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## **INNOVATIONS IN POLISH INDUSTRIAL AND SERVICE COMPANIES OVER THE YEARS – DISCUSSION OF THE ROLE AND SCALE**

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**INTRODUCTION.** Modern economic reality is changing faster and faster. To the companies were able to stay in business need to adequately respond to these changes. To the company today functioning remained in competition must innovate. It is a determinant of skills to adapt to the conditions. The aim of the article is to discuss the role of innovation and analysis of the level of innovation in the Polish industrial enterprises and service in the years 2008–2016.

**CONCEPT AND ROLE OF INNOVATION.** The concept of "innovation" is quite broad and commonly used. The word innovation comes from the Latin word *innovatio* meaning “renewal”. For the eco-

conomic literature it has been introduced in the twentieth century and defined the news in the fields of products, technologies and new markets<sup>1</sup>. In the area of economic activity of enterprises, this means "putting into wide use of new products, processes or practices"<sup>2</sup>. In today's market conditions, with increasing pace are changes in the socio-economic, such as changes in technology, organization management, the efficiency requirements set for the company and many others. The company operating in the current realities must constantly adapt to those changes. It determines its survival in the market. Innovation is "an indispensable factor in the survival and development of any organization, which constantly element should be taken into account by the management"<sup>3</sup>. Through the company's innovation to adapt to market conditions further develop and become more modern. They also allow to achieve a competitive advantage.

#### **LEVEL INNOVATION ENTERPRISES AND PRODUCTION SERVICE IN POLAND.**

Article on the task to present the current situation of the level of innovation of Polish enterprises. The survey covers an area of innovation:

- Product innovation – new or improved products and services
- Innovation process – new or improved methods for the production of products and services, new solutions in the field of logistics and distribution<sup>4</sup>.

The following table shows the percentage share of innovative enterprises in the industrial and service enterprises as a whole divided into different types of innovation.

Table 1 – Industrial companies

Specification	2008	2009	2010	2011	2012	2013	2014	2015	2016
Part of innovative enterprises in the total number of enterprises	21.4	18.1	17.1	16.1	16.5	17.1	17.5	17.6	18.7
Part of innovative enterprises in the total number of industrial enterprises – new or significantly improved products	15.6	12.7	12.1	11.2	11.2	11.0	11.7	11.8	12.4
Part of innovative enterprises in the total number of industrial enterprises – new or significantly improved processes	17.2	13.8	12.9	12.4	12.4	12.8	12.9	13.0	15.2

Source: GUS

Table 2 – Service companies

Specification	2008	2009	2010	2011	2012	2013	2014	2015	2016
Part of innovative enterprises in the total number of service enterprises	16.1	14.0	12.8	11.6	12.4	11.4	11.4	9.8	13.6
Part of innovative enterprises in the total number of service enterprises – new or significantly improved products	10.7	8.0	7.9	6.4	7.0	5.8	6.8	4.8	6.9
Of innovative participation in the total number of service companies – a new or considerably improved processes	12.8	10.7	10.0	9.0	9.1	8.5	8.4	7.4	10.4

Source: GUS

In Poland percent of innovative manufacturing enterprises It is less than 20% and over the years, slowly increasing. The main area of innovation in these enterprises is a process innovations.

The level of innovation in service enterprises is about 12%. The trend is difficult to determine, but in the last year of the study, this value has increased from 9.8% to 13.6%. Innovations are mainly processes.

<sup>1</sup> J. Sikora A. Uziębło, *Innowacja w przedsiębiorstwie – próba zdefiniowania*, p.353

<sup>2</sup> J.A. Allen, *Scientific innovation and industrial prosperity*, Longman, p. 7

<sup>3</sup> Z. Ściborek, *Przedsiębiorstwo XXI wieku szanse i zagrożenia*, Wydawnictwo Diecezjalne KUL, p. 20

<sup>4</sup> Główny Urząd Statystyczny, *Działalność innowacyjna przedsiębiorstw w latach 2010–2012*, Warsaw 2013, p. 3

The rapid increase of the share of innovative enterprises in both manufacturing and services in 2016 could be due to the tax breaks linked to the research and development activities. In 2016 the costs incurred for the development of innovation can be subtract from the tax base. In this way the government wants to encourage companies to develop.

Poland against European countries performed poorly in the subject innovation (whole economy). Innovation leaders in Europe are: Ireland, Sweden, Germany and Belgium. The average level of innovation represent countries such as Lithuania, Latvia, United Kingdom and France. Poland is one of the few countries in innovative compared with other European countries, is also below the European Union age<sup>5</sup>, but in recent years the rate of innovation of Polish companies is increasing.<sup>6</sup>

**SUMMARY.** Innovate is very important in the current environment of constant changes in the market. This contributes to increasing product quality and reducing the cost of which could be the deciding factor in the competitive struggle.<sup>7</sup> Innovations play a very important role in the economy – that shape the development of enterprises and their competitiveness. More than 18% of Polish industrial enterprises and 13.6% of the company's innovative services. Percentage of innovative enterprises time progresses slowly increasing. Against the background of innovation of European economies, Poland performed poorly, but in recent years there was improvement in the situation.

### **Literature**

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