## PUBLIC SERVICE INNOVATION. THE INNOVATIVE CAPABILITY OF PORTUGUESE MUNICIPAL SPORT SERVICES

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## Abstract

The services sector has taken a key position in the economy, representing a high proportion in wealth creation and employment (OECD, 2007). In parallel, from a vision of the services sector as a poor innovator and "absorbing" the innovation from the manufacturing sector, we are moving to the vision of the services with their own modes of innovation, although it is highlighted its heterogeneity and the need for empirical studies to help clarify how innovation occurs (Miles, 2008). This research place is focus on public services, particularly on municipal sport services, and hopes to contribute to a better understanding of this subject, setting as its main objective to identify and analyse the factors influencing innovation in the sport services of the Portuguese Municipalities and, accordingly, its innovation capacity.

The theoretical approach is based in the current conceptual framework on service innovation and new public management (Sundbo, 2008; Potts, 2009) and has developed a theoretical framework that justified the elaboration of an original conceptual model (Figure 1), which suggests that the innovative capability of municipal sports services is directly influenced by activities or innovation processes, and indirectly by factors related to the structure, strategy and context. Considering the complexity of the research topic and lack of appropriate instruments to measure the innovative capability of municipal sport services, four scales were developed and validated using exploratory factor and internal consistency analysis. The research hypotheses were empirically tested, using structural equation modelling through path analysis, looking for identify the relationships of influencing variables. Data were collected through a questionnaire addressed to policy makers and technicians

of all Portuguese municipalities, which obtained a response rate of 64.9%, corresponding to 200 of a population of 308 municipalities.

The results show that (i) innovation activities, i.e., operations on a day-to-day bases that organization use to develop, implement and disseminate innovation are a strong predictor of its ability to innovate in all types of innovation : service, process, communication / marketing and organizational, (ii) the structure of the municipal sport services influence their innovative capability through an external orientation to stakeholders, support expressed by the political and technical leadership to new ideas and their implementation, by allocating resources and manpower to the actions necessary to implement the new ideas, and finally through an internal culture that foster entrepreneurship; (iii) the internal entrepreneurship and the formalization of an innovation strategy revealed the higher levels of influence on the innovation activities, which highlights their importance on innovation; (iv) proximity to the macro and micro context in municipal sport services, has a positive and significant influence on the formalization of the innovation strategy, while proximity to the macro context has a positive effect on the openness of the innovation strategy.

The results of this research allow us to set some guidelines for policy makers and technicians that work at the municipal sport services and are looking for promoting the innovative capability in their region. These entities need to promote a closer relationship with its surroundings and formalize its innovation strategy. In addition, the innovative capability will be based on a policy that supports internal entrepreneurship and the allocation of funds and human resources for innovative ideas with the consequent support of the leadership who must regularly evaluate the results and impact of innovation.

## References:

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