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Social Innovations In Companies And In Social Economy Enterprises[1]

Abstract

This paper compares the way of perceiving and implementing social innovations in companies and social enterprises in Poland with those in Europe. Special attention is paid to internal social innovations, so-called workplace innovations (WPI), and the reasons and outcomes of their introduction in companies, both in Poland and in other European countries. Moreover, the paper investigates the relationship between the need for internal social innovations and positive employment relations in analyzed entities.

The research findings prove that introducing innovations, including social innovations, is mainly driven by the need to improve a company's performance. Among social innovations which both companies and social enterprises value is investment into improving employees' work conditions. Moreover, for more than half of Polish companies and social enterprises the need for innovations is related to creating development opportunities, higher work flexibility, better social and life conditions of employees, as well as supporting employee's reconciliation between work and family life. These reasons for introducing social innovations were also noted by both managers and employees in other European companies.

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The paper also shows the links between issues of internal social innovations and positive employment relationships. The presented research findings prove that positive relationships among employees are significantly and positively correlated with a broad approach to the need for introducing social innovations. Moreover, the paper points out that positive employment relations are perceived as an important outcome of workplace innovation practices in European companies.

Keywords: *social innovation, workplace innovations, positive relationships at work*

1. Introduction

The need for innovation refers not only to companies, but also to organizations which fulfil social objectives, such as social enterprises. Both kinds of companies face the need to compete with their market rivals. Thus, as in the case of business to too in the case of the social enterprises innovativeness is an indispensable attribute for gaining competitive advantage on the market, enabling the aforementioned institutions to meet their goals.

Today, when discussing innovations researchers point out a very wide spectrum of possible positive changes. Among several kind of novelties we can distinguish so-called social innovations. Social innovations play a key role in finding and implementing new solutions for meeting social needs. They can have both an external and internal character in a company. Those of an internal character can have a multiplier effect on innovativeness, fostering a good atmosphere of work and at the same time creating opportunities for the creation of other types of innovations (product, services, etc.). This latter type of social innovation is synonymous with workplace innovation (WPI) and is related to "the theory of the company, dynamic capabilities, open innovation and innovation management within the realms of management, business and organizations" (Eurofound 2015, p. 17). The European Union, aiming to achieve smart and inclusive growth within the framework of the Europe 2020 strategy, points to WPI as a driving force for more innovativeness, competitiveness, and better use of human potential (Eurofound 2015, p. 5).

Nowadays companies and other organizations are facing the challenge of integrating the concept of social innovations into both their strategy and in daily business operations. The topic of social innovations has become one attracting increased interest since the 1990s as a kind of solution to cope with the consequences of economic restructuring, IT development. and growing unemployment. Moreover, the following decades brought about an increasing popularity of issues concerning innovations. Due to this, considerable attention has

been placed on the need to change the existing approach – which focuses on technological changes which are created, tested and implemented in a linear way – into an approach concentrated on creating novelty in dynamic systems involving social interactions. Such changes are consequences of the social transformation from an industrial society to a knowledge and service society. In a knowledge and service society individual potential is perceived as one of the key divers for economic and social development (Sempruch 2015). This transformation is also consistent with some other changes concerning innovations, such as open innovation, collaboration, participative management etc., which stress non-linear aspects of creating novelty (European Commission 2011, p. 36).

In our paper we compare the way of perceiving and implementing social innovations in companies and social enterprises in Poland. We also analyze the reasons for introducing internal social innovations (WPI) in Polish and other European companies, using the data from the Third European Company Survey (ECS).The data from qualitative follow-up interviews of the Third ECS were collected from 51 companies selected from the sample population according to the following regional breakdown: Continental and Western Europe (Denmark, Germany, Ireland, the Netherlands, the UK – 22 cases); Southern Europe (Greece, Spain - 12 cases); and Central and Eastern Europe (Bulgaria, Lithuania, Poland – 17 cases) (Eurofound 2015, p. 8). Moreover, we analyze the relationship between the need for social innovations and positive employment relations.

2. The idea of social innovations

Today's times require an entrepreneurial approach to social problems. As highlighted by Drucker, the core of an entrepreneur's nature is a kind of mind-set and behaviour that constantly search for changes and analyses the opportunities such changes might offer for economic and social innovation (Drucker 1985). Based on the literature, we can say that despite – or maybe because of – the fact that since 2000 over twenty definitions of social entrepreneurship have appeared (e.g. Fowler 2000; Lasprogata, Cotton 2003; Mair, Marti 2006; Perrini 2006, Zahra, Gedajlovic, Neubaum, Shulmann 2006; Brouard, Larivet 2009), the concept is not still clearly defined.

In considering the issue of social entrepreneurship, we assume it combines the passion of a social mission with business discipline (Dees 2011). Social entrepreneurs are practicing innovative ways of doing business by introducing social questions into their business models. Being persons who constantly search for improvements and novelty, they have a great potential to introduce different types of innovations.

A review of contemporary literature makes it possible to state that innovation is a multi-level and multi-dimensional concept. The relevant sources propose different approaches to describe the nature of innovations. However, what is common to most approaches defining innovations is the idea of applying new solutions that meet new requirements and market needs. Given the fact that innovation is something better than, or absolutely new and different from, that which currently exists, we can say that the term includes any kind of novelty which makes it possible to act more efficiently or more effectively, which leads to providing new products, technologies or services, new standards of products and services, as well as changes contributing to the improvement of quality of human life (Bessant and Tidd 2007; Baregheh, Rowley and Sambrook 2009; Deffains-Crapsky and Sudolska 2014).

Organizations create and implement innovations, as widely understood, in order to react to the changes in needs of their internal and external environment. It seems that the most complex and useful approach to define the nature of innovation is that which postulates that innovation is a change in several areas of an organization's activities which brings about some progress compared to the existing state. Such change(s) might be introduced inside or outside the organization as a reaction to signalled needs or in order to meet the needs which previously not been revealed (Damanpour 1996; Brown & Ulijn 2004). In addition, it is necessary to underscore that all innovations are socially relevant. This observations concerns both innovations aimed at changing some economic parameters of an organization, and innovations with some social intentions and effects in the field of social practices (Hochgerner 2011, p. 9).

The idea of social innovation is also very complex and multi-faceted. It is considered and analyzed from different knowledge perspectives. Due to the fact that several approaches towards social innovations may be found in the literature (e.g. LEED Forum on Social Innovations 2000; Mulgan et al. 2007; Harris, Albury 2009), there is no widely-accepted definition. However, many researchers follow the definition of social innovations provided in 2000 by the Local Economic and Employment Committee (LEED) of the OECD. According to this OECD definition, "social innovation seeks new answers to social problems by: identifying and delivering new services that improve the quality of life of individuals and communities; identifying and implementing new labour market integration processes, new competencies, new jobs and new forms of participation, as diverse elements that each contributes to improving the position of individuals in the workforce. Social innovation can therefore be seen as dealing with the welfare of individuals and communities, both as consumers and producers. The elements of this welfare are linked with their quality of life and activity" (OECD, 2015).

When discussing the nature of social innovations, we would point out that the phrase "innovation" concerns the capacity to generate and implement new ideas which deliver some value. On the other hand, the prefix "social" refers to the kind of value delivered by a specific innovation. In case of social innovations this value is concerned rather with the quality of work and life, well-being, solidarity etc., than with profit (European Commission 2011, p. 33).

One of the most common definitions of social innovation provided by relevant literature presents it as new idea created to accomplish some social goals. Such a definition has a very wide scope, from new lifestyles to new products or services. However, the main issue is that all kinds of such novelties are motivated by the goal of meeting some new social needs or the needs that are not yet satisfied. This differentiates social innovations from business ones, which are created and motivated mainly by profit maximization (Mulgan et al. 2007). The relevant literature also provides us also with more precise definitions of social innovations. Biggs et al. claim that social innovations are new concepts, initiatives, products, processes or organizations created to meet important social needs and change the basic routines and beliefs of the social system in which they appear (Biggs, Westley, Carpenter 2010 p. 3, European Commission 2013). Also important here is that they also enable enable better (more effective) resource usage as well as improve social relations in the system in which they operate. Viewed from such a perspective, it is necessary to point out that "social innovations can be macro or micro, structural or local, they are introduced by an entrepreneurial spirit and through solidarity, either to improve the functioning of the organization or to transform the organization into a social enterprise, an enterprise with social objectives, an organization pursuing social objectives, or to empower it with a more participatory governance system" (Nussbaumer, Moulaert 2007). It is also critical to understand that social innovations simultaneously meet some social needs as well as create new social relationships that enhance a group's (organization, society etc.) capacity to act. They refer to the creation and implementation of new ideas about how people should organize interpersonal activities or social interactions to meet one or more of their common goals (Mumford 2002; Mulgan, Murray, Caulier-Grice 2010).

Bearing in mind that social innovations are created to meet some social needs, we should point out that they involve both internal processes of organizational change (e.g. new ways of working, new legal forms etc.) and novelty in an external organization's outcomes (e.g. new products and services) (Nicholls and Murdock 2012). By combining the typology of innovations proposed by Schumpeter (1950) and OECD documents (2005), Hochgerner identifies eight types of social innovations: products, processes, marketing innovations, organizational innovations, new roles, relations, norms, and values (Hochgerner 2011). What is interesting is that such an enlarged typology of social innovations goes beyond the sector of

economy. It also includes some novelty in the state (e.g. public administration) or civil society (called the "third sector"). Thus, following Hochgerner's approach we can say that social innovations appear across the economy, culture, politics and legal systems (Hochgerner 2011, p. 10).

Thus we can say in conclusion that in spite of the fact that there are many different approaches to defining the idea and nature of social innovations, we refer to the one most frequently used today in public and scientific debates, which describes social innovations as an innovative solutions and new forms of organizing activities and interactions inside or outside an organization and introduced to tackle some social issues (European Commission 2011, p. 34).

3. Social innovations at the workplace

Not surprisingly, social innovations encompass a great diversity of changes that are social in nature. However in our paper we focus on those that are of an internal character for ane organization. Social innovations at or in the workplace include the following elements: active management, flexible organization, "working smarter", life-long learning, and cooperation between organizations. This kind of innovation is often perceived as a supplement to technological innovations rather than understood as an independent element. Social innovations are usually related both to a better quality of employees' life and better functioning of an organization. In this context social innovations might be understood as the restoration of an organization directed at employees and their relationships, leading to more efficient functioning of an organization and the opportunity to develop and implement talents and skills (Jędrych 2013, p. 107).

Viewed in this perspective, social innovations are close in meaning to the strategic concept of Human Resources Management (HRM). Activities undertaken within HRM might thus be a starting point for the creation of social innovations (Jędrych 2013, p. 11). It is widely accepted that Human Resource Management is strategically important for a company's innovativeness and development. In order to influence employees' commitment to work and retain their services, every organization has to introduce some changes in the field of HRM. It is indisputable that a greater amount of flexibility and innovation in the practices concerned with managing employees positively influences workers' creativity and initiative, as well as their commitment to work. Innovations in people management (such as training systems, communication practices, flexible working schemes, or team

working) can have an impact on both employees and organizational performance. They can, in turn, create opportunities for other types of innovations (for example in products or services) (Eurofound 2015, p. 5).

Social innovations at the workplace might be the driving force behind a firm's innovativeness due to their impact on employees' work conditions and improvements in their quality of life. As such internal changes concern making a workplace meet the working needs of employees, they lead to an increase in workers' satisfaction. This in turn stimulates employees' potential and influences their commitment to work. When talking about the issue of employees' satisfaction at work, we must bear in mind that today employers face the great change posed by young workers' values and requirements, which influence their way of thinking. It seems significant here to point out the findings of "The 2015 Deloitte Millennial Survey", which provides managers with the information about the needs of workers coming from 29 different countries and born after 1982 (called *Millennials*), having a college or university degree. According to the survey results, this group of workers (no matter which country they live in) believe that an organization's treatment of its employees is one of the most important leadership issues. Moreover, they highly value all activities focused on increasing employees' wellbeing and growth and development. As the message from the survey underscores that the young generation of employees mostly value the way a business develops its work force and how it contributes to society, executives in all kinds of organizations need to change the solutions they apply to engage young employees in their work (The Deloitte Milennial Survey – Executive Summary). Due to this phenomena, today managers are highly stimulated to introduce social innovations at the workplace.

Here it is also important to state that internal social innovations (e.g. investing in employees' professional development) often result in an increase of employees qualifications or better implementation of technological innovations within a work system. Social innovations are also considered as those changes that inspire people to come up with new ideas and projects and make them eager to learn new things. Over the past few years it has been observed that social innovations at the workplace lead to a positive ambience within an organization. As the result of such changes, employees become more satisfied and so spread positive messages by word of mouth and stand by each other within the entire organization. The relevant literature presents the view that happiness in the workplace results in a great willingness on the part of employees to work harder. This, in turn, results in higher company productivity. Nowadays firms engaged in introducing internal social innovations take note of the fact that happy employees care more about the future of their work place and do not hesitate to make extraordinary efforts to see that their firm succeeds (Gregory 2011, p. 33).

However, many companies in Poland have not yet developed this personal aspect, due to the fact that they identify it with administration (Jędrych 2013, p. 292). Taking this into account we assume that the relatively low level of innovativeness in Polish firms might be partly a result of social character. By this we mean the low level of so-called social capital of the company and insufficient use of human capital.

4. Innovations in social economy enterprises

Social enterprises are enterprises of a hybrid nature. They combine features of a business and a non-governmental organization. They operate on the same market as other companies, but are managed in a more democratic way. Social enterprises combine business activities with the carrying out of a type of social mission (the business activity is often a tool to accomplish social goals). Such entities are not able to compete with profit-oriented firms over a long period due to their poorer human capital, low working capital, and insufficient investment funds. Because of this, social enterprises search for market niches that allow them to maintain a competitive position (Rymsza, Rymsza 2015, p. 330–331).

Considering the nature of social enterprises, it is important to bear in mind that they are characterized by high level of flexibility, a high tendency to test new solutions as well, as empowerment and co-production orientations. It is indisputable that social enterprises are the entities which, along with non-governmental organizations, generate a majority of social innovations (Rymsza, Rymsza 2015, p. 330).

When studying the issue of social innovations at the workplace, it must be kept in mind that the specificity of human resource management in social enterprises differs from the same sphere in business entities. Social enterprises (e.g. a social cooperative), like a private company, carry out profit-oriented business activities. However, the human capital of a social enterprise (social cooperative) is very diversified if we take into account such variables as education, qualifications, abilities, motivation to work or temperament (Duchnowska, Budrowski 2015, p. 349).

The main objective of a social cooperative is activating people who are threatened by social exclusion. Thanks to social or vocational re-integration such people are able to recover their skills and abilities to participate in social life and perform various social roles, which is in fact aimed at making them more employable.

The aforementioned features of a social cooperative suggest that managing such an organization is inherently of an innovative character. It is obvious that such entity is not able to make profit without the ability to combine different

personalities, different environments, and the different economic goals of cooperative participants. Making a profit is possible only through creating social relationships between cooperative participants that are based on mutual trust and cooperation (Duchnowska, Budrowski 2015, pp. 348–349).

5. Research problems

In this paper our aim is to examine both companies whose objectives are to be entrepreneurial and competitive on the market, and those enterprises dealing with offering individualised support to persons who are socially excluded or threatened by the exclusion, as well as the enterprises established by such people, namely the enterprises supporting entrepreneurship in the beneficiaries of the institutions. The differences in the specificity and goals of companies and social enterprises lead to different approaches to innovation, including those of social character in both types of organization. Taking into account the aforementioned, in our research we addressed the following academic questions:

1. How do companies and social enterprises perceive social innovations?

In posing this question we wanted to find out how the understanding and the importance of social innovations differs according to sector in Poland (as we assume that in business enterprises product innovations seem to be the most important) and how the need for social innovation is perceived by EU companies.

2. What types of social innovations have appeared in analyzed business and social enterprises in the last three years?

3. *Do positive relationships at work support the need for some social innovations? If so, what kind of social innovations are needed?*

By addressing this question we refer to the high impact that positive relationships at work have on the energy that people feel. not only at work but in general (Quinn 2007). Considering the common knowledge of their influence on employees' individual creativity and innovativeness, we made an assumption that good relationships among employees are an important determinant of social innovations in both sectors.

6. Methodology

Our research is based on statistical analysis of data coming from a survey conducted using the CATI technique (Computer Assisted Telephone Interview) on a sample of 200 companies (randomly selected from among the "Business Gazettes" and the "Deloitte Technology Fast 50 in Central Europe") as well as 140 social economy entities within the project “Innovation among people. Analysis of the creation of innovations and their implementation in companies and social economy enterprises operating in Poland.” The project was funded by the Polish National Science Centre grant, decision number DEC-2013/11/B/HS4/00691.

The investigated sample of 200 companies involved organizations from the sector of commerce (98 entities), industry (76 entities), services (57 entities), construction (29), IT (6), transportation (6), agriculture (9), energy and publishing (3 each). The analyzed firms operate mainly on the national market (as was declared by 46.5% of the entities), on the EU market (32.5%), and on the global market (13.5%). Only 15 of the investigated companies operated only on the local market (7.5% of the sample). The respondents participating in the research were human resource department managers (35.5%), marketing department managers (16.5%), specialists (14%), other persons in managerial positions (13.5%), company directors (4.5%), deputy directors or members of the board (6.5%), and project specialists (7.5%).

The sample of investigated social enterprises consisted of 40 centres of social integration and 100 social cooperatives. The respondents were mainly heads of cooperatives (52.9%) and directors of centres of social integration (13.6%), managers (7.1%), project coordinators (3.6%) and other employees. The majority of the analyzed social enterprises conduct their activities in the field of services (106), and some deal with building services (21) and trade (18). Only four of the investigated social enterprises conduct industrial activities, seven work in the IT sector, and the rest described their field as “other”.

In a questionnaire survey the respondents were asked to provide their assessments by answering the question: “To what extent, in your opinion, does each of these statements characterize your company?” The scale ranged from 0% (“I fully disagree”) to 100% (“I fully agree”). In the paper we use the data from questions concerning the definition of innovation, the need for innovations in the organization, and the description of the organization, including the relationship between employees. Additionally, we analyzed respondents’ answers to the question about the innovations introduced in their entities in the last three years.

In order to consider the analyzed problems in broader contexts, we also studied the data contained in Third European Company Survey and the 51 case studies based on the sample population of the ECS (Eurofound 2015). When doing

this we focused on both presenting the reasons for introducing internal social innovations in a number of European business entities, and the outcomes of introducing workplace innovations perceived by employees, as well as by managers.

7. Social innovations in companies and social enterprises, in the the respondents' opinions

Innovations are understood by the vast majority of enterprises as new or better products or new or better technologies. They also think that innovation (without the prefix *social*) involves going beyond the existing patterns of thinking and acting. While this way of understanding innovations is also close to the perception of social enterprises, nonetheless in social enterprises it is difficult to find a typical way of understanding innovations (the differences are not significant and the standard deviation is high) (Table.1).

Table 1. Understanding of innovations in companies and social enterprises

Innovation definition	Companies		Social enterprises	
	Mean	Standard deviation	Mean	Standard deviation
Going beyond existing patterns of thinking and acting	83.5%	15.82	76.4%	23.14
Every outcome of human creativity	75.2%	18.61	67.3%	23.55
Activities contributing to environment protection	70.4%	19.49	50.2%	31.70
Activities contributing to improving people's life quality	79.2%	16.87	77.9%	20.31
Activities resulting in an improvement in employees' work conditions	79.2%	16.87	71.9%	22.87
New or improved products	89.1%	11.39	74.8%	25.84
New or improved technologies	92.1%	10.23	72.8%	29.73
Any activity enabling an organization to perform better (more effectively, more efficiently etc.)	79.5%	14.90	76.0%	22.28
Activities distinguishing the organization from others	69.7%	18.36	67.4%	25.00

Source: own calculations.

In this paper we focus on social innovations *within* the examined entities (so-called *internal* social innovations) related to the improvement of employees' work and life conditions, changes in work organization, investments into human capital of an organization, and better communication between employees. As the

changes aimed at making workers' duties and life easier and developing their personal potential meet different employee needs of a social character, we have included them into the broad category that comprises social innovations.

How do companies and social enterprises perceive social innovations?

According to our research business enterprises note first and foremost the need to introduce innovations related to products, technology, marketing, and market activities. They think that strategic changes (such as creating strategic partnerships, establishing business relations with other companies, etc.) are of key importance for their organizations. With respect to social innovations, they perceive the improvement of working conditions (including occupational health and safety) as an important element of their innovation strategy.

Social enterprises seem to place more attention on the need to introduce and develop *internal* social innovations. They are not so focused on product and technological changes as they relate to the field of their activity (social services). Among the internal social innovations examined, improving employees' working conditions, solutions aimed at finding an appropriate work-life balance, encouraging personal and vocational development. and changes the organization of individual employees' work and time were perceived as the most necessary changes (the differences between the importance of particular social innovations were minor).

For the purpose of this paper it seems particularly useful to examine how European companies (both their managers and employees) perceive the role and importance of internal social innovations. According to the Third European Company Survey, internal social innovations were perceived as significant in improving organizational performance for the examined European companies. In the opinion of the firms analyzed in the survey, introducing social innovations was first and foremost related to improving their efficiency, gaining competitive advantage, and enhancing innovative capability. In terms of thinking about organization as a whole, more than a half of managers and employees indicated the importance of internal social innovations in helping them perceive their company as an attractive employer. Around 1/3 of managers and around 30% of employees see workplace innovations as a chance to enable acceptance by employees and managers, respectively. Both employees and managers (more than 30% in both cases) think that the main reason for introducing workplace innovations (WPI) is to enable the embedding of new technology and ICT (Eurofound 2015, p. 45).

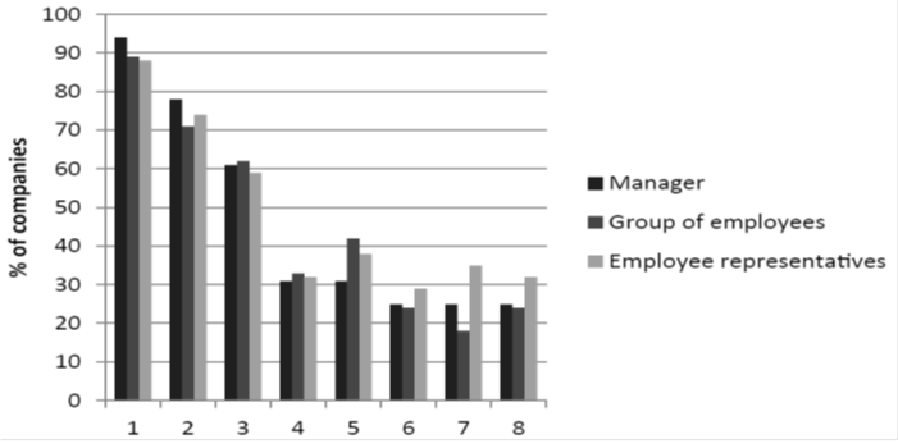
Table 2. The need for innovation in companies and social enterprises

The need for innovation	Companies		Social enterprises	
	Mean	Standard deviation	Mean	Standard deviation
Implementation of individual solutions concerning work organization and time schemes	69.4%	26.48	64.2%	30.41
Implementation of activities aimed at employees' personal and professional development	61.4%	29.34	67.5%	31.12
Implementation of solutions aimed at improving employees' work conditions	78.4%	15.97	70.1%	27.41
Implementation of solutions aimed at improving employees' social and life conditions	68.4%	20.11	58.9%	31.43
Implementation of solutions enabling employees to reconcile work and personal life	55.5%	28.29	67.8%	30.38
Changes in the field of internal and external communication	58.1%	29.07	51.8%	35.00
Market innovations	81.0%	18.66	57.2%	33.70
Marketing innovations	83.6%	17.50	61.5%	30.64
Product innovations	86.7%	16.93	58.0%	35.18
Technological innovations	85.5%	14.68	46.0%	36.43
Strategic innovations	77.1%	23.95	50.4%	34.98

Source: own calculations.

In examining the desired outcomes for both actor groups, i.e. managers and employees, the most important motive for workplace innovation implementation for both groups was economic and business goals (around 90% of employees and 94% of managers chose this motive). For around three-quarters of companies, learning and development opportunities were a reason for introducing WPI. The third most significant motive for introducing WPI was performance. Generally speaking, companies' motives to implement workplace innovations were mostly related to increasing the quality of organizational performance. A smaller group - one third of companies – expressed an interest in introducing WPI in order to enhance the quality of work. For more than 40% of employees and around 30% of managers flexibility was the most important motive for introducing social innovations, while for more than 20% of both employees and managers work-life balance was a reason for the introduction of WPI (Eurofound 2015, p. 46).

Chart 1. Reasons for introducing workplace innovations in European companies from managers' and employees' perspectives (%)

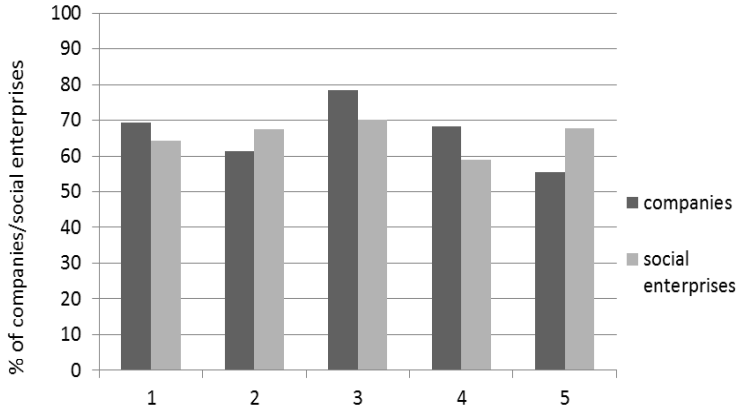


Note: x-axis legend: 1 – economic and business goals; 2 – learning and development opportunities; 3 – performance; 4 – public goals; 5 – flexibility; 6 – shareholder interests; 7 – labour market position; 8 – work-life balance.

Source: Eurofound 2015, Workplace innovation in European companies, Publications Office of the European Union, Luxembourg, p. 46.

According to our research findings, companies in Poland were first and foremost focused and improving organizational performance with respect to market, products, marketing, and technological innovations. In terms of internal social innovations they were mostly focused on the improvement of working conditions which may be aligned with the general motive of improving the efficiency of work. The differences between Polish social enterprises and companies in their perception of the need for innovation were minor. Similarly to companies, social enterprises value the improvement of working conditions. They pay much more attention to the necessity of introducing those innovations which enable employees to reconcile work and personal life. The questionnaire was constructed in such a way that it did not allow us to assess the importance of internal social innovations as such in enhancing company performance in a direct way.

Chart 2. The need for internal social innovations in Polish companies and social enterprises (%)



Note: x-axis legend: 1 – individual work organization and time schemes; 2 – personal and professional development; 3 – improvement of work conditions; 4 – improvement of social and life conditions; 5 – reconciliation of work and personal life

Source: own calculations.

What types of social innovations have appeared in analyzed businesses and social enterprises in the last three years?

Although focused on new or better products, advancing technologies and marketing strategies, the examined enterprises have also introduced social innovations in the past three years. Up to 96% of examined enterprises have implemented innovations in the area of better working conditions (including occupational health and safety). In 83% of examined companies solutions aimed at improving employees' social and living conditions have appeared. Moreover, 77% of enterprises decided to implement individual solutions concerning work organization and time schemes.

Due to differences in the specificity of the analyzed entities (firms and social enterprises) it is understandable that over the last three years it has been mainly social enterprises which have introduced social innovations. Up to 74% of social enterprises implemented improvements in work conditions improvements; 72% – individual solutions concerning work organization or time schemes; abou 69% – solutions supporting work-life balance; and almost 68% – changes concerning the development of employees.

Table 3. Innovations appearing in companies and social enterprises in the last 3 years

The need for innovation	Social enterprises			Companies		
	Has it appeared in the last 3 years?			Has it appeared in the last 3 years?		
	yes	no	difficult to say	yes	No	difficult to say
Implementation of individual solutions concerning work organization and time schemes	101	33	6	155	40	5
Implementation of activities aimed at employees' personal and professional development	95	40	5	120	73	7
Implementation of solutions aimed at improving employees' work conditions	103	33	4	192	2	6
Implementation of solutions aimed at improving employees' social and life conditions	76	60	4	166	29	5
Implementation of solutions enabling employees to reconcile work and personal life	96	40	4	92	101	7
Changes in the field of internal and external communication	79	56	5	165	29	6
Market innovations	67	65	8	96	99	5
Marketing innovations	76	53	11	181	13	6
Product innovations	69	62	9	187	8	5
Technological innovations	48	77	15	186	9	5
Strategic innovations	52	74	14	180	13	7

Source: own calculations.

Combining the above mentioned findings from the Polish and other European business entities shows the general correctness of assumptions concerning internal social innovations. Both in Poland and other European countries managers and companies' workers seem to pay more and more attention to such changes in their organizations. When taking into account the motives to introduce internal social innovations, we can say that among the most important reasons the respondents in both research projects pointed out: the achievement of business goals, learning through personal and professional development, and improving work conditions, which may be regarded as a desire to enhance a company's performance, as stated in the Eurofound survey. Inasmuch as we know that all kinds of workplace innovations somehow (directly or indirectly) lead to the enhancement of quality of an organization's performance, the most significant issue today becomes shaping managers' consciousness concerning the impact of internal social innovations on company's outcomes.

Do positive relationships at work support the need for some social innovations? If so, what kinds of social innovations are needed?

The presented data allows us to say that positive relationships are significantly positively correlated with the need to introduce several types of innovations in an organization, among them social innovations. In line with the relevant literature, positive relationships at work are those dyadic interactions in which there is a true sense of relatedness and mutuality (Roberts 2007). Some approaches to describing the nature of positive relationships at work focus on such issues as one's subjective experience of vitality, a positive regard, mutuality, and positive physiological responses (Stephens, Heaphy and Dutton 2012), as well as the impact on employees' commitment to work (Kahn 1990).

Based on our research findings, we assume that positive relationships support a broader approach to the need for innovations in an organization. The significant and quite high Pearson correlation coefficients may also suggest a different interpretation. Taking note of the need for introducing innovations, especially those of a social character, is a variable supporting the appearance of positive interpersonal relationships. It seems to us that this might be particularly important in case of internal social innovations. Considering this type of innovations, the strongest correlations exist in case of the need to introduce the solutions aimed at improving work conditions (r=0.4) and the need to introduce individual solutions concerning work organization or time schemes (r=0.4).

More positive employment relations were noted as a consequence of introducing internal social innovations by more than 40% of managers and employees and up to 60% of employee representatives in the European enterprises examined in Third European Company Survey (Eurofound 2015, p. 49). These were not the most important outcomes of WPI practices (the most important was employee engagement, with approximately 80% of companies choosing this option), but were ranked high enough to support the assumption of a correlation between social innovations and positive relationships among employees.

When considering social enterprises, we found that the relationship between the quality of employees' interpersonal relationships and a broad approach to need for innovations is much weaker than in the case of business enterprises. The highest correlations exist with respect to the need to introduce solutions aimed at employees personal and vocational development (r=0.31) and in case of the need to improve work conditions (r=0.24).

Table. 4. Pearson correlation coefficients (r) between the need for innovation and positive relationships between employees

The need for innovation	The relationships between employees are positive	
	Companies	**Social enterprises**
Implementation of individual solutions concerning work organization and time schemes	.402**	.068
Implementation of activities aimed at employees' personal and professional development	.223**	.311**
Implementation of solutions aimed at improving employees' work conditions	.404**	.239**
Implementation of solutions aimed at improving employees' social and life conditions	.287**	.085
Implementation of solutions enabling employees to reconcile work and personal life	.165*	.072
Changes in the field of internal and external communication	.197**	.052

Source: own calculations.

8. Conclusions

Our research findings prove that Polish enterprises have been mainly focused on enhancing their company's performance by introducing innovations in the field of products, technologies, and marketing activities. The outcomes from the qualitative follow-up interviews (51 cases) of The Third European Company Survey, conducted in Continental and Western Europe (22 cases), Southern Europe (12 cases) and Central and Eastern Europe (17 cases – in Bulgaria, Lithuania, Poland) prove that social innovations are also perceived as an important factor in improving efficiency and gaining a competitive advantage.

When considering the need for social innovations, Polish companies declared the need to implement some solutions aimed at improving employees' work conditions. It is worth underscoring that the vast majority (96%) of investigated enterprises declared that they have introduced such novelties in the last three years. Based on the analyzed data, it is difficult to present a detailed interpretation of this phenomenon, but taking into account the fact that European societies are growing old, we can argue that the innovations in the field of employees' work conditions nowadays has become a significant issue due to ageing human resources, as well as the necessity to work longer.

What's more, an interesting result concerns the link between social innovations and the relationships between employees. According to our research findings, there is no doubt that positive relationships at work can stimulate an organization to create and then implement social innovations. Moreover, positive relationships between co-workers stimulated by workplace innovations (WPI) may create favourable conditions for all kinds of innovations, no matter whether they concern products, technology, or social support.

In an attempt to identify the importance of positive relationships between employees for increased innovativeness, we found out that they seem to be less significant in social economy enterprises than in business companies. We suppose that this is a consequence of the specific activities of social economy enterprises, which are rather of an individual character (e.g. individual work with reintegrated persons). In addition, quite frequently social enterprises (such as social cooperatives) are very small entities. Thus it is natural that they are not characterized by a high dynamics of teamwork and cooperation. This in turn influences the perception of the importance of positive interpersonal relationships.

On the other hand, we assume that the need for improvements in working conditions, if existing in social enterprises, results from a poor infrastructure and unfriendly workplace environment. This may concern the lack of employment stability, low salaries, a high employee rotation rate, or the low prestige of such an employee (for more, see Karwacki 2009, p. 48). As a consequence of the aforementioned, each change aimed at improving working conditions will be very desired and appreciated by employees.

To sum up, we assess that the paper's objective has been achieved. The issues referring to the way of perceiving and implementing social innovations in companies and social enterprises have been discussed. Also, the needs and reasons for introducing internal social innovations, both in Poland and in other European countries, have been examined. In addition to identifying the motives that stimulate business entities to implement social innovations of an internal character, we also indicated particular types of changes (innovations) that have appeared in analyzed enterprises during the last three years. Finally, we made an attempt to highlight the importance of links between positive interpersonal relationships and an organization's overall creativity. Based on the aforementioned, we assume that our findings provide useful implications for managers concerned with the importance of internal social innovations, both in business entities and social enterprises. Our research demonstrates that they should be considered as significant and successful tools for enhancing an organization's creativity, and thus its performance.

At the same time, we are aware that the findings of our research based on the questionnaire survey (done by selected employees of every entity) do not allow us to present an unambiguous picture of such a complex issue as social

innovations in both types of analyzed organizations. Moreover, we are conscious of the fact that the questionnaire used to conduct the research in Polish companies did not allow to assess the direct impact of internal social innovations on firm performance or firms achievement of its business goals.

However, this research is the first step toward in-depth investigations into the creation of social innovations, both in companies and social enterprises. Among the issues offering inspiration for further studies we point out the leverage factors for the implementation of internal social innovations (such as employees and executives involvement, leadership, the organizational climate etc.) as well as the impact of internal social innovations introduced in companies on their organization, and the attitudes and behaviours of both managers and employees. We have already been conducting further research activities within this field, using not only quantitative methods but also some qualitative ones.

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Streszczenie

INNOWACJE SPOŁECZNE W PRZEDSIĘBIORSTWACH ORAZ PRZEDSIĘBIORSTWACH SPOŁECZNYCH

Celem artykułu jest porównanie postrzegania oraz wprowadzania innowacji społecznych w firmach oraz przedsiębiorstwach społecznych w Polsce. Szczególną uwagę zwrócono na wewnętrzne innowacje społeczne, przyczyny oraz rezultaty ich wprowadzania zarówno w przedsiębiorstwach funkcjonujących w Polsce, jak i w innych krajach Europy. Ponadto artykuł porusza problematykę zależności pomiędzy potrzebą wdrażania wewnętrznych innowacji społecznych a pozytywnymi relacjami między pracownikami analizowanych podmiotów.

Zaprezentowane wyniki badań wskazują, iż wprowadzanie innowacji, w tym innowacji społecznych, przede wszystkim podyktowane jest dążeniem do poprawy wyników przedsiębiorstw. W obszarze innowacji społecznych firmy oraz przedsiębiorstwa społeczne cenią działania związane z poprawą warunków pracy. Ponadto, dla ponad połowy polskich firm i przedsiębiorstw społecznych potrzeba wprowadzania innowacji społecznych wiąże się ze stwarzaniem pracownikom szans na rozwój, zwiększaniem elastyczności pracy, poprawą warunków socjalno-bytowych pracowników czy zwiększaniem równowagi między pracą a życiem prywatnym. W artykule podkreślono też, że podobne motywy wdrażania innowacji społecznych deklarują menadżerowie przedsiębiorstw funkcjonujących w innych krajach europejskich.

Artykuł stanowi również próbę identyfikacji zależności pomiędzy potrzebą innowacji społecznych w przedsiębiorstwach a pozytywnymi relacjami między pracownikami. Wskazano na istotną pozytywną korelację pomiędzy pozytywnymi relacjami pracowniczymi a pojawianiem się potrzeby wdrażania szeroko rozumianych innowacji społecznych. Podkreślono ponadto, że przedstawiciele wielu europejskich firm postrzegają dobre relacje w miejscu pracy jako rezultat wdrażania innowacji społecznych o charakterze wewnętrznym.

***Słowa kluczowe**: innowacje społeczne, innowacje społeczne w miejscu pracy, pozytywne relacje pracownicze*