

CONCEPTUAL BASES OF MANAGEMENT OF INNOVATIVE DEVELOPMENT OF BUSINESS IN MODERN CONDITIONS



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Abstract. The article is devoted to the study of the objective necessity and practical significance of the task for the national economy – the management of innovative development of entrepreneurship in modern conditions. The algorithm of the methodical approach to this process and the disclosure of its structural and functional components will allow to respond to changes in the conditions of economic activity of business entities. The novelty of the approach is that the methodological aspects of joint formation and improvement of functional management structures of innovative business development, presented as an algorithm for solving the multi-criteria problem of selecting and evaluating the best organizational solutions, allow universal application in different management objects. Their use allows to increase efficiency of management of innovative development of business in modern conditions.

Keywords: *organizational management structures, integrated management structures, innovative development of entrepreneurship, integration, cooperation, management system, business entities.*

Introduction

Improving organizational structures at all levels of government, as one of the main levers for improving the efficiency of entrepreneurship, brings to the forefront of scientific research the development of a mechanism for managing innovative development, which has a sufficient degree of adaptability to changes in management.

In this regard, the development of conceptual foundations for the management of innovative development of entrepreneurship, taking into account its dynamic properties, is of particular importance in today's market relations. Increasing the dynamism of production processes, the complexity of technology, competition, trends toward further specialization and many other factors lead to the complexity of the managed system and its relationships with the environment. In turn, the development of a managed system affects the organizational structure of the management

system, encouraging researchers to find optimal management structures for innovative development of business entities.

Literature review. The generalization of the applied directions of management of innovative development of subjects of business has allowed to generalize and allocate the following. Given the views of different researchers on the subject, depending on the objectives of the study reflects the communication, functional or administrative approach to it, ie it is either communication networks existing in the system for preparation and decision-making, or the distribution of management functions between management units, or the distribution rights in the management system of innovative development of entrepreneurship (Hurzhii, Karakai, Petrenko, 2006).

With sufficient clarity, we can identify at least two organically interrelated causes of this situation: the complexity of the management process with multiple forms of manifestation (communication, functional, administrative) and the purpose of the study. At the same time it is necessary to note that all interpretations are based on the control scheme.

Research methodology. Dynamic change of management functions and their redistribution in modern conditions are carried out by means of the certain mechanism which brings in conformity the maintenance (functional process) and the form of management – organizational structure (Hanushchak-Iefimenko, (2014).

If we consider the organizational structure of innovation development management not only as a composition and relationship of management, but also as a complex dynamic system that synthesizes a number of subsystems, we can reveal the essence of the mechanism of innovation development management. The subject of management implements management functions and is in complex systems an interconnected set of links, each of which implements part of the management process. Divided into elements, increasing the differentiation of the subject of management depends on the complexity of the object of management and the tasks it performs. And this forces to change the chain composition of the subject of management (qualitative and quantitative) and, accordingly, the organizational structure. The

management work performed in each link corresponds to the local goal set before it. In accordance with the purpose, communications and functions, the units have certain rights and responsibilities, which is a reflection of the administrative (legal) status. It is the local purpose, communication channels and their network, functions and administrative status of the units that determine the organizational structure of management of innovative business development. Since the governing system is a set of links, according to the method of interaction, the links between them can not be defined unambiguously, and the organizational structure essentially includes a number of structures: goals, communications, functions, rights and responsibilities, and so on. Thus, the organizational structure of management can be characterized not only as a system of steps and links of management in their dependence and subordination, but also as a complex form of interdependence and interconnection of many structures that define qualitatively different aspects of management steps and links. From the analysis of separate structures of organizational structure the "tree of the purposes", that is structure of the purposes of system is allocated first of all. The "goal tree" reflects the problem-task facing the system, and essentially defines the communication system, which is manifested in the structure of the communication network, defining the communication channels of each link.

Research results. The composition of the tasks to be solved by the communication system and their distribution between the various levels of management in accordance with the functional specialization dictate the composition and system of relationships of the functions of the control system, ie their functional structure. Accordingly, the structure of functions determines the structure of rights and responsibilities of different levels of government, ie the tree of rights and responsibilities resulting from the decomposition of rights and responsibilities of the system as a whole. This takes the form of their delegation from higher to lower levels, by decentralization or, conversely, centralization depending on the problems, goals and objectives that determine the objective side of the management

organization, as well as management style, which characterizes the subjective moment in his organization. Thus, the management structure is like a global structure that synthesizes specific management structures for innovation development. It is the structure of the system, which are its elements, ie the management structure "is no longer the relationship of its elements, and the relationship of their relationships" (Hanushchak-Iefimenko, 2013), which are target, communication, functional, administrative relations that reflect different aspects of the relationship parts of the control system. It should not be forgotten that the structure of the management system of innovative development is determined by the social, economic and organizational laws of the relationship between the subject and the object of management, the links of the subject of management, individuals engaged in management work.

In other words, the organizational structure of innovation development management is a global structure of various specific structures that determine the way of interconnection of qualitatively different aspects of management. It does not exist in itself, but only as a result of the objectively necessary multifaceted relationship of system elements. Specifically, these elements of the management system are organizational units, between which is distributed the work on the management of the management system of innovation development in general. Any system can be represented as the addition of centrifugal and centrifugal forces. Centrifugal forces integrate the elements of the system into a single functioning set, while centrifugal forces seek to form a new system. The organizational structure is the most stable element of the system that maintains it in dynamic equilibrium. This is its main role.

As a way of interrelation depending on the forms of division of labor in the field of management of innovative development, the organizational structure actively influences the process of functioning of the management system and its further development, differentiation and new integration of management functions. In this regard, the process of managing innovation development is primarily to acquire the flexibility of the structure of goals obtained by decomposition and distribution of the purpose of the management system between its parts, which

affects their organization, relationship, number and communication networks and respectively on the flexibility of the structures of functions, rights and responsibilities (Turpin, 1993).

As a way of interconnection of links of management of innovative development of business is defined by the nature of their elements. But the properties of the system can not be reduced only to the properties of the elements, it would not correspond to the system qualities of the control mechanism. The main properties of systems include integration system quality, which distinguishes it from the properties of system elements, as well as a certain composition of elements. Suppose that the management of innovation development has goals and functions that correspond to them, rights, responsibilities, but not clearly defined communication network. In this case, communication channels may not have the qualitative characteristics necessary for a particular link to make effective management decisions, although quantitatively such compliance will be. Thus, even if the structures of goals, functions and administrative status are rationally organized, the lack of an appropriate structure of communications reduces the functioning of the unit to chance, reduces the level of organization of the system as a whole. Let's assume one more assumption - vaguely set goals. Without clearly set goals and, accordingly, without a clear structure, communication, administrative action in the system is impossible, the inevitable gap between the direction of the management system, ie the emergence of inconsistencies between management functions and those functions that must be implemented in the system. Accordingly, there is no clear communication and administrative support of the management process. As a result, the effective functioning of the innovation development management system is reduced. Thus, the management of innovative development of entrepreneurship, of course, has both an integrative system quality that distinguishes it from the properties of individual subsystems - goal structures, functions, communications, administrative status, and the ability to play the role of a mechanism as a system, only if all components of its subsystems. . By eliminating any of the elements or violating it organizationally, we will thereby reduce the

effect of managing the innovative development of entrepreneurship (Hanushchak-Iefimenko, 2013). A specific way of organization, ie relationships, interactions of elements, is also inherent in the management of innovative development of entrepreneurship. It consists, first, in the fact that this relationship is hierarchical, which always acts as a pattern. There can be no arbitrary change, for example, the administrative status of any link, if its purpose and functions do not change, therefore, the structure of the purposes and structure of its functions cannot be changed. At the highest level is the structure of goals, then the communication structure, then the structure of functions and administrative structure. The inverse effect of the system of functions and its structure on the communication system, goals and their structure is taken into account by the subject of management. The same can be said about other subsystems of management of innovative development of entrepreneurship, about their interaction and mutual influence.

Thus, we can conclude that the management system of innovative development of entrepreneurship is potentially self-regulating, because any change in any of its elements leads to changes in its other

elements and their relationships, but it is not self-governing, because its changes and organization Entrepreneurship, for which the management of innovative development of entrepreneurship is not an end in itself, but a form, means, tool of functioning. From the specified properties of management of innovative development of business as the system consisting of a number of subsystems the dynamism which brings in the maintenance and the form of management is traced (Hanushchak-Iefimenko, 2013).

The essence of its action is to change the subsystems (structures) of the organizational structure of management, the links that lead to a new system of relationships in management, to their new, target, communication, functional and administrative state. In fact, it is a qualitatively new state of management, and hence a new organizational structure for managing the innovative development of entrepreneurship. As a result of changing the subsystems of the organizational structure of management of innovative development of entrepreneurship with the same composition of units formed a qualitatively new target, communication, functional and administrative management structure that meets the new conditions of operation (Fabozzi, Markowitz, 2011).

Conclusions

Based on the research of business entities that carry out the process of managing the innovative development of entrepreneurship, we have identified seven criteria for its evaluation:

- efficiency – a measure of economic and social activity that answers the question: whether the goals are achieved;
- productivity – this criterion implies satisfaction with the criterion of efficiency, expanding and strengthening it;
- distribution of labor – means the division of labor into as few different functions as possible;
- communication network – communication channels that provide interaction of different levels, as this criterion requires considerable time for its implementation, it is often advisable to provide direct contact between individual employees of this level, provided that they must quickly, fully and constantly inform their immediate superiors about what is happening in their area of work;
- functional definition of powers and responsibilities characterizes the need for a clear definition of the limits of authority and the exact functional content of various positions;
- providing balance – means the need to maintain the balance of the organizational structure of management, despite the constant changes. Equilibrium must be maintained between horizontally linked units and between the horizontal levels themselves, as well as by establishing appropriate proportions between centralization and decentralization;
- consistency – the organizational structure of management should contain a "hierarchy" of positions with ever-increasing responsibilities for vocational training as a basis for staff replacement.

Thus, the process of managing the innovative development of entrepreneurship can not be classified as static, it is in dynamic equilibrium with constant qualitative changes. In a certain situation, their accumulation leads to the fact that the effectiveness of the management process

requires certain organizational changes. This quantitative change in the organizational structure is a rare phenomenon than permanent qualitative changes in the subsystems (structures) of the organizational management structure (Yermoshenko, Hanushchak-Iefimenko, 2010).

Thus, it is legitimate to conclude that:

- management of innovative development of entrepreneurship is a complex dynamic system that synthesizes a number of subsystems such as goal structure, communication structure, function structure and administrative structure;
- management of innovative development of entrepreneurship has system properties, integration system quality, determined by the composition of elements, hierarchy, feedback, self-regulation;
- management of innovative development of entrepreneurship operates in the mode of transition processes by changing its subsystems, leading to compliance with the form and content of management, which determines the dynamic balance of organizational management structures.

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