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DEVELOPMENT AND PRACTICAL IMPLEMENTATION OF INNOVATION MANAGEMENT STRATEGIES

РОЗРОБКА ТА ПРАКТИЧНА ІМПЛЕМЕНТАЦІЯ СТРАТЕГІЙ ІННОВАЦІЙНОГО МЕНЕДЖМЕНТУ

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Березовський О.В., Гутарева Ю.В., Шуба А.А. Розробка та практична імплементація стратегій інноваційного менеджменту. Оглядова стаття.

У сучасному висококонкурентному підприємницькому середовищі інновації є однією з найважливіших чинників для отримання підприємством панівного становища на ринку. І тому, розуміння того, які стратегічні практики управління інноваціями призводять до успіху, є дуже важливим. Розробка інноваційної стратегії підприємства надає фундаментальні засади розвитку підприємства та має необмежений вплив на подальші стратегічні та операційні рішення щодо діяльності підприємства. Саме тому інноваційні стратегії мають найбільшу пріоритетність щодо решти стратегічних практик управління інноваціями.

Ключові слова: інноваційна діяльність, інноваційний менеджмент, організаційна структура, технологічний потенціал

Berezovskyi O.V., Hutareva Y.V., Shuba A.A. Development and Practical Implementation of Innovation Management Strategies. Review article.

In today's highly competitive business environment, innovation is one of the most important factors for an enterprise to gain a dominant position on the market. Therefore, understanding what strategic innovation management practices lead to success is very important. The enterprise innovation strategy development provides the fundamental principles of the enterprise development and has unlimited influence on further strategic and operational decisions regarding the enterprise. That is why innovation strategies have the highest priority over other strategic innovation management practices.

Keywords: innovation activity, innovation management, organizational structure, technological potential

The practical implementation of innovation management methods in enterprises is one of the main topics of interest to business, politics and academic environment. This interest is not surprising, as innovation is regarded as the most important strategy of differentiation to gain a competitive advantage in the market. Innovation management embodies a new structure or management process, policy, new plan or programme, a new production process, which aims to improve the current strategy of the enterprise. One of the main conditions for the innovation management strategy development is the effective practical implementation of this strategy, because it should create the management system that will ensure sustainable economic and innovation development of the enterprise. In order to analyze the effectiveness of innovation management strategies (IMS), it is necessary to determine its main structural units and the conditions under which this system acquires practical meaning.

Unsolved aspects of the problem

Any innovation implemented in the organization represents a complex process that affects many internal subsystems. At present, neither the economic literature nor the legal and regulatory framework have generally accepted terminology in the field of innovations, similarly, there are no universal indicators that allow us to assess the effectiveness of any implemented innovation.

The aim of the article is to study the impact of innovation management strategies on the success of the enterprise activity.

Analysis of recent researches and publications

Due to the relevance of the topic innovation management methods, the study of this topic is currently given a

lot of attention. Methodology and practical development of IMS and general development of innovation processes are revealed in the scientific works of such Ukrainian scientists., such as O.I. Volkov [1], O.O. Lapko [2], S.M. Illiashchenko [3], S.M. Mekhovych [4], M.P. Denysenko [5], K.V. Kovtunenکو [6] etc.

Unfortunately, in the domestic periodicals only a small number of articles are devoted to the study of universal indicators that allow assessing the effectiveness of any implemented innovation. This is what emphasizes the relevance of the chosen research topic.

The main part

The efficiency of any organizational system is ensured by the interaction mechanisms of individual parts of the enterprise in achieving the goals. Innovation-oriented organizational mechanisms that provide greater flexibility and better coordination have recently become widespread. The derivative of the innovative implementation mechanism is obtaining information on innovation from the outside – through centralized planning (target programmes, long-term plans for implementing the achievements of NTP in production) or through the received scientific and technical information, which becomes an incentive to decide on innovation. Using innovation is possible only in the presence of resources, namely their reserves, which do not participate in production and are intended for experimental purposes.

An innovative enterprise is an enterprise based on using new knowledge that gives the opportunity to receive intellectual rent and various advantages over competitors. Innovation depends on two conditions, i.e. a person's intellectual potential and its implementation impossibility. Ideas arising in the field of science and technology must quickly reach the sphere of material production and become a commodity. In order to solve such problems, innovative structures appear which represent various forms of science and production integration. The innovation management strategy covers the whole set of innovation practices, including analysis of competition mechanisms, such as creating an innovative vision, business strategy harmonization, strategy expansion to all organizational levels, market trends, technologies and competitors' actions. IMS is used in enterprises that manage technology, business processes (customers, suppliers, financial and external resources, etc.) and human relations (culture, communication, organization, etc.) in a way that supports and encourages innovation. In this context, the innovation success depends on its own resources (human resources, equipment, technology, information, etc.) and the organization's ability to successfully operate these resources. The innovation strategy development process is the main task of forming a mechanism of strategic innovation development, where innovation acts both as a result and as a way to achieve strategic goals. The need for systematic innovation and the need for strategic accompaniment of innovations determine the fundamental stages of enterprise development and promote a balance of relations between economic agents, create the need to develop an enterprise innovation strategy, in turn broaden the range of innovations introduced, generate additional changes in enterprises and requires a review of strategic management.

IMS is a process that has different components and at the same time requires management of these components as a whole. The leading determinants of IMS practice are innovation strategy, organizational structure and innovation culture. The effectiveness of these practices impact on the significant results of the enterprise innovation activity is contradictory.

Scientifically substantiated and planned innovation strategy is an independent factor in the organization development. In the process of using innovative strategies, the main goal is to take into account the maximum number of internal and external factors that determine the organizations functioning. When developing strategies for organizations innovative development, it is necessary to use the provisions of strategic and innovation management, through which it is possible to integrate innovation into the system of strategic guidelines and values of the organization. In order to classify innovation development strategies, it is necessary to take into account the main characteristics of innovation. As a universal typology, one can distinguish external, internal and target groups of innovation strategies, which embody both independent strategies of the innovation activities of the organization and structural elements of the overall organizational innovation strategy. The decisive role belongs to the external organizational strategies that determine the specific types of innovative behaviour.

The innovation strategy acquires special significance due to the dependence of the enterprise competitiveness level from its ability to permanent renewal. Thus, it becomes the most important element of the organizational strategy, which should link the potential innovation of the enterprise with the main priorities of its long-term development. The purpose of such strategic planning is to bring production and management to a new quality level to most effectively achieve the enterprise goal. The strategy for innovative enterprises is:

- An action programme that identifies the main development challenges, as well as the resources needed to achieve the overall innovation goal of the organization;
- The concept of doing business, which is based on real action and leads it to achieve competitive advantage;
- Targets for long-term planning, aimed at achieving new goals through a fundamental change in the state of the business object, its management system.

The main contribution of this study to industry and management will be an understanding of how IMS practices in enterprises affect innovation performance. The main conditions for the successful implementation of a long-term innovation structure are:

- Innovation must be based on new principles that challenge traditional governance;
- Innovation must be systematic and form a wide range of methods and processes;

— Innovation is part of a continuous process of introduction, which over time leads to an improvement in the production process.

The main components of IMS formation are an unresolved problem that requires fresh ideas, new principles or a system of thoughts and concepts that give new approaches, a review of traditions and dogmas that limit creative thinking, examples and analogies that help redefine opportunities.

IMS is realized through structural and functional interest and change of technologies and organization of management process, work methods of management staff. Management is one of the most complex activities. It consists of a series of independent management functions:

- Planning, i.e. the programme development, procedures of its realization, execution schedules, the situations analysis, methods definition of achieving the purposes;
- Organization, i.e. elaborating the enterprise structure, implementing coordination between structural units;
- Motivation, i.e. stimulating all the workers efforts to perform their tasks;
- Coordination;
- Controlling.

Complicating modern production has added two more functions:

- Innovative, related to the assimilation and implementation of the latest advances in engineering and technology, organization methods and people's management;
- Marketing, which is embodied not only in selling manufactured goods, but also in research and development, affecting selling the goods, purchase of raw materials, production, sales.

The first stage of developing an innovation strategy is the formation of principles and strategic goals of the enterprise innovation development. Targets represent the whole system of priorities in achieving economic break-even. At this stage, decisions are made on the following issues:

- Technological choice (evaluates a technology effectiveness in terms of the possibility of creating a product with improved characteristics);
- The technology implementation (options for using the technology in a new product or process, choosing the dominant parameter of a product or process);
- Innovation sources (contract innovation, licenses of individual inventors of research or engineering companies, competitors);
- Time to enter the market with innovation (taking into account the risk of market rejection);
- The investment level in technology.

The second stage is the analysis of the enterprise economic and innovative state. This stage content is represented by monitoring and processing the derived statistical and management information on the enterprise structure and functions. The degree of flexibility, adaptation to changes, readiness for organizational changes as a result of influencing the external and internal systems, management mechanisms efficiency occupy a special place as a part of general organizational criteria.

At the third stage, the disorganization points of the factors of internal and external systems on the enterprise innovation development, which affect the economic interests and priorities of both the enterprise as a whole and its components, are determined.

The next fourth stage in the strategy development is to determine the quantitative and qualitative indicators of changes in the enterprise innovative state. Currently, the competitive advantages in the market are those companies that can concentrate their efforts on meeting consumer needs, as well as able to turn their intellectual capital into a profit source.

After determining the quantitative and qualitative indicators of innovation development, it is necessary to move to the fifth stage, namely the business plan formation for the enterprise innovation development. This stage should include the alternatives analysis and creating the system of plans that allow to respond effectively to technological opportunities and threats, as well as fulfilling the joint implementation of innovation strategy with other functional elements.

The sixth stage of the strategy development process is the results forecast of the measures implementation. This stage content is calculating the projected economic and financial indicators (profitability levels, etc.), the complex activity, and taking into account the planned activities implementation. In this case, possible deviations are detected and eliminated

The final stage is implementing the enterprise innovation development strategy. During the strategy implementation there is a process of further self-development of the created model, the purpose of which is the maximum approximation of the developed strategy and its real prototype. In addition, it is necessary to constantly evaluate the implementation achievements in comparison with the plan, if necessary, adjust the approach based on the conclusions and complete all the necessary steps. These tasks are solved within the framework of monitoring, which should perform continuous systematic monitoring of the processes state in order to assess, control and forecast the enterprise innovation development results, including taking polls among workers, verifying the implementation schedule, savings, tasks control, assessing satisfaction of buyers, contractors, financial institutions, potential investors.

The enterprise innovation development strategy establishes the optimal sequence of measures in general areas, helps to create a new management system, upgrade production, etc., as well as controls and corrects the

measures fulfilment based on the implementation of current monitoring.

Thus, it is possible to separate the innovation development features and to make some generalizations.

- Innovation development is a complex and long process of new innovative formations in the enterprise, which embodies a set of goals, planned activities, motivation system and financing methods . In this regard, innovation development must be planned;
- It is necessary to have the enterprise innovation development strategy, which provides an opportunity to ensure the purposefulness principle implementation of innovation development. This condition fulfilment objectively reduces the amount of consumption resources (financial, labour, material and technical);
- Formation the strategy for innovation development requires a comprehensive approach. Otherwise, it is difficult to realize the principle of timely implementation of strategic development goals;
- In the period of innovation development, serious investments are needed in the future of the enterprise, but this limits the opportunities for current economic growth. Therefore, there is a need to implement the principle of current activities balance and strategic innovation development. Otherwise, a crisis situation or bankruptcy is possible;
- The enterprise life cycle determines emerging the innovative cycles of production systems renewal. This fact makes it necessary to predict the cycles of innovation development;
- Innovation development requires the active application and development of theoretical approaches and scientific methods of management;
- The high level of uncertainty of obtaining the planned results in the period of innovation development requires the creation of a special system of staff motivation in the process of innovative change.

The most important element for companies is the organizational structures formation that enables cross-functional exchange of knowledge and resources, which ensures strategic decision-making, dispute resolution and active and effective coordination of the innovation process. Organizational structure (OS) constantly distributes work roles and administrative mechanisms that allow organizations to perform, coordinate and control their business activities and resource flows. The OS is classified as organic and mechanical. It is assumed that tasks containing a high degree of uncertainty require organic structures, while tasks containing a low degree of uncertainty require mechanical approaches. When this theory is taken as a basis, complex innovation projects cannot be successfully implemented in official, official and bureaucratic structures; however, flexible organic structures can foster innovation by increasing the power of conceptualizing new technologies. A flexible and organic organizational structure can facilitate both a rapid response to consumer needs and attempts to share efforts to develop working groups.

However, the OS based on formal, functional specialization and formal control can increase the efficiency of new product development by ensuring coordination between different functional units, increasing the level of economic efficiency, reducing uncertainty and minimizing errors. In other words, formal and centralized structures can promote innovation, but not stifle it. For example, as operational innovations typically occur during the strategic goals implementation and contribute to the improvement and development of existing innovations, formalization can have a positive impact on operational innovations. However, because exploratory innovations require exiting current knowledge databases and creating new strategies, formalization can hamper research innovations. The prevailing view of the impact of the OS on the company innovative performance protects flexible OS, however, some scholars note that time and cost-effectiveness are defined as mechanical structures.

Innovations in management activity, namely the OS innovations determine the overall success of ISM in the enterprise, because they allow to obtain significant competitive advantages in the most promising areas for businesses, provide solutions to strategic challenges in the process of their operation and development. Defining the concept of managerial innovations, it should also be noted that distinguishes this type of innovations from technological and producing innovation processes. Technological innovation is a set of knowledge that can be systematized, because it combines several physical processes or products. In contrast, managerial innovations are more enterprise-specific. Management innovations are also characterized by the influence of external agents, namely scientists, consultants – these are those specialists who determine the essence of innovations, shape them. The model of emergence and the OS innovations development can be defined by the following stages:

- The problem definition;
- The idea formation and development;
- The idea definition.

It should be noted that OS innovations are local, i.e. the experience of implementation in one enterprise may not benefit another due to the difference in corporate cultures. The uniqueness of each enterprise necessitates the modification and correction of management decisions or requires fundamentally new solutions development with a clear understanding the internal and external spheres of the enterprise.

Innovation culture is defined differently in the literature. The key concepts related to innovation, from the viewpoint of culture, are creativity, openness, and penetrating perception of new ideas (not closed to new ideas), entrepreneurs' risk and mentality. IC-owned companies are places with an atmosphere where entrepreneurship and risk are supported and rewarded, and employees and product development teams are not punished, even

when new products fail in the marketplace. Analyzing the innovation culture, it is necessary to note 3 main components:

- Basic assumptions that the organization members adhere to in their behaviour and actions. They are often related to the worldview of a person (a group, an organization, society) and its variables (nature, time, work, relations nature);
- Values (value orientations) that the person must adhere to. They determine what behaviour can be considered acceptable (or unacceptable). In some organizations it is believed that a "client is always right" and he/she cannot be blamed for work failure, in some it is vice versa. Accepted values help the person understand how he/she should act in a particular situation;
- Symbols in which value orientations are transmitted to the organization member. Some companies have special documents with a detailed description of value orientations.
- The general goal of forming the innovation culture as a structural unit of ISM is to achieve high results by improving human resource management to ensure employee loyalty to management and decisions. This leads to increased efficiency of production management and improved performance of the enterprise as a whole/

The corporate culture development in the direction of increasing the innovative perception and activity of staff allows:

- To ensure compliance and balance of the company's strategic business objectives and trends in innovation in the industry and the business community in general;
- To increase the employees' loyalty to the company, their creative activity in the direction of innovation development, stimulating the growth of proposals for improving business processes and other organizational changes related to improving management efficiency and effectiveness;
- To reduce resistance to organizational change, which arises due to the peculiarities of the existing corporate culture;
- To accelerate the process of integration and formation of effective teams in the company that implement innovative projects.

The following technologies are most widely used in forming an effective innovative organizational culture:

- Training sessions in order to create a mood in the staff to initiate and perceive innovations;
- Workshops for the management team, aimed at developing specific skills that are specific to the culture to be implemented. Such workshops help top managers to better understand the situation in the company and determine the role of each of them in the innovation corporate culture development;
- Assistance in the specific tools development (procedures to stimulate creativity, initiative, high innovation activity of staff, etc.);
- Development and implementation of corporate measures aimed at accelerating and increasing the effectiveness of the innovation corporate culture implementation.

Studies in the organizational literature show that because strong IC plays a key role in determining the work environment, strategy, organizational behaviour and processes, it increases the effectiveness of the company innovations. According to the resource-based approach and the information-based approach, culture has a positive effect on information management practices regarding innovation and the enterprise performance.

Conclusions

In modern knowledge-based society, innovation is a major factor in development. In conditions of increasing competition, the fixed capital of any enterprise is no longer so much traditional material resources, but intellectual and entrepreneurial abilities. The focus of the innovative enterprise is a person who is a generator of ideas, innovations, a source of capital. In this regard, there are new challenges for knowledge management, creating new models of organizations that can function effectively in modern society.

The results of this study show that some ISM practices used by enterprises to gain a competitive advantage in the sector in which they operate lead to an increase in the number of new goods and services they produce and represent, and have prospects for a positive impact on overall enterprise activity in the future. The market has a positive effect on the enterprise innovation activity, while other dominants do not. In this context, the study has made important conclusions in terms of understanding which ISM practices affect the overall effectiveness of the company innovation. First, the conclusion about the positive impact of IS, OS and IC on the innovative performance of the company has significant implications for managers and industry performers. Companies that have IS in the innovation management phase will improve their innovation performance. When companies realize that IS is a key part of the innovation process, it is likely that their efficiency and innovation management capabilities will improve. In other words, the adopting the innovation culture, including recognition and reward systems, can stimulate new ideas generation, rule violations, and innovative behaviour by organization members. Formal organizational structure means resistance to change during implementation. In this context, managers need to adopt a flexible and organic organizational structure to improve innovation performance.

Abstract

This article investigates the activity of innovation management strategies used by companies to gain a competitive advantage in the sector in which they operate, lead to an increase in the number of new products and

services they produce and represent, and have prospects for positive impact on overall business in the future.

The aim of this article is to study the impact of innovation management strategies on the enterprise success. The effectiveness of any organizational system is ensured by the interaction mechanisms of the enterprise individual parts in achieving the goals. Innovation-oriented organizational mechanisms that provide greater flexibility and better coordination have recently become widespread. A number innovation management strategies activity used by enterprises to gain a competitive advantage in the sector in which they operate, lead to an increase in the number of new goods and services they produce and represent, and have prospects for a positive impact on the enterprise overall activities were considered future.

The possible advantages of innovations in management are presented, namely organizational structure innovations determine the overall success of innovation management strategies in the enterprise, because they allow to obtain significant competitive advantages in the most promising areas for business entities, provide solutions to strategic problems in their operation and development.

It is concluded that the positive impact of innovation strategies, organizational structure and innovation culture on innovation performance of the company has significant consequences for managers and industry performers. Companies that have innovation strategies in the innovation management phase will improve their innovation activity. In other words, adopting the innovation culture, including recognition and reward systems, can stimulate new ideas generation, rule violations and innovative behaviour of the organization members.

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