# THE ROLE OF LEADERSHIP IN THE PROCESS OF CREATING INNOVATION IN THE ORGANIZATION ON THE EXAMPLE OF POLISH COMPANIES

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**Abstract**
The key to the success of companies and entire economies in the world today is innovation. And it is a strategic objective also for the Polish economy. Polish business, to succeed on a global scale, need to work on innovation in all areas. Must offer innovative products and services, but also the use of innovative marketing solutions that help him to reach buyers and build strong brands. Also play an important role in the area of innovation processes and organization for better respond to changes in the environment, reduce operating costs and thereby increase their competitiveness. One of the most important factors in the innovation economy is a human factor. In this regard, a special role has to play contemporary leaders. Challenges in the area of innovation are a real test for them. The article discusses the role of leadership in the process of creating innovation in the organization on the example of polish companies. The author tries to show the importance of leadership in the development and strengthening of innovation processes, which often take the form of business organization innovation management. The article presents desirable characteristics of a leader who is able to prepare the organization to the challenges of the environment, bring them to life, revive, see new, unique capabilities and open to innovative solutions.

**Key words:** leadership, innovation, creativity, organization, management

**Classification JEL:** M12 – Personnel Management.

## 1. Introduction

The importance of innovation in economic activity comes from the crucial role that innovation plays in building of competition edge. Innovation is the source of changes in the level of product differentiation and manufacturing costs cause changes in competitiveness. This in turn means that different market players compete by using different types of innovation. One of the main problems of Polish enterprises is low level of innovation expressed by almost all types of innovation indicators, which are used in the literature and innovation policies. Low innovativeness of Polish companies, of course, translates into slower economic growth. Increasing variability in the environment leads to the need for more frequent innovation by the organization. This area is now the biggest challenge for today's leaders, on which rests the task of innovation growth of their organizations. In view of the increasing amount of knowledge organizations that do not generate innovation, in the short term become uncompetitive. This applies both technological innovation as well improve the management processes of the organization. As a result, it requires first and foremost of the leaders involved in the process of promoting innovation in organization.

The problem of stimulating innovation by the leader involves the taking of his many decisions, e.g.: the circumstances in which innovation should be developed as part of the internal resources of the organization, and in what circumstances, under the use of external changes and opportunities? Research question posed in this paper seeks answers to identify the importance of leadership in the process of creating innovation in the organization.

## 2. Characteristics of current innovation activity of Polish companies

The level of innovation of Polish enterprises differs significantly from the level characterized by the old European Union (EU) countries, but also not much different from most of the new EU member states from central and southern Europe. This indicates that the

defeat of anti-innovative heritage command economy in most post-socialist countries is the process more difficult than expected at the beginning of the transformation, and that is a long process. The more so that in the first period of reform (at least until 1997), the majority of companies focused on adapting to the market conditions and was so busy so called defensive restructuring in which innovations are used in a very limited extent. Starting in the late 90s began to arrive enterprises using innovations in the competitive struggle for markets, but as the EU standards is still little. The study shows that the innovation of the Polish economy is still at a low level and shows no major changes. Observed improvement, there was a symbolic dimension. In the field of innovation gap between Poland and not only from the most innovative countries in the EU, United States of America and Japan, but also to other EU countries, including the Central and Eastern Europe, which together with the Polish in 2004, joined the European Union.

The innovation ranking prepared by the European Commission *(Innovation Union Scoreboard, 2014)* shows the level of innovation of the Polish economy also stood well below the EU average.

The Innovation Union Scoreboard 2014 places Member States into four different performance groups *(Innovation Union Scoreboard, 2014)*:

- Denmark, Finland, Germany and Sweden are *'Innovation Leaders'* with innovation performance well above that of the EU average;
- Austria, Belgium, Cyprus, Estonia, France, Ireland, Luxembourg, Netherlands, Slovenia and the United Kingdom are *'Innovation followers'* with innovation performance above or close to that of the EU average;
- The performance of Croatia, Czech Republic, Greece, Hungary, Italy, Lithuania, Malta, **Poland**, Portugal, Slovakia and Spain is below that of the EU average. These countries are *'Moderate innovators';*
- Bulgaria, Latvia and Romania are *'Modest innovators'* with innovation performance well below that of the EU average.

Poland is assigned to a group of countries with moderate results in the field of innovation. The low level of innovation in the Polish economy is due to both poor's capacity for innovation, as well as innovative low position. The first resulted primarily from insufficient and inadequate funding of innovative activity. Firstly, the expenditure on Research & Development (R&D) in relation to Gross Domestic Product (GDP), as well as per capita, in the group of countries surveyed, in Poland belonged to one of the lowest in the EU. Secondly, it was too little involvement of companies in research. Incorrect structure was also expended funds in question, because relatively too little money spent on research and development funding, and too much basic research. In addition, marginal, still too small a role in financing Research & Development venture capital has played. This issue is due these limited financial resources of the enterprises for joint research, as well as a difficult access this external financing of Research & Development projects carried out together with Research & Development Institutions. It should be noticed, however, that Small and Medium-sized Enterprises (SMEs) believe that a low intensity of cooperation with Research & Development Institutions is caused by the Research & Development Institutions themselves *(Zajkowska, 2012).* Only the innovation intensity indicator is above the EU average, but that was characteristic of the countries with a lower level of innovation.

Poor results were noted in the environment that supports innovation. Regardless of the type of innovations significantly lower than the EU average was the proportion of small and medium-sized enterprises implementing them. Only one in five companies in Poland introduced a marketing or organizational innovations as the sixth product innovations or process, and the only one in the ninth own innovations, while the EU average entities implementing innovations was about two or three times more. There was also weak in Poland

cooperation of SMEs in innovative activity; only 4% of the lead actors. "This is due to the relatively low level of development of the Polish State in relation to the most innovative, lack of understanding of the importance of innovation for long-term competitive position of the country and the general disbelief in the possibility of building a Polish innovative potential. Southern European experience clearly shows, however, that already in the next several years, the reproductive growth model to compete on price and passive public policy is exhausted," says the report: "The potential and barriers to innovation Polish," *(Bukowski, Szpor & Śniegocki, 2012)*. "If by that time, Polish companies will not be able to switch to create their own innovative solutions to power their development, and public support for innovation remain at a low level, Poland will fall into the trap of average income and cease to catch up with the most developed countries, and the wealth of Polish households will stabilize at 50–70 per cent of their American or northern European counterparts," said the report.

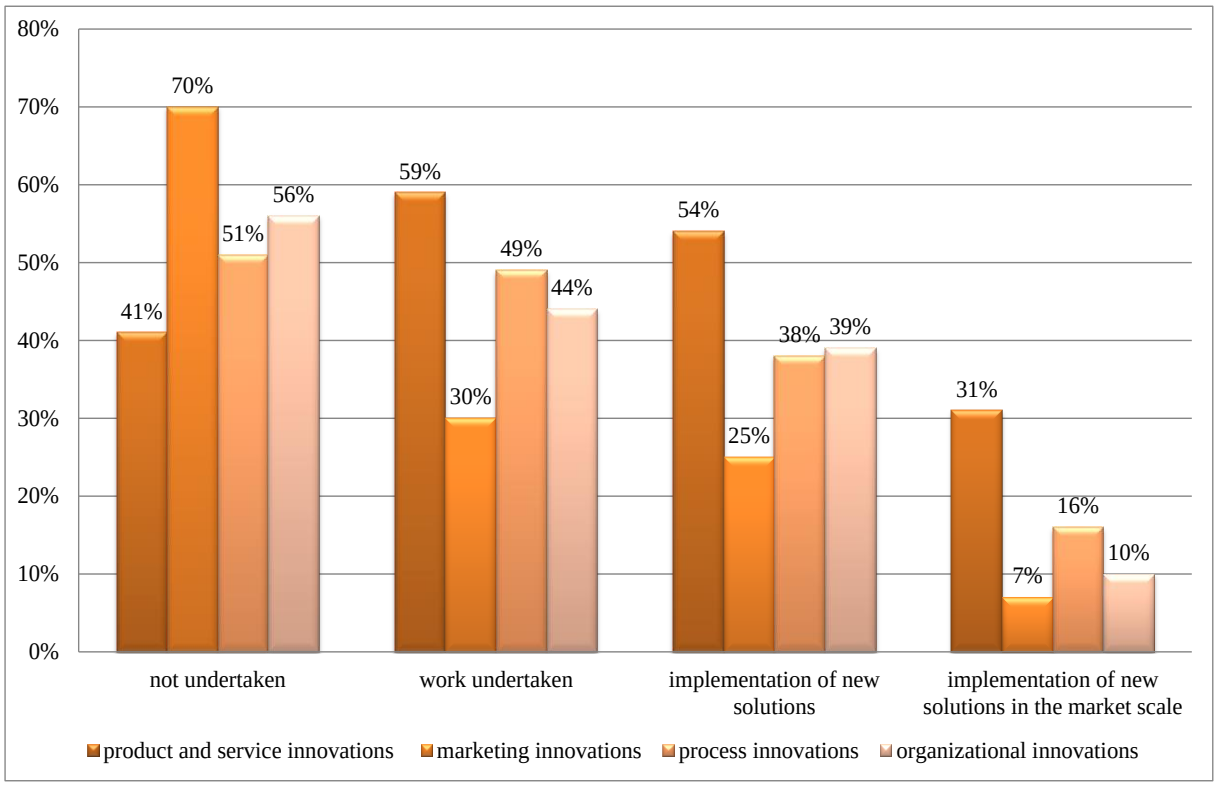


*Figure 1. Innovative activity of Polish companies in the last three years and its importance (own study based on "Innovative maturity of companies in Poland", Report KPMG 2014)*

The considerations lead to the identification of several key factors of the low level of innovation in the Polish economy. The most important include:

- Lack of pro-innovation attitudes and poor climate for creativity;
- Low and very inadequate spending on innovation activities, including in particular the activities of Research & Development;
- Improper structure of expenditure on Research & Development, which was too small share of enterprises (especially SMEs);
- Structural shortage of researchers and those working in research and development;
- Insufficient human capital resources in the high-tech sector;
- Lack of companies that are the engine of growth of the innovation economy, around which would form spin-off companies (spin-off); on the contrary – Polish enterprises decreased propensity to innovate;

- Lack of mentality and skills to the internationalization of enterprises;
- Poor cooperation between science and business sector and rare business involvement in innovation activities.

Despite the low level of innovation position internationally, Polish business working intensively on innovation. According to a report by KPMG *(Report KPMG, 2012)*, 78% of medium and large enterprises in Poland has taken in the last three years working on innovative solutions for nature. This means that awareness of the need to work on innovation is more widely disseminated. As illustrated in Figure 1, a key area of innovative products and services are, to a lesser extent, marketing and organization and processes. The actions undertaken are rarely comprehensive, e.g. include all the key aspects of the company. A closer look at the scope, the conduct and results of innovative activities of firms, however, reveals that only 5% of them are leaders in innovation, so organizations that consider innovation as its important goal, they can work efficiently on innovation and draw on this account the significant benefits. The analysis points to the growing importance of the role of senior leaders of the organization especially in developing innovation strategies and identifying trends based on building a competitive advantage based on innovation. Innovative actions require a long-term strategy and the consequences of its implementation. It seems that only the innovation leaders are able to achieve success and become a real driving force behind the Polish economy.

Polish join the ranks of countries requires the development of more innovative knowledge-based economy. For this purpose, it is necessary to skillful use conditions, both internal and external determinants of innovation. However, the main burden must rest on internal factors, primarily on stimulating innovation, in particular research and development. This is due to the fact that Research & Development is a key source of innovation development of the economy, ensuring the formation of new discoveries and inventions. Next to the significantly increased funding of Research & Development innovation to improve our economy, it is also shaping human capital in such a way that the Poles have the ability to absorb and accumulate knowledge; creating a more conducive institutional system, mainly through the elimination of numerous administrative barriers; dynamic development of clusters; further strengthening of policy creation of a climate conducive to innovation, especially for small and medium-sized enterprises; to promote cooperation of the scientific community and the economy.

Each of the indicated areas requires the involvement of leaders in the process of promoting, creating and implementing innovative projects. Innovative leader is the center and at the same time the link between the structure of the company from the organizational structure through the principles, objectives and priorities. By setting ambitious goals, highlights the link between the strategy of the organization and the desire to innovate. Easing or tightening of these determinants may, of course, shorten or lengthen the period of liquidation of the innovation gap between the Polish and the European Union.

## 3. Factors affecting the development of innovation in the enterprise

One of the most important factors in the innovation economy is the human factor. On the nature of knowledge and innovation is its diversity. Different levels and forms of knowledge that have both creator and implementing innovation are reflected in the diversity of forms and determinants of innovation. This raises the question of the determinants (factors) innovativeness of Polish enterprises and the differences in this respect compared to their highly developed countries.

In the literature there is no unanimity of views as to identify the determinants of innovation enterprise. Research in this area to date are rather limited and mostly concentrated on one or a few selected determinants. Analyzing the factors of innovation should take

account of models of innovation processes - involving many stages since the inception of the idea to the successful implementation of the activities and organizational processes and to achieve tangible benefits by the company.

The most complex and comprehensive view of the determinants of enterprise innovation is proposed by David W. Birchall and Malcolm S. Armstrong *(2001).* They cleaned up all the factors affecting the introduction of innovations in the four groups. This division seems to be currently the most widely used in research and analysis. Created by Birchall and Armstrong determinants of innovation model consists of the following components:

- The external environment;
- Internal environment;
- The innovation process;
- Management of development.

Creating and managing innovative processes occur in specific conditions involving both internal and external resources and processes, which creates an environment of the company. Classification of the determinants of external and internal criterion is based on the sources of innovation. It shows how the internal conditions in the enterprise and beyond its impact on innovation. It should be also pay attention to the so-called center – internal external factors *(Nogalski & Rybicki, 1997),* which are of specific interaction environments in which the firm operates. Setting determines and shapes the activity of enterprises implementing new solutions and is the factor to which the company has a limited ability to influence. Therefore, the management should be of particular interest.

The external environment in the literature is often recognized as the external environment, which strongly shapes, and even determines the course and implementation of innovative processes in the enterprise. It includes all the factors appearing in the economic environment, socio-cultural, legal, and technological. Analyzing them, it is clear that the environment sends stimuli to the organization, thus promoting the need for innovation. Come out of it, for example, information about new technologies and new organizational solutions. The environment can either create an opportunity for change and forced to make improvements. It can also be encouraged to take any initiatives. Interesting and noteworthy is the statement of the determinants of innovation proposed by P. Drucker *(1992)* which lists three basic conditions for innovation:

1. Innovation must be regarded as work (people requiring vast knowledge, diligence, perseverance and commitment);
2. Ability to use the strengths of the innovators (innovators need to know what they can achieve the best results);
3. Innovation is the effect caused in the economy and society (innovation is close to the market, and is inspired by it).

Determinants proposed by P. Drucker combine factors affecting the level of the same organization (focused on specific human abilities) with an external environment the company (market).

In the literature *(Stawasz, 1999)* meets the distinction within the enterprise to the external environment and the overall operating environment. The ambient operating companies include a number of components with very different nature of the activity, which for an innovative company source of information, technology and consulting. These include:

- Functional sources of innovation (customers, suppliers, collaborators, competitors);
- Institutions of science and technology (universities, research institutes and research centers, research centers);
- Institutions and organizations and through the promotion of innovation (governmental and non-governmental, regional institutions, parks and incubators, technology consulting and training centers, etc.);

- The nature of the sector;
- Local and regional environment (past areas, infrastructure, local economic climate, access to knowledge, etc.).

In general, companies have a very limited ability to influence and create changes in the external environment. They draw attention to the interaction that occurs between the elements that make up the external environment of the company. This causes a change in the surrounding region is determined by the operation of the other elements of the set of factors, including the business itself *(Piotrowicz, 2002).* Innovative nature of the processes also contributes to the increasingly rapid changes in the business environment, and their growth requires more and faster reaction on his part. It has less and less time to develop proper behavior. The external environment of the company, there are four essential elements directly related to the implementation of innovative processes, that is:

- The market;
- Social and cultural conditions;
- Research & Development sphere;
- Economic conditions, legal, political.

To the company could adapt to their environment, must both understand the changes and feel the environment. The quality of individual leadership matters. In most cases, when an individual is standing on top of the changes, it changes everything – for better or for worse. However, the effectiveness of leaders depends greatly from their surrounding context. Leadership abilities are shaped by the quality of the entire management team and capabilities across the organization. This could either provide very valuable for the changes that wants to make a leader or prevent these changes. The best leaders attach great importance to the design of the surroundings: define different goals, create effective teams of managers, determine priorities, changing organizational structures in order to improve the management, besides – most importantly – integrate all these tactics into one coherent strategy *(Zajkowska, 2011).* Various classifications of business environment allow a better understanding of what the environment, and use this knowledge to create innovative processes. Business environment is a set of elements affecting its functioning. The term should be understood ambient environment in which the organization operates.

Ricky W. Griffin *(2000)* introduced the business environment by highlighting the internal environment – defined as the conditions and forces within the company in the form of, inter alia, directors, employees, organizational culture and targeted external and external general.

Enterprise environmental factors cause that modern enterprises must be based on innovation, flexibility, entrepreneurship, as well as fast (in advance) to adapt to the coming changes *(Brzeziński, 1999).* To make this possible, their activities should be based on long-term business concepts with particular emphasis on innovation absorption. Orientation enterprise environment is a major factor in ensuring the functioning and development. Companies whose leaders will not be able to generate knowledge, implement innovations, exploit changes in the environment will have difficulty in finding their place in today's market. Innovation leaders must know the interactions between the company and the environment, and between the company and stakeholders.

General business environment is therefore an element of the innovation system; it lays down conditions for the creation and diffusion of innovation in the economy which include:

- Institutional, organizational and information forming the state innovation system;
- State policy (industrial policy, scientific, innovative);
- Institutional and market conditions;
- Education and training system.

External environment covering all economic, political, infrastructural, technical, socio-cultural and market determines the innovation processes in both the economy and in terms of

sector, region or company. This environment may contribute to change, and sometimes even forcing innovation, as exemplified by the needs of the market that shape the nature of the products and services offered *(Jasinski, 2006).*

At the same time the external environment can inhibit innovation-related initiatives, such as the difficult access to external financing sources, complex legal and administrative procedures, or lack of, or insufficient Research & Development infrastructure. Characteristic of today's business processes, including processes of innovation, there is a strong influence of the environment on the company.

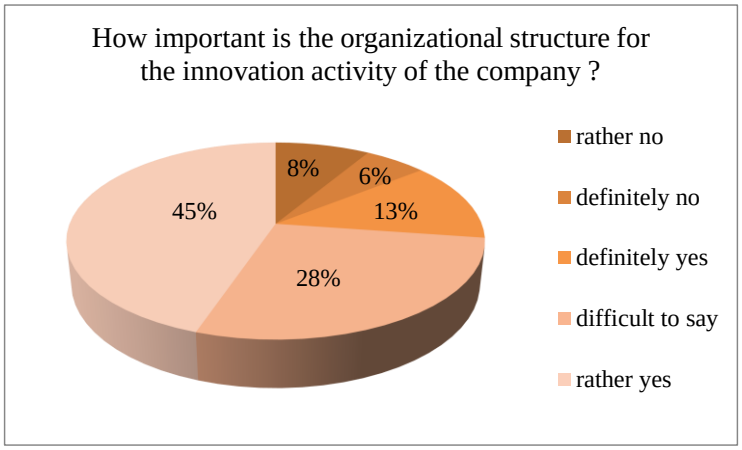


*Figure 2. Organizational structure vs innovation ratio of Polish SMEs (own study)*

In the light of the research conducted by the author in the period September 2014 – March 2015 on a group of 378 small and medium-sized enterprises randomly selected in Poland, innovative climate was illustrated and its determinants in the surveyed companies.

Internal conditions i.e. human resources, innovation encouraging organization structure and innovation climate are some of crucial factors influencing the intensity of innovation activities in the enterprise. Innovative enterprises focus first and foremost on new know-how creation, and a favourable climate is its necessary condition. Innovation climate is understood as atmosphere in the enterprise resulting from employees' and management's attitude towards innovation implementation.

Research conducted among the enterprises shows how important this factor is for innovation implementation, company's growth and increasing its competitiveness. In the first place the influence of the organizational structure on the innovation activity of Polish SMEs *(Figure 2)* has been analysed. It occurs that a majority (57.73%) of SMEs believe that their structure (rather yes) fosters innovation. However, it would be too much of exaggeration to believe that a structuralized innovation, or the organizational structure designed to permanently offer new and/or better products for customers, exists in the analysed SMEs, for as much as 28% of the Polish companies have difficulty deciding whether their organizational structure fosters innovation or not.

The analysis of factors fostering innovation climate indicates that the majority of them substantially encourage innovation in the Polish SMEs. On average 75% of the analysed Polish enterprises claim there is some openness and flexibility in their organizational culture inciting both the number and the quality of implemented innovations; the employees can submit their own ideas, question management's ideas if they believe they are wrong, and moreover, the executives of different departments frequently and eagerly cooperate with one another.

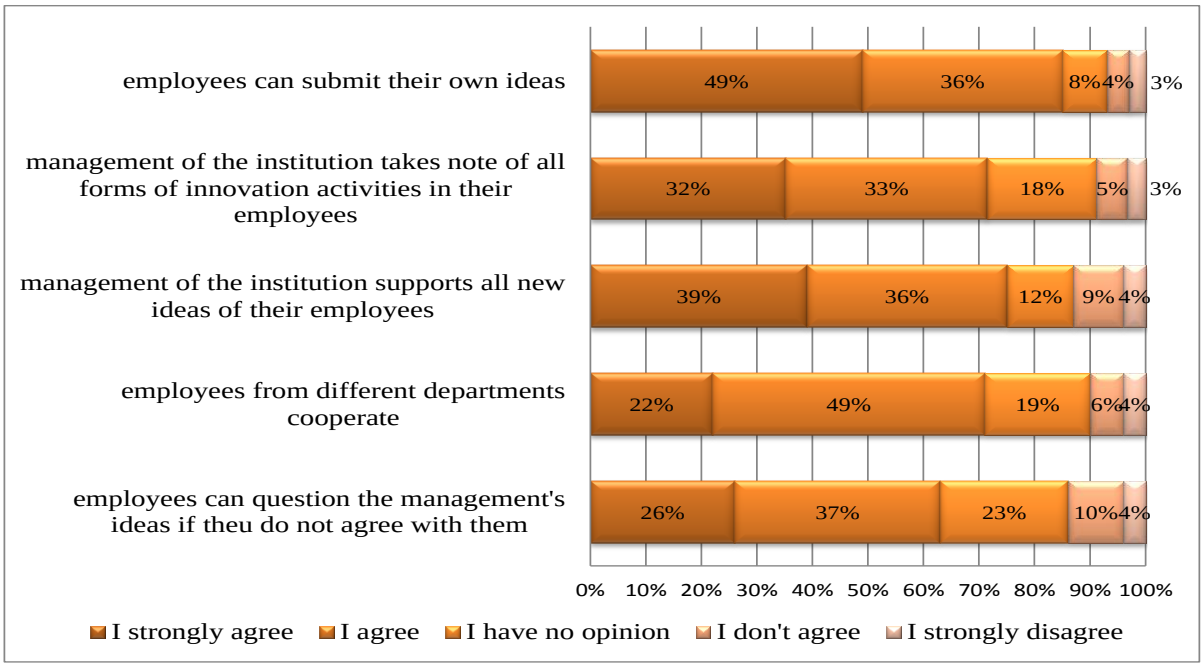


*Figure 3. Factors influencing innovation climate in Polish SMEs (own study)*

Moreover, in the vast majority of the analysed Polish SMEs (76.1%) their managements declare substantial support of innovative ideas submitted by the employees and any activities destined to increase innovation. However, these SMEs believe that the innovation climate in the country they operate in is not good.

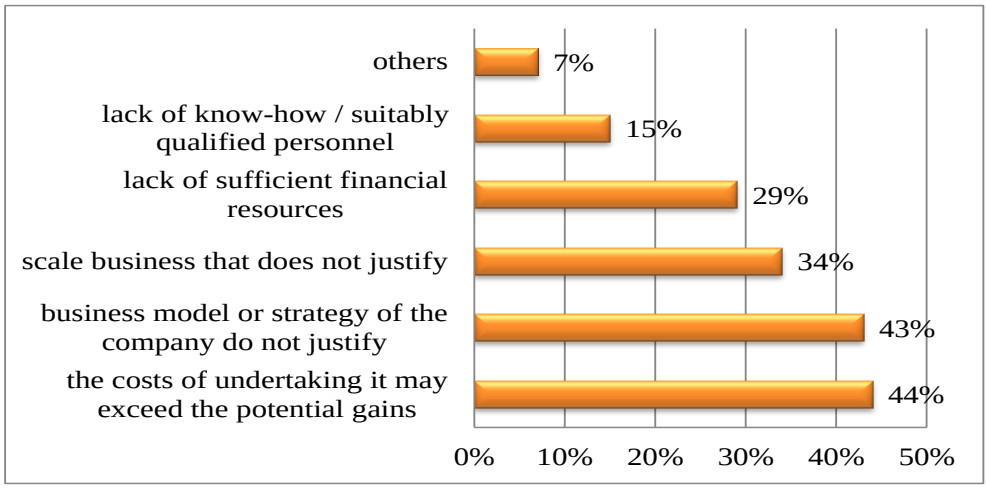


*Figure 4: Reasons for not implementing innovative activities (own study)*

Polish SMEs believe that the reason for a poor innovation climate in Poland can be accounted for in terms of lack of financing of innovation activity from financial institutions (59.64% of enterprises), unsatisfactory transparency of laws governing innovation implementation (53.07%), and unsatisfactory access to adequately qualified and innovation-experienced employees (46.8%). It turns out that according to the Polish SMEs, local authorities encourage innovation climate quite satisfactorily both locally and across the country.

The main reason why companies do not, in certain areas of innovation, is not so much the lack of availability of funding, but rather uncertainty about the return on this investment – pointed to her 44% of companies. Very often companies do not feel the need for innovative activity, explaining that the business model or strategy that does not justify (43%). Many respondents (34%) considered that a certain type of innovation (e.g. process, organizational) are the domain of large, complex organization, so in their case, the scale of operations does not justify the adoption of innovative activity.

## 4. Stimulation of innovation as a challenge for today's leaders of organizations

Reflections on the role of leadership in innovation processes organizations are closely related to the concept of 'innovation management'. The innovation management approach doesn't focuses on the development of innovation in the essence of models themselves but rather on the evolution of companies' innovation management strategies under different socioeconomic and political circumstances *(Kotsemir & Meissner, 2013)*. One of the most well-known examples of such approach is so-called Rothwell five generations innovation model. In his seminal work Rothwell *(1994)* identifies five generations of innovation management models and describes their evolutionary development as well as the respective socio-economic policymaking and management strategy framework. Other major papers on the analysis of evolution of innovation management models are Niosi *(1999)*, Verloop *(2004)*, Cagnazzo, Botarelli and Taticchi *(2008)*, Jacobs and Snijders *(2008)*, Eveleeens *(2010)*. The distinctive feature of Rothwell's model is the comprehensive analysis of innovation management models themselves and their socioeconomic framework. Rothwell *(1994)* focuses on the evolutionary development of innovation strategies of companies in different economic conditions.

A key role of the leader in innovation management process is to develop a formal innovation strategy. In practice, the most Polish firms place greater emphasis on the acquisition of best practices from the market than to develop entirely new solutions. The predominant approach is to support the development of innovation on internal company resources, but in collaboration with external entities.

Innovation needs to be well planned process, which the company devotes resources. Good ideas are rarely themselves – they are usually the result of systematic work. Companies, that want to be innovative, should create corporate structures in their respective units or departments responsible for work in this area. Practice shows that very few companies maintain such offices, and even if they do exist, they are not properly secured in the managerial hierarchy of the organization. An important element of the innovation process is a dynamo innovative *(Oslo Manual)*, mostly concentrated in the internal environment of the company and its contact with the environment. It is a collection of resources that adequately determine reconfigured and managed innovative processes of the company. O'Sullivan & Dooley *(2009)* describe innovation as a conduit of change.

The leader of a strategic approach to innovation should be guided by the principles that characterize the innovative enterprise. According to Joe Tidd, John Bessant and Keith Pavitt *(2001)* innovative company has:

- A shared vision and leadership, so clearly defined, common goals and strategy of the organization;
- Selection of an appropriate organizational structure that promotes creativity, learning and interaction;
- Key employees who initiate and support the innovative activity of other persons;
- Effective teamwork, the operation of which enables efficient troubleshooting;
- Continuous training of employees, who thus improving their skills and competencies;

- Appropriate communication, which should take place both within the organization (in the vertical direction, horizontal and lateral) and between the company and its environment;
- High involvement in the innovation process, and so the quest for continuous action on improving;
- Focusing on the outside, which should be understood as a focus on the consumer;
- Creative atmosphere that is conducive to the creation of new ideas;
- A learning organization, and therefore one that inside and outside the company is committed to solving problems, the search for new knowledge and exchange of information and experiences.

Increasingly, they are emphasized psychological determinants of functioning of the unit leader for innovation. Innovative capacity does not depend on whether the entity has the ability to take innovative measures, but also of its vulnerability to external factors, determining such behavior. The most important mechanisms that determine the innovative human behavior, you must include skills and abilities, motivation, creativity, attitude to change and entrepreneurship. Enterprise is therefore indicated as a process that produces benefits at multiple levels. It begins at the individual level and moves through the organizational level to the macro level. As a result of actions taken reaping the benefits: the entity executing them (for example in the form of profit) organization that creates (for example, new jobs), and related entities, society and economy (for example in the form of new products, better quality products and the development of socio-economic development). Entrepreneurship is defined as the process is therefore carried out at the individual and organizational level through which new ideas are implemented on the market *(Kao, 1991)*.

It follows that the entrepreneur affect the economy, especially refreshing it and allowing the inclusion of the new units in the socio-economic processes. Based on the defined activities related to the entrepreneurial process, it is pointed out that the modern leader focused on innovation-based strategy should have the following characteristics:

1. Risk taker – manifests the desire to create new ventures and the commercialization of innovations, which are inherently risky; its ability to cope with uncertainty and ambiguity allows them to take on themselves the risk that failure can bring innovation *(Knight, 1933)*;
2. Disruptor – destroys the balance of the market by introducing new products, processes, marketing activities, becoming an agent of innovation and source of creative destruction *(Schumpeter, 1934)*;
3. Breaktrought innovator – being involved in the implementation of radical innovation, aims to breakthroughs in technologies, the mode of action, the marketing approach *(Baumol, 1968)*;
4. Opportunity identification – exhibit vigilance allows notice market opportunities and then to take the challenge of transferring it to the market *(Kirzner, 1997).*

Thus, entrepreneurial activity is carried out by the leader is defined as „the process of creating something different, due to the value necessary to devote time and effort, assuming the accompanying financial, psychological and social risks, as well as to obtain financial rewards and personal satisfaction," *(Hisrich & Peters, 1992)* are strongly associated with innovation and innovation. In the modern economy, in which innovation processes play a key role, entrepreneurship becomes sometimes identified with innovation. There is a belief that the entrepreneur to grow your organization must innovate *(Drucker, 1998)*. Innovation is the specific instrument of entrepreneurship. Joseph A. Schumpeter also *(Mikosik, 1993)* in their deliberations about entrepreneurship stressed that the primary function of the entrepreneur is to implement new combinations (entrepreneur innovator who brings creative destruction). Also role of innovation was noted the by Fred L. Fry *(1993)*, defining entrepreneurship as the

launch of the project and/or its growth, which occurs through the leadership which assumes the risk of using the innovation. Thus, the leader – an innovator, a person engaged in directing the establishment discovers profitable opportunities, organizes and directs the productive nature of the projects involved, should also show the attitude of the innovation.

It can be concluded that the distinguishing features of the innovative leader also determine the behavior of innovation. His most important personal predispositions include:

- Making decisions, the ability to see opportunity and opportunities;
- Willingness to take risks;
- Above-average activity and motivation in achieving goals and achieving results;
- Strategic approaches to promote development, innovation and achievement of the objectives by others deemed unattainable;
- The desire to play an active role in the company and the economic environment;
- High demands on the self and the staff, leadership, negotiation and mediation.

Appreciation of the role of attitudes and characteristics of entrepreneurial management processes meant that the innovative leaders are expected to promote such attitudes among the employees of the organization. Therefore, in the literature defines the concept of 'internal entrepreneurship' as the ability to start and develop within the existing organization of the new (innovative) business plans. It is, therefore, aimed to increase the efficiency of our enterprise resource in accordance with the principle of sound management – to maximize the effects of the new application, new ideas like. Such entrepreneurship is also called entrepreneurial innovation – innopreneurship *(Lynn & Lynn, 1992)*. As already stated, innovation can be a feature of entrepreneurship. Both internal entrepreneurship and innovative entrepreneurship are related to employees of the company. The emergence of internal entrepreneurship (innovation) is associated with a certain stage of development of the company. To use the entrepreneurship of its employees, and create the right climate for its creation, the company has to be 'mature' it means to have an appropriate level of organizational culture. This task is today one of the leaders of the biggest challenges on the way to build a business innovation. This type of innovative entrepreneurship is thus 'difficult' because the resource for the company must be an appropriately prepared.

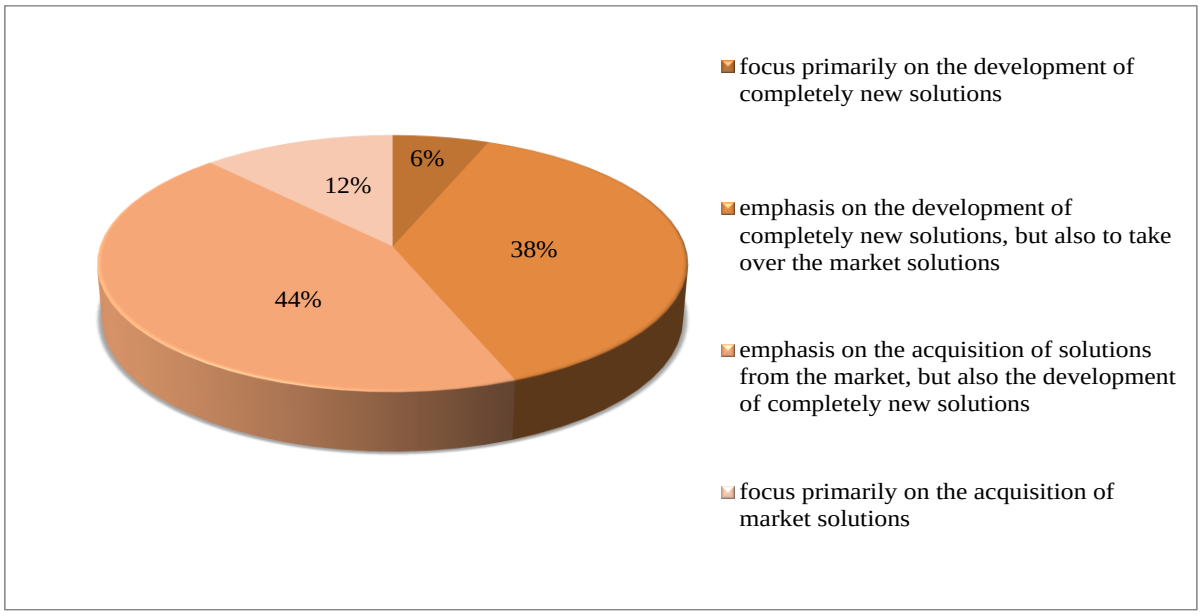


*Figure 5. Approach to innovative projects in organization (own study based on "Innovative maturity of companies in Poland", Report KPMG 2014)*

Internal determinants of innovation are inherent in the development and implementation of production and innovation of placing a new product on the market. They also accompanied by organizational changes in the company which is the development and implementation of organizational innovation. Edward Stawasz *(1999)* internal environment distinguished: financial and material resources, the potential for marketing, production and technical potential, human resources, experience and skills specific to the company, the corporate culture and motivation system. In the context of these considerations, the key internal factors should include leadership as a determinant of innovation processes in the organization.

A very small percentage of the surveyed companies (6%) were adjusted to pure innovation strategy, e.g. working out a completely new, hitherto absent solutions on the market. Slightly more companies likely tune into the strategy of imitation, e.g. the acquisition of best practices from the market, mimicking leaders. However, mixed strategies are dominant, with some advantages (particularly in trade and services). However, there is no pure innovation, but the acquisition of solutions for the company from the market.

## 5. Conclusion

The key management decisions should be targeting in the organization towards stimulating innovation organization. The choice of strategy innovation takes place on the basis of two factors. The first of the factors that the leader of the organization should take into account is the information that the opportunities for innovation in the market already exist or need to be created. The second factor is the type of innovation – whether it is an autonomous innovation, which does not become part of a more complex system of interdependent technological solutions, whether it is an innovation system, the possession of which it becomes necessary for many sectors of the economy. When analyzing the actions leaders that the operational side allows for boost innovation organization, particular attention should be paid to the construction of organizational culture that supports innovation and the potential opportunity to develop some coherent network of cooperating organizations. There are many techniques that trigger innovation leadership specific employees or groups of employees in the organization. This includes inter alia openness to the errors and the ability to analyze emergency situations, building among staff teamwork skills, improving the flow of information within the organization – to encourage the sharing of knowledge, knowledge management in organizations and the creation of conditions conducive to learning, including building a learning organization.

From the point of view of the effectiveness of the team's work is important to the close cooperation between the leader and team members. The leader is a superior position in relation to their colleagues, exerting such an influence on them to be agents of their tasks. However, should take into account their views and opinions. Only the interaction manager and staff team innovation project contributes to its success. The leader must be able to work with your team, interact with subordinates to act in accordance with its intentions and take into account the impact on the innovation project team members.

Introduction of innovative forces often challenges related to the area of planning and implementing changes in the organization. The role of the leader is here mainly to identify the challenges and commitment of members of the organization in the search directions of solutions. This creates an opportunity to introduce the members of the organization in the process of change, and getting to know their opinion allows you to prepare better design changes. The leader often also shows the ambient pressure, which forces changes. However, if he cares about maintaining a balance between the need to change the call and overwhelm employees change. Of course, the task of a leader depends on the phase of the process of organizational change. Particular challenges while the leaders are entrusted with the organizational culture change. This change is one of the most difficult processes, the

responsibility of the leader. At the same time build a strong organizational culture can become a source of competitive advantage of the organization. Usually, however, it is necessary that this culture was characterized primarily flexibility. In the process of changing the organizational culture it is important to define the phase of development of the organization – from the organization of young, newly created to mature organizations. These tasks vary considerably in different phases. Another important task for leaders is to prevent and mitigate the problem of resistance to change.

In this respect, it seems necessary to involve the leaders of the various levels of the organization. Particularly important seems to be in this area by the leader of the formation of an effective communication strategy changes, construction of transmission changes, as well as the involvement of employees in the planning and implementation of organizational changes. Many of these ideas can be found in the concept of a learning organization. Design and development by the leader of such an organization can help prepare employees for the implementation of several successive changes. In this model, a special role is played by the attitude of the leaders of this organization as a coach. With the above considerations can be drawn the conclusion that the stimulation of innovation by the leader in the rapidly changing environment gives you a choice of various action strategies. Role of leader does not have to rely on prescriptive managing change – it is often possible to manage through the promotion of learning, communication, by fostering a climate of change, greater involvement of employees in the process of introducing innovative solutions.

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