

# ATTITUDE OF ORGANISATIONS OPERATING IN THE SLOVAK REPUBLIC TOWARDS CREATION AND SUSTAINING OF INNOVATIVE ORGANISATION

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## Abstract

*Innovation can be defined as practical implementation of a new idea for the purpose of a current condition improvement. Innovation process deals with the creation itself, development and implementation of the innovation, and a part of the process is the innovation idea implementation, i.e. the change itself from the original condition to a new condition. To make this change positive it is crucial that all factors, not only material and financial ones but mainly human factor, are set up innovatively, which is declared also by authors like Tureková, Mičieta, or Rašner. It is the need to focus on people upon an innovation implementation that creates the need to develop innovative organisation environment in organisations.*

## Key words

*innovation, innovative organisation, engagement of organisation management, open communication, team cooperation*

## Objectives of Research and Basic Data on Respondents Participating in Research

**The main objective of the research** was to find out and analyse current state of the focus of medium and large organisations operating in Slovakia on creation, respectively sustaining of so called innovative organisation.

**Partial research objectives** were determined on the basis of individual characteristic features that innovative organisation should comprise:

- Find out whether management in questioned organisations is engaged in supporting innovation implementation.
- Find out from what sources organisations gain impulses to innovations.
- Find out whether there are conditions for flexible organisation structure in questioned organisations.
- Find out whether there are conditions for significant engagement of employees in innovations in questioned organisations.
- Find out whether there are conditions for open, broad communication towards all directions in questioned organisations.
- Find out how comments from employees are submitted in questioned organisations.

The research was run from February 2010 to May 2011. Overall 190 questionnaires were gained from organisations operating in Slovakia, in particular organisations operating in private sector and those which filled in individual questions in the questionnaire completely and fully.

Summary size structure of questioned organisations is provided in Table No. 1, which suggests that most represented in the research were organisations with the number of employees from 50 to 300.

SIZE STRUCTURE OF ANALYZED ORGANISATIONS Table 1

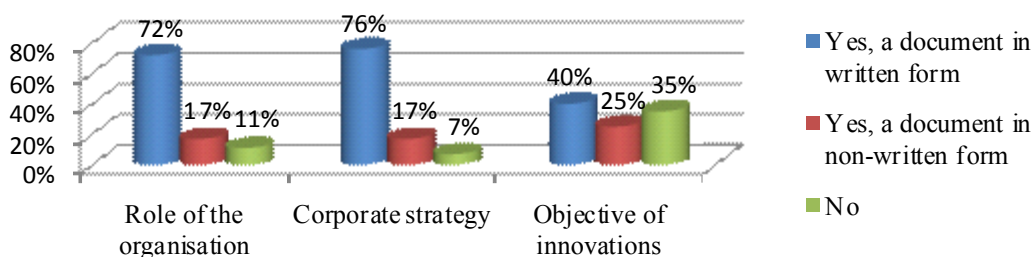
No. of emp. in org.	50 - 300	301 – 1 000	1 001 – 5 000	nad 5 000
Share of org. in %	61	26	12	1

The questionnaire contained 15 questions which were formulated on the basis of individual characteristic features that an innovative organisation should involve.

### The results of study

This part provides results of selected research questions with their usage justification:

„**Has your organisation elaborated documentation defining the organisation role, business strategy and objectives in the sphere of innovations?**” We focused on findings about individual documents existence, respectively absence, since if management is engaged in support of innovations this aim to innovate in the organisation has to be necessarily defined in the organisation strategy, and it is the strategy creation that management directly influences. The research showed that almost 90 % of analysed organisations could provide the organisation role and business strategy in a written, respectively non-written form. However, only 40 % of questioned organisations have defined an objective of innovations itself in a written form.



**Fig. 1** The percentage of organisations with elaborated role, business strategy and objective of innovations

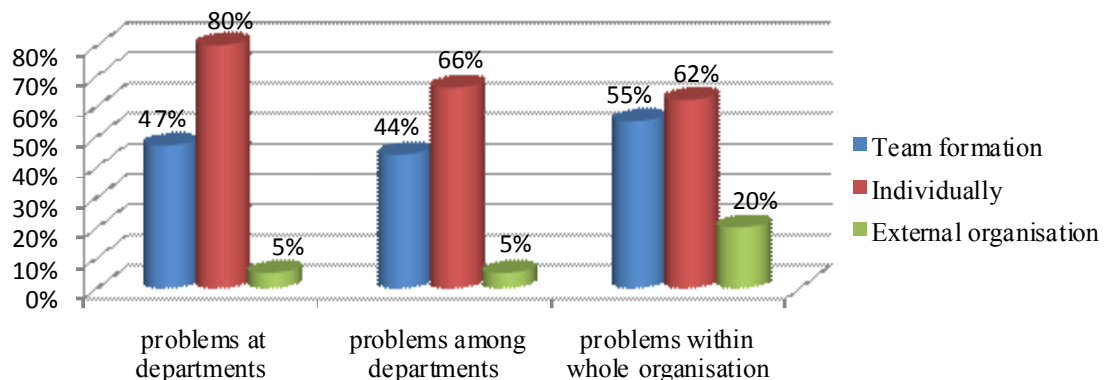
„**What are your sources of impulses to innovate?**“ Answers to this question were important for us, since it is an innovative organisation that should gain impulses to innovations themselves in the biggest possible amount and from the highest number of sources. In order for the organisation to be able to attract customer within the biggest extent by quality products and services. To be successful on the market presupposes to meet all customer requirements and, moreover, to do it in a way that is different and better than the competition's. Success is furthermore conditioned by the speed of reaction to changing market conditions, respectively customer requirements, and it is therefore necessary to gain impulses from the biggest number of sources. [4] The research showed that organisations gain the most often impulses to innovate from their employees, in 79 %. (see Table 2).

SOURCES OF ORGANISATIONS OF IMPULSES TO INNOVATE

Table 2

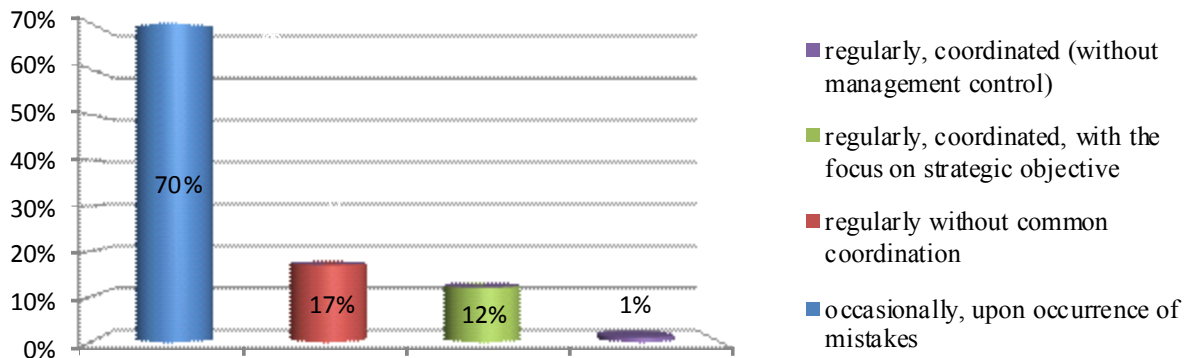
Sources of impulses to innovate	Yes in [%]	No in [%]
Employees	79	21
Suppliers	49	51
Wholesalers	30	70
Competition (benchmarking)	58	42
Customers	61	39
Experts, specialists	68	32
From the own research department	30	70
From cooperation with universities	14	86

„**How do you solve problems at individual organisation levels?** (in particular: at departments, among departments, within whole organisation)“? Regarding innovative organisation, it is necessary to create an atmosphere where dialogue among managers and other employees has a significant place; we were therefore interested whether in case of finding and subsequent solution of a problem the employees decide to use team meeting more often, or whether they decide to solve the problem individually, respectively with help of an external organisation. Answers to this question showed that in solving problems at departmental level, among departments as well as within whole organisation, organisations leave solutions upon individuals in the highest extent (between 66 % and 80 %); and upon teams in a lower extent (between 44 % and 47 %). External organisations are the least used by organisations in solving problems, at departmental level and among departments to 5 % and within whole organisation in 20 %.



*Fig. 2 Presenting preferred way of problem solution in organisations*

**„How do you engage people in the innovation process?“** With regard to the fact that the fundamental personal quality of “innovators” is predominantly the ability to react flexibly to dynamically changing conditions of the environment as well as the ability to win and enthuse their employees and whole work team for changes, we were interested whether organisations create sufficient room for their and their teams’ participation in the innovation process. The research revealed that the highest number of questioned organisations, 70 %, involves employees in the innovation process only occasionally, when mistakes occur in new processes or procedures, and particular innovation has to be approved by management.



*Fig. 3 The way of involving people in the innovation process in questioned organisations*

**„To what extent do you use the following methods to communicate key information to your employees?“** This, as well as two following questions, are directly focused to find out the level of communication in questioned organisations. They were posed, since open communication towards all directions (horizontally, vertically as well as diagonally) is fundamental in implementing and sustaining innovative organisation.

Answers to this question showed that the most preferred way for organisations to communicate key information to employees is oral form, either at team meetings and sessions (in 51 % entirely and 26 % almost entirely), or directly to a particular employee (in 50 % entirely and 27 % almost entirely). The second method, regarding preferences, is written method, either whole-company electronic communication (in 43 % entirely and 22 % almost entirely), or directly to a particular employee (in 35 % entirely and 23 % almost entirely). The least used method to communicate key information to employees is communication through a link element, either employee representative or trade union (in 16 % entirely and 14 % almost entirely). Some organisations stated that they use also notice boards and company magazines for the purpose of such communication (see Table No. 3).

#### EXTENT OF USING METHODS FOR COMMUNICATING KEY INFORMATION TO YOUR EMPLOYEES

Table 3

To what extent do you use methods for communicating key information to your emp.? [%]	We use entirely	We use almost entirely	50% to 50%	We almost do not use	We do not use at all
Through employee representative or trade union	16	14	16	7	46
Orally, directly to employees	50	27	15	3	5
In writing, directly to emp.	35	23	17	7	18
Electronic communication	43	22	14	7	14
Team meetings, sessions	51	26	14	4	5

„To what extent are the following methods used by employees to communicate information to management?“ Table No. 4 shows that the most frequently used method for communicating information by employees towards management in questioned organisations is oral communication, either through their immediate superior (in 46 % very often and in 28 % quite often), or through regular meetings (in 39 % very often and in 30 % quite often). On the contrary, the least used methods are through a link element, either through an employee advisor (not used at all in 80 %), respectively through possibilities to participate in research (not used at all in 66 %).

EXTENT OF USING METHODS FOR COMMUNICATING INFORMATION BY EMPLOYEES TOWARDS MANAGEMENT

Table 4

Do you use the following methods to communicate information by employees towards management? [%]:	Very often	Quite often	50% to 50%	We rather do not use	We do not use at all
Directly to senior management	14	11	22	18	35
Through immediate superior	46	28	17	2	7
Through representatives	15	17	16	10	42
Through employee advisor	5	4	7	4	80
Through regular meetings	39	30	20	2	9
Through team meetings	20	14	21	8	37
Through proposal system	6	9	16	16	53
Through the research of approach	4	2	12	16	66
Through electronic communication	25	18	20	11	26

„How are comments submitted in the organisation?“ Analyzing this question, we were primarily interested in the channel through which these information are spread; however, another fact was important for us as well – whether employees feel save enough in the organisation to submit comments. Answers showed (see Figure 4) that several respondents, almost 30 %, marked more than one from offered options, while they stated that within their organisation, there are significant differences among individual departments in submitting comments. In approximately 70 % of organisations, employees submit comments directly to their superior or they do so at departmental meetings where they have room created for submitting comments, or directly at management meetings. In other cases employees either do not submit comments at all, because of fear, or they discuss them only among themselves, or some organisations have established so called box for comments that employees use to submit comments.

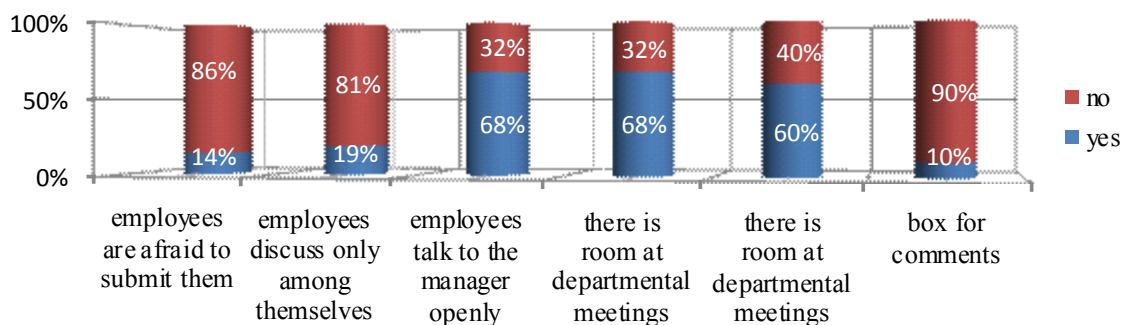


Fig. 4 Forms of comment submission in organisations

## Evaluation of the study

Answers of questioned organisations imply that only 40 % of respondents had innovation objectives defined in writing, while the innovation objective definition may be considered to be the first step of the organisation to “start” to innovate and so, as long as management is engaged in innovation implementation, it should insist on this objective definition as a necessity. This fact suggested immediately at the beginning of the research that **companies are mostly not concerned with innovative organisation establishment.**

One of crucial activities performed within innovative organisation is regular gaining of impulses to innovate, engaging the biggest possible number of employees. Because organisations that want to be competitive and choose the way of innovations need a person, respectively a group of people, who are bearers of innovations and innovating activities, i.e. **innovators.** [2] Thus fact that organisations we analyzed use impulses from employees in 79 % sounds positive. However, a more negative fact is that only 61 % of organisations gain such impulse from customers mainly due to the fact that one of the main objectives of the innovative organisation is to meet needs of customers to the highest possible extent, since unless innovations are focused on consumers they do not bring the organisation a required effect.

In an innovation-focused organisation, it is as well necessary to create the atmosphere where dialogue among managers and other employees has an important role. The aim is to reach high **engagement and participation levels of employees in innovations.** However, in organisations operating in Slovakia, individual problem solutions still prevail over secondary, team solutions, which results in further found insufficiencies in engaging employees in innovation process itself. Up to 70 % of questioned organisations involves their employees in innovation process only occasionally, “unconsciously“.

**Functioning of so called formal communication** is important in the innovative organisation, which secures fulfilment of individual relationships among departments, coordination of their activities, following of procedures in decision-making etc. It is necessary that this formal communication in the organisation is performed reliably and effectively not only from top to bottom but also from bottom to top.

Organisations that participated in our research mostly preferred direct oral form in communication from top to bottom as priority; and direct written form of communication as secondary, which results from the need of directness upon tasks assignment and clarification of responsibilities downwards. Positive results were recorded also in utilisation of individual methods in formal communication from bottom to top where organisations repeatedly evaluated methods of direct oral and written form as the most effective and most often used. That implies high awareness of management of the fact that they created such formal communication channels, since it is communication from bottom to top that is a valuable source of information from junior positions for management, respectively senior employees. However, a necessary condition is a significant trust of junior employees, so that they provide management with often negative information.

To find out whether such **trust** exists **in questioned organisations,** we were searching how comments are submitted in questioned organisations. Findings resulting from this question are not so positive, which undermines the previous positive results found during formal communication from bottom to top. In almost 20 % of questioned organisations, employees do not submit comments because of fear, or they only discuss them at horizontal level. What sounds for questioned organisations is establishment of so called boxes for comments through which they want to encourage their employees at least to anonymous

submitting of comments. However, each organisation should try first of all to ensure such environment in which employees can discuss occurred problems openly and without fear.

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