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INNOVATIVE MANAGEMENT IN THE DEVELOPMENT OF SMALL AND MEDIUM-SIZED BUSINESSES

Abstract. The article discusses innovation in small and medium-sized businesses, as well as features of innovation management. The innovative economy of any country is mainly determined by the presence of innovative organizations. The innovation of the organization depends on internal factors (this group includes, first of all, the potential and resources of the organization, intellectual capital, material, financial and organizational resources). In addition, the level of development of innovative activities of the organization depends on the characteristics of the industry and the sector in which the organization operates. External factors include: national conditions, such as legal acts related to the support of innovative activities or conditions for the development of innovations in a particular region, as well as legal, cultural, economic and technical factors.

Keywords: innovation, innovation management, small and medium business, potential.

INTRODUCTION

Innovation as an object of control is characterized by such a set of features that require the use of special techniques and methods for managing them. Over the past forty years, innovation management (MI) has been formed as a special professional field of activity and an independent discipline that equips managers with technologies and tools for planning, control and coordination. Innovations are necessary so that enterprises have the opportunity to: remain in business management, achieve their goals in the competition, improve the quality of products and services, attract consumers, and interest them in further cooperation with the best performers. Enterprises must be able to control change and implement innovation in a way that allows them to take advantage of the changes that are taking place. The organizational culture of the enterprise, ultimately, determines the number and type of ongoing innovation.

MAIN PART

Today, the effectiveness of innovation management is determined by the specific ability to save the appropriate amount of labor, time, resources and money per unit of all necessary useful effects of the created products, technical systems. [3] The effectiveness of innovation management is characterized by a system of economic indicators that reflect the ratio of associated costs and results, and allow judging the economic attractiveness of innovations. Assessing the effectiveness of innovation management retains several significant problems. Some of them, such as accounting for inflation, measuring different indicators at different times, bringing investments and production costs to a single annual dimension, are technically solved in practice using various methods, ratios, etc. Today, small enterprises that implement small innovations are increasingly starting to approach to prepare, plan and control the implementation of their innovations using methods and management tools. The role of companies specializing in the development and implementation of innovations has grown significantly, and the position and profession of manager (Project Manager) has become one of the most prestigious.

The analysis of all modern models of the implementation of innovative activities in the organization and research within the framework of innovative processes show that the key to regulating the effective implementation of innovative processes is the organization's internal innovative potential.

Theory of innovative potential based on the concept of organization resources. This concept, developed in the early 1990s, suggests that the organization's ability to develop all aspects of its activities is closely related to the availability of appropriate resources. Edith Penrose is the forerunner of this position. In her publication, she showed the role of resources in shaping the competitive advantage of an organization. A detailed analysis of the factors that determine the innovative potential of an organization is the subject of numerous studies and scientific publications. For the first time, a general idea of the factors determining the innovative potential of an organization was provided by Bircell and Armstrong. These authors have developed a model of conditions for the development of innovation, which includes the following factors:

- external environment;
- internal environment;
- innovation process;
- development management.

A similar view was presented by Mkosh, Smart, Barer and Lloyd. This group of researchers conducted an analysis of the impact of managerial personnel of organizations on the creation of innovation. The basis of the list of conditions necessary for the effective implementation of innovative processes includes:

- a culture of innovation support;
- market implementation;
- desire and learning ability;
- the ability to profit from the competencies of the organization for innovative processes.

A slightly different point of view on the conditions for creating innovation was presented by Teed, Bessant and Pavitt. They emphasized internal organizational factors, which, in their opinion, stimulate the development of innovative processes. These include: the foresight of management, the corresponding organizational structure; willingness to participate in the innovation process; ability to conduct teamwork; willingness to learn and make new management decisions.

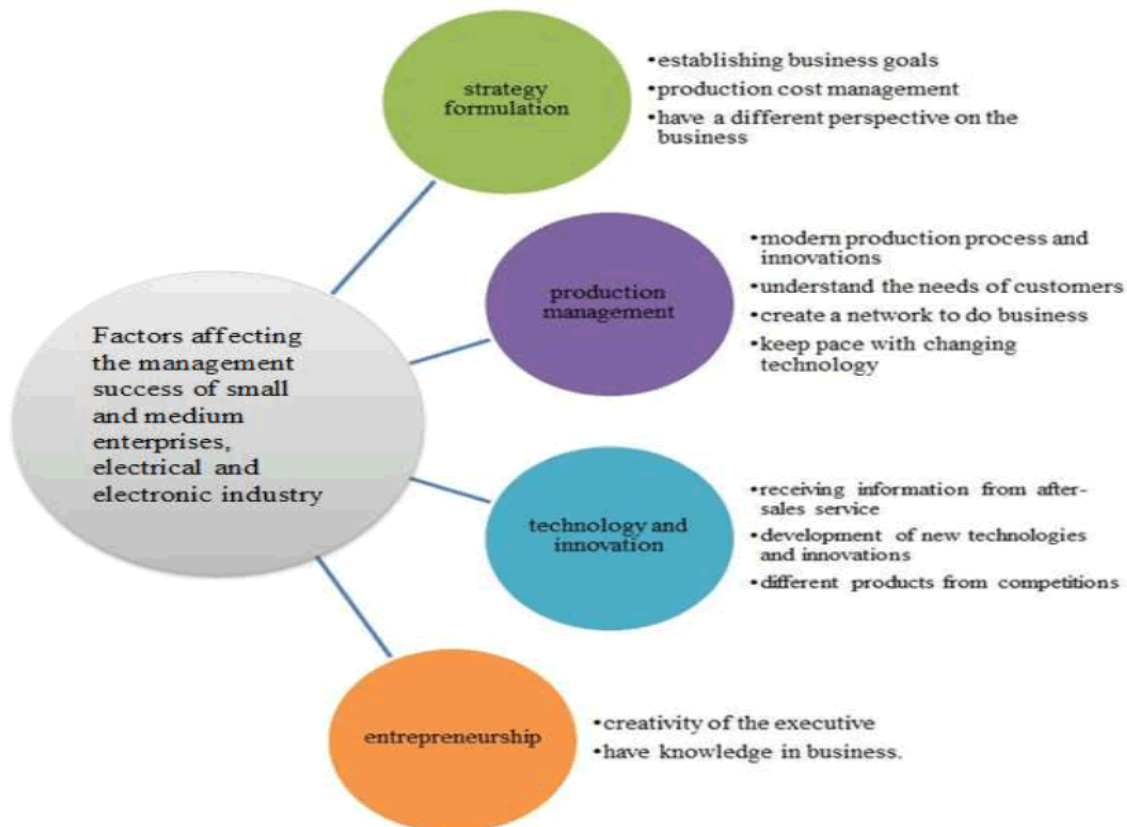


Figure 1 – Factor affecting the management success of small and medium enterprises

In practice, a company has an impact only on internal factors in the process of creating innovative potential and creating a strategy related to innovative activities in the long term. For this reason, the ability to analyze and evaluate the internal factors that shape the innovative potential is extremely important. Recently, studies of conditions affecting the innovativeness of enterprises and the methodology for measuring innovation have gained significant importance. These studies are supported by numerous publications and have both academic and practical value. Large enterprises have developed effective methods and tools for assessing their own innovative potential. An example of such tools is a map created by the Bostan Consulting Group.

The one-sidedness and complexity of the phenomena that form the innovative potential of an organization require the development of optimal methods for its analysis and evaluation. This problem is especially true for organizations in the field of small and medium-sized businesses. The authors of many works propose new methodologies for measuring the innovative potential of organizations, taking into account the influence of regional conditions on the innovativeness of an organization. New methods for measuring innovative potential are often used by various organizations, for example, service organizations or high-tech organizations. Small business is accompanied by a small margin of sustainability and significant competition, and the innovation process, as in a large enterprise, includes the entire technology for creating new products and services. A small business quickly responds to changing market conditions and quickly brings the changed tasks to employees. The reaction of creative employees is accompanied by instant decision-making and changes in work. Therefore, the management of an innovative small enterprise differs from the methods of managing employees in a large enterprise. In a small business, there is a close interaction between the leader and employees, and most often, the leader initiates innovations and leads the process of innovation management.

In this process, teamwork and focus on innovative results are of great importance. Successful leaders in managing creative employees are not just technologically minded autocrats and not ordinary drafters of business agreements and deals. They are not outside innovative activity, but create conditions that allow creative workers to introduce innovations. Management of creative employees is an indispensable component of the management and development of a small innovative enterprise. For the effective functioning of any enterprise in personnel management, the principles of the scientific organization of labor have always been used. And managerial innovation must be considered as a methodology that is significantly different from NOTs and first used at this enterprise. A feature of innovations in personnel management is a reference to the innovative goals of a small enterprise, accompanied by uncertain results and the emerging conflict between existing achievements and innovations. The model of innovative management of creative employees of a small enterprise should take into account the fact that the innovation process can be very complex. The innovation process includes many different steps, steps, phases.

Innovative projects are more unique, they are not repeated. And at the beginning of the innovation process, an idea appears from which innovations are modeled. And the main goal of innovative management of creative employees of a small enterprise is to constantly maintain a basket of ideas full to the brim with rich innovations. These ideas should come from all creative staff, university research centers, and basic science. To improve the development efficiency of an innovative small enterprise, it is necessary to develop a model for managing creative workers to highlight innovation as a key component of a small enterprise strategy, as the main source of its development. The model for managing creative workers is based on creating platforms for the development of an innovative small business.

Overall, Switzerland topped the 2019 ranking with a score of 67.24 out of 100, the ninth time it has been named the world leader in innovation.

Last year, the Netherlands came second but has now been displaced by Sweden, dropping down to fourth place. The top-three is completed by the United States which has a score of 61.73. Last year was notable with China managing to make the top-20 for the first time when it came 17th. Increasing levels of innovation in Asia has seen it improve its position even further and it has now moved up to 14th. India has risen the most in the rankings since 2018, jumping five places to become the 52nd most innovative nation.

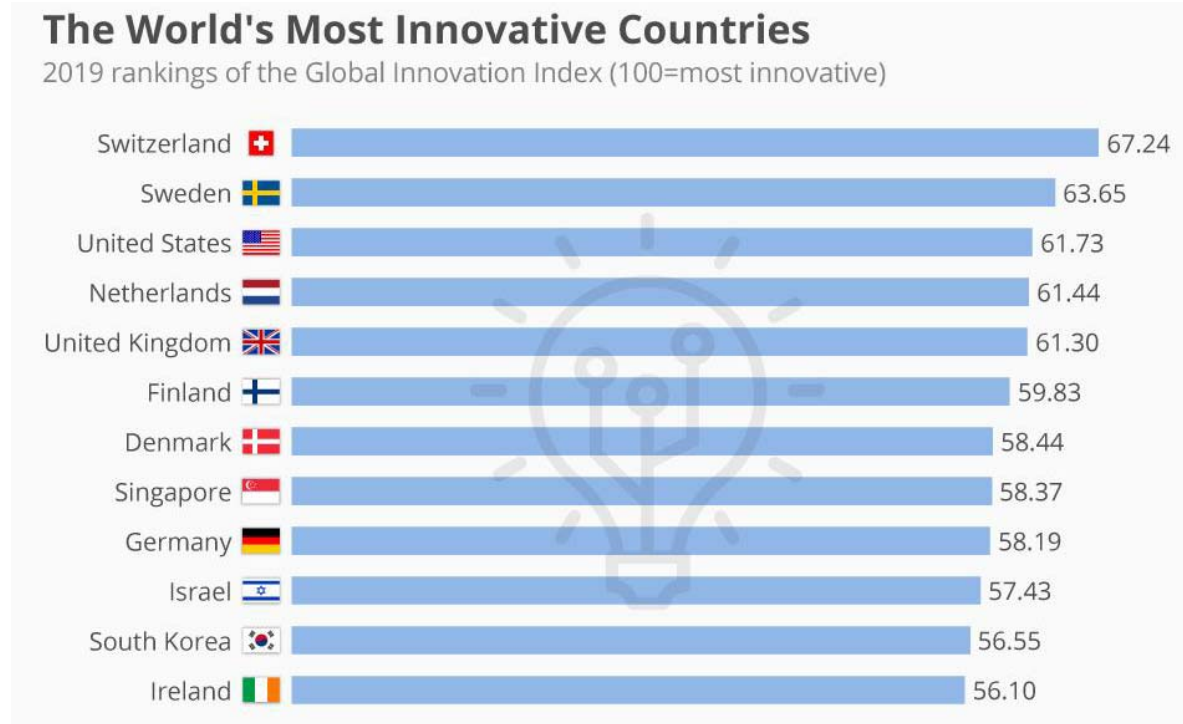


Figure 2 - 2019 rankings of the Global Innovation Index

The basis of the platform for innovative employee management is to lay the growing role of the personality of a creative employee. It has been established that innovative changes in small business simultaneously bring both great opportunities and serious threats to a creative employee, and introduce a significant degree of uncertainty into the life of almost every employee. In order to eliminate the uncertainties that have arisen, it is necessary to study the motivational attitudes of each creative employee and learn how to form and direct them in accordance with the tasks facing a small innovative enterprise. Innovative management of creative employees should include the development of an individual personnel strategy in a continuous mode. The leadership of a small enterprise in order to increase the efficiency of innovative activities of creative workers must manage the processes of creating and disseminating innovations, create organizational structures that allow developing the necessary knowledge, competencies, and maintain a constant learning process in a small enterprise.

A special place in the innovative management of creative employees is occupied by the process of creating a platform for the development of a small enterprise based on the integration of technologies and competencies in order to maintain and develop certain “baskets” of innovations. Such technology and competency platforms are focused on stimulating the innovative activity of creative employees, which is a key factor in the development of a small enterprise.

In order to enhance the creative, intellectual activities of employees, the processes of creating and disseminating innovations, the model of innovative management of creative employees involves a systematic approach to developing a strategy and structure for a management platform.

During the analysis of innovations of Kazakhstani organizations of the sector of small and medium business, the author of this publication put forward the following hypotheses:

1. Kazakhstani organizations in the field of small and medium-sized businesses do not have sufficient internal innovation potential.
2. Insufficient internal innovation potential is the main obstacle to the effective implementation of innovation processes of Kazakhstani organizations in the field of small and medium-sized businesses.

The author conducted a detailed review of existing studies of other authors in the field of innovative potential. In particular, the author took into account the results of studies conducted by D. Miller and S.A. Zahrom (research at the level of innovation), K. Koberg, D., Davin and K. Cheetah (study of cooperation in the organization), K. Cameron and R. Quinn (research on organizational culture).

In each area specific factors were considered):

1. Analysis of the internal and external situation of the company.
2. Questions regarding the search for ideas for innovation.
3. Matters relating to planning projects taking into account innovative developments.
4. Financing innovative projects.
5. Culture of innovation and human resources development strategy.
6. The internal environment of the organization and its organization.
7. Matters relating to the diffusion and transfer of innovation to the market.
8. Issues related to the implementation of innovative projects.

CONCLUSION

These hypotheses have a research goal, which is to analyze and evaluate the internal innovative potential of Kazakhstani organizations in the field of small and medium-sized businesses in order to identify barriers to the effective implementation of innovative processes.

All important internal determinants that affect the organization's ability to effectively carry out innovative activities are examined in detail in the study.

The authors note that in companies belonging to different industries or sectors, when implementing the innovation process, the application of one method of measuring innovative potential leads to incorrect results. All this leads to the need for an in-depth study of the innovative potential of the company.

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ШАҒЫН ЖӘНЕ ОРТА БИЗНЕСТІ ДАМУДАҒЫ ИННОВАЦИЯЛЫҚ МЕНЕДЖМЕНТ

Аннотация. Мақалада шағын және орта бизнестегі инновациялар, сондай-ақ инновациялық менеджменттің ерекшеліктері қарастырылады. Кез келген елдің инновациялық экономикасы негізінен инновациялық ұйымдардың болуымен анықталады. Ұйымның жаңашылдығы ішкі факторларға байланысты (бұл топқа, ең алдымен, ұйымның әлеуеті мен ресурстары, зияткерлік капитал, материалдық, қаржылық және ұйымдастырушылық ресурстар кіреді). Сонымен қатар, ұйымның инновациялық қызметінің даму деңгейі саланың және ұйым жұмыс істейтін сектордың сипаттамаларына байланысты. Сыртқы факторларға мыналар жатады: ұлттық жағдайлар, мысалы, инновациялық қызметті қолдауға байланысты құқықтық актілер немесе белгілі бір аймақтағы инновацияларды дамыту шарттары, сондай-ақ құқықтық, мәдени, экономикалық және техникалық факторлар.

Түйін сөздер: инновация, инновацияны басқару, шағын және орта бизнес, әлеует.

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ИННОВАЦИОННОЕ УПРАВЛЕНИЕ В РАЗВИТИИ МАЛЫМ И СРЕДНИМ БИЗНЕСОМ

Аннотация. В статье рассмотрена инновация в малом и среднем бизнесе, а также особенности управления инновациями. Инновационная экономика любой страны в основном определяется наличием инновационных организаций. Инновационность организации зависит от внутренних факторов (в эту группу

входят, прежде всего, потенциал и ресурсы организации, интеллектуальный капитал, материальные, финансовые и организационные ресурсы). Кроме того, уровень развития инновационной деятельности организации зависит от особенностей отрасли и сектора, в которой организация осуществляет свою деятельность. Во внешние факторы включаются: национальные условия, например правовые акты, связанные с поддержкой инновационной деятельности или условия для развития инноваций конкретного региона, а также юридические, культурные, экономические и технические факторы.

Ключевые слова: инновации, инновационное управление, малый и средний бизнес, потенциал.

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