from the very beginning than to get rid of old habits. One can, therefore, conclude that the strength of the resistance is proportional to the length of service and occupying a specific position.

The social sources of resistance involve the pressure caused by a formal or informal group of co-employees, faith and loyalty of the individual to the group. The driving force behind this type of resistance to change is the fear that the change will violate interests of the group as a whole or someone from the group. In this case, solidarity with the group or even fear of exposure to

the group will result in joining the process even if the individual concerned does not feel the fear of the change. This source is particularly strong in large enterprises with extensive organizational structure and relatively large organizational units and additionally favored by a relative stability of employment, low employee turnover and thus creation of strong ties between these employees.

The source of resistance featuring social nature is also inconsistency with applicable standards or cultural values followed for a longer period of time by a group in the company and the fear that this change will destroy these values and standards. As rightly noted by Senge (1999, p. 134), these standards followed by a group are often woven into the structure of the existing map of influences and mutual interaction, and therefore often give rise to such resistance to change. A strong position of trade unions in organizations is undoubtedly an element strengthening this kind of source of the resistance. This type of social factors resistant to change may also result from a lack of faith and loyalty of the employees to their superiors. Employees may be concerned about the real intention of managers implementing changes and the fact that these managers primarily will have the right interest of the organization in mind, and then the employees themselves. These concerns can be additionally strengthened with doubts whether the superior has sufficient power and position to represent the interests of his subordinates effectively. The impact of this source of the resistance is therefore inversely proportional to the actual authority of the supervisor. Sources of the resistance inherent in nature of the change relate to its content, deep and scope as well as expected future effects of the change, its influence on the level of satisfying needs. The more deep, overall and revolutionary than evolutionary is change to be implemented, the greater concern and resistance. In addition, resistance to change will be greater if it will take interests of the employees and satisfy their needs to a lesser extent.

The process of carrying out changes can also be a source of the resistance. Such factors involved in this matter as sources of the resistance is a discrepancy in the assessment of the situation and resulting lack of awareness of the need to change. Also, errors associated with informing about the process of implementing changes, misleading, incomplete or delayed information will undoubtedly increase the resistance of the employees to changes. As emphasized by Czarska, this type of the source of resistance is also negative evaluation of introducing the process of changes. This assessment may result from the improper moment of introducing changes in the enterprise, without proper preparation of conditions, or during a period of particularly strong tensions and conflicts in the organization concerned.

4. Causes and consequences of the resistance to the restructuring change in ALFA company wholly owned by the State Treasury

The primary objective of the study was to examine the specifics and intensity of the resistance to the restructuring changes in selected company wholly owned by the State Treasury. Specific objectives included: identifying causes of the resistance formation to the restructuring changes and its effects in ALFA company wholly owned by the State Treasury. In addition, the specific objective was to identify a way to minimize resistance to the restructuring changes. The research was conducted in large company wholly owned by the State Treasury which employs over 300 people. Due to the fact that the management did not agree to disclose the name of the enterprise, its name in the following paper has been changed.

The company subjected to analysis has a/the difficult economic situation, the financial result is negative due to the rising costs and decreasing revenues generated by an increasingly smaller number of customers which is a result of poor quality of the services provided by the company. Currently, the company is at the stage of carrying out a radical restructuring aimed at reconstructing the scope of company's business towards greater product diversification (the goal is to minimise the business risks in two closely related sectors with a high seasonality of sales) combined with a thorough technological modernisation (the company has outdated and inefficient manufacturing line from the 60's) and the reconstruction of the organizational structure.

The research was carried out based on interviews with employees of the company and the author's observations made during his internship in the company wholly owned by the State Treasury. The study was conducted on a group of 31 respondents – office and manual workers. Interviews with the employees of the company were carried out on the basis of previously prepared issues and questions: open and closed. For the purpose of the interview, the author developed 18 questions and issues concerning resistance to the restructuring changes in selected company wholly owned by the State Treasury.

The first three issues subjected to research and included in interviews focused on the specifics of the restructuring processes in the company under research. In the first question "*How do you perceive changes implemented in the company?*" the vast majority of respondents, namely 27 replied that the changes are necessary for the company, even those that will be painful for the employees. High compliance of the respondents as to the need for changes in the company under research shows that the company is currently in a difficult situation requiring immediate repair, while changes introduced so far have not produced expected effects. The need for changes can be proved by the fact that respondents agree even on such changes, which will be painful for them. In

this matter, there is a high awareness of the employees as to the necessity and inevitability for change and acceptance of different, including even negative effects of carrying out these changes. This attitude of respondents can also suggest a slight intensity of resistance to the restructuring changes.

In the second question “*What type of the restructuring changes is or was recently carried out in your company?*” also the majority of respondents stated that:

- these processes are primarily related to exchange of the personnel (dismissals, 'rejuvenation' of the staff),
- reformulation of goals and values of the enterprise (including introduction of quality orientation on products and services provided by the enterprise),
- focus on effective implementation of tasks and care for the costs aspects of the enterprise),
- changes within the authority structure (frequent changes in the board of management and thus changes in directorship positions),
- changes in the field of activity as areas of the restructuring processes were pointed to a lesser extent (expanding the existing production and service activities with a new business area regarding the organization of cultural events).

Changes given by respondents are perceived by them as more fragmentary and superficial rather than comprehensive. This fact is evidenced by responses to the third question of the interview “*What are the effects of changes occurring in your enterprise?*” Results of these changes are minor and mostly beneficial for selected groups of the employees.

When describing performed restructuring changes, respondents emphasized the time pressure on their implementation and, on the other hand, the lack of consistency in the implementation of the restructuring changes. These changes are very often not completely implemented. The reason for this state of affairs is frequent changes of the board of management and senior executives. A large group of respondents highlighted that the changes made in the enterprise are small and do not bring anything new to its situation. Such changes are superficial and illusory and are restructuring in the name only. As mentioned in the first part of this paper, changes should break with the past and should feature a revolutionary and fundamental character.

Another question concerned the opinion of respondents on changes introduced in the enterprise. The question was worded as follows: “*What is your general attitude to changes implemented in the enterprise?*” Almost everyone (except only three people: two of them have expressed indifferent attitude, and one turned out to be the opponent of the changes) presented themselves as proponents and showed a positive attitude to the changes. Such attitude suggests that the resistance to change will be small. However, the answer to another question

whether the respondent came across other employees who are opponents of the changes was not so unequivocal. 15 respondents replied that they experienced in their work resistance to change expressed by other people. This answer may suggest that the resistance phenomenon in the company under research is present.

The next question related to concerns and fears of new processes and changing occurring in the company under research. The question formulated in this area was worded as follows: “*What is your greatest fear when changes are introduced in your workplace?*” Employees fear above all dismissals, increase in difficulty and complexity of work and thus the need to improve their qualifications. These concerns are largely dictated by the fact that respondents are individuals predominantly in the age of 50+, inflexible, narrowly specialized with a long experience in one workplace. Such people inevitably will be afraid of the changes associated with performing new tasks and work. The least people expressed their concerns associated with changes in the need to work with other people, loss of impact and decline in earnings. This can be justified by the fact that respondents of the study are mostly people with low earnings, not occupying executive positions. Interestingly, also a person holding a managerial position stated that decline in earnings associated with the organizational changes is not the source of concern, which may suggest that salaries in managerial positions are not attractive enough to become a fear of their decline due to the changes carried out in the enterprise.

In the question “*What do you want and expect once the process of carrying out changes in the enterprise is completed?*” (they could provide several expectations, most respondents (22 people) said that financially better employment conditions, then stability of employment (20 people) and the promotion and ability of real influence on the existence of the enterprise (9 people). Few people expected the possibility of raising their competencies and a chance to work with other employees.

Another question related to sabotaging decisions of superiors and forms of such behavior. This question was worded as follows: “*Do you sabotage decisions concerning changes or feel that other people sabotaged your decisions?*” Employees subjected to the study overwhelmingly stated that they happen to sabotage decisions concerning changes taking place in the enterprise. Forms of the sabotage primarily include using sick leave, work at a slower rate, denunciations on superiors who initiate or implement changes in their departments. This situation shows, however, that the changes implemented in the company under research have their opponents and that the resistance to change can take place in the company under research and has its more hidden form. Employees who presented themselves as proponents of the changes are at the same time people who are able to sabotage decisions and actions associated with the changes in the enterprise.

This dissonance may also result from the adopted by the management of the company wrong direction and method for carrying out changes and from the fact that the changes adopted in the company are not accepted by the employees, even those who promote themselves as supporters of changes.

The consequences of this state of affairs can be traced in response to another question asked to respondents during interviews “*Do executives before introducing the restructuring changes provide accurate information about their causes, objectives, method of implementation and positive aspects?*” Almost all respondents answered that rarely or never. This situation of poor or no communication associated with the implementation of the restructuring changes may give rise to the resistance and incomprehension of changes as well as be the cause of sabotage by the employees.

Also, the answer to the next question may be evidence that changes implemented in the company under research could face resistance resulting from the improper method for implementing the restructuring changes. The next question was formed as follows: “*What means were most often used in your enterprise to minimise potential resistance of the employees to change?*”. The majority of respondents replied that the consent to the implementation of changes was forced, repercussions or penalties in the form of reprimands as well as dismissals or degradation to a lower position were used. Direct participation in the project associated with changes or negotiations with the employees concerning a form of implementing changes were adapted much less frequently.

To the question: “*Does an incentive system associated with the process of implementing changes is applied in the company under research?*” two-thirds of the employees provided a negative response. One-third of the study group said that the employees are motivated by extending their rights and their responsibilities.

Another issue taken into consideration in the research was the role of trade unions in the process of introducing the restructuring changes. In the company wholly owned by the State Treasury which is the subject of the research, there are two trade unions which in the opinion of respondents compete with each other for influence in the enterprise. Their role is evaluated by the majority of respondents negatively. Trade unions generally show a negative attitude to changes initiated by the management in the enterprise and are reluctant to cooperate in the implementation process of these changes. Only three respondents said that trade unions depending on the nature and scope of the restructuring changes take a flexible approach, provided that they can get benefits.

The last issue in the research was to analyze ways in which employees of the company under research cope with conflict situations arising from carrying out the restructuring changes. In this case, the main way to deal

with conflict situations with the source as a change turned out to be a rivalry between employees and interdepartmental rivalry. Such answer was given by two-thirds of respondents. Another method involved negotiations. The smallest number of the employees indicated cooperation and the search for a compromise. The situation in which the employees primarily compete with each other in the face of the implementation of the restructuring changes, and not cooperate and search for a compromise which is something that would join these employees instead of separating them is a situation which may further increase resistance to change. Competition is a way of looking at conflict as a game that must be won in order to achieve success. Failure indicates weakness and loss of prestige. Any change that involves competition which will result in failure of one of the parties will trigger negative feelings and the resistance of those who may feel weaker and threatened by the competition.

5. Conclusions

Resistance to the restructuring changes in the company wholly owned by the State Treasury which is the subject of the research turned out to be only seemingly weak. Despite the declaration made by surveyed employees as supporters of changes and high awareness of the need for the implementation of the restructuring changes, most of the employees sabotage in different ways decisions and actions associated with the restructuring changes carried out in the enterprise. In addition, they come across the resistance from their colleagues. The reason for this state of affairs may be the lack of acceptance of methods and forms used for carrying out the restructuring changes in the enterprise, weak incentive system supporting the restructuring changes in the enterprise and no reliable information on the objectives of changes and profits resulting from the implementation of the restructuring changes. The cause of resistance to the restructuring changes in the company wholly owned by the State Treasury which is the subject of the research can also be the anxiety of the unknown and fear which involves greater effort and energy as well as acquiring additional new skills, which may be in the eyes of older employees a serious problem. These issues are also highlighted in the research. Resistance to the restructuring changes may also derive from the fact that personal expectations of the employees when it comes to the restructuring changes signalled by them in interviews are not met as a result of implementing changes. Employees do not see the connection between their goals and needs and goals which guide organizational changes. Employees in the enterprise fear above all dismissals as a result of implementing the restructuring changes and this may be in conflict with the restructuring changes the effect of which will be such dismissal.

Another source of the resistance particularly characteristic for companies wholly owned by the State Treasury can be trade unions which in the company under research are not willing to cooperate in implementing the restructuring changes. Such unions can initiate or incite resistance to changes which were also indicated by respondents in the research. Next identified source of resistance to the restructuring changes can be repercussions accompanying the restructuring changes, low level of security of the employees, forcing consent to implementing changes, not taking into account opinion of the employees, authoritative initiation and implementation of the restructuring changes which are perceived by the employees as 'their changes' and not 'our changes'. Another source of resistance can be rivalry accompanying the restructuring changes which inevitably leads to the division of two parties into winners and losers. Fear of failure and one's own weakness may give rise and incite resistance to the restructuring changes.

In addition to unrealized or partially realized objectives of the restructuring changes, results of such presented resistance include low productivity, high absenteeism of the employees, simulating work associated with the restructuring changes, mutual denunciations of the employees on each other as well as an increase in conflict situations at work. The way to overcome diagnosed resistance is primarily a proper two-way communication, executives treating employees as partners, preparing changes in consultation with employees and developing an appropriate incentive system associated with the results of the restructuring changes. It can be concluded that employees of the company wholly owned by the State Treasury which is the subject of the research are open to changes, understand the importance and necessity of their implementation in the company, while the specifics and authoritative way of implementing the restructuring changes may effectively cool the openness and enthusiasm of the employees for the implementation of changes and contribute to the emergence of resistance to the restructuring changes.

References

- Borowiecki, R., & Nalepka, A. (2003). *Restrukturyzacja w procesie funkcjonowania i rozwoju przedsiębiorstw*. In: R. Borowiecki (Ed.), *Zarządzanie restrukturyzacją procesów gospodarczych. Aspekt teoretyczno – praktyczny*. Warszawa: Wydawnictwo Difin.
- Borowiecki, R., & Kwieciński, M. (2001). *Zarządzanie zasobami informacji w przedsiębiorstwie. Ku przedsiębiorstwu przyszłości*. Warszawa: Wydawnictwo Naukowo-Techniczne.
- Clarke, L. (1997). *Zarządzanie zmianą*. Warszawa: Wydawnictwo Gebethner & Spółka.

- Choroszczak, J. (2015). *Symptoms of Organizational Pathology in Companies wholly owned by the State Treasure*. In: A. Nalepka & A. Ujwary-Gil (Eds.). *Business and Non-profit Organizations Facing Increased Competition and Growing Customer's Demand*, Volume 15th (pp. 23-38). Nowy Sącz: Wyższa Szkoła Biznesu – National Louis University.
- Czerwińska, Ewa. (2002). *Jednosobowe spółki skarbu państwa*. Warszawa: Kancelaria Sejmu – Biuro Studiów i Ekspertyz.
- Czerwiński, A., Czerska, M., Nogalski, B., Rutka, R., & Apanowicz, J. (2002). *Zarządzanie organizacjami*. Toruń: Towarzystwo Naukowe Organizacji i Kierownictwa Stowarzyszenie Wyższej Użyteczności Dom Organizatora.
- Grudzewski, W., & Hejduk, I. (2000). *Restrukturyzacja firmy jako kierunek wzrostu jej wartości*. Lublin: Zeszyty Naukowe Uniwersytetu Marii Curie-Skłodowskiej.
- Kaczmarska-Krawczak, J. (2007). *Globalizacja i integracja gospodarcza a procesy restrukturyzacji i rozwoju przedsiębiorstw*. In: S. Lachiewicz, M. Matejun (Eds.). *Problemy współczesnej praktyki zarządzania*. Łódź: Wydawnictwo Politechniki Łódzkiej.
- Kupczyk, A. (1998). *Radykalne zmiany w firmie. Od reengineeringu do organizacji uczącej się*. Warszawa: Wydawnictwo Prawno-Ekonomiczne Infor.
- Lis, R. (2003). Restrukturyzacja przedsiębiorstwa. *Przegląd Organizacji*, 9.
- Suszyński, C. (1999). *Restrukturyzacja przedsiębiorstw*. Warszawa: Polskie Wydawnictwo Ekonomiczne.
- Sapijaszka, Z. (1997). *Restrukturyzacja przedsiębiorstwa. Szanse i ograniczenia*. Warszawa: Wydawnictwo naukowe PWN.
- Porada-Rochoń, M. (2009). *Restrukturyzacja przedsiębiorstw w procesie adaptacji do współczesnego otoczenia. Perspektywa międzynarodowa*. Warszawa: Difin.
- Singh, H. (1993). Challenges in researching corporate restructuring. *Journal of Management Studies*, 30(1), 147-172.
- Senge, P. (1990). *The Fifth Discipline: The Art. And Practice of the Learning Organization*. New York: Doubleday.

Biographical note

Jerzy Choroszczak, Doctor of Philosophy, Assistant Professor in Wyższa Szkoła Biznesu – National Louis University in Nowy Sącz. Author of two books and scientific papers related to organizational changes, restructuring, state aid, competition law, pathology organizational and strategic management. The participant and coordinator of many research projects and trainings for managers and officials. He links the work of research and teaching with business training, consulting and business.