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INNOVATIONS AS A COMPONENT OF ENTERPRISE ECONOMIC PROTECTION MANAGEMENT

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The market transformation of the economy of Ukraine has set up enterprises as sovereign subjects of the principles of new mind functioning in a competitive market environment, such as dynamism, slowness, and risk. It depends on the nature and mechanisms of business management from the point of view of their adaptability, ability to actively respond to changes in the external and internal environment with the method of ensuring competitiveness and steady dynamic development. To ensure this, we can help to ensure the economic protection of enterprises, the current reaction to the demands of the outer and inner environment, which is implemented on an innovative basis. It has been proved that the implementation of innovative activities requires the formation of a specific socio-economic environment, which characteristics are: the orientation of all factors of the reproduction process to ensure the use of advanced technologies and results of new research; creation of a modern innovation infrastructure aimed at supporting innovation activities; formation of innovative culture of society. It is substantiated that the innovative development of enterprises is the basis for increasing the efficiency of management and the level of protection against environmental threats. Innovative activity of domestic enterprises tends to decrease, which negatively affects the competitiveness of their products, impairs their investment attractiveness and level of economic protection. It was proved that an important element of enterprises economic security is the innovation component, which contributes to the formation of the synergy effect and increase the management efficiency. It has been established that the innovation policy of enterprises is the basis of economic security as vital for effective prevention and counteraction to internal, external, potential and real threats and dangers of financial and economic and socio-economic activities of the enterprise.

ІННОВАЦІЇ ЯК СКЛАДОВА УПРАВЛІННЯ ЕКОНОМІЧНОЮ ЗАХИЩЕНІСТЮ ПІДПРИЄМСТВА

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підприємство, інновація,
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конкурентоздатність

Ринкова трансформація економіки України поставила підприємства як господарюючі суб'єкти у принципові нові умови функціонування в конкурентному ринковому середовищі, яким притаманна динамічність, мінливість, ризик. Це висуває нові вимоги до характеру і механізмів управління підприємством з точки зору їх адаптивності, спроможності активно реагувати на зміни зовнішнього і внутрішнього середовища з метою забезпечення конкурентоспроможності і стійкого динамічного розвитку. Забезпечити такі вимоги спроможна належна економічна захищеність підприємств, сутністю якої є реакція на виклики зовнішнього і внутрішнього середовища, що реалізується на інноваційній основі. Встановлено, що здійснення інноваційної діяльності потребує формування специфічного соціально-економічного середовища, характеристиками якого є: орієнтація всіх чинників відтворювального процесу на забезпечення застосування прогресивних технологій та результатів нових наукових досліджень; створення сучасної інноваційної інфраструктури, спрямованої на підтримку інноваційної діяльності; формування інноваційної культури суспільства. Обґрунтовано, що інноваційний розвиток підприємств є підґрунтям зростання

ефективності господарювання і рівня захищеності від загроз зовнішнього середовища. Інноваційна активність вітчизняних підприємств має тенденцію до зниження, що негативно впливає на конкурентоспроможність їх продукції, погіршує їх інвестиційну привабливість і рівень економічної захищеності. Доведено, що важливим елементом економічної захищеності підприємств є інноваційна складова, яка сприяє формуванню ефекту синергізму й підвищення ефективності господарювання. Встановлено, що інноваційна політика підприємств є підґрунтям економічної захищеності, як життєво необхідної для ефективного упередження і протидії внутрішнім, зовнішнім, потенційним та реальним загрозам і небезпекам впровадження фінансово-господарської та соціально-економічної діяльності підприємства.

Problem statement

In today's rapidly evolving information technology, scientific and technological progress and global evolutionary processes in production and financial and economic activities, innovative development of the enterprise is one of the main factors ensuring its economic security as the ability of the business entity to effectively and successfully future functioning.

On the one hand, the dependence of the economic protection level on the innovative potential of the enterprise and, on the other hand, the need to implement basic innovation processes in accordance with existing enterprise competitiveness and survival requirements, are closely related to economic protection and innovative development of the enterprise.

Practice shows that enterprises have a leading role in the technological renewal implementation program of the country's economy. Nowadays, the management of enterprise innovative development is a purposeful is a system of activities to generate and develop ideas as well as to implement innovations in production.

In market conditions, the company, as an open system, operates in a complex, unstable and dynamic environment, and that's why move to quality transformations of production potential by means of intensifying innovative development as the basis of economic security is natural. Thus the problem of forming the state of enterprise economic security is being examined from the point of view of scientific research of modern problems of intensification of innovative development and is under review by domestic and foreign scientists.

Analysis of recent researches and publications

Scientists such as P. Drucker [1], I.L. Petrova, T.I. Shpilova, N.P. Sysolina [2], O.B. Salikhova, O.V. Sheludko [3], S.M. Shkarlet [4] and others performed in-depth study of the problem of enterprises innovative development.

Scientists note that the introduction of innovations is the basis of economic enterprise security in an unstable environment, which contributes to creating conditions for its effective functioning and development. In their research, they focus on the constituent elements of innovation, on the factors that influence the formation of economic security of the production system. Most scientists consider that in modern business conditions the active introduction of innovations has no alternative.

To that end, the company management must develop and implement an effective innovation policy, which is

the basis for the formation of their competitiveness and economic security.

Formulating of objectives

The aim of the article is to study approaches to the interpretation of the innovation and innovation development essence, as well as to characterize the principles of innovation development, and to study the impact of innovation management on the enterprises economic security formation.

Presentation of the main research material

The scientific works show that the concept of «innovation» has always been under review by the famous economists. In particular, the founder of the theory of innovation P. Drucker considers innovation as a means of studying market changes, while the possibility of gaining competitive advantage through innovation policy is practically not considered [1].

The implementation of innovative activities requires the formation of a specific socio-economic environment, which main features include:

- 1) the orientation of the reproduction process factors to ensure high efficiency and quality of production through the use of advanced technologies and the results of new research;
- 2) creation of a modern innovation infrastructure aimed at supporting innovation activities. It includes all organizations that promote innovation (technology incubators, technology parks, innovation and technology centers, etc.);
- 3) the formation of innovative culture of society, which is manifested in its openness to creativity, innovation, readiness for constructive changes [6].

From the point of view of particular enterprise, innovation should be considered as one of the main means of adaptation to environment constant changes in order to ensure the security of business and improve the well-being of capital owners.

Innovative development is associated with the need for significant investments, which are quite risky, but highly profitable. Therefore, it can be safely said that this process helps to increase the competitiveness of innovative enterprises, and ultimately increase the efficiency of management and the level of protection from external threats.

the range of world-famous companies (as Google, LG, Apple, 3M and many others) is constantly expanding, penetrating new and traditional economic activities. On the other hand, domestic business is generally characterized

by low innovation activity. Moreover, the analysis of the state and dynamics of Ukraine's innovative development shows that a recent years negative sign was the slowdown in innovation. More than 80% of domestic industrial enterprises are not engaged in innovation at all.

The decline in key indicators of innovation activity of domestic enterprises indicates that their products are mostly non-innovative and, thereby, uncompetitive. According to statistics, in the total volume of sold industrial products only 2.5% have signs of innovation, while in the European Union this indicator exceeds 75% [7].

In contrast to countries that are constantly increasing their scientific and innovative potential, Ukraine, on the contrary, is losing it, reducing its investment attractiveness (Tab. 1).

In the Bloomberg ranking of innovative economies in 2020, Ukraine lost 14 positions, taking 56th place, and in 2015, Ukraine ranked 33rd.

According to international estimates, one workplace in the R&D sector of the economy provides more than two jobs in other areas. In particular, according to Battelle, in 2014 the gross expenditure on research and development of 465 billion dollars provided 2.7 million jobs in the US in the R&D sector of the economy and further support the operation of more than six million jobs in other sectors [8].

That is why it is very important to ensure the intensification of innovation processes, which will contribute to the formation of competitive advantages as a basis for enterprise economic security.

Ukraine's lag in the number of innovations poses a serious threat to economic independence and, consequently, to the country's security. However, this is not the only risk factor. Another is the low quality of innovation. According to experts, 75% of investments are directed to the III-rd order and only 20% and 4.5% to the IV-th and V-th technological orders, respectively. In the technological part of capital investments (technical re-equipment and

modernization) also dominates III-rd technological order (83%), and only 10% is accounted for by IV-th order.

As a result, in the industrial complex of Ukraine dominates production of the third and fourth technological orders (heavy engineering, steel production and rolling, shipbuilding, nonferrous metallurgy, organic and inorganic chemistry), with total account 94%.

It should be noted that V-th (computerization, informatization, modern branches of electrical industry and instrument making, aviation, medical, chemical, pharmaceutical industry) and VI-th (microbiological industry, science-intensive and high-tech medical equipment, activities based on biotechnology, genetic engineering) technological orders accounts for 6%, in particular the VI-th order that matches post-industrial countries accounts for 1% [9].

Active innovation activity determines the formation of competitive advantages of the enterprise, which allows to operate successfully in the market. Innovation is the primary source of the innovation process. However, for the successful implementation of innovations in domestic enterprises it is necessary to create appropriate conditions. Researcher S.V. Lobunska notes that the processes of innovation in the economic activity of enterprises are directly related to additional economic risks, that cause a decrease in the economic security of the enterprise overall level.

On the other hand, the lack of innovation in the enterprise itself is a factor of considerable risk and threat to the enterprise [9].

The scientific works of S.M. Shcharlet are noteworthy in terms of enterprises economic security formation by means of intensifying their innovative development [4]. The researcher shows that it is possible to achieve the security of the enterprise only due to constant innovative changes that form the competitive advantage of the enterprise in the market.

Table 1 – Dynamics of the Global Innovation Index, Bloomberg (2017–2020)

2020 Ranking	2017 Ranking	Change 2020 / 2017	Country	Total	Research and studies	Manufacturing value added	Productivity	Concentration of high-tech companies	Enrolment in higher education	Concentration of researchers	Patent activity
1	3	+2	Germany	88,21	8	4	18	3	26	11	3
2	1	-1	South Korea	88,16	2	3	29	4	16	5	11
3	6	+3	Singapoure	87,01	12	2	4	17	1	13	5
4	4	0	Switzerland	85,67	3	6	14	10	17	3	19
5	2	-3	Sweden	85,50	4	16	19	7	13	7	18
6	10	+4	Israel	85,03	1	31	15	5	32	2	7
7	5	-2	Finland	84,0	10	15	9	14	24	9	10
8	8	0	Danmark	83,22	7	24	6	8	31	1	24
9	9	0	USA	83,17	9	27	12	1	47	29	1
10	11	+1	France	82,75	13	39	16	2	20	17	8
			...								
56	42	-14	Ukraine	48,24 47,28*	57 47*	57 48*	57 50*	35 32*	48 21*	49 46*	36 27*

Remark:* Indices of 2017

Source: [3]

It's should be mentioned that it is this subsystem of dynamic economic protection forms the parameters of comprehensive development of the enterprise on the basis of its innovation policy (competitive advantages, product competitiveness, new schemes of production organization, innovations in core activities, technology, marketing programs and innovations in enterprise management).

That is why the problem of intensifying the enterprises innovative activity in the general system of economic security is quite relevant today. The innovative activity of the enterprise allows to effectively use its resources and market opportunities to prevent external and internal threats, which contributes to improving the economic and social results of management based on the formation of enterprise competitive advantages.

It should be noted that along with financial, technical-technological, intellectual and personnel, political-legal, environmental components of enterprise economic security the innovative component should be considered. The main content of the innovation component is its ability to influence other components, creating a synergistic effect, and increase the level of economic security through the introduction of innovations in production and management.

In conditions of global competition, the innovation factor determines the paradigm of economic development and the essence of the economic security concept. Therefore, the enterprise economic security cannot be defined only as a «state of security» without taking into account the possibilities of long-term development on an innovative basis.

Increasing economic security on the basis of intensifying innovative development is directly dependent

on the enterprise investment opportunities. The lack of free access to credit and investment resources for most domestic enterprises has significantly reduced their financial opportunities, which has made it difficult to provide even little funding for innovation processes.

The key component of the economic security of the enterprise is the innovation policy, which directly determines the effect, efficiency and reserve of competitive advantage of the enterprise. The innovation policy of the enterprise is a comprehensive system of activities for the creation, management and use of intellectual resources. And from this point of view it could be considered as the basis of economic security, as vital for effective prevention and counteraction to internal, external, potential and real threats and dangers of financial, economic and socio-economic enterprise activities.

It should be noted that innovation policy, as a basis for enterprise economic security formation serves as a tool for innovative redistribution of enterprise resources in favor of competitive economic initiatives designed for qualitative «breakthrough» in commercial, industrial, social, competitive and other environments. But it is also worth noting that unreasonable arrangements and principles of innovation policy represent potential threat to the state of economic security.

Therefore, in the system of «innovation policy – enterprise security» must be available applied mechanisms of integrated action for a continuous process of targeted innovation management and continuous improvement of production consumer parameters.

Functions of innovation development management, aimed at improving the economic security of the enterprise, are presented in Fig. 1.

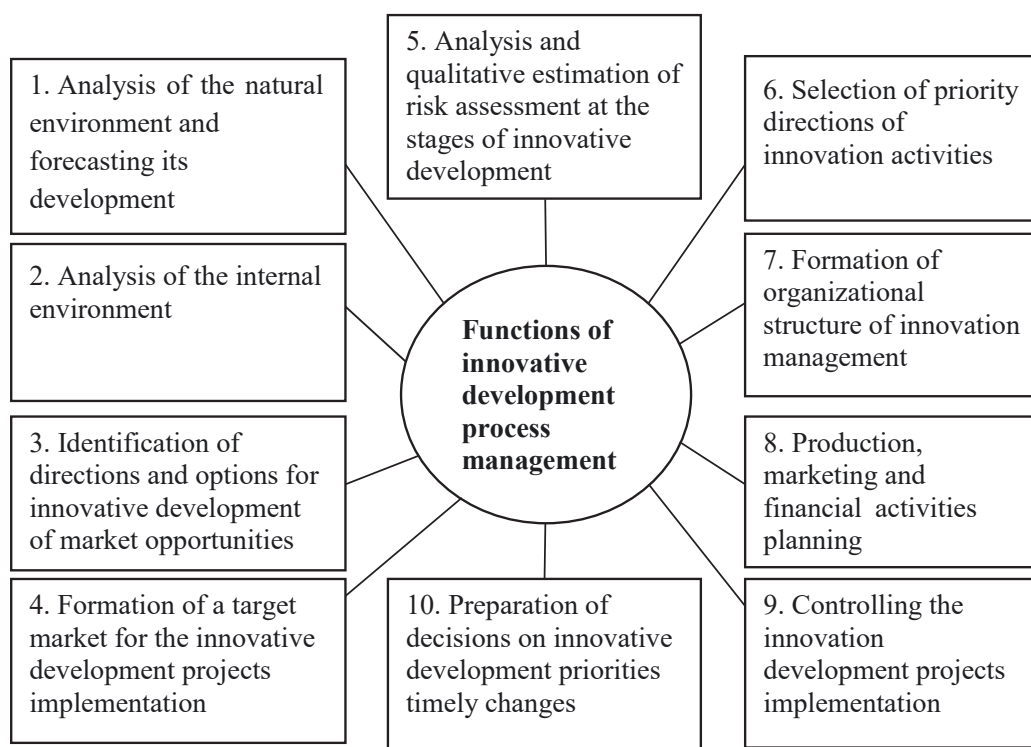


Fig. 1 – Main functions of enterprise innovation development management

Thus, in a competitive environment it is important to find market opportunities for innovative development, because traditional products and traditional methods of production and marketing organization in a rapidly changing environment are non-perspective. There are problems of forming an enterprise adaptation mechanism to changing economic conditions of the transition economy through the rapid identification and implementation of market opportunities for innovative development in order to increase economic security.

Conclusions

Enterprises security is the most important condition for the effective development of the national economy. Thus, in the global financial and economic crisis, the importance of economic security of industrial enterprises as the main

link of the domestic economy is a part of the strategic goal of increasing the national economy competitiveness.

The current state of economic development of Ukraine has led to the formation of new conditions of enterprises activity characterized by a high negative level of external factors influence on their economic security. Systemic, structural crises, which affect both individual enterprises and entire industries, force the development and application of special management approaches that ensure the security of the enterprise. One of them is the introduction of innovations. However, the level of innovation activity of domestic enterprises lags far behind highly developed countries.

The innovation policy directly determines the possibility of forming a competitive advantage of the enterprise in the market and is the key structural component of the economic security of the enterprise.

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