

# Regional Development Management in the Context of Axiological Aspects of Regional Innovation Strategies

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## Abstract

*Innovation and entrepreneurship are the factors of special interest in the studies of regional development. Among the aspects affecting the ability to maintain or accelerate, as well as to balance regional development, including creation of innovativeness and entrepreneurship, the essential importance are axiological categories. They define the nature of the long-term changes and create a suitable climate for development of the region. Development of innovations is dependent from the existence of climate for innovativeness, which is based on a certain system of values. Regional innovation strategies (RIS) are the basis for creation of development policy in the region. They create a climate for innovativeness because they show directions and emphasize the scope of the planned changes in the mesoscale.*

*The prerequisite for obtaining the results of the study was the question of whether the regional development management realized by means of RIS takes into account the axiological aspects and if so, in what degree. The answer to this question can give the basis for the optimization of decisions during future updates of RIS in terms of strengthening the role of the axiological aspects viewed as success factors for development in a region. The aim of the study was to analyze selected regional innovation strategies in Poland and identify a certain ethical elements within them.*

*Diagnostic approach adopted for the realization of the presented research is a sort of the analysis aimed at social trends in the context of sustainable development. The presented results can be useful for many areas in economics or management sciences, including e.g. research on regional development, social capital, social responsibility of organizations and enterprises, or systems of effectitions.*

**Key words:** regional innovation strategies, regional development management, axiology, ethics, climate for innovativeness, Poland

**JEL Classification:** L260, O250, O310, O320, R580, Z000

## 1 Introduction

Regional innovation strategies are new instruments in development policy of the European Union. Those strategic documents are supporting innovations and entrepreneurship by creation of climate for innovativeness in regions. The aim of such strategies is diminishing the negative and strengthening the positive determinants of innovativeness. On the one hand, there is no simple rule of effective regional development management and no universal set of determinants for successful socio-economic development. On the other hand, the axiological and especially ethical issues determine the competitiveness of economy (Knight, 1951) and also the climate for innovativeness in every country. For this reason, the axiology which supports innovativeness

should be a major part of innovation policy at regional and national level, including innovation strategies. Thus, the creation of climate for innovativeness can be more effective after incorporating axiological elements into regional innovation strategies (RIS). The importance of axiology and especially ethical aspects is growing nowadays as a result of global popularization of organisational social responsibility concept. However, we are still not aware of dissemination scale of axiological aspects in RIS of many countries.

The research problem of this paper is the lack of knowledge on the scale of implementing axiological values into regional innovation strategies in Poland. The previous studies in this field (B. Ziółkowski, 2012) were focused just on one Polish region. The purpose of this paper is performing analysis of eight valid regional innovation strategies in Poland to identify axiological elements within them. In the paper the following thesis was formulated: most of the ethical values are not exposed by analysed regional innovation strategies in Poland. The results of the analysis should contribute a new knowledge on the relations between regional innovation strategies in Poland and scrutinised axiological values. The resulting conclusions ought help in defining the major trends, problems and solutions in creation of climate for innovativeness. Those could also support the process of implementing social responsibility concept into regional development management process by means of innovation policy.

## **2 Axiology towards Regional Innovation Strategies in Poland**

Axiology is a branch of philosophy concerned with systems of values (Holbrook, 2005). This theory (Turk, 2006) embraces all possible value systems, especially: ecological, economic, epistemological, ethical, juridical, political, religious, and technological (Echeverria, 2003). The interacting value systems determine contemporary techno-scientific activity (Echeverria, 2003) creating some kind of axiological pluralism (Echeverria, 1995). It is remarkable that among different groups of value systems the ethical one is treated as most important (Zakus, Malloy and Edwards, 2007), not only in philosophy but also in economy (Eriksson, 2005). This is because ethics (implemented by ethical standards) is a basis for the resolution of value conflicts (Korac-Kakabadse, Kouzmin, Knyght and Korac-Kakabadse, 2000; Korac-Kakabadse, Korac-Kakabadse and Kouzmin, 2003). Value conflicts are a result of the absent norms, standards or reference points. Ethical values (e.g. fairness, honesty) are some kind of principles saying ‘what is right or good’ (Kernaghan and Langford, 1990; Korac-Kakabadse, Korac-Kakabadse and Kouzmin, 2003) and give solutions to all organisational conflicts, reducing operational costs. According to Okun (1981, p. 86) ‘perfectly honest and open world’ could save enormous resource costs (Korac-Kakabadse, Korac-Kakabadse and Kouzmin, 2003). The ethics resulting morality of a society is also considered as a valuable economic resource (Korac-Kakabadse, Korac-Kakabadse and Kouzmin, 2003). Moreover, the ethical elements, e.g. trust are perceived as important lubricant to the social system (Korac-Kakabadse, Korac-Kakabadse and Kouzmin, 2003; McPherson, 1984). The axiological values as: trust, solidarity and tolerance are also the basic conditions in creation of social capital (Putnam, 1995, p. 285) which has very significant impact on the quality and effectiveness of institutions. This capital is assessed as a main determinant of persistent growth in all regions of Poland (Wojtowicz, 2009). This is true because in parallel with social capital creation the axiological values create climate of innovativeness.

Nevertheless, also the contemporary international research on economy is “parsimonious and quiet about the discipline’s fundamental features, such as ethics” (Eriksson, 2005). Due to the popularization of social responsibility concepts in the last decade this situation has positively changed in some fields, but naturally not in all. In Poland the interest in axiological aspects of organizational development strategies and especially regional innovation strategies seems still very low. According to the results of studies on institutional efficiency of country (Pogorzelski, 2011), the Poles place extremely lower trust in people originating from outside of their own family, when comparing to other nationalities. This is also a direct effect of axiological deficit in business and national strategies designed at regional and national level.

Other empirical analyses relates to ethical aspect of social responsibility idea in different Polish EMAS reports published by enterprises registered in the European Union’s Eco-Management and Audit Scheme (Ziółkowski, 2012b). They revealed that from the group of 31 reports just 13 ones referred to ethical values but none of them concerned with more than one ethical value. The similar conclusions were formulated on the basis of results after axiological analysis linked to systems of effectition in Poland (Ziółkowski, 2012a). The Regional Innovation Strategy of the Subcarpathian Province for the years 2005-2013 included just four axiological values from 17 elements.

The relevancy of axiology to economy (Knight, 1951; Eriksson, 2005; Livingston, 2003; Krishna, Dangayach and Jain, 2011) and public sector (Kernaghan and Langford, 1990) motivates to implement also the elements of value systems into the regional innovation policy, which determines the climate of innovativeness by means of strategies.

In case of institutions, the starting point for creation of ethics program is the open exposition of the particular values justifying an institution’s existence (Preston, 1995; Korac-Kakabadse, Korac-Kakabadse and Kouzmin, 2003). Similar activity should relate to regional innovation strategies, which can be enriched with axiological elements in every process of updating. The lack of universal and simple rule for successful regional development management triggers implementation of axiological aspects into regional policy, in order to improve the effectiveness of regional innovation strategies.

In the context of presented results an interesting question is the kind of relation between ethical values creating climate of innovativeness and RIS in Poland. The next chapter presents the research methodology and generated results after analysis of eight innovation strategies.

### **3 The Research Method and Discussion of Results**

The paper aims at analysis of eight valid regional innovation strategies (RIS) in Poland to identify axiological elements within them and gain a knowledge on the scale of ethical values promotion.

The first Polish regional innovation strategies were issued in the year 2004. At present, the process of RIS updating is ending. It was not finished in all regions, but some strategies are already validated. The strategic planning oriented on supporting the climate of innovativeness

should also include new tools challenging regional, national and international socio-economic trends. A significant tool in improving the effectiveness of designed and realized innovation policy is axiology, especially ethical values. In Poland the research on the axiological context of RIS was realized in the year 2012 in the context of system of effectitions. The studies realized at that time were focused just on one region and related to RIS that ought to be called today as outdated.

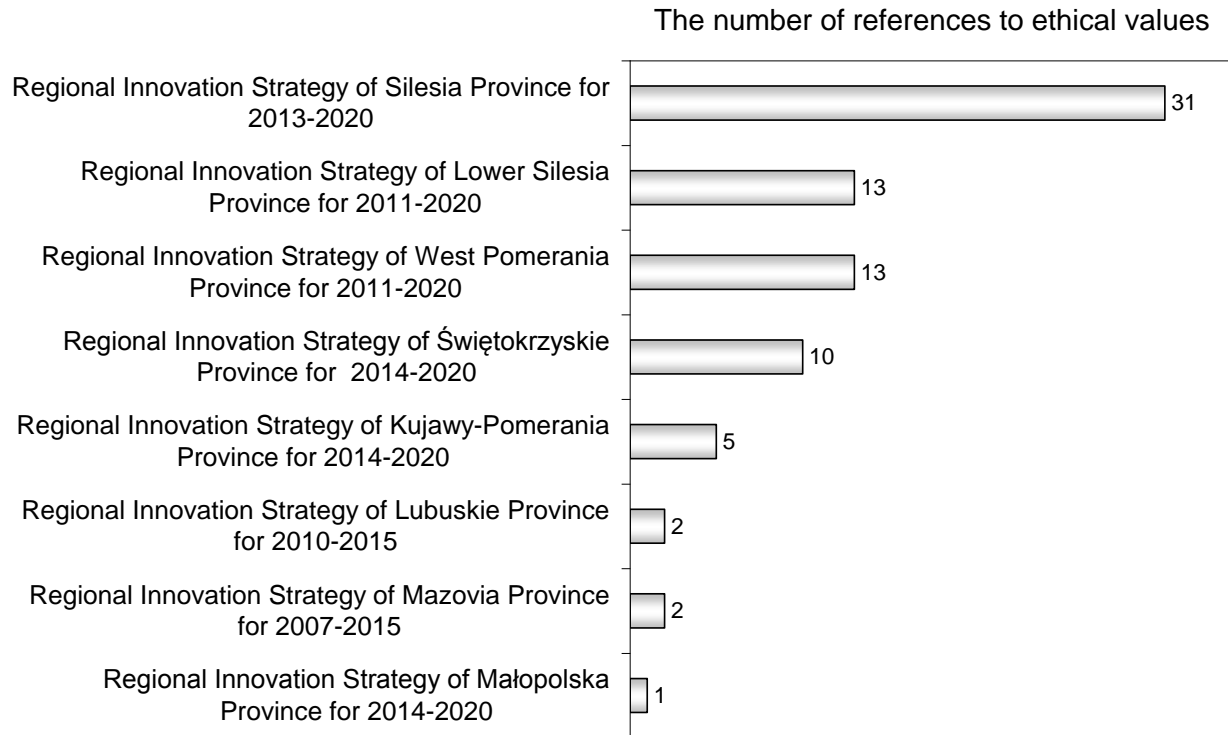
The research methods used in this paper embraced formal identification and frequency analysis. The subject of analysis are eight online available and presently valid regional innovation strategies in Poland, i.e.:

1. Regional Innovation Strategy of Lower Silesia Province for 2011-2020
2. Regional Innovation Strategy of Lubuskie Province for 2010-2015
3. Regional Innovation Strategy of Kujawy-Pomerania Province for 2014-2020
4. Regional Innovation Strategy of Małopolska Province for 2014-2020
5. Regional Innovation Strategy of Mazovia Province for 2007-2015
6. Regional Innovation Strategy of Silesia Province for 2013-2020
7. Regional Innovation Strategy of Świętokrzyskie Province for 2014-2020
8. Regional Innovation Strategy of West Pomerania Province for 2011-2020

The object of the research in this paper are ethical values, perceived as the most important axiological group (Eriksson, 2005; Zakus, Malloy and Edwards, 2007). Among the ethical values included into the analysis are the following 17 items: *liberty/freedom, dignity, taking responsibility, freedom of conscience, respect, tolerance, charity, right of dissidence, right of indifference, honesty/probity/integrity, impartiality/objectivity, building accountability/trustworthiness/trust, prudence, equity, disinterestedness/selflessness, discretion, respect for law*. The basis for selection of the mentioned above values were researches by Echeverria (2003) and Korac-Kakabadse, Korac-Kakabadse and Kouzmin (2003).

These values are a basis for successful development of climate for innovativeness and the lack of such instrument in regional policy is a limiting factor for utilization of development potential. Among the eight analysed documents a unique character has Regional Innovation Strategy of Silesia Province for 2013-2020. In the strategy the relation of ethical values and innovations was consciously exposed and intentionally described in the context of ecosystem of innovations. It is the only strategy with the highest frequency of references to ethical values. The authors of that strategy promote especially the importance of *trust*.

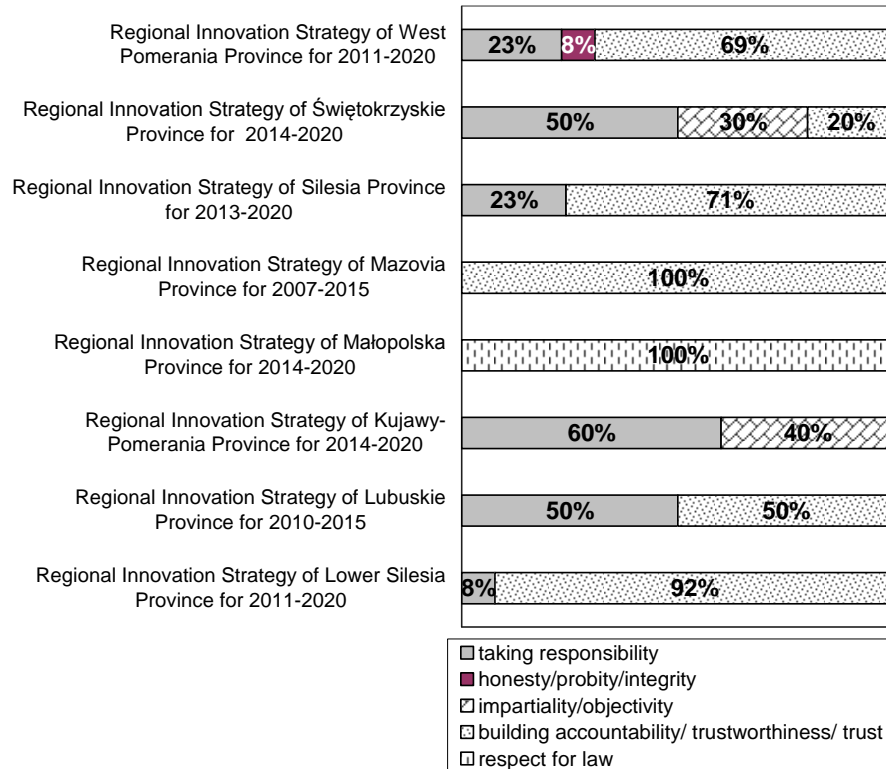
The collected results after the general analysis allow to create some ranking of strategies according to the frequency of references to ethical values. The figure 1 arranges the analysed regions taking into account the number of references to ethical values.



**Fig. 1 The number of references to ethical values by selected RIS in Poland**

Source: Own research

The leader in the above ranking is Silesia Province. By contrast, Małopolska Province puts the lowest attention to ethical values when compared to other analysed strategies. In RIS of Silesia Province the number of referred ethical values amounted the three following ones: *taking responsibility*, *building accountability/trustworthiness/trust*, *equity*. In case of RIS for Małopolska Province there was mentioned one ethical value, i.e. *respect for law*. It was similar as in RIS of Mazovia Province which introduced only *building accountability/trustworthiness/trust*. The detailed picture of ethical values exposition by single strategies presents the figure 2.

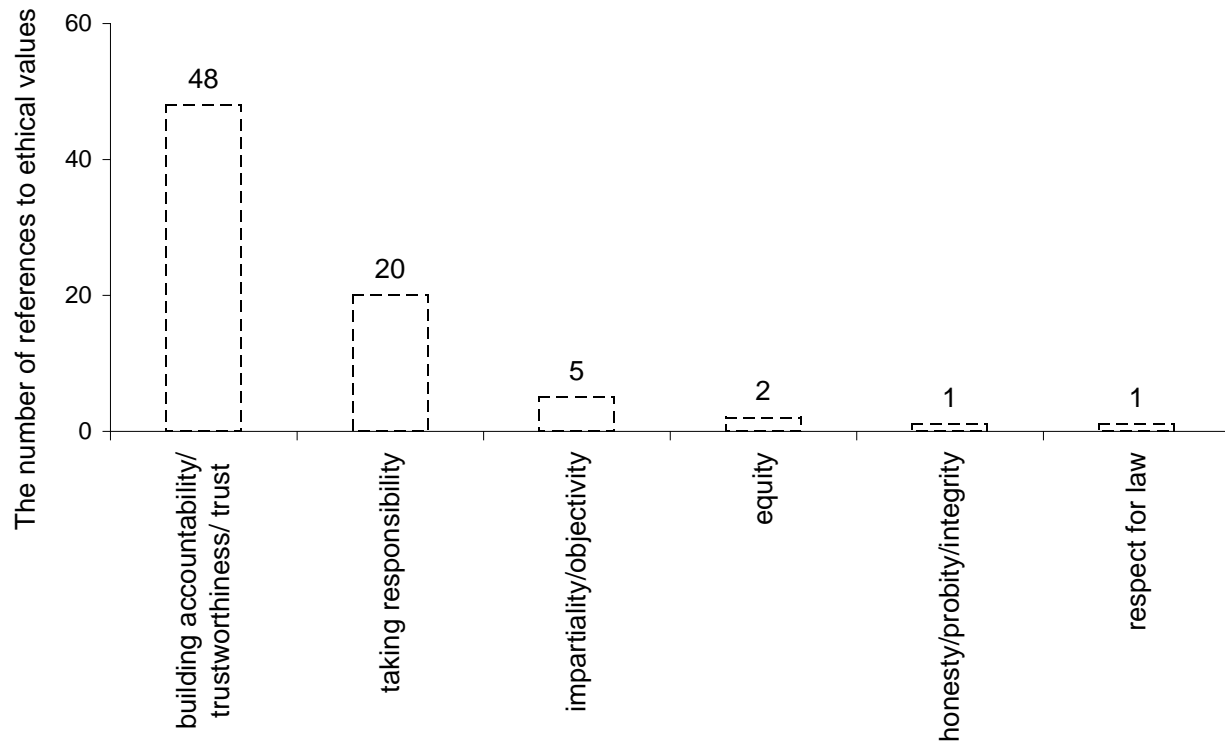


**Fig. 2 Ethical values exposition among single strategies**

Source: Own research

The analysis of above numbers allows for conclusion that any of regional innovation strategies embraces no more than three types of ethical values.

Some interesting conclusions result from the analysis of popularity of values across all 17 ethical elements. Eleven from seventeen ethical values were not mentioned at all in any strategy. The figure 3 displays the aggregated exposition of ethical values included into eight strategies.



**Fig. 3** The general exposition of ethical values included in regional innovation strategies

Source: Own research

In the analysed innovation strategies the most attention was attributed to just one element (described here by three possible expressions), i.e. *building accountability/trustworthiness/trust*. This value was absent however in two analysed strategies i.e. for Kujawy-Pomerania and Małopolska Province. The second most often mentioned ethical value in RIS was *taking responsibility*. Six of the eight analyzed regional innovation strategies referred to this item. The formal analysis of eight RIS revealed that none from analysed strategies included more than 24% of ethical values from 17 examined ones. The table 1 presents the percentage share of ethical values in regional innovation strategies in Poland.

**Tab. 1** The share of ethical values promoted by regional innovation strategies.

No	Regional innovation strategies	Promoted ethical values
1	Regional Innovation Strategy of Lower Silesia Province for 2011-2020	12%
2	Regional Innovation Strategy of Lubuskie Province for 2010-2015	12%
3	Regional Innovation Strategy of Kujawy-Pomerania Province for 2014-2020	12%
4	Regional Innovation Strategy of Małopolska Province for 2014-2020	6%
5	Regional Innovation Strategy of Mazovia Province for 2007-2015	6%
6	Regional Innovation Strategy of Silesia Province for 2013-2020	24%
7	Regional Innovation Strategy of Świętokrzyskie Province for 2014-2020	18%
8	Regional Innovation Strategy of West Pomerania Province for 2011-2020	18%

Source: Own research

Most of the scrutinised ethical values were not exposed by analysed regional innovation strategies in Poland. Thus the thesis formulated in this paper could be accepted. The promotion of ethical values in RIS focused just on a couple elements in every single region.

It would be very valuable to perform in the future an analysis embracing another axiological categories and different documents. At the present stage, the conclusion is that improvement in the process of promoting ethical values is a pending task of every region.

## **4 Conclusions**

The presented study delivered a new knowledge on the scale of implementing selected axiological values into regional innovation strategies in Poland. According to the purpose of this paper the analysis of eight valid regional innovation strategies in Poland was performed to identify ethical elements. The included into the analysis axiological categories embraced 17 items.

The paper diagnosed the present relation between axiology/ethical values and regional innovation strategies. The generated results allow accepting the formulated in the article thesis, that most of the ethical values are not exposed by analysed regional innovation strategies in Poland. The research results showed that the highest interest in promotion of ethical values by means of regional innovation policy was in Silesia Province – the implementation of ethical values reached 24%.

The study delivered some preliminary material for further analyses and policy formulation by decision-makers. The presented outcomes can be helpful also in the future scientific analysis performed for all RIS in Poland. The limited availability of all RIS in Poland presently should motivate to realize the similar studies in the holistic approach when possible. The performance of such studies in other countries would also be valuable and the possibility to compare the results among all European countries should give a broader overview of the theme. Moreover, the comparative analysis of presented results with macroeconomic indicators could answer some questions on the correlation between axiological values implemented into RIS and socio-economic development in the regions.

The possible changes in regional strategies and implementation of axiological aspects could start probably already in about 5 years, during a periodical actualization of these documents.

The ethical codes in many institutional domains of Poland and other countries are working when they are appropriate implemented and managed. The popularization of ethical values within regional innovation strategies can additionally improve the climate for innovativeness and competitiveness. For this reason the implementation of axiological, especially ethical systems into regional innovation systems could be the challenge of the nearest future.



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