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SECTION 31. Economic research, finance, innovation, risk management.



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THEORETICAL BASIS OF MANAGEMENT OF INNOVATIVE ACTIVITY OF INDUSTRIAL CORPORATION

Abstract: *The article discusses the theoretical foundations of innovation management in an industrial enterprise. The production structure of a modern enterprise has been studied. It is proved that the implementation of innovation management processes for the success of their implementation should focus on the reasonable integration of various management structures with individual structural components of the production structures of the enterprise, as well as their elements. Consequently, each organizational and managerial task should be approached strictly individually. Since the introduction of innovations affects all divisions of the organizational structure of management and the production structure of an enterprise, each division has a specific task, which must be completed on a specific date and to a certain extent. On the basis of this, the timeliness of the fulfillment of these tasks, that is, controlling, is tracked. According to the results of the study, a summary description of the areas of implementation of tools for the interaction of the organizational structure of enterprise management and its production structure has been developed.*

Key words: *innovation, innovation process, innovation activity, production structure, organizational structure, logization, controlling.*

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Introduction

In the implementation of the innovation tasks of the corporation a major role plays the production structure of the corporation, which plays the role of the immediate implementation of innovative ideas into practice.

The production structure of the company is the aggregate of the production units, either directly or indirectly involved in the production process, the spatial construction of which shall be based on certain principles and factors[1].

This definition focuses on the fact that the most important element of the production structure of the corporation serves a set of production units, which has its own structure, the study of the combination of which is both scientific and practical interest.

Research Methodology

Instrument-methodical research apparatus is based on application, within the framework of the system approach, general scientific methods of research: logical and situational analysis, expert assessments, questionnaires, observation, interviewing, groupings, comparison. These tools have been used in various combinations at different stages of the research, which allowed to ensure the scientific reliability of the final results, conclusions and recommendations.

Analysis and Results

The structural composition of the elements of the production structure of the corporation is shown in Fig. 1.

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The composition of the elements of the production structure (PS) of corporation pre-determined by the nature of the problem solved (PS) and the composition of departments of organizational structure of management (OSM), i.e.

$$PS \text{-----} \blacktriangleright \text{OSM} \text{-----} \blacktriangleright PS \quad (1.1)$$

Diversity is feature of innovation. With this in mind, every company is trying to structure it taking into account peculiarities of its own functioning. This is a recognized fact, according to which innovation management and organizational structure affects the production structure of the corporation. The extent to

which they are involved and what are the components of a serious question, the solution of which depends on production management in innovation in the corporation. Obviously, it is appropriate to express the assumption that the implementation of management processes in innovation for the success of their implementation. It should focus on the reasonable integration of different management structures with individual structural components of the industrial structures of the corporation, as well as their elements. In other words, for every organizational and administrative problems should be approached strictly individual[2].

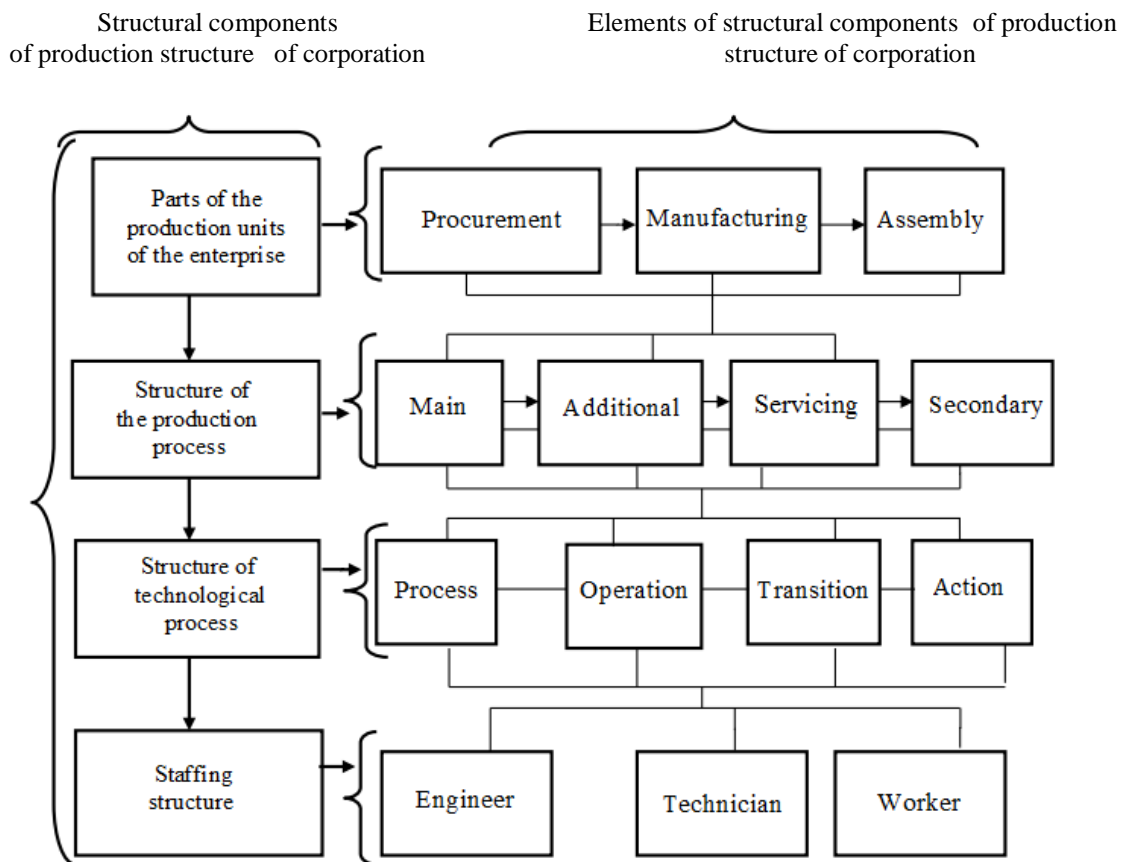


Fig. 1. The structural composition of the elements of the production structure businesses

At the same time, we should not forget that the production management of innovative activity in modern conditions will involve a certain extent reengineering, alliances theory, the theory of the internal market.

Innovation inherent diversity. With this in mind, every company is trying it's structured with taking into account peculiarities of its own functioning. This is a recognized fact, according to which innovation management and organizational

structure affects the production structure of the corporation. The extent to which they are involved and what their constituents - a serious question, the solution of which depends on production management in innovation in the corporation [3].

Obviously, it is appropriate to express the assumption that the implementation of management processes in innovation for the success of their implementation

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It should focus on the reasonable integration of different management structures with individual structural components of the industrial structures of the corporation, as well as their elements. In other words, for every organizational and administrative problems should be approached strictly individual. At the same time, we should not forget that the production management of innovative activity in modern conditions will involve a certain extent reengineering, alliances theory, the theory of the internal market.

The solution of this problem is extremely mobility, dynamism, and focus on the organic combination of the activities of management and production units in the implementation of innovations. In this regard, there is a need to develop tools to integrate them through, and sometimes pre-differentiation of each of them to develop approaches to solving this problem. Generated funds should form the basis for the theoretical and methodological problems and solutions put forward in their totality represent the tool.

Toolkit - a set of elements designed to influence the management and production subsystems companies in introducing innovations to produce the desired results. In the toolkit include: management and production subsystems of the corporation; principles of the mechanism called; management investigated the mechanism; controlling; logization; temporal aspect of the functioning of the designated mechanism. Systematically selected elements of the test tools are shown in Fig. 2.

Recognizing the importance of the elements of the equipment, and the relationship of the level, it is arranged in the form of their axes with respect to them and that other tools are presented in Fig.2.

The first elements of the superstructure are the principles. The reason is that the principles represent a starting position of any theory. In this case, it is our task to develop solutions that require the separation of rules or principles that you must at the same time to use. It should be noted that the allocation principles are the result of generalization objectively existing laws inherent features characteristic of the facts and features that make up the general principle of solving the problem of the development of a mechanism for managing the interactions of

management structure and industrial structure of the corporation in the implementation of innovations [4].

Proceeding from the above the basic principles of problem to be solved include:

1. The principle of the rule. It is based on the recognition of the significance of the decisions of higher authorities for all departments and management structures of production.

2. The principle of reciprocity, which means that the structures created by the company to address operational, tactical, strategic tasks can be granted certain rights and privileges, subject to all the latest requirements put forward to them.

3. The principle of horizontal equity, pre-empting the equivalent position of the units are in equal economic conditions.

4. The principle of transparency that characterizes the compulsory bringing to the public budget of all departments as well as the credentials of compliance units budgets.

5. Principles of departmentalization based on the creation in connection with the operational needs of new units - departments. This requires a thorough justification for the creation of new units.

6. This principle is closely connected with the principle of separation of powers, which requires that each unit was allocated a specific area (the range of tasks and responsibilities), in which it would have the exclusive authority.

7. The principle of division into sections. It is believed that this principle is the first organizational law. Construction companies are always internally differentiated into shops, sites, departments, subdivisions, etc. The company's activities as a whole consist of its parts work or elements. For the most experienced manager task management company as a whole, without isolating it shops, departments, without distinction of roles and responsibilities would be unbearable. It is therefore extremely important to find one universal trait, which should form the basis for grouping the elements of labor organization [5].

8. The principle of detailed analysis of the work, which means that all the work, should be broken down into parts, operations, complex and simple elements. Each element should be subject to constant review in order to identify existing reserves.

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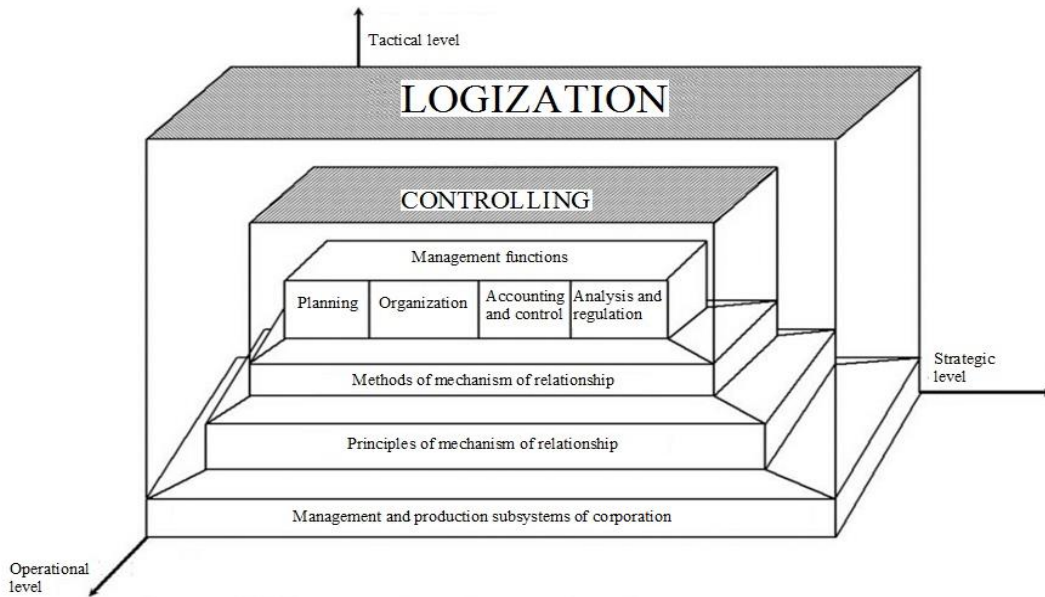


Fig.2 System representation of elements of the equipment management in the relationship with organizational management structure of the corporation and its production structure.

Emphasized principles for solving the problem of constant allow you to select the most effective methods for managing change in the management structure and industrial structure of the corporation.

It should be noted that an important difference between principles and methods is that management principles are permanent and binding. The totality of the management techniques can vary depending on changing conditions while retaining principles.

The relationship between the principles and methods of one-sided. The principle allows you to create a system of methods and each method separately. But every single method does not have the same impact on the management principle. Only the totality of methods under certain conditions can have a reverse effect on the structure of the principles on the form of their use.

Turning to the subject of the methods of the work involved, you must be emphasized that in the classical representation method - a method of investigation, which will be converted to examine the economic system through the development of scientific results and implementation of its practical implementation. Regarding the latter, it should be noted that the practical implementation of scientific results itself is due to their use of specific methodological developments[6].

The methods of this research are manifold. Of course, they fit into the classic group of management practices, which include economic, organizational, and administrative. At the same time, emphasizing the specifics of the study, we would like to highlight a few, the most relevant of the specific ways.

First of all it is - a genetic method of investigation of economic processes. The essence of

this method lies in the fact that the forms and methods of conversion should be dictated by the objective state of the economy of the corporation.

Method of organizational modeling involves the development of formalized mathematical, graphics, engine and other maps of distribution of powers and responsibilities in the organization, which is the basis for building, analyzing and evaluating different options of possible organizational structures for the management of specific objects.

Forecasting methods: statistical and heuristic. Statistical - prediction method, based on mathematical statistics. The heuristic is based on the methods of calculation and procedures arising from the experience and intuition of experts engaged in the forecast.

The method of expert evaluations in management - a method of forecasting, based on consensus of the expert group[7].

Administrative management method involves a direct impact on the managed object and the unique solution corresponding to the economic situation, binding for execution.

Describing the methods of investigation, it should be emphasized that the study conducted preferably activation of integration methods; it does not exclude an option of applying them consistently.

Since the problem under consideration concerns a specific type of governance, recognizing the essence of management in the implementation of the impact on the controlled management structure in order to obtain the desired result, it should be noted that the impact of the process takes place through the implementation of specific activities, which are called functions.

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Classical composition of management functions include: planning -organization - accounting and control - analysis and regulation[1].

The function of planning and defining the acts leading to the above list of basic management functions. With this it has the opportunity to anticipate the course of solving the problem.

The function allows the organization to put into practice the idea of planning formed.

Accounting and control function makes it possible to assess the actual state of affairs on the practical implementation of the problem that causes the identification of deviations.

Function analysis and management allows us to reduce the identified deviations to zero.

It should be kept in mind that the management of the two-faced[8]. On one side is a single act of targeting, on the other - a process (processes), implemented in time and therefore bears repeating character due to cyclical social production. This control loop should be considered from the point of view of content and in terms of the structure (shape). In this case, function or step of management as elements of the process control reflects its different sides. If the composition of functions reflects the content side of the management process, the structure of the stage expresses spatial boundaries, time periods and the sequence of the functions for each cycle[9].

Classical control functions within a solved problem are projected be as follows:

1. Modeling the activity of all management subsystems and elements of the production structure in the implementation of innovations;

2. Organization of practical implementation of the developed model of the organization in the implementation of innovations;

3. The conformity assessment of the planned model innovation its actual state. Isolation of deviations;

4. Analysis of the causes of deviations and develop measures to eliminate them.

The logic of the classical relationship management functions and control functions in the problem shown in Fig. 3.

The above management is the backbone; their implementation will contribute to the overall solution of the problem. However, it should be that the main line is always accompanied by a collection of local ones. Therefore, we carry out local functions and define them the following characteristic features:

- "length function", which is defined by a sphere, the size of the impact of the vertical and horizontal organizational structure of management;

- "independence" of the function. It can be fully or equity, that is, by one or more units;

- "character" function, which expresses her certainty and uncertainty. Certain functions should be fixed by legislation;

- "orientation" function to indicate what activities the company directed its impact;

- "the power and the measure" the impact on the object. On this basis functions may be establishing, asserting that require providing advisory, analytical, etc.

In other words, the practical implementation of the tool-functions relationship management organizational structure and management of the production structure of the company - will generate well-defined, the optimal composition and content of the papers, and actions aimed at implementing each function, as well as the development of technology regulation of their implementation, taking into account the features of the corporation.

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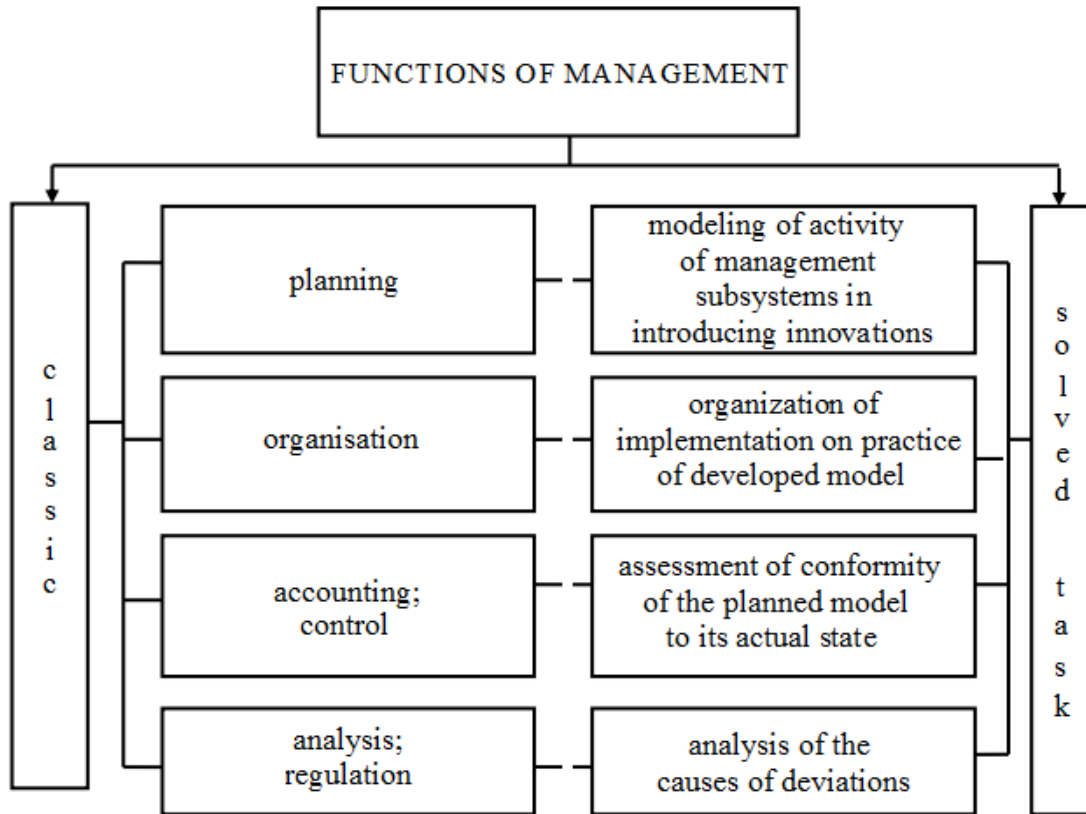


Fig. 3. Logic of the relationship of classical functions of management and control functions for tasks

The following elements are considered tools - controlling. Controlling - information-analytical system, which provides the company's management information for management decisions[1].

Thus the main objective of controlling is to ensure the stability of the planned course of events accompanying the solution. In this sense controlling is an analog of a pilot, who on the basis of continuous monitoring of the captain gives advice. In accordance with the above, the controlling entity is as follows: controlling - is the management relationship management organizational structure and production structure of the corporation.

Based on the selected target, the basic function of controlling:

- The control - collection and systematization of data;
- Analytical - Processing and analysis of information;
- Recommendatory - the integration of the information collected for the purposes of management.

Thus, the main task of controlling is to provide methodological and instrumental framework to support the implementation of the basic functions of management. In turn, the main elements of controlling should be considered:

1. The coordination and planning - creating methodological basis of formation of operational,

tactical, strategic management plans for interconnection of the organizational structure and production structure of the corporation in the implementation of innovations;

2. Support for the organization - creating a mechanism adjusting approaches to business processes;

3. Accounting - creating the optimal structure of processes of motion information.

4. Research - development and effective functioning of the tools of analytical processing of data for management decision-making;

5. Development of recommendations - the integration of information collected and processed, and to ensure management recommendations for management decisions[10].

Since innovation affects all units of the organizational structure of management and production structure of the corporation, then each unit will obviously be determined by the specific task that must be done by a specific date and to a certain extent. Track timeliness of these tasks is designed to controlling. For example, tracing the development of technological processes on terms within the development of new products will allow time to identify deviations arising in this case. To monitor the development of technical processes can use Table. 1.

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The need to bring the offset value to zero will require the implementation of analytical work, which

must be backed by institutional support. Such work can be carried out using the tab.2.

Table 1. Development of technological process.

Development of technological process			
(name of goods)			
Name of operation	Planned date of fulfillment	Factual date of fulfillment	Deviations (in days)

Table 2. Analytical table.

Analytical table			
by jointing deviations arising in the development of technological processes			
Name of operation	Deviations (in days)	Reason for deviation	Measures to eliminate the deviation

This example illustrates the practice of controlling, which should be subject to all the processes occurring in the enterprise.

An important element of the reporting tool is logisation.

In fact - the new term. Its introduction is due to the need to highlight the interconnectedness of all the previously mentioned elements of the test equipment. And this relationship is manifested both in the static approach to the problem, and in dynamic. Obviously, the recognition of the presence in the composition tools enable logisatino subsequently develop a mechanism for the functioning of the studied species management, as well as some techniques and models thereof.

It should be noted that logisation acknowledged highlight and reflect the unity of the problem to be solved with the whole economic mechanism of the enterprise. This underlines the unity of the economic, organizational, administrative rules in force at the company. On the basis of the formation is carried out logisation channels of communication between the

departments of management and organizational structure of the production structure of the enterprise.

Conclusions and offers

The effect of all these elements of the equipment is carried out in terms of time in which there are three components - the operational level, tactical level, strategic level. The reason is that any enterprise tends to organize its activities in all its manifestations on the basis of the prerequisites for a strategy that flows into planning tactics, annual ongoing activities, together with operational deviations or difficulties arise, causing the need for adjustments to previously spent tactics, and if necessary, and strategy. Recognizing the importance of the elements of the equipment, and the relationship of the level, it is arranged in the form of their axes with respect to them and that other tools are presented in Fig. 3.

Summary description of implementation tools directions relationship organizational structure of enterprise management and production structure is presented in Table.3.

Table 3. Directions of implementation relationship toolkit of organizational management of enterprise and its production structure.

Correlation tools	The intended use	Areas of implementation of tools
Party relationship management organizational structure and industrial structure	Development and implementation of rational management actions	The study of organizational and economic essence of enterprise management system, and the logic of construction of industrial structures
Management and production logisation	The manifestation of the functional relationship and information management of the constituent elements of the	Formation of the channels of communication between the departments of management and organizational structure of the production

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	organizational structure and industrial structure	structure of the enterprise
Controlling	Enabling traceability of the processes of management and production processes	Rapid detection of abnormalities that occur in the processes of management and production
The temporal aspect	Implementation of the interim linking management processes and production processes	The organization of strategic, tactical and operational relationship management and production activities
Principles	Development of assumptions to solve this problem	Selection of scopes of the developed rules
Methods	Development of studying ways	Forming techniques and ways that allows to implement the idea worked out

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