

## **INNOVATION ACTIVITIES OF ENTERPRISES**

### **LEGAL BASIS**

The survey is carried out in accordance with the Statistical Programme of Republika Srpska, for the period between 2013 and 2017 and pursuant to the Law on Statistics of Republika Srpska ("Official Gazette of Republika Srpska, No.85/03).

### **METHODOLOGICAL BASIS**

#### **Aim and content**

The survey on innovation activities of business entities in Republika Srpska (INOV) is carried out by the Republika Srpska Institute of Statistics as a biennial survey. The survey was first carried out for the period 2006-2008 as an experimental pilot survey in order to examine actual attitudes of business politics of business entities towards innovation activities, in terms of business entities' awareness of the needs and effects of innovation activities, existing capacities in business entities, and factors which impede or slow down this kind of activity. Survey on innovation activities serves to obtain data on type of innovation activities of enterprises (product innovation, process innovation, marketing innovation, and organizational innovation), as well as data on type of innovation activities, sources of information, effects of product and process innovations, factors that impede or slow down innovation, and innovation potential.

#### **Observation units/Reporting units**

Basic survey group and observation units of the survey include enterprises sampled from the statistical business register.

#### **Coverage**

Reporting units of the survey are enterprises classified by size (based on their number of employees) and group of activities (KD 2010).

#### **Method and period of data collection**

The survey is carried out using questionnaires, biennially, and questionnaires are delivered to reporting units in late May. The survey on innovation activities is carried out on the basis of a representative stratified sample. Target population of this survey consists of enterprises in Republika Srpska which belong in the sections A to N of the NACE Rev.2 Classification of Economic Activities and which have 10 or more employees, in accordance with the methodological manual and the EU Regulation on the implementation of the Decision No. 1608/2003 of the European Parliament and Council on production and development of statistical data in the field of innovation activities, No. 1450/2004.

The framework for sample selection is created on the basis of data from the Statistical Business Register of Republika Srpska. The sample is designed as a random stratified sample and its size is determined in accordance with the minimum precision of the evaluation of key parameters of the survey, stipulated in the methodological manual which follows the Regulation No. 1450/2004. The

sample size was 1,261 enterprises. The stratification was performed by section of activities (two digits of the NACE Rev.2) and class of employment (10-49, 50-249 and 250 or more employees).

Results obtained through this survey directly depend on the quality of the Register data.

### **Protection of confidential data**

Only aggregate data on the level of Republika Srpska are published. Confidential data are protected pursuant to Articles 25 and 27 of the Law on Statistics of Republika Srpska ("Official Gazette of Republika Srpska", No.85/03) and in accordance with the Rules of protection of confidential data.

### **Definitions of main features – indicators**

In accordance with the Guidelines for collecting and interpreting innovation data (Oslo manual, 3<sup>rd</sup> edition, 2005, published by the OECD and Eurostat), the following definitions are used:

An **innovation** is the implementation of a new or significantly improved product or service, or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations of an enterprise. Innovation activities include product innovations, process innovations, organizational innovations and marketing innovations. An innovation must be new to the firm, in spite of the innovation possibly being developed by another enterprise.

A **product innovation** is the introduction to the market of a good or service that is new or significantly improved with respect to its characteristics, such as its intended uses or user friendliness. This includes significant improvements in technical specifications, components and materials, incorporated software, user friendliness or other functional characteristics. A product innovation (new or improved) must be new to the enterprise, but it does not have to be new to the market. Whether an innovation was originally developed by the enterprise itself or by another enterprise is not decisive.

A **process innovation** is the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software. A process innovation (new or improved) must be new to the enterprise, while the enterprise does not necessarily have to be the first one to introduce the given process. Whether an innovation was developed by the enterprise itself or by another enterprise is not significant. Changes which are purely organizational and managerial are not considered process innovations.

An **organizational innovation** is a new organizational method in the enterprise's business practices (including knowledge management), workplace organization or external relations with other entities, which has not been used before in the enterprise. An organizational innovation must be the result of strategic decisions taken by enterprise management.

A **marketing innovation** is the implementation of a new marketing concept or strategy, which is significantly different from the existing marketing method in the enterprise and which has not been used before. It requires significant changes in product design or packaging, product placement at the market, product promotion or pricing.

An **innovation-active enterprise** is one that has introduced product innovation (product or service) and/or process innovation and/or one that has initiated or interrupted an innovation activity and/or one that has introduced a organizational and/or marketing innovation.

An innovation-active enterprise with **technological innovations/activities** is one that has, during the observed period, introduced product and/or process innovation or one that has initiated or interrupted an innovation activity. According to the previous definition, such enterprises were termed innovation-active enterprises.

An innovation-active enterprise with **non-technological innovations** is one that has, during the observed period, introduced organizational and/or marketing innovation.

An enterprise may be with technological innovations/activities only or with non-technological innovations/activities only (during the observed period, the enterprise introduced only one type of innovations) or it may be with both technological and non-technological innovations, which means that the enterprise introduced both types of innovations at the same time, during the observed period.

An enterprise with incomplete and/or abandoned innovation activities is one that has implemented innovation activities during the observed period, but has not finished them or has abandoned them.

A non-innovative enterprise is one that has introduced no innovation and implemented no innovation activities during the observed period.

#### **Level of data representativeness**

Data are representative for the level of Republika Srpska.

#### **Compliance with international recommendations and standards**

Data comply with the international standards established by the OECD and published in the Frascati Manual.

### **IMPLEMENTATION ORGANISATION**

#### **Authorities implementing the statistical survey**

Authorised producer of data on research and development is the Republika Srpska Institute of Statistics.

Collection of data is carried out in regional offices of the Republika Srpska Institute of Statistics, with data entry and processing being carried out at the Institute.

#### **Obligation to provide data**

Reporting units are obliged to submit data to the Republika Srpska Institute of Statistics pursuant to the Law on Statistics of Republika Srpska.

#### **Implementation frequency**

Reporting units are obliged to submit data to the Republika Srpska Institute of Statistics until 20<sup>th</sup> June.

### **Publishing**

Data are published in the biennial release “Innovation Activities of Enterprises”.

Only aggregate data on the level of Republika Srpska are published. Individual data are protected in accordance with the Law on Statistics of Republika Srpska (“Official Gazette of Republika Srpska”, No.85/03).