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Abstract

The analysis of contemporary economies pursuing service based economies shows the issue concerning the innovation in services. It seems to be important from the standpoint of modifying the actions of enterprises and economies on competitive, local, national and international arenas. The economic practice and public activity prove there is a need for intelligent growth. It consists in the development of economy that is based on knowledge and innovation – the development which produces high added value. Thus, it is necessary to foster creative entrepreneurship that inclines towards the introduction of changes at the level of an enterprise which results in contributing to the creation of good economic condition in general.

Research background: The article regards the issue of Podlaskie enterprises that tend to introduce innovation within the services of a higher level, understood as services, that creates added value from the point of view of service company managers.

Purpose of the article: The aim of the article is to examine the opinions of managers from Podlaskie on innovation in services and whether the range of provided services is accepted by service receivers.

Methodology/methods: The realization process of the assumed goal shall use the monograph and survey methods as well as analysis and synthesis. The survey is directed at managers of Polish companies in Podlaskie province. It regards factors that rule the inclination for the introduction of changes in service nature and its quality in the period of 1-3 years (stimulating and inhibitive).

Findings & Value added: The research shows that the analyzed sub sector of services is an interesting area in the context of innovation in the micro scale and thus has potential for further study.

Introduction

The economic practice and public activity prove there is a need for intelligent growth. It consists in the growth of economy that is based on knowledge and innovation – the development which produces high added value. It requires considerable expenditure on research and development activity as well as applying the mechanisms that favor effective utilization of the theoretical knowledge in practice. Thus, it is necessary to foster creative entrepreneurship that inclines to the introduction of changes at the level of an enterprise which results in contributing to the creation of good economic condition in general. The article covers the issue of Podlaskie enterprises that tend to introduce innovation within the services of a higher level, understood as services, that creates added value from the standpoint of service company managers. In order to realize their opinion on the subject of innovation in services, the survey method has been used. What is more, the article also aims at recognizing the conditions in which progressive services are provided by enterprises. The aim includes the creation of the grounds for further study in the direction of pro-growth changes in the identified services.

Research Method

The survey in the article is initial research performed by means of the internet and took place from November 2016 to January 2017. The purpose of the research was, firstly, to learn the opinion of service providers on a "progressive" service defined as an innovative one compared with previous years (5 year period); secondly, to verify whether there is rationale for creating ground for further research of this type. The party of the research consisted in a 41-manager group from Podlasie service companies. The working experience was within the range of 11-20 years and above 20 years. 66% of the respondents were males and 34% of females. The research subject was kinds of services defined while performing the research as well as stimulating and inhibiting factors affecting innovative actions in an enterprise from a specific trade. The respondents answered various questions concerning, for instance, introduction of progressive services, defining service receivers, adjusting a service offer to the needs, a level of profitability, inclination for introducing changes in service character, i.e. its quality in the nearest period of 1-3 years, and the factors that decide about extending an offer to include progressive services.

The author of the survey described progressive services as contemporized services that aim at development. They are high standard, modern, innovative, concentrated on reaching a higher level of effectiveness in the

context of company's growth. Progressive services are also creative, which means they focus on a specific change in a process, a product, a business profile and they use skills and talent.

Essence and conditions for innovative entrepreneurship in services

Services are considered as intangible because, in contrast to products, they cannot be received physically and cannot be checked before their reception. In other words, service processes feature "fuzzy" information of intangible nature. It means they are not grounded in a material or physical structure. However, heterogeneity of services concerns changeable results in the process of their provision. What is more, inseparability of services, with regard to their simultaneous provision and consumption, makes a client a co-producer who must be included in the above-mentioned processes of provision and consumption. Services have transitional nature as they cannot be stored for further use, sold or returned (Biege et al. 2013, pp. 378-391).

The greatest significance of services may be found in the economies that are based on knowledge as they play a key role in innovative processes. Companies introduce a symbiotic relation with clients so that they become co-producers of innovation. The main importance of this relation is the flow of information in its intangible form (Hertog, 2000). The research connected with innovation traditionally focus on production because services were not perceived as an important component of the productivity growth. Furthermore, many projects on services are directed at industrialized countries although, in many developing countries, services constitute the largest sector in economy and thus a crucial determinant of the economic growth. Though in many cases service companies are more innovative than production companies, both, as for the input and the output of "technological" innovative activity, the innovative services more often take a "non-technological" form (Zahler, 2014, p. 953-979).

Modern source literature underlines the point that a strategy oriented at delivering value to a client must be grounded on outstanding proficiency as a source of unique and persistent advantage over competition. Most processes regarding the added value stem from knowledge-based service activity. It is even suggested that all enterprises, including production companies, should define themselves as service enterprises as a client buys benefits and not products. One distinguishes two types of persons – a capitalist (a capital owner) and an entrepreneur who hunts opportunities and taking risk.

Another generally known and a frequently mentioned standpoint, as for the growth, is J. Schumpeter's theory on delivering value to a client. He claimed that "a basic fact is a process of creative destruction". It covers incessant revolutionization of an internal market. The destruction of an old economic structure creates a new one which stimulates the growth of productivity. A symptom of those internal transformations in an economy is creation of new consumption goods, new methods of production and transportation as well as new markets. A symptom of entrepreneurship in services and in other sectors of an economy is the dynamics of founding new enterprises. The essence is the ability to increase the effectiveness of using resources for other fields of higher effectiveness.

During the last decade, the European research and innovation policy concentrates on the increase of expenditure on innovation. In 2002 its main goal was to adjust the EU development expenditure to 3% of GDP which was to have been attained until 2010. However, it was not and the year 2020 was marked as the new destination (Janger, 2017, pp. 30-42).

Inclination for the introduction of innovation is particularly based on the cooperation of service companies in the vertical structure which is more favorable than the horizontal cooperation. The research prove that the influence of innovation on the innovation effectiveness is greater in service companies than in production companies (Feng, 2016). Career paths in professional companies affect the innovative skills. They serve as indicators for innovation potential which is often neglected. The change of a career path is not "necessary evil", but it creates solutions equally beneficial to receivers, as for adjusting life-work preferences of employees, and to a company – the growth of the innovation potential which is necessary for attracting and maintaining employees, however less for the growth of their efficiency (Malhotra *et al*., 2016, p. 369-393).

Thus, entrepreneurship constitutes the attitude of a unit which actively seeks for market opportunities, increases a degree of innovative skill use and introduces innovations. Entrepreneurship is also expressed in a number of newly-founded enterprises and the growth dynamics of already-existing ones. Theoretically, reaching the entrepreneurship growth is possible under condition of possessing personnel who are highly qualified, engaged in their work and able to flexibly conform to changeable market requirements.

The dynamic growth of information technology and telecommunication goes along with the development of service trade abilities. The content of some services is processing, gathering and passing information. It includes the fields such as accounting services, personal data and pay processing, technical and legal advisory or different kinds of designing. Thanks to digital technology of processing and passing information it has

emerged that in those fields the processes of service production and utilization are not so tightly connected with each other as they used to. Thus, the distance between a producer and a user is no longer a problem as for the exchange.

One of the most prominent works about the adaptation of IT and communication in service business activity and their influence on the innovation is an inverted product life cycle by Barras. It begins with the introduction of primary process innovations which aim at the improvement of service provision efficiency. The next stage is to introduce process innovations in order to improve the quality of services. The final phase is the introduction of product innovations (Barras, 1986, pp. 161-173). Cooperation with various types of users and investments in the knowledge management affect the current process innovations positively (Ashok et al. 2016). Introducing new evolution taxonomies into innovations in a service sector relates to pointing out different trajectories for various activity groups according to their technological aspect (Evangelista, 2000, pp. 183-222).

Companies that have competent employees and new technologies are more willing to introduce innovations and make decisions about entering international markets which is beneficial as for the growth expectations. Potential competition has a positive influence, as it has been stated in the research, on the product innovation and indirectly on the internationalization of companies from a service sector. What is more, in case of innovative entrepreneurs, business activity makes one search for market niches (Castano *et al*., 2016, pp. 1690-1695).

The research results from the internationalized companies in the region of Andalusia in Spain, with regard to internationalization factors for knowledge-based services, indicate that there are special advantages which are acknowledged by entrepreneurs such as: service quality, personnel training, leadership and managing skills, innovations and technologies. The greatest significance can be attributed to the companies which engage themselves in foreign investments and observe their existing and new clients. The most important factors associated with a target market are: size, growth and access to a market (Munoz-Guarasa & Pajares, 2014, pp. 144-164).

Conditions for introducing changes in services by service providers – the results

The performed research concludes that in Podlaskie Province over 80% of the surveyed has introduced the services that belong to the above-

mentioned service activity category. Their receivers have been definitely young people with higher education. According to the managers of service enterprises (almost 71%), service receivers describe the offered service standard as sufficient, and the offer appeals to their tastes and consumer needs (93%). Despite an already-high degree of adjusting the offer to the receivers' needs, managers of companies are prone to introduce changes in the nature of an existing service.

Surprisingly, many companies (almost 80%) do not perform their own marketing research. Only 5% of them commission the external companies to conduct such research.

The pro-innovative attitude of enterprises is mostly positively affected by the following factors (table 1): flexible working hours, larger-than-average profitability of new services and personnel's inclination for empathy towards a client. The least significant role in the group of determinants, according to the managers, is played by: equipping a job post with ICT devices, a job with a progressive position and employment stability.

Table 1. Managers' opinions on stimulating factors that affect the inclination for extending a service offer by the progressive services (in %). 1 – means weak factor influence, 5 – very big factor influence

Factor	1	2	3	4	5
Large market needs	7.32	9.76	34.15	29.27	19.51
Larger-than-average profitability of new services	9.75	12.20	31.71	21.95	24.39
Staff creativity	12.20	19.51	26.83	29.27	12.20
Progressive job position	24.39	7.32	21.95	43.90	2.44
Employment stability	19.51	2.44	29.27	34.15	14.63
Flexible working hours	14.63	12.20	21.95	26.83	24.39
Staff's empathy inclination for clients	9.76	14.63	21.95	31.71	21.95
ICT equipment at a post	12.20	7.32	46.34	31.71	2.44

Source: Own elaboration based on own research results.

Then, the strongest group of development barriers includes (table 2): lack of proper financial support, complicated administrative procedures, big competition, to a lesser extent, but still – lack of marketing research. The weakest influential force, in a negative sense, is found in: insufficient information about a market and lack of a proper target group.

Table 2. Managers' opinions on barriers that affect extending a service offer by the progressive services (in %). 1 – means weak factor influence, 5 – very big factor influence

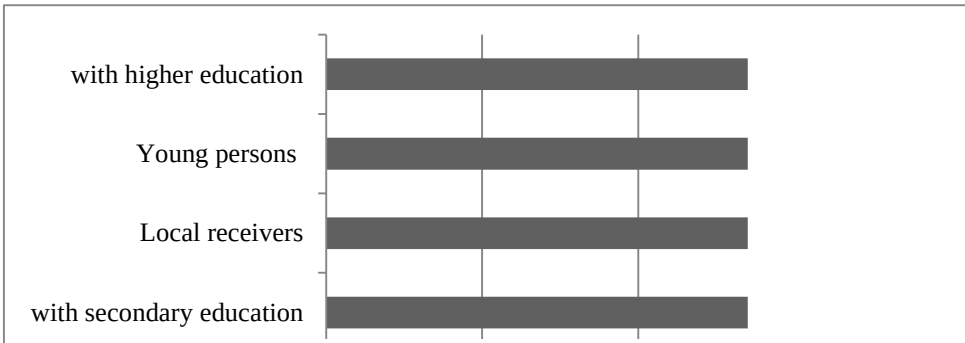
Factor	1	2	3	4	5
Large competition	7.32	9.76	26.83	29.27	26.83
Lack of marketing research	21.95	14.63	26.83	19.51	17.07

Insufficient information on market needs	19.51	12.20	31.71	24.39	12.20
Irrational employment (improper personnel for company's mission)	19.51	19.51	34.15	14.63	12.20
Weak traffic at the point of service provision (location)	17.07	17.07	34.15	17.07	14.63
Administrative difficulties (obtaining license)	31.71	17.07	29.27	9.76	12.20
Lack of proper financial support	12.20	9.76	24.39	21.95	31.71
Complicated administrative procedures	14.63	14.63	36.59	7.32	26.83
Lack of proper target group	21.95	17.07	34.15	14.63	12.20

Source: Own elaboration based on own research results.

During the research, the following service categories have been identified (figure 1): advisory, training, medical, trade, IT, tourist, transportation, construction, legal, recreational and others that covered: hairdressing, design and cleaning services.

Figure 1. Service categories identified during the research



Source: Own elaboration based on own research results.

The greatest number of entrepreneurs that opt for the progressive services represented the following service categories: advisory – almost 40% of the surveyed, training – about 30%, construction – about 20% and medical – almost 15%. In turn, the group of the least interested in the above services included managers from the tourist trade, hairdressing and cleaning – only 2.5%.

Almost 40% of the surveyed declared introduction of specific changes in the nature of a service, its quality in the nearest period of 1-3 years. The changes cover:

1) more automated search for clients;
2) extending online offer;
3) purchase of software;
4) creating 365/24 service which is round-the-clock emergency service;

5) constant software and calculation method update;
6) training the personnel in accordance with clients' needs;
7) possibility of online ordering;
8) shortening realization/delivery time;
9) innovative approach to a client, extending a service catalog;
10) machinery park development;
11) BIM (Building Information Modeling) – innovative CAD software;
12) increasing the standard of provided services;
13) online service.

Conclusions

The summary of the analysis makes it possible to present the following statements: Firstly, the entrepreneurs in Podlasie take into consideration a longer period of time when a client can access services which is obtained by extending the working hours to 24 hours a day. Secondly, the personnel training in accordance with clients' needs is considerably influential on the inclination for introducing a progressive service which is also practiced by regional service companies in the world. Thirdly, managers' attitude as for meeting clients' needs by adding them in the process of service provision is an important aspect of innovative activity in services. Fourthly, the internet is perceived as a tool for maintaining bonds with a client who becomes a co-innovator. Fifthly, advisory, training and construction service trades belong to an innovation-oriented group of service companies as for progressive services. Sixthly, in managers opinion, employees do not search for the stabilization that is connected with a single job position. They value the prospect of changing a job more than a job with a progressive post. Seventhly, over-than-average profitability of introducing new services is a main reason for introducing services of added value. Eighthly, the lack of proper financial support from the government institutions is discouraging. Ninthly, a proper measurement of the results has key significance for boosting the investments in production and use of new knowledge.

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