



INNOVATIVE TOOLS IN THE METHODOLOGY AND TEACHING OF THE BASIC PRINCIPLES OF ENTERPRISE MANAGEMENT

Mykola Ihnatenko

Department of Economics, Pereiaslav-Khmelnyskyi Hryhorii Skovoroda State Pedagogical University, Pereiaslav, Ukraine

Larysa Marmul

Department of Economics, Pereiaslav-Khmelnyskyi Hryhorii Skovoroda State Pedagogical University, Pereiaslav, Ukraine

Viktoriiia Petrenko

Department of Finance and Entrepreneurship, Kherson State University, Kherson, Ukraine

Alla Karnaushenko

Department of Economics and Finance, Kherson State Agrarian University, Kherson, Ukraine

Ludmila Levaieva

Department of Economics, Pereiaslav-Khmelnyskyi Hryhorii Skovoroda State Pedagogical University, Pereiaslav, Ukraine

ABSTRACT

The post-industrial era of development of human economic relations, which is influenced by global challenges and institutional changes, is characterized by a new institutional and organizational format. This format is intended to strengthen innovative development and create a global innovation space as a result of the transformation of the Svit system. In the globalized world of the twenty-FIRST century, the successful combination of industrial and post-industrial modes of production has already determined the emergence of a new socio-technological mode of production based on intellectual innovation and information technology. The experience of South Korea, Japan, the United States, Germany, Sweden, Switzerland, Singapore, Finland, Denmark and France shows that in the institutional aspect of the formation of an innovative economy is associated with the emergence of a new method of coordinating relations and interactions, harmonization and coordination of interests based on "firm" rules, norms and high values of society, which, unfortunately, is characteristic of Ukraine only

fragmentally, episodically and selectively. In order to change the situation for the better, it is necessary to rely on realistic ideas about the lack of effectiveness of existing development institutions, the prospects of “new” institutions of innovative development, the behavior of subjects during institutional and structural changes, and the deep problems of the strategy and tactics of reforms that prevent the formation of the institutional structure of the national economy of innovative type. Today's realities clearly demonstrate the need to understand the institutional dimension of the innovation economy, overcome the existing innovation pauses,” institutional vacuum “and eliminate the institutional inertia of formal and informal norms. The problem of defining institutional contours of innovation and institutional palette of national innovative ways of self-development and identity in innovative world-system has determined the intensification of studies in this direction.

Keywords: Table, Figure, Manuscript Format.

Cite this Article: Mykola Ihnatenko, Larysa Marmul, Viktoriia Petrenko, Alla Karnausenko and Ludmila Levaieva, Innovative Tools in the Methodology and Teaching of the Basic Principles of Enterprise Management, *International Journal of Management*, 11 (6), 2020, pp. 847-854.

<http://www.iaeme.com/IJM/issues.asp?JType=IJM&VType=11&IType=6>

1. INTRODUCTION

The economic progress of society is mainly achieved through innovation. This fact is evidenced by the experience of successful functioning of innovative economies in post-industrial countries. After all, innovation is the result of a combination of economic needs from the capabilities of STP. Scientific and technical progress is a rather complex technological, scientific and socio-economic process. NTP organically combines the development of science and technology. The transformation of science into a direct productive force means that every next step in the development of technology is based on previous scientific developments. So, technical progress becomes a materialization of scientific progress and is an important factor of innovative development. The innovation process combines Economics, technology, education, science, management and entrepreneurship. Its boundaries are from the origin of an idea to its commercialization, i.e. the complex of relations: production → exchange → consumption [2].

For the first time, the role of technological changes as an element of a new economic impulse of development was highlighted by Y. Schumpeter. He was the first researcher who took innovation as a profit generator and justified the model of innovative development of the economic system based on the analysis of the interaction of systemic, structural and cyclical factors. On belief

Y. Schumpeter, innovation, innovation and entrepreneurship are key factors and determinants of economic growth. According to the scientist, the spread of innovations and economic innovation, namely entrepreneurship, determine the economic dynamics. In the center of the theory of economic development, Y. Schumpeter is the figure of the entrepreneur-innovator as the Creator of new combinations of factors of production, new products, new markets, new technologies.

2. MATERIALS AND METHODS

The choice in favor of post industrialism, regardless of the degree of forcing the corresponding institutional and structural shifts, encourages society to accelerate the formation of the entire system of modern institutions, that is, before the construction of the currently missing fragments

of the chain [3]. The very start of the formation of appropriate institutions is triggered as a challenge for the entire system, which will lead to a certain reactionary reaction. The traditional industrial-institutional model is not suitable in this case, because it will reproduce the “old ” economy. A shift towards high-tech without first forming institutions designed for innovation is simply impossible [8]. So, the importance of choosing a modern institutional arrangement needs to be specified and take into account the changes that are mandatory for the modern post-industrial choice. It is the institutions that determine the course of historical development of the economies of individual countries and regions.

Ukraine is currently going through a difficult stage of social transformation, which is also complicated by the events of defending and forming statehood, conducting large-scale, deep economic reforms and comprehensive modernization. The meaning of the reforms lies in systemic changes in all spheres of public life, primarily in the economic sphere, where it takes the form of economic transformation. There are different points of view regarding the understanding of economic transformation. The most fundamental, in our opinion, are those that are interpreted through the prism of institutionalism, because social transformations are of an institutional and universal nature” [4].

It should be noted that the evolutionary theory, explaining the content of economic transformation, is aimed at studying the features of the economy, which is progressing technologically and is based on the technological revolution. Technology change is a dynamic and non-equilibrium process. Although technological evolution should be recognized as the key factor underlying economic transformation, institutional theory leaves room for non-technological factors of economic transformation [11].

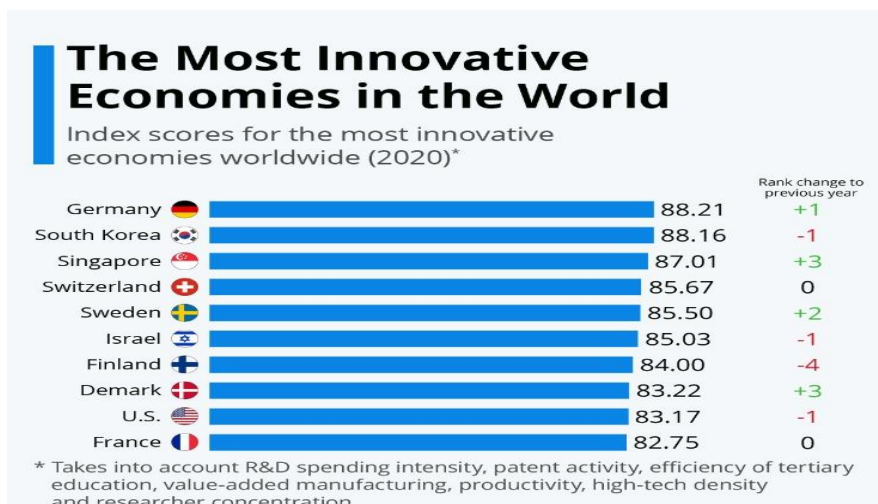


Figure 1 The most innovative economics in the world. Source: statista, 2020

The scientist sees in transformational changes a certain transition from reproductive, discretionary, evolutionary-revolutionary to continuous, procedural, innovative development. The latter allows for the coexistence of the most advanced technological and social institutions that change and embody institutional dynamics, with traditional conservative institutions that do not necessarily disappear [6].

Structural transformation of the economy acts as a starting mechanism for adaptation to the operating environment and is aimed at meeting public needs and ensuring the institutionalization of innovative development. Diagnostics of structural transformations of the economy, in the context of its main types, indicates the presence of imbalances. In order to optimize and improve the efficiency of the structure of the national economy, it is obvious that

the state should conduct an active structural policy involving the potential of all public institutions [1].

Having analyzed the above categories, we can say with confidence that the formation, formation and development of an innovative economy should be studied from the position of institutionalization. This is due to the fact that this process is the broadest and permeates the entire vertical of economic relations – from the nano - to the mega-level, global level [5].

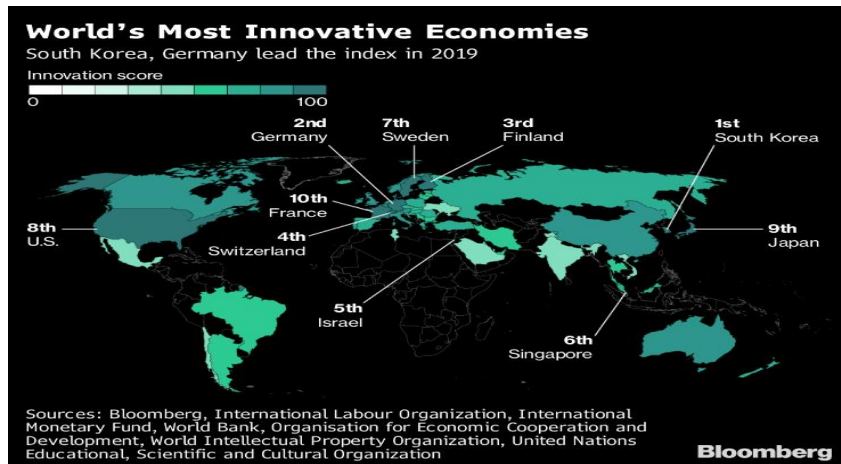


Figure 2 World most innovative economics in indexes. Source: Bloomberg agency, 2019

We offer in a wide sense, is meant institutional innovative economy – the process of formation of innovative institutions (formal and informal norms, rules, traditions, customs) as the mechanism of action of “new” institutions of innovative development and transformation of “old” institutions of development, taking into account their synergies, with institutional support of the innovation economy generates institutional conditions that attach to this aspect of the socio-economic structure of a certain order, organization, predictability and habluetzel [7]. In a narrow sense, under the institutionalization of innovation Economics see the process of formation and habitualization institutional units of the innovation sector, implementing a number of institutions in innovation and streamline this activity through the establishment of rules of innovative behavior in existing formal and informal norms and enforcement of those rules using mechanisms of motivation, stimulation, encouragement [9].

In the future, IE should be associated with the worldview, moral, and intellectual potential of a person and society. IE should also be considered as the creation of structures that purposefully deal with the problems of forming appropriate rules, regulations, interaction schemes, mechanisms for evaluating and monitoring innovation activities. The criteria presented in table 1 will help you better understand the content of IE.

Table 1 Criteria for institutionalization of the innovation economy

Criterion	Characteristics of the criterion and its content
The complexity of simplicity	Complexity may consist in increasing organizational structures (hierarchical and functional) and differentiating individual divisions. Experience shows that those institutions of innovative development that are engaged in various types of activities are more adaptable to the loss of some of them than an organization with one type of innovation. So, the Future of multi-field science parks, technology parks, business incubators, INNOTECH, innovation hubs.
Adaptability rigidity	In the context of research in the innovation sphere, adaptability will be understood as the ability of an Institute of innovative development

Criterion	Characteristics of the criterion and its content
	(institution) to adapt to institutional changes (institutional environment), which will lead to an increase in the level of IE.
Subordination autonomy	This means that institutions of innovative development are not just representatives of the interests of specific groups of stakeholders. In a developed innovation economy, its autonomy is protected by mechanisms that determine the influence of various groups of institutional units when new groups enter the innovation system. The latter incorporates new organizations and bodies without limiting its institutional integrity.
Cohesion fragmentation	The level of institutionalization increases if the institution-organization is United, namely, when the innovative sphere of the country with all its institutions is able to deal with endogenous and exogenous shocks.
Exclusivity	This criterion is related to the intensity of functional competition between the institutional units of the innovation economy.
Relevance (from the author)	We understand relevance as the importance, significance of an innovative product/service, its modernity, topicality. Indicates a property of an innovative product/ service that may be lost over time, with the appearance of a more modern, popular one. The relevance of innovations can be lost gradually, in parts, or, in certain cases, one-time and completely. This criterion also applies to the operation of "old" development institutions.
Universalism-particularism (from the author)	This criterion in innovation can be interpreted as the possession of diverse knowledge, information, skills that help create an innovative product. According to this criterion, innovation value does not depend on who received it and when. And accordingly, it can be used and used by anyone (according to need, opportunity, and permission). This criterion requires an objective assessment of research results and reputation based on real achievements of innovators.
Organized skepticism (from the author)	According to this criterion, innovators should be critical and conscientious when finalizing their results. Skepticism in innovation needs to be addressed through the principle of "intellectual modesty", which requires taking into account and recognizing the work of previous innovators.

In addition to institutionalization, the object of research should distinguish between re institutionalization and deinstitutionalization of the innovation economy. Under the institutionalization of the innovation economy, we will understand the completion of the formation and formation of "new" institutions of innovative development and its new norms, rules, and traditions [10]. We believe that the re institutionalization of the innovation economy should be defined as a process of partial change or reform of the existing norms of the innovation sphere and development institutions. By deinstitutionalization of the innovation economy, we mean the termination of norms, laws, rules, traditions that are already in effect, or, in other words, the destruction or decline of existing development institutions.

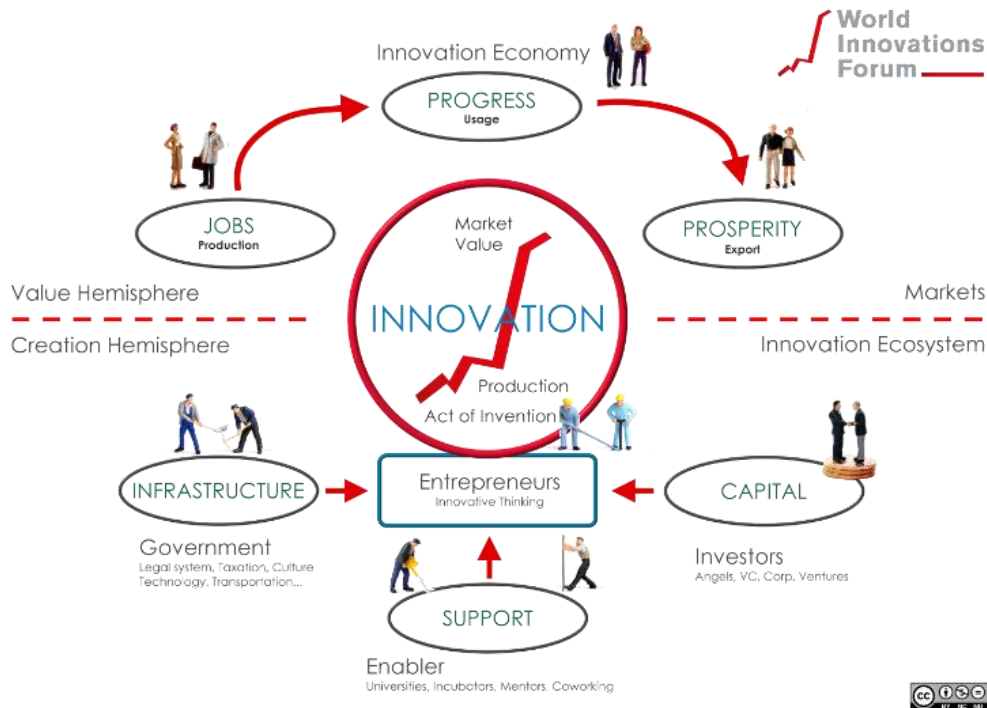


Figure 3 Progress in innovation economy. Source: Society3 group research, 2020

The development of innovative processes and the innovative economy as a whole is characterized by revolutionary and evolutionary transformations. In this case, institutional changes are a reflection of such transformations, which, in our opinion, should include three phases of the formation of an innovative economy.

The first phase is a phase of direct transformation of the existing institutional order of the innovation sphere and the emergence of qualitatively new institutional changes in the sphere of innovation.

The second phase is a phase of gradual development of institutional and structural changes and the acquisition of characteristics of a "new" form by development institutions.

The third phase is the peak phase, which manifests itself in the systematic and comprehensive modernization of the "old" development institutions, their transformation into "new" institutions of innovative development and adaptation of the new economic order [12].

"New" institutions of innovative development should have features of stability to the new operating conditions. This phase can be characterized not only by the transformation of "old" institutions, but also by the emergence and emergence in a favorable institutional environment of absolutely "new" institutions for innovative development and institutions for supporting innovative processes.

Let's try to explain our proposed model through the prism of social synergy. This is due to the fact that it explores the General laws of self-organization, i.e. the relationship between order and chaos. "Order" is usually understood as a qualitative characteristic of the state of the innovation system in terms of legal and moral and ethical standards. It implies coherence, consistency, organization, and the presence of a purposeful relationship of the elements that make up this system; a set of elements of any nature, between which there are stable ("regular") relations, repeating in space or time, or in both [6].

During innovative development in conditions of institutional uncertainty, innovation enterprises can make collective decisions about existing rules of interaction and produce their own new rules of the game, if necessary. New institutions-rules are "born" and established for

the purpose of: structuring new directions of collective interaction; creating opportunities for searching for new norms of these interactions; developing effective compromise solutions, the adoption of which leads to the benefit of all participants in the innovation process.

3. CONCLUSION

The concept and improved paradigm is presented due to the above-mentioned principles, which allowed us to comprehensively present a conditional model of the evolutionary-bifurcation space-time formation of “new” institutions of innovative development, specifying their functions (coordination, restrictive, distributive, informational, motivating/stimulating) and the functions of the innovative economy (technological, managerial, investment, innovation-activity, strategic, institutional) and defining new criteria for institutionalization of the innovative economy (relevance, universalism-particularism, skepticism).

Within the framework of the studied problem, it is proposed to distinguish between institutionalization, re institutionalization, deinstitutionalization, and duo institutionalization of the innovation economy, meaning that it simultaneously functions in the institutional space of “old ” development institutions that are in a state of transformation, modification, adaptation, modernization and “new” institutions of innovative development, which are characterized by habitualization [13].

The definition of the concept of “innovative economy”, “innovation” from the position of the theory of institutionalism, according to which the innovative economy is an economy whose effective functioning results in an innovative product/service and in which business entities and industries develop through the constant generation of innovations by innovators, transformed from scientific and fundamental developments, ideas in order to obtain super profits and improve the quality of life of society; innovation is the result of creative activity of the innovator, which is presented in the form of: new consumer values of products/services and new types of it, and is aimed at creating, developing and distributing the latest technologies that bring socio-economic effect; the introduction of new rules and regulations of institutional management, form a new economic order, a new quality of life of society.

REFERENCES

- [1] J. Blewitt, R. Cunningham. The Post-Growth Project: how the end of economic growth could bring a fairer and happier society. Green House, e-prints, Aston University 2014
- [2] L. Green, A. Pyka, B. Schön. A life-cycle based taxonomy of innovation networks—with focus on public-private collaboration. In: Gallouj F, Rubalcaba L, Windrum P (eds) Public-private innovation networks in services. Edward Elgar, Cheltenham, pp. 113–138. 2013
- [3] H.W. Aslesen, R. Martin, and S. Sardo. “The Virtual Is Reality! on Physical and Virtual Space in Software Firms’ Knowledge Formation.” *Entrepreneurship & Regional Development*. 2018. doi:10.1080/08985626.2018.1552314.
- [4] B. Galbraith, R. McAdam, J. Woods, and T. McGowan. “Putting Policy into Practice: An Exploratory Study of SME Innovation Support in a Peripheral UK Region.” *Entrepreneurship & Regional Development*, 29(7–8), pp. 668–691. 2017. doi:10.1080/08985626.2017.1325939
- [5] D.A. Martínez, S. Marlow, and L. Martin. “A Web of Opportunity or the Same Old Story? Women Digital Entrepreneurs and Intersectionality Theory”. *Human Relations*, 70 (3), pp. 286–311. 2017. doi:10.1177/0018726716650730.
- [6] M.C. Guisan. Rd expenditure on higher education in Spain, 1990-2015: Inequalities, among regions and fields, and comparisons with Europe and the United States. *Regional and Sectoral Economic Studies*, 17(1), pp. 53–64. 2017.
- [7] A.G. Hu. Innovation and economic growth in east Asia: An overview. *Asian Economic Policy Review*, 10(1), pp. 19–37. 2015.

- [8] D. Schallmo, C.A. Williams and L. Boardman. Digital transformation of business models — best practice, enablers, and roadmap. *International Journal of Innovation Management*, 8(21), 17. 2017. <https://doi.org/10.1142/S136391961740014X>
- [9] M. Ihnatenko, V. Antoshkin, O. Lokutova, A. Postol, I. Romaniuk Ways to develop brands and pr management of tourism enterprises with a focus on national markets. *International Journal of Management (IJM)*. 11(5), 2020, pp. 778-787.
- [10] X. Long and H. Lin. “Effects of patent enforcement insurance on innovation”. *China Industrial Economics*, Vol. 35 No. 3, pp. 116-135. 2018a
- [11] X. Long and H. Lin. “Streamline administration, institute decentralization and enterprise innovation”, working papers. 2018b
- [12] M.M. Ignatenko, L.O. Marmul, D.S. Ushakov, S.P. Kuchyn. Transformation of approaches to determine influence factors in the economic development models. *International Journal of Economics & Business Administration*, VII (2), 2019, pp. 290-301
- [13] J. Wang and X. Long. “Can copyright protection improve corporate performance? Evidence from Dehua ceramics industry”. *Economic Perspectives*, Vol. 44 No. 6, pp. 26-36. 2016
- [14] R. Vivekanandhan and Dr. R. Mohan Kumar, A Comparative Analysis of the Quality of Work Life of Teaching Faculty Members of Government and Private Engineering Institutions in Chennai, *International Journal of Advanced Research in Management (IJARM)*, Volume 5, Issue 4, July- August (2014), pp. 11-22.
- [15] Deepa S.R, A Study on Career Commitment of Teaching Profession in Chennai City. *Journal of Management*, 5(3), 2018, pp. 45–51.
- [16] Nelson Okorie, Tunji Oyedepo, Lanre Amodu, Evaristus Adesina and Folafunmi Afolabi, Adopting Indigenous Languages in Teaching Communication and Engineering Education In Tertiary Institutions: Lessons From South African Universities, *International Journal of Mechanical Engineering and Technology*, 10(01), 2019, pp. 110–116.