

ENTERPRISE AS A SUBJECT OF THE INNOVATIVE DEVELOPMENT PROVIDING

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Abstract. The main subjects for the innovative activity implementation in Ukraine, such as significant changes in the external environment that push companies to the usage of the necessary innovations and the strengthening of the directions of their development are determined. The necessity to reorient the company's activities radically to the new needs of consumers with the taking into account of modern requirements is illuminated. The dynamic trends of the regional context of the quantitative Ukrainian

enterprises and the share of innovatively active ones inside their structure are identified. The results of the analysis are shown, such as a significant increase in the share of innovatively active companies in the overall structure of all enterprises for a researched period. The conclusions are drawn about the positive dynamics of the quantitative growth of the innovative Ukrainian enterprises and the development of the indicator of their absolute growth to the mark of 10%.

Keywords: *innovation, innovative development, enterprise, innovative activity, innovatively active enterprises, external environment, internal environment.*

Introduction

The innovative activities are now carried out by a fairly large proportion of enterprises and entrepreneurs among all registered. In order to embark on an innovative path of development, enterprises need to constantly conduct the process of improving their activities. By introducing an innovative type of development, businesses thus adapt to changing situations in both domestic and European markets. The transition to the innovative model of development will allow Ukrainian enterprises to achieve the main goals, which will be reflected in meeting both the qualitatively growing needs of the state economy, and personal consumption in the future.

Global economic trends demonstrate the objective need to ensure the innovative development of the enterprise as a prerequisite for its entry into the global competitive environment. The ensuring of the innovative development for Ukrainian enterprises is, in fact, the only prerequisite for their potential entry into the world markets. The innovations can become not only an effective prerequisite for the company's sustainable development, but also a catalyst for building all the components of innovation potential, which in the future will provide their comprehensive **innovative development**.

It should be noted that the direction of innovative development of enterprises is to outline the path or movement to the introduction and implementation of

innovations that improve the quantitative and qualitative characteristics of enterprises, strengthen their market position and create conditions for upward development.

Complex civilizational processes constantly outline new tasks for enterprises, and therefore it is important to make the necessary changes in the developmental directions for their successful functioning. Under the conditions of rapid changes in the world markets, the priority is given to the task of radical reorientation of enterprises to the new needs of consumers, taking into account the modern social requirements. However, nowadays domestic enterprises pay not enough attention to the search of innovative activities, which ultimately leads to the loss of markets, untimely response to societal

challenges in the economy, social and environmental spheres. The direction of innovative development of the enterprise is a delineation of a way or movement to introduction and realization of innovations which provide improvement of quantitative and qualitative characteristics of activity of the enterprise, strengthening of its market positions (Zyanko, 2008, p. 34).

As the innovative activity of domestic enterprises becomes the main factor of increasing the competitiveness of both regions and the economy as a whole, so there is an urgent need for it increasing in market conditions. Both the internal and external environments of enterprises are under the influence of dynamic changes and a number of requirements. This is exactly one of the main factors for the study and research of mentioned issue. The innovative development of the state is directly dependent on the level of innovative development of economic entities.

For enterprises the innovation has a targeted function that must meet old needs or shape the new ones. Its implementation inside the production or management process will change their qualitative characteristics as a whole. The greater the mass of innovation, the better the changes in social and production systems. The concept of "innovation" applies not only to technics and technology, but also to all new phenomena in the organizational, financial, educational, scientific, social spheres. Innovative are any improvements that lead to the production level increasing, unit production costs reducing and the life quality improving.

An innovatively active enterprise receives and is able to perceive signals from the external environment and to implement the innovations. If the external environment is conservative, then the changes will be insignificant, or they will not be at all in conditions of weak internal innovation environment. Therefore, the specifics of the innovatively active type of enterprises is that they are driven by the impulses of the **external environment**, which encourage the formation of innovations, and the **internal environment** of enterprises is innovative, i.e.

external signals are perceived by enterprises and **innovative activities** are carried out in certain areas.

Therefore, the selection of tools and means to ensure the innovative development is of particular importance, as it increases the cost of economic and social consequences of certain decisions and actions taken to their implementation (Mikityuk, 2015, p.8).

Domestic enterprises have to be supported, assisted and stimulated from the state for the implementation of progressive changes in the export commodity structure, searching of new and perspective foreign markets, removing the discriminative restrictions about Ukrainian exports on world markets.

Analysis of basic research and publications. Studies of enterprises and their development were conducted by a number of scientists, among whom are the works of Z. Gutsailyuk, V. Zavgorodny, L. Strembitska, V. Tymofienko, D. Yablonsky and others. Applied aspects of the enterprises innovation development implementation are carried out by domestic scientists, such as S. Ilyashenko, V. Stadnyk, N. Tarnavska and others. Many theoretical questions are revealed in the works of mentioned before researchers, but they concerns only general positions of innovative activity of enterprises. The dynamics of innovative development of enterprises and their determining factors are insufficiently considered by economists. This necessitates an assessment of the growth dynamics of innovatively active enterprises for the period of 2014-2018 as a whole and in terms of the number of employees. The pace of enterprises innovative development determining specifies the impact of both internal and external environment.

Research methodology. Appropriate conditions must be created for the enterprises transition to an innovative path of development (Fig.1). Among them, the main conditions are:

1. Availability of reinforced by purchasing power demand.
2. Ability for implementation of the sciences and technologies achievements.
3. Economic capacity and expediency.

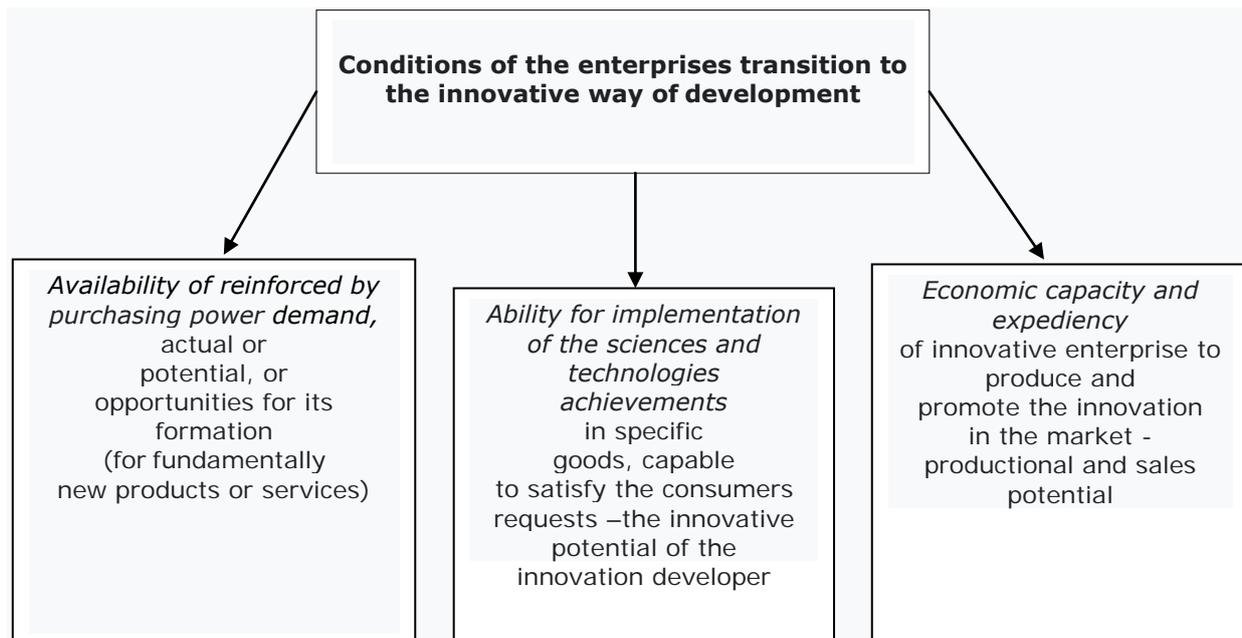


Figure 1. Conditions of the enterprises transition to the innovative way of development*

* Source: formed according to Androschuk, Zhilyaev, Chizhevsky ed., 2009

An enterprise that has embarked on an innovative path of development must operate in accordance with the following principles (Mikityuk, 2015, p. 32-33): adaptability, dynamism, self-organization, self-regulation, self-development.

Research results. It is known that the main indicators of innovations are the following: novelty, possibility of modification, possibility of diffusion, progressiveness, competitiveness, adaptability to the new conditions of production, and also indicators of economic, social and ecological efficiency. That is why they affect the final results of the enterprise: the cost and price of products, its quality, sales, efficiency and profitability (Androschuk, Zhilyaev & Chizhevsky ed., 2009).

One of the main goals of innovative development of the enterprise should be to ensure the transition in the shortest possible time to organize an innovative model of enterprise development, resulting in structural and functional changes in the management system, which should enhance the ability to sell competitive products and services to meet growing needs, the country's economy and personal consumption (Mikityuk, 2015, p. 42).

While developing in an innovative direction, businesses have to improve their production base, logistics system, optimize the structure of the distribution network and the system of the goods movement, adapting them to the

market situation changes. At the same time, the organizational management restructurization is taking place inside the enterprises, specialists and managers are gaining experience, a system of relations with economic contractors is establishing, an image is creating and strengthening, etc., i.e. the innovation potential is growing (Ilyashenko, 2010).

Regarding the definition and disclosure of the content of an innovative enterprise, in accordance with the Methodological principles on innovation statistics, an innovative enterprise (organization) – is a legal entity that has implemented any innovation for a certain period of time; innovatively active enterprise – is an enterprise that was engaged in activities related to the creation of innovations during the survey, regardless of whether such activities led to the actual implementation of innovations (State Statistics Service of Ukraine. Official site).

Innovatively active enterprises are enterprises that have been engaged in innovative activities. Innovative activity means all the scientific, technological, organizational, financial and commercial actions that actually lead to the implementation of innovations or are designed for this purpose. Innovation also includes research and development that is not directly related to the preparation of a particular innovation.

Currently operating, Ukrainian enterprises have backward technology, their financial condition are deteriorating, which leads to a reduction in innovation costs. But despite these problems, according to the State Statistics Service of Ukraine, the number of innovatively active enterprises is growing by an average of 20-30% in almost all regions of

our country. Based on the statistics of 2014-2018 (Number of enterprises by type of economic activity. 2010-2018: stat.collection. State Statistics Service of Ukraine), it was determined the share of innovatively active enterprises in the structure of all enterprises of Ukraine in the regional context (Table 1).

Table 1.

Innovative activity of enterprises in the regional context, 2014-2018*

	The share of innovatively active enterprises in the overall structure of enterprises, %		Absolute gain 2016-2018 to 2014-2016, % (+/-)
	2014-2016	2016-2018	
Ukraine region	18.37	28.05	9.68
Vinnytsia	15.16	24.16	9.00
Volyn	14.39	26.04	11.65
Dnipropetrovsk	18.97	28.98	10.00
Donetsk	11.03	17.92	6.88
Zhytomyr	17.74	23.73	5.98
Transcarpathian (Zakarpattia)	13.82	26.89	13.06
Zaporizhzhia	17.50	28.73	11.23
Ivano-Frankivsk	19.70	27.06	7.35
Kyiv	17.69	30.82	13.12
Kirovohrad	19.32	32.8	13.47
Luhansk	12.59	21.78	9.19
Lviv	18.44	29.13	10.69
Mykolayiv	15.36	20.91	5.55
Odessa	16.32	22.65	6.33
Poltava	18.38	23.56	5.17
Rivne	23.78	17.82	-5.95
Sumy	17.19	25.40	8.21
Ternopil	19.91	31.57	11.66
Kharkiv	23.38	30.09	6.71
Kherson	16.08	26.07	9.99
Khmelnysky	12.79	23.61	10.81
Cherkasy	11.80	21.70	9.90
Chernivtsi	9.67	20.05	10.37
Chernihiv	16.54	24.39	7.84
Kyiv	21.40	33.73	12.33

* Source: formed according to Number of enterprises by type of economic activity. 2010-2018: stat.collection. State Statistics Service of Ukraine.

The conducted analysis in the period 2016-2018 comparatively to 2014-2016 showed positive dynamics of the growth of innovative enterprises in the regions of Ukraine as a whole except Rivne

region. The absolute growth rate in Ukrainian overall structure is quite significant, amounting to 9.68%.

The results of performed research make it possible to make the gradation of all regions of Ukraine in relation to the level of absolute growth for certain periods, dividing them into appropriate groups (Table 2)

Table 2.

The Ukrainian regions grouping in relation to the indicator of absolute growth of innovatively active enterprises, 2016-2018 comparatively to 2014-2016, % *

The indicator of the absolute growth of innovative enterprises in the overall structure of enterprises in 2016-2018 comparatively to 2014-2016, %			
High >10% (I group)	Medium 10%-8% (II group)	Moderate 7%-5% (III group)	Low <5% (IV group)
Volyn Transcarpathian (Zakarpattia) Zaporizhzhia Kyiv Kirovohrad Lviv Ternopil Khmelnysky Chernivtsi Kyiv - city	Vinnitsia Dnipropetrovsk Luhansk Sumy Kherson Cherkasy	Donetsk Zhytomyr Ivano-Frankivsk Mykolayiv Odessa Poltava Kharkiv Chernihiv	Rivne

* Source: formed according to Number of enterprises by type of economic activity. 2010-2018: stat.collection. State Statistics Service of Ukraine.

This comparability of innovatively active enterprises in comparison to the total number of enterprises demonstrates the innovative development of the concrete region, as it is the business entities that provide high rates of development of cities and entire regions.

Regarding to the classification by average number of employees, so that the quantity of innovatively active enterprises also increase every year in comparison to the previous periods (Table 3).

Table 3.

The enterprises innovative activity classification according to the average number of employees, 2014-2018 *

Total	Number of enterprises, units				Innovatively active enterprises, units			
	2014-2016		2016-2018		2014-2016		2016-2018	
	27726	100%	29129	100%	5095	100%	8173	100%
From 10 to 49 people	20339	75.35	21170	72.67	3020	59.27	5097	62.36
From 50 to 249 people	5702	20.56	6123	21.02	1407	27.61	2140	26.18
250 people and more	1685	6.07	1836	6.30	668	13.11	936	11.45

* Source: formed according to Number of enterprises by type of economic activity. 2010-2018: stat.collection. State Statistics Service of Ukraine.

The largest concentration of innovatively active enterprises in comparison to the total number of enterprises is allocated in small business (nearly 62.36% in 2016-2018). Average-sized innovative enterprises for the same researched period showed a value of 26.18%. Large-sized enterprises are characterized by a slight lag, which is 11.45% of innovatively active.

Conclusions

The providing of innovative development of Ukrainian enterprises is, in fact, the only prerequisite for their potential entry into the world markets.

The comparative analysis for a certain period, in general, showed a positive trend towards the growth of innovative enterprises in the regions of Ukraine. The results of the study made it possible to gradate all regions in accordance to the level of absolute growth. On the basement of dividing them into appropriate groups it becomes possible to assess the degree of saturation of innovatively active enterprises in the regions of Ukraine.

The exploration of the innovative potential of enterprises in terms of application of innovations for the sake of their progressive development will be the direction of further research.

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