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## SUSTAINABLE ECONOMIC GROWTH WITH INNOVATIVE MANAGEMENT IN UZBEKISTAN

**Abstract:** *The main purpose of this article analyzes successfully optimizing discipline in accordance with general objectives of management through innovation. Study of the theory and practice of innovation management at organization as one of the main directions of increasing competitiveness in a market economy. The study of theoretical approaches and materials provided for in the this paper provides sustainable economic growth in Uzbekistan. On this discipline we will discuss modern skills and effective management at companies for providing relevant competencies in national economy.*

**Key words:** *innovation, management, economic efficiency, sustainable growth*

**Language:** *English*

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**Classifiers:** *Management.*

### Introduction

Innovation management is the process of transforming a new idea for a world, country or a specific region about the concept of a product, business process, marketing, technology, materials and components into a commercial project with the goal of maximizing profit and optimizing risks as part of the overall strategy of the business system [1]

Innovation management is the End result of creative activity, embodied in the form of new or improved products or technologies that are practically applicable and able to satisfy certain needs. In other words, innovation is the result of the implementation of new ideas and knowledge with the aim of their practical use to meet certain consumer needs [2].

Innovation management is the final result of the creation and development (implementation) of a fundamentally new or modified means (innovation) that meets competitive social needs and gives a number of effects (economic, scientific, technical, social, technological) [3].

Innovation management is a new or improved product (product, work, service), the method (technology) of its production or use, innovation or improvement in the field of organization and (or) production economy and (or) sale of products, providing economic benefits, creating conditions for such benefits or improving the consumer properties of products (goods, work, services) [4].

Innovation management is a change (new combinations) of production factors, motivated by the entrepreneurial spirit, with the aim of introducing and using new types of goods, new methods and methods of production, new sources of raw materials, the development of new markets, new forms of organization of production (reorganization with the goal of monopolization)[5].

Innovation management is a special tool for entrepreneurs, a means by which they use change as a chance to implement a new type of business or service. Innovation is the development and implementation of a new, previously non-existent,

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with the help of which old, well-known elements give a new shape to the economy of this business [6].

### Methods and materials

In this article it has been used qualitative methods with ground theory and some statistics data collection with analysis. Current paper work shaped under various books about management and Google Scholar data base scholastic works.

### Results

The business survival game is straightforward: innovate or dis-appear (Goffin & Mitchell, 2016). Less straightforward is “how” in-novation processes can be effectively managed. One possible solution is to increase investment in Research and Development (R&D). However, the results of a comparison between a survey carried out by BCG Global Innovators (Ringel, Taylor, & Zablit, 2015) and a survey conducted by Booz & Company (Jaruzelski, Loehr, & Holman, 2013) on innovators and R&D spenders indicate that the size of the R&D investment is not the only decisive factor in creating value from innovation.

This phenomenon is perhaps not surprising, as Burns and Stalker (1961) had already suggested the need not to overestimate the impact of R&D investment on innovation capability. The management of innovation calls for a broad range of qualities and capabilities, which go beyond R&D spending (Cooper & Edgett, 2008). Innovation management needs a vision and a strategy, appropriate processes to implement innovation, and organizational conditions and culture that facilitate the emergence of ideas and their implementation (Bel, 2010). Along with the increase in competition, the quest for the “right” blend of process-driven and people-oriented aspects of innovation management has become one of the firms' highest priorities (Trott, 2008)

There is a large, multi-disciplinary and diverse body of aca-demic literature on innovation (e.g. Anderson and Tushman, 1990; Cohen and Levinthal, 1990; Fagerberg, 2004; Nelson and Winter, 1982; Tushman and Anderson, 1986; Van de Ven et al., 1999). Innovations can focus on different dimensions and so have different outcomes such as new products or services (product innovation), but also new production processes (process innovation) (Crossan and Apaydin, 2010) and new ways of organizing work (organizational innovation) (Fagerberg, 2004). We study the processes of organizational innovation and more specifically of management innovation (Birkinshaw et al., 2008; Birkinshaw and Mol, 2006; Hamel, 2006; Lam, 2004), given the importance of SSM development as an innovation process. Management innovation is a relatively

new and still under-researched form of organizational innovation (Birkinshaw et al., 2008; Birkinshaw and Mol, 2006; Damanpour et al., 2009; Vaccaro et al., 2010). Yet, it is a significant topic in the field of strategic management (Wu, 2010).

Specialized R&D divisions - councils, committees, working groups on the development of technical policies are created mainly in large firms in which R&D managers perform the functions of managing innovative processes. Depending on the industry, a manager's position may be called “head of innovation and development department”, “director of strategy and business development” or “innovation marketing manager”. Their responsibilities include the development of technological development strategies for the company, the search for promising developments and the modernization of production.

Branches of new products are independent divisions that coordinate innovation activities within the company as whole, coordinate goals and directions for technical development, monitor the development of new products and their implementation, and review projects for creating new products. Design and target groups for research, development and production of new products.

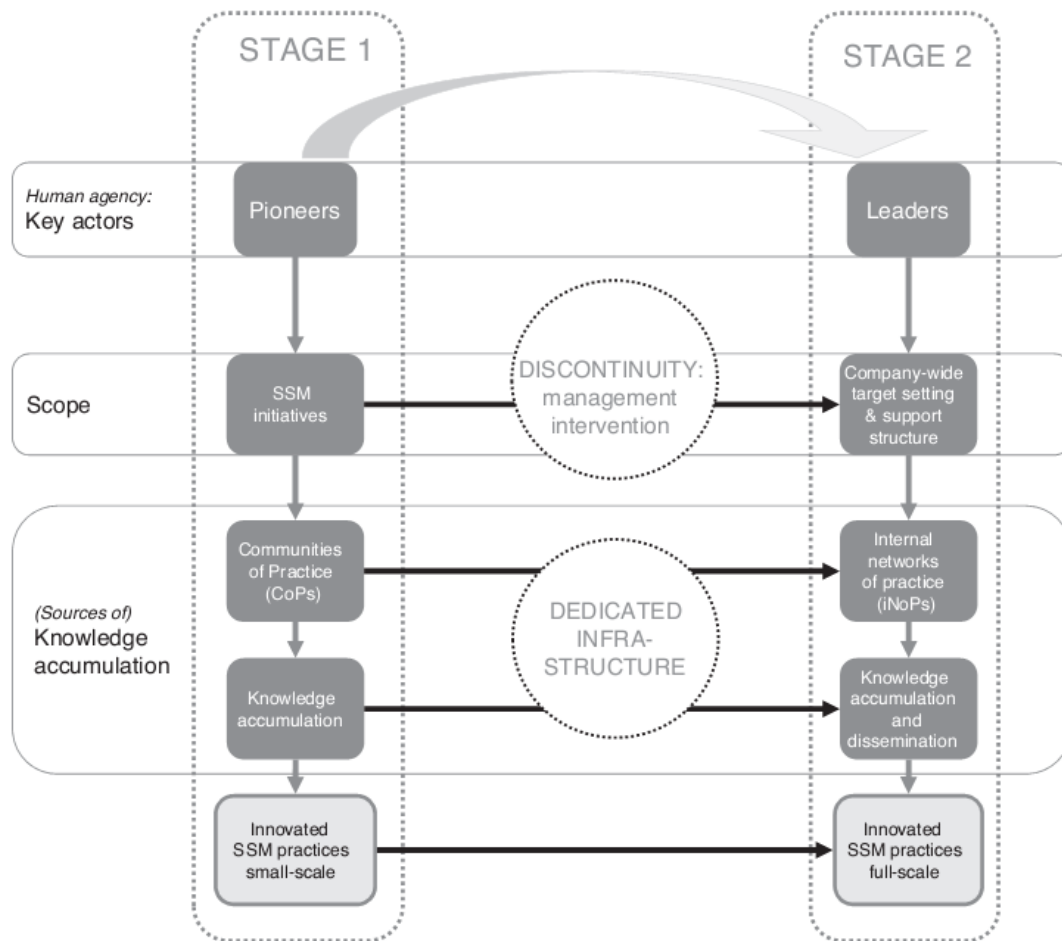
Development centers - a new form of organization of the innovation process, which involves the creation of economically independent units that are not related to the core business of the company. For the centers, such indicators of economic activity are established that at the first stage of the introduction of new products stimulate the expansion of sales and contribute to the conquest of market positions.

R&D departments in manufacturing units in the new innovation management system began to play a more important role than before. They are not only engaged in development, but also quickly bring them to the stage of development, production and marketing. Modern conditions are characterized by increased mutual exchange of personnel between R&D departments and production support departments. An increase in the role of the R&D department is indicated by an increase in their financing in an amount ranging from 3 to 10% of the sales volume of products of the corresponding production department.

Venture divisions are organized in large companies on the basis of creating their own funds of “risk capital”. In the mid-80s, in the United States, out of 509 companies specializing in risky investments, 44 belonged directly to large firms. Venture capital funds are often invested in small start-up companies, which are then absorbed by large ones, or establish long-term intercompany relations with them [7].

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**Figure 1. Management innovation driving sustainable supply management.**

Influence of discontinuity; management intervention In terms of sequences, the phase of management intervention and the related infrastructural investments that occurred in both case companies has had considerable impact on resulting practices. Internal resources, skills and support are needed to make proactive (Hoejmose and Adrien Kirby, 2012) and in our cases to transform into a larger, company-wide approach (see Fig. 1).

Innovation is the driving force behind the most successful companies today, the key to success and the cornerstone of the global competition. Therefore, especially large companies devote large resources to new product development process. The potential benefits of product innovation has placed innovation at the center of the strategies. To sustain competition and to survive and to grow, companies are forced to take new products continuously. To compete in market conditions determined by innovative approaches some certain issues should be considered as (Ayhan, 2001);

- Innovation should be considered as a life style and the environment which encourages innovation must have a strategic priority. With the lack of larger organizational resources, managers of small

companies should realize how important it is to explore new opportunities and to search for new sources in their own structure.

- Innovation can begin with a product, a process or a service idea.

- For the development of innovative strategies, scientific, technological and administrative changes in the world should be monitored closely.

- Creating innovation depends on research and development investments in research intensive industries.

### Discussion

**Research and development investments should be increased.**

- Innovation process must be formulated and performed in a customer-oriented way.

- Innovative structure must be established within the organization to perform innovative activities

- Timing and application of innovation is important because of the shorter lifespan of commercial products.

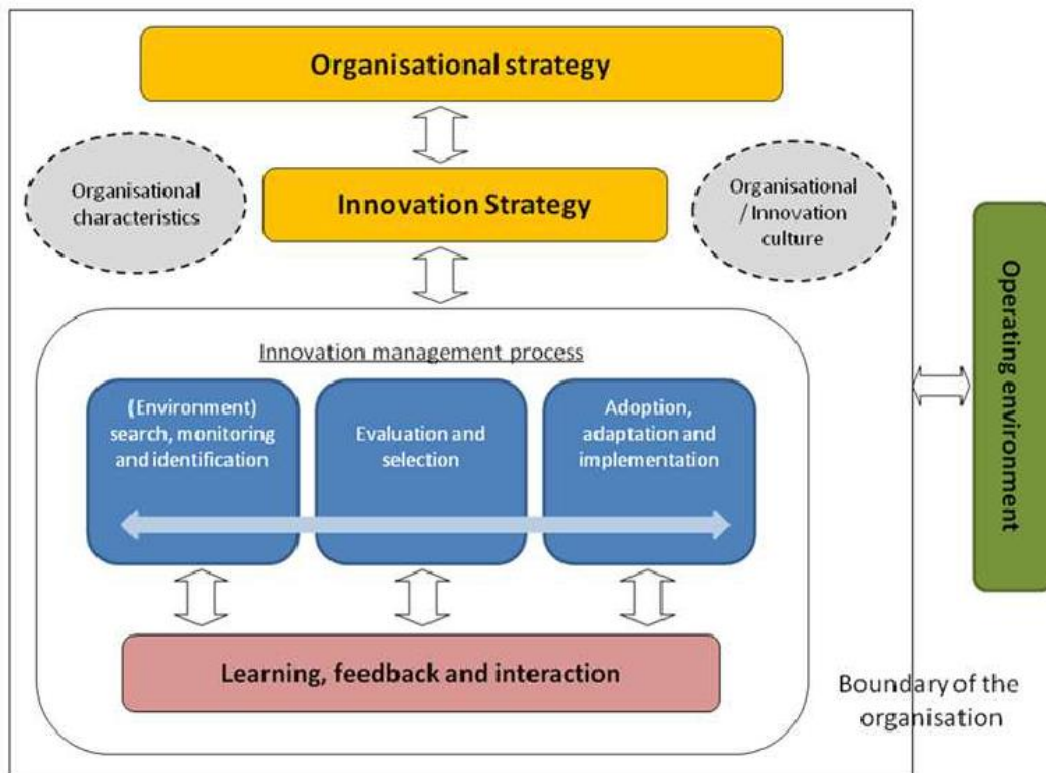
- In addition to sales, information, accounting and financial systems, other systems as compensations and reward systems strengthen innovation.

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- The obstacles in front of innovation such as bureaucracy, approval authority, lack of personal freedom should be well analyzed and appropriate solutions should be found.
- Innovation doesn't have to be expensive but have to be new to be effective.
- An innovative company must be able to maintain viability and provide better service to the customers.
- The establishment and management of cooperative networks between the companies which exchange know-how and ideas provide a basis for accumulation of common knowledge and facilitate achievement of innovation objectives for each of them.
- The probability of success for innovation is higher if the innovation has been produced by teamwork.
- The competition inside the company causes innovative ideas.

- Domestic activities are not limiting but fostering innovation.
- Investigation of the place and the method of innovation is essential for the success of innovation at technology-based industries.
- Innovation carries a risk of technological failure. The countries with many innovative companies use trained human resources better.
- The main objective of the companies is to be successful in all areas. Nevertheless, companies can use their failures as an innovation tool, instead of hiding them.
- The creation of the atmosphere of innovation is difficult for small companies but it is not impossible.
- For most companies the critical element is the ability to understand and react to the changes in the market place not the technology. Technology is an important tool to react in market and technological developments should be monitored continuously.



**Figure 2. Model of the innovation management process in security organizations.**

Source: <https://www.researchgate.net/publication/278033472>

Innovation management refers to creating a new product, a new process, a new organizational or marketing method by starting from an idea. It is a multidimensional concept that includes knowledge, technology, people, vision, leadership and the organizational structure. To succeed, all dimensions should be managed by proper strategies. Companies should be open to innovative ideas and should create

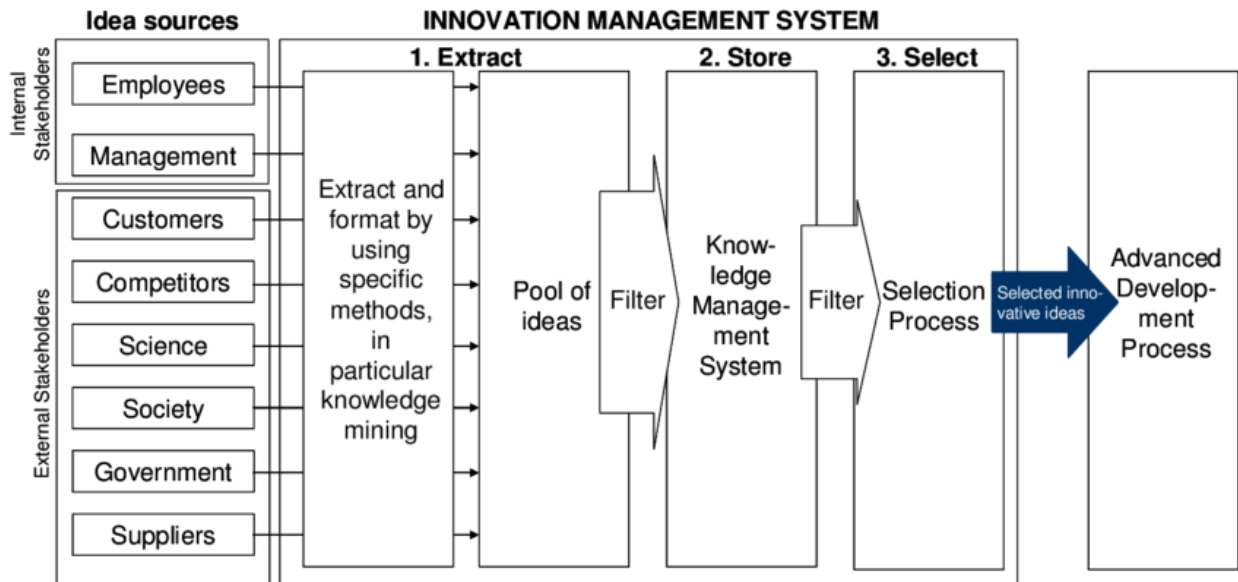
a mechanism that starts with promoting human sources. In this way, innovative initiatives and the competitiveness of companies will increase rapidly. Therefore an administrative structure should be built which supports new ideas and innovative tendencies. Furthermore working conditions should be regulated accordingly (Fig. 2).

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Revealing the principles of management, A. Fayol names those of them that he most often had to apply:

- division of labor;
- power;
- discipline;
- unity of management (command);
- unity of leadership;
- submission of private interests to common;
- reward;
- centralization;
- hierarchy;
- order;
- justice;
- the constancy of the staff;
- initiative;
- staff unity[8].



**Figure 3. Integration of the Innovation Management into the existing system at Pierburg.**

Source: [https://www.researchgate.net/publication/311948679\\_Innovation\\_Management\\_System](https://www.researchgate.net/publication/311948679_Innovation_Management_System)

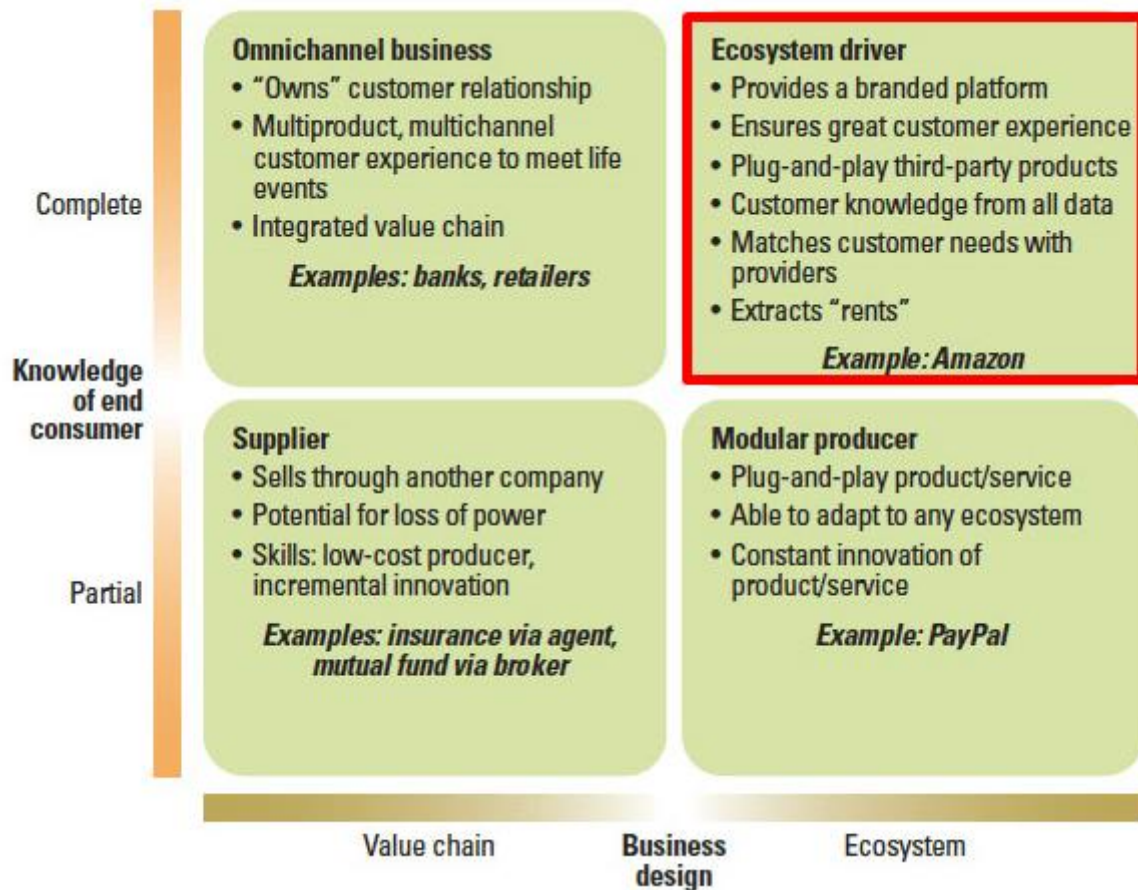
The control element is management. A. Fayol gives the necessary responsibilities of the manager:

- have a deep knowledge of their staff;
  - eliminate incapable;
  - Be familiar with the contracts that exist between the company and the employees;
  - set a good example;
  - do periodic inspections of the enterprise;
  - arrange meetings with its key employees to achieve unity of command and coordination of efforts;
- Do not load your attention with trifles;
- to ensure that among the staff the spirit of efficiency, initiative and a sense of duty prevail.



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**Figure 4. Key Issues in Innovation Management Innovation Management Functions**

Source: <http://timkastelle.org/blog/2016/03/key-issues-in-innovation-management-revisited>

The most important components of innovation management are its functions:

- forecasting;
- planning;
- organization;
- motivation;
- accounting and control;
- analysis and evaluation. Let's consider them in more detail.

For create a system Intrafirm management of the organization, which involves solving the following tasks:

- 1) development of a strategy for innovation;
- 2) definition of thematic areas of activity, the formation of innovative programs and the identification of sources financing;
- 3) building an organizational structure and an innovation management structure;
- 4) selection, placement of personnel and ensuring the implementation of the strategy;
- 5) calendar distribution of works and control over their execution;
- 6) creation of an innovative culture within the enterprise.

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Figure 5. Modern elements of an Innovation Management System.

Source: <https://innovationmanagementsystem.com/the-key-elements/>

Innovation management can be considered as a system of enterprise management. From this point of view, the innovation management system consists of two subsystems: the managing subsystem (management subject) and the managed subsystem (management object). The control subject may be one or a group of employees who carry out the purposeful functioning of the control object. The object of management is innovation, the innovation process and economic relations between participants in the innovation market. The communication of the control subject with the control object is carried out by transmitting information. This transfer of information is a management process (fig.5).

### Conclusion

The role of companies acting in global markets is highly important for achieving competitive advantage for their own and for their nations. To achieve competitive advantage in global markets today, companies need innovative skills in creating, producing, marketing and managing. Companies should develop and implement strategies to develop

and maintain innovative skills in Uzbekistan. This can be only possible with implementation of innovation management properly. Innovation, one of the most important tools of competitive advantage, brings success only if it is managed effectively. Creating new values and managing the creativity process effectively opens new markets and brings competitive advantage. Innovation management refers to creating a new product, a new process, a new organizational or marketing method by starting from an idea. It is a multidimensional concept that includes knowledge, technology, people, vision, leadership and the organizational structure. To succeed, all dimensions should be managed by proper strategies. Companies should be open to innovative ideas and should create a mechanism that starts with promoting human sources. In this way, innovative initiatives and the competitiveness of companies will increase rapidly. Therefore an administrative structure should be built which supports new ideas and innovative tendencies. Furthermore working conditions should be regulated accordingly and will provide sustainable economic growth in national economy of Uzbekistan.

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