

# Innovation as a Key Factors of Small Business Competition

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## **Abstract:**

The contemporary world is characterized by quick changes and the propagation of knowledge-based economies, and consequently, the necessity to constantly introduce innovations by the enterprise. However, this process involves numerous dangers, as the features of innovative processes are high costs and high level of risk. While implementing innovations, enterprises set goals which are to be achieved thanks to them. In the case of small entities it seems that the essential aim for the introduction of changes is the reduction of costs connected with the activity, which is often indicated as the factor for the formation of the competitive position. Therefore, the primary goal of the compilation was the identification of changes in the area of determining the aim of innovation introduction by small enterprises functioning in the Southern Region of Poland. The analysis included the level of innovativeness and competitiveness of the examined companies. The conclusions were based on the results of two original studies concerning innovativeness and competitiveness of small enterprises, conducted in years 2006/07 and 2013.

*Keywords:* competitiveness factor, small enterprises, innovation, competition

## **1. Introduction**

The contemporary world is characterised by fast, often unpredictable changes, promoting knowledge-based economies and enterprises' striving to achieve competitive advantage by using various methods and tools. Enterprises' struggle to survive on the market is especially visible at the time of an economic crisis, when only the strongest companies stand a chance to survive - and not necessarily the biggest concerns. Achieving a stable market position by enterprises requires competing simultaneously in many areas (Norio, Radford, 1995; Sipa, Gorzeń-Mitka&Skibiński, 2015). Determinants of success or failure may belong to a number of areas of an organisation, such as: strategies, IT technologies, skills, knowledge, or organisational culture, etc. (Lemańska, Okreglicka, 2015).

In the case of Polish enterprises, there is the necessity to think in the long term, so as to build the competitive advantage on the basis of sustainable (key) determinants, among which innovation is counted (Drucker, 2004; Hamel, Prahalad, 1999; Kay, 1996; Porter, 1985). This concerns above all a very numerous group of small enterprises which account for nearly 99.2% of business entities in Poland (GUS, 2015). They are deemed to be the driver of the economic growth as well as the most dynamic and flexible form of activity (Stock, Greis, Fischer, 2002; Targalski, 1999). One should also

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stress that drawing conclusions regarding the activities of small enterprises is difficult due to the fact that this group is very heterogenous, also in the case of such areas as competitiveness and innovation. The group of small entrepreneurs comprises both firms with a strong market position as well as companies with low competitiveness (Pierścionek, 2003). Similarly in the case of innovation level: the group of small enterprises covers strongly innovative companies, (such as e.g. FONT), companies with poor innovation level as well as such which are not interested in implementing innovations - for various reasons. (Rizzoni, 1991; Verhees, Meulenber, 2004).

For enterprises of this scale, the environment in which they function, which determines their innovativeness and competitiveness, is very important. The global financial crisis of 2008 and the changes it caused also influenced the functioning of small enterprises in a special way. The occurrences that took place at that time as well as the turbulence in the economic environment may have led to a change in the attitudes of small entrepreneurs as far as the objectives adopted in terms of introducing innovations are concerned and, consequently, also the building of competitive position on the market.

Taking into account the above, the study aimed at identifying the innovation implementation objectives of small enterprises with varying level of innovativeness and competitiveness. An attempt has also been made at indicating the direction of changes in this area in the context of two studies, conducted before the financial crisis, around the turn of 2006 and 2007 (study I) and realised in 2013 (study II).

## 2. Some theoretical remarks

The study of literature allows to conclude that innovations occupy a special position among factors which determine enterprises' competitiveness. They may concern both a product/service, the production process as well as the management system. By introducing new management techniques, a company may improve its efficiency, reduce costs or raise quality which, as a result, means benefits also for the company's clients in terms of better and cheaper products/services (Hammer, 2006). Achieving and maintaining competitive advantage requires constant introducing of innovations in various spheres of a company's functioning (Hunt, 2000; Miles, Paul&Wilhite, 2003). Also the pace as well as the scope of creating and implementing innovations is important (Burns, Stalker, 1993; Besanko, Dranove, Shanley&Schaefer, 2007).

Innovations are deemed to increase efficiency as well as improve living conditions. Innovative measures create jobs, generate revenues and improve people's lives by creating useful products and services (Dodgson, 1993; Laforet, 2013). While introducing innovations and building one's market position, one must not forget, however, sustainable development. In the contemporary world, it is very important for enterprises to take into account social and environmental aspects. An enterprise's efforts aimed at maximising profits or increasing the market share should be realised in line with the sustainable development rules.

A processual take on innovations facilitates the analysis of activities which constitute innovation as well as the sequence of activities which are components of this process. (Damanpour, 1991; Holmes, Moir, 2007). The concept of innovation contains both the effect and the process that is performed to achieve the effect. However, regardless of the

direction of competitive activities chosen by an enterprise, for innovations to bring an intended effect, it is important to be able to manage the process of implementing innovations, as well as analysing the market on which the company is operating. (Gorzeń-Mitka, 2016)

While implementing innovation, it is also important to define the objectives which are to be realised via the innovation. According to the Oslo Manual, innovations may be introduced at enterprises for various reasons. These objectives may be related to: a product, markets, efficiency, quality or increasing the know-how (OSLO 2005). In particular, they may concern: raising the quality of a company's current products, offering new products or winning new markets or client groups. According to Gadomski (2004) innovations may also influence a company's costs, e.g. via a reduction of unit labour costs, purchases, distribution or transaction costs.

The adopted objective determines the type and scope of innovations being implemented; consequently, e.g. implementing processual innovations may aim to reduce unit labour costs or supply costs, while organisational innovations may aim to help achieve better results thanks to a reduction in administrative or transaction costs or else reducing supply costs. Thus, innovation may be a source of a cost advantage or an advantage linked to the differentiation of a company's offer. Focusing on cost reduction may be the key for small enterprises, especially at the time of the threat of economic recession. But many authors underline that over a longer period, innovations aimed exclusively at obtaining a cost advantage on the market are less significant than those which allow to achieve advantage related to differentiation (Best, 2009; Dosi, Pavitt&Soete, 1990; Hausman, 2005).

### **3. Objectives of innovations implementation at small enterprises with varying levels of innovativeness and competitiveness - results of own studies**

#### **3.1. Method**

The results presented and the conclusions are based on two surveys conducted around the turn of 2006/07 among small Silesian firms (study I) as well as in the first quarter of 2013 among small enterprises from the Malopolskie region (study II). The studies concerned innovativeness and competitiveness of small enterprises<sup>1</sup>. Both study I and study II were conducted by a mail survey. In order to ensure a better rate of returning surveys sent out, phone conversations were conducted to attempt to provide more information about the objective of the studies and to request sending back questionnaires filled in. For the purpose of the analysis, 216 questionnaires that had been completely and properly filled in were accepted for study I and 105 for study II. In order to diagnose the changes in the perception of the issues raised, both studies made use of similar survey questionnaires comprising 36 open-end, semi-open-end and closed dichotomous questions as well as multiple-choice ("cafeteria") questions.

In the paper presented, the analysis and conclusions regard only innovative small enterprises, i.e. such which introduced innovations over the 5 years prior to the conducting of the study. These enterprises were divided into four subgroups,

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<sup>1</sup> The categorisation adopted by the EU, based on the number of employees was used as the criteria of classifying the enterprises to the given survey group, i.e. small enterprises.

differentiated in terms of innovativeness and competitiveness level. Based on the assumptions adopted<sup>2</sup>, there were selected enterprises characterised by:

1. *a strong competitive position on the market and high innovativeness level;*
2. *a strong competitive position on the market and low innovativeness level;*
3. *a weak competitive position on the market and high innovativeness level;*
4. *a weak competitive position on the market and low innovativeness level.*

Based on the division presented above, a comparative analysis was conducted, aimed at identifying the hierarchy of objectives which were supposed to be realised thanks to the innovations implemented in small enterprises with varying level of innovativeness and competitiveness. An attempt was also made at pinpointing the changes in this respect, over the 2006-2013 period.

Two fundamental issues were formulated:

- Whether objectives which are to be realised by the innovations implemented by enterprises vary depending on the innovativeness and market competitiveness levels?
- Whether the global financial crisis in 2008 and its effects resulted in any special changes in terms of setting objectives regarding innovation implementation by enterprises as well as building their competitive position on the market?

## 2.2. Selected results of the analysis

Based on the analysis of data regarding the studies conducted around the turn of 2006/2007, over a half of small enterprises (65.74%) were included in the innovative firms' group, while in the case of the study of 2013, this share increased to the level of 92.38%. The innovations introduced concerned mainly modernisation of current products, services or/and production processes as well as introducing new products, services or/and production processes (more: Skibiński, Sipa, 2015). It is a positive direction, considering the time of conducting study II, when the effects of the global crisis were tangible in the background.

Based on the categorisation adopted earlier, regarding the innovativeness and competitiveness level of companies studied, the structure of the analysed group of entities was defined. In the case of the study conducted around the turn of 2006/2007, companies characterised by a very good market position and a high level of innovativeness were the most numerous (34.5%). The least numerous subgroup were strongly innovative enterprises with a weak market position (14.1%). Following the application of the assumptions adopted, the study conducted in 2013 showed no such

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<sup>2</sup> The classification takes into account the level of novelty applied in various areas. While determining the type of changes, the respondents assessed also the level of novelty (1-new for the company, 2-new for the local market, 3-new for the domestic market, 4-new for foreign market). In total, between 1 and 16 points could be obtained. In order to achieve at least 4 points, entrepreneurs had to at least introduce new and modernised products to the market as well as apply new and modernised production technologies. Entities were assessed as having a low innovativeness level if they had up to 3 points in total (they failed to introduce anything new on foreign market in the period studied or, in the case of implementations on other markets - there were only minor implementations).

Verification was conducted on the basis of entrepreneurs' subjective opinions. "Strongly competitive" enterprises assessed their market position as good or very good; "poorly competitive" were those who defined their competitive position as: average, weak, very weak or were unable to define their position.

significant differences in the number of companies among the four specified groups. Individual subgroups accounted for between 20.6% (*strongly innovative and competitive*) and 28.9% (*strongly competitive and with a low innovativeness level*) of the group studied. (fig.1) The biggest changes over the years concern the following subgroups: *with a strong market position and high level of innovativeness* - the decline in the subgroup structure by nearly 14% as well as strongly innovative companies with a weak market position which increased their share by 11.7%.

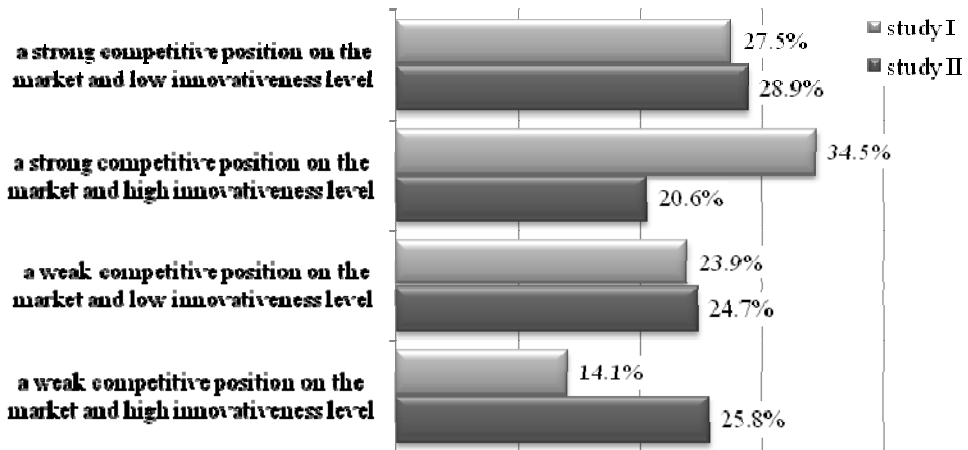


Figure 2. Structure of the enterprises group studied in study I and II

Source: own work based on survey.

The table number 1, below, comprises the key data from both studies, concerning the objectives of innovation implementation in individual subgroups of small enterprises. In the literature of the subject, it is underlined that companies should build their market position based on sustainable competitive advantages. In the case of small enterprises, it is often mentioned that they focus on reducing costs and lowering prices rather than on seeking more lasting advantages such as e.g. high quality of products or services offered. By focusing on offering cheaper products or services, entrepreneurs are seeking methods and tools for lowering the operating costs, in particular costs of production or providing services. Hence, also in the case of introducing innovations, the basic objective of such initiative may be linked to the willingness to reduce costs.

The data analysis has shown that the reduction of costs as an objective of introducing innovations applies in the case of nearly all subgroups of entities, in both studies. In the case of the study conducted around the turn of 2006/2007, it could be observed that three of the four subgroups mentioned the following three objectives most frequently:

- modification of current products/services (apart the subgroup of *strongly competitive, strongly innovative firms*) and
- cost reduction (apart from the companies with a *good market position and low innovativeness level*).

**Table 1.** Data on objectives of implementing innovations at small enterprises with varying levels of innovativeness and competitiveness

		modification of existing products	introduction of new products	increasing the main product range	obtaining a partner for a joint venture	increasing the share of sales on current market	maintaining market share	entering new domestic markets	entering foreign markets	cost reduction	improving labour conditions	environmental requirements	activities related to current	improving product quality	preparing for EU standards/norms	satisfaction of maker-entrepreneur	
<b>selected enterprises</b>		<b>2013 (study II)</b>															
<b>a strong competitive position on the market</b>	low innovativeness level	<i>a*</i>	2.33	2.75	1.92	3.00	1.78	1.75	1.00	-	2.29	1.86	1.33	1.00	1.67	2.50	1.75
		<i>b [%]</i>	7.1	14.3	14.3	2.4	10.7	14.3	3.6	0.0	8.3	8.3	3.6	2.4	3.6	2.4	4.8
		<i>c [%]</i>	21.4	42.9	42.9	7.1	32.1	42.9	10.7	0.0	25.0	25.0	10.7	7.1	10.7	7.1	14.3
		<i>d</i>	0.50	1.18	0.82	0.21	0.57	0.75	0.11	-	0.57	0.46	0.14	0.07	0.18	0.18	0.25
	high innovativeness level	<i>a*</i>	1.71	2.15	2.27	1.00	2.43	2.00	2.00	1.00	2.00	1.75	-	-	1.25	1.50	3.00
		<i>b [%]</i>	11.7	21.7	18.3	1.67	11.7	1.7	10.0	1.7	3.3	6.7	0.0	0.0	6.7	3.3	1.7
		<i>c [%]</i>	35.0	65.0	55.0	5.00	35.0	5.0	30.0	5.0	10.0	20.0	0.0	0.0	20.0	10.0	5.0
		<i>d</i>	0.60	1.40	1.25	0.05	0.85	0.10	0.60	0.05	0.20	0.35	-	-	0.25	0.15	0.15
<b>a weak competitive position on the market</b>	low innovativeness level	<i>a*</i>	2.00	2.44	1.75	-	1.67	2.20	3.00	1.50	2.00	2.25	1.67	-	2.50	1.00	1.00
		<i>b [%]</i>	6.9	12.5	11.1	0.0	8.3	13.9	1.4	2.8	15.3	11.1	4.2	0.0	5.6	1.4	5.6
		<i>c [%]</i>	20.8	37.5	33.3	0.0	25.0	41.7	4.2	8.3	45.8	33.3	12.5	0.0	16.7	4.2	16.7
		<i>d</i>	0.42	0.92	0.58	-	0.42	0.92	0.13	0.13	0.92	0.75	0.21	-	0.42	0.04	0.17
	high innovativeness level	<i>a*</i>	2.43	2.31	2.60	2.50	2.00	2.00	1.50	1.00	1.54	1.60	1.00	-	1.00	2.00	-
		<i>b [%]</i>	9.3	17.3	13.3	2.7	14.7	8.0	2.7	1.3	17.3	6.7	1.3	0.0	4.0	1.3	0.0
		<i>c [%]</i>	28.0	52.0	40.0	8.0	44.0	24.0	8.0	4.0	52.0	20.0	4.0	0.0	12.0	4.0	0.0
		<i>d</i>	0.68	1.20	1.04	0.20	0.88	0.48	0.12	0.04	0.80	0.32	0.04	-	0.12	0.08	-
<b>selected enterprises</b>		<b>2006/07 (study I)</b>															

<b>a weak competitive position on the market</b>	high innovativeness level	<i>a*</i>	2.27	2.00	1.75	2.00	2.40	2.50	1.83	1.20	1.90	1.00	-	-	1.75	2.00	1.00	
		<i>b [%]</i>	18.8	9.4	6.8	2.6	21.4	3.4	5.1	4.3	8.5	3.4	0.0	0.0	10.3	3.4	2.6	
		<i>c [%]</i>	56.4	28.2	20.5	7.7	64.1	10.3	15.4	12.8	25.6	10.3	0.0	0.0	30.8	10.3	7.7	
		<i>d</i>	1.28	0.56	0.36	0.15	1.54	0.26	0.28	0.15	0.49	0.10	-	-	0.54	0.21	0.08	
	low innovativeness level	<i>a*</i>	2.44	2.59	1.76	2.00	1.69	1.50	1.89	1.00	1.59	3.00	-	2.00	1.93	1.00	1.00	
		<i>b [%]</i>	10.88	23.13	11.56	2.72	10.88	4.08	6.12	2.04	14.97	1.36	0.0	0.68	9.52	0.68	1.36	
		<i>c [%]</i>	32.65	69.39	34.69	8.16	32.65	12.24	18.37	6.12	44.90	4.08	0.0	2.04	28.57	2.04	4.08	
		<i>d</i>	0.80	1.80	0.61	0.16	0.55	0.18	0.35	0.06	0.71	0.12	-	0.04	0.55	0.02	0.04	
	<b>a strong competitive position on the market</b>	high innovativeness level	<i>a*</i>	2.63	2.42	1.75	-	2.15	3.00	2.00	-	1.65	2.00	-	-	1.57	1.00	1.00
			<i>b [%]</i>	18.6	11.8	15.7	0.0	12.70	1.0	3.9	0.0	19.6	3.9	0.0	0.0	6.9	3.9	2.0
			<i>c [%]</i>	55.9	35.3	47.1	0.0	38.2	2.9	11.8	0.0	58.8	11.8	0.0	0.0	20.6	11.8	5.9
			<i>d</i>	1.47	0.85	0.82	-	0.82	0.09	0.24	-	0.97	0.24	-	-	0.32	0.12	0.06
low innovativeness level		<i>a*</i>	2.88	2.33	1.75	-	1.89	1.00	2.00	-	1.67	2.00	-	-	1.00	-	-	
		<i>b [%]</i>	26.7	5.0	6.7	0.0	15.0	1.7	3.3	0.0	25.0	5.0	0.0	0.0	11.7	0.0	0.0	
		<i>c [%]</i>	80.0	15.0	20.0	0.0	45.0	5.0	10.0	0.0	75.0	15.0	0.0	0.0	35.0	0.0	0.0	
		<i>d</i>	2.30	0.35	0.35	-	0.85	0.05	0.20	-	1.25	0.30	-	-	0.35	-	-	

*a* - weighted average

*b* - percentage of all indications [%]

\* rank 1- most important (3 points) ; rank 2- important (2 points); rank 3- last important (1 points)

Source: own work based on survey.

*c* - percentage of indications in a given kolumn [%]

*d* - tied assessment

Cost reduction, as an objective of implementing innovation, was indicated especially frequently by companies with *a weak competitive position on the market, regardless of their innovativeness level*. Interestingly, taking into account only the objectives indicated as a the most important<sup>3</sup>, only in the case of enterprises with *a strong market position and high level of innovativeness* - cost reduction - made it to the top three (8.2% indications with rank 1). Such distribution of responses may result from the fact that in this subgroup, one could observe a high concentration of responses on the first two objectives, i.e.: introducing new products (51.0% indications with rank 1) and modification of current products/services (18.4% indications with rank 1).

<sup>3</sup> The main objectives of implementing innovations (respondents could choose 3 objectives, indicating the level of importance: most important – rank 1, important – rank 2, least important – rank 3)

While continuing the analysis concerning the most important objectives of implementing innovation (with rank 1), one can see that modification of current products/services is indicated as:

- the top objective in the case of enterprises with *a weak market position and varying innovativeness level*;
- the second most important objective in the case of companies with *a strong market position and varying innovativeness level*.

For companies with *a strong market position and low innovativeness level*, the most important objective was to raise the share in sales on the current market (41.0% indications with rank 1). One should also stress that only enterprises with *a strong market position and a high innovativeness level* saw *introducing new products/services* as a significant objective of implementing innovations - it took the first place, both among all indications of this subgroup (23.1%) as well as among the most important ones.

A comparative analysis concerning study I and study II has showed that sets of most frequently selected objectives to be realised at small enterprises via innovations are quite similar in both studies. In contrast, a change could be observed in terms of their hierarchy. (tab.2)

The results of the study conducted in 2013, show a lower concentration of indicated objectives in individual subgroups which was reflected in a greater number of objectives, in the case of three most frequently selected objectives. In two extreme subgroups of small enterprises: *strongly competitive and strongly innovative* and *poorly competitive and poorly innovative* ones, objectives which received the biggest number of indications did not change over the years, despite the turbulence in the economic environment. In the case of the former subgroup, it is still introducing new products/services (21.7%), and in the case of *poorly competitive and poorly innovative enterprises* - cost reduction (15.3%).

Changes are apparent in the case of *poorly innovative enterprises*. The most frequently indicated objectives included - *maintaining market share*; whereas for the companies with *a poor market position* it was 13.9% of all indications, while for those with *a strong competitive position* - 14.3%.

Taking into account the turbulence which took place on the market at the time, the higher number of indications concerning the introduction of new products/services is a positive change. In the results of the study conducted in 2013, this objective appeared *in all subgroups*, both among the three most frequently indicated answers as well as in the first place among the most important objectives of implementing innovations (rank 1).

Moreover, one should stress that a positive change could be observed also in the subgroup of companies with *a good market position and high innovativeness level*. Cost reduction as an objective to be achieved via innovations constituted only 3.3% of all indications (a result which is almost the lowest) and was not included among the most important objectives (rank 1).

Referring to sustainable development, one should stress that social and environmental aspects, as an objective of introducing innovations, were indicated by small entrepreneurs, in both studies only occasionally. Environment protection was included among objectives of implementing innovation only in study II. This objective was, however, completely disregarded by companies with *a good market position and high innovativeness level*. Within sustainable development, one can consider also such objectives



as: adjusting to the European Union standards/norms or improving labour conditions. In the case of adjusting to the European standards, general indications (in both studies) are low, at up to 3.9% of all responses. Among the most important - also in both studies - this objective was considered only by companies with *a strong competitive position and low innovativeness*.

**Table 2.** Map of most frequently indicated objectives of implementing innovations in individual subgroups

selected enterprises		Study	
		2006/07	2013
strong competitive position on the market	low innovativeness level	1. increasing the share of sales on current market; 2. modification of existing products/ services; 3. improving product quality.	1. maintaining market share; introduction of new products/services; increasing the main product/services range; 2. increasing the share of sales on current market; 3. cost reduction; improving labour conditions.
	high innovativeness level	1. introduction of new products/services; 2. cost reduction; 3. increasing the main product/services range.	1. introduction of new products/services; 2. increasing the main product/services range 3. modification of existing products/ services increasing the share of sales on current market.
a weak competitive position on the market	low innovativeness level	1. cost reduction; 2. modification of existing products/ services; 3. increasing the main product range.	1. cost reduction; 2. maintaining market share; 3. introduction of new products/services.
	high innovativeness level	1. modification of existing products/ services; 2. cost reduction; 3. increasing the share of sales on current market.	1. introduction of new products/services; cost reduction; 2. increasing the share of sales on current market; 3. increasing the main product range.

Source: own work based on survey.

Interestingly, improving labour conditions, as an objective indicated to be realised thanks to the implementation of innovations, was considered above all by enterprises with *a weak market position and low innovativeness*. Under the study conducted in 2013, this objective was among the three most frequently indicated by those firms (11.1% of all indications).

Looking at the structure of all responses, under the two studies conducted, quite significant changes are apparent. (tab. 3) In the case of enterprises with a strong market position and low innovativeness level, the biggest declines concern: the modification of

the current products/services (-11.7%) as well as increasing the share in sales on the current market (-10.7%), while the biggest increases took place in the case of maintaining market share (+10.9) and increasing the key range of products/services (+7.4%). One should also stress that in this subgroup, among objectives indicated before the global economic crisis, entering foreign markets was mentioned. Unfortunately, in the results of the study conducted in 2013, this objective was not recorded.

In the case of companies with a weak competitive position, the biggest declines in the structure regard the modification of current products; in the case of enterprises with a low innovativeness level, the decrease in the number of indications amounted to 11.7%, while for strongly innovative enterprises - to 17.3%. The increases concern - maintaining market share (+12.9%) - *poorly competitive and poorly innovative companies* - as well as - introducing new products (+12.3%) in the subgroup of *poorly competitive and strongly innovative companies*.

**Table 3.** Changes in frequency of indicating objectives of innovation implementation in individual subgroups of small firms

objectives	selected enterprises			
	a strong competitive position on the market and		a weak competitive position on the market and	
	<i>low innovativeness level</i>	<i>high innovativeness level</i>	<i>low innovativeness level</i>	<i>high innovativeness level</i>
modification of existing products	-11.7%	0.8%	-11.7%	-17.3%
introduction of new products	4.9%	-1.5%	0.7%	12.3%
increasing the main product range	7.4%	6.8%	-4.6%	6.7%
obtaining a partner for a joint venture	-0.2%	-1.1%	0.0%	2.7%
increasing the share of sales on current market	-10.7%	0.8%	-4.4%	-0.3%
maintaining market share	10.9%	-2.4%	12.9%	6.3%
entering new domestic markets	-1.6%	3.9%	-2.5%	-0.7%
entering foreign markets	-4.3%	-0.4%	2.8%	1.3%
cost reduction	-0.2%	-11.6%	-4.3%	-7.7%
improving labour conditions	4.9%	5.3%	7.2%	1.7%
environmental requirements	3.6%	0.0%	4.2%	1.3%
diversification by launching activities	2.4%	-0.7%	0.0%	0.0%

related to current business				
improving product quality	-6.7%	-2.9%	-1.3%	-7.7%
preparing for EU standards/norms	-1.0%	2.7%	-2.5%	1.3%
satisfaction of maker-entrepreneur	2.2%	0.3%	3.6%	0.0%

*Source: own work based on survey.*

The subgroup of strongly competitive and strongly innovative companies, as mentioned above, recorded no very radical changes in the structure of responses. The biggest decline concerns introducing innovations in order to reduce costs (-11.6%), while the biggest increase, of 6.8%, could be observed in the case of objective: increasing the key products/services range. One should also note that in all subgroups increases were recorded in the case of - improving labour conditions (of between +1.4% and 5.0%), while in three subgroups of small enterprises - in the case of environment protection.

## Summary

To sum up, the small size of the sample does not allow to draw far-reaching generalisations, but the summary of results shows the hierarchy of objectives which small Polish enterprises want to achieve by implementing innovations, which may constitute the basis for further analyses. Moreover, the cyclicity of the studies showed in which direction the objectives of innovation implementation evolved in the case of companies of this size, as a result of other changes which took place in the economic environment in connection with the financial crisis in 2008.

As shown by the data analysis, the turbulence which occurred in the economy, prompted changes as far as the scope of objectives set by entrepreneurs and regarding the innovation implemented at the companies is concerned. Taking into consideration the most frequently indicated innovation implementation objectives, one can conclude that a positive change in all subgroups is a greater tendency of small innovative entrepreneurs to introduce new products or services rather than, as was the case before 2008, to modernise their current offer. This is confirmed both by the high number of all indications as well as the first place among objectives indicated as the most important - in all subgroups. All subgroups increased their interest in improving labour conditions - this is especially visible among objectives indicated by companies with a weak competitive position and low innovativeness level (11.1% of all indications; 12.5% of indications with rank 1). Nearly all subgroups took into consideration the environment protection objective - in study I it was disregarded completely, while in the case of strongly competitive and strongly innovative enterprises it was disregarded - in both studies.

In individual subgroups, one can note the following:

1. In the case of companies with a weak market position and low innovativeness level, cost reduction was the most frequently indicated objective of implementing innovations, in both studies. No change in this respect.
2. In both subgroups of poorly innovative enterprises - among objectives most frequently indicated - “maintaining market share” appeared, whereas in the case of companies with a strong market position they were more frequently assigned a lower weight (weighted average at 1.75; tied assessment 0.75) than in the case of companies with a worse competitive position (weighted average of 2.20; tied assessment 0.92).
3. Strongly innovative and strongly competitive enterprises show a stability in terms of objectives which set the direction of implementing innovations; a positive change over the years studied is the clearly lower drive to reduce costs: of all indications, this objective constitutes as little as 3.3%; it was not indicated among the most important objectives. This a significant changes versus the previous period of the study, especially as these enterprises were operating on a market affected by the global economic crisis.

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