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THEORETICAL BASIS OF INNOVATIVE SUPPORT OF INTERNATIONAL BUSINESS

Abstract. *The theoretical foundations of innovative support of international business in modern conditions are considered. It was determined that innovative support of international business is impossible without innovative management, which acts as the basis and guarantee of effective activity of international business in today's changing conditions. It has been established that in connection with the gradual entry of Ukraine into the international market, new economic conditions have begun to be created, which allow enterprises to freely enter into business relations with foreign partners and carry out other forms of international contacts. It has been proven that innovative management in international business, in contrast to traditional management methods, allows enterprises not only to survive, but also to receive innovative support of international business in a changing market environment.*

Keywords: *innovative support; innovative management; international business; effective activity; economic conditions; business relations; enterprises.*

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ТЕОРЕТИЧНІ ОСНОВИ ІННОВАЦІЙНОЇ ПІДТРИМКИ МІЖНАРОДНОГО БІЗНЕСУ

Анотація. *Розглянуто теоретичні основи інноваційної підтримки міжнародного бізнесу в сучасних умовах. Визначено, що інноваційна підтримка міжнародного бізнесу неможлива без інноваційного менеджменту, який виступає основою та запорукою ефективної діяльності міжнародного бізнесу в мінливих умовах сьогодення. Встановлено, що у зв'язку з поступовим входженням України на міжнародний ринок, почали створюватися нові економічні умови, що дозволяють підприємствам безперешкодно вступати в ділові відносини з зарубіжними партнерами і здійснювати інші форми міжнародних контактів. Доведено, що інноваційний менеджмент в міжнародному бізнесі, на відміну від традиційних методів управління, дозволяє підприємствам не тільки вижити, але й отримати інноваційну підтримку міжнародного бізнесу в мінливому ринковому середовищі.*

Ключові слова: *інноваційна підтримка; інноваційний менеджмент; міжнародний бізнес; ефективна діяльність; економічні умови; ділові відносини; підприємства.*

Introduction. Innovative support of international business is impossible without innovative management, which acts as the basis and guarantee of effective international business activities in today's changing conditions. In connection with the gradual entry of Ukraine into the international market, new economic conditions began to be created in the country, which allow enterprises to freely enter into business relations with foreign partners and carry out other forms of international contacts. New operating conditions require new knowledge, as the innovation market plays an important role in the development of international business [13; 14]. That is why innovative management must be considered not only from domestic, but also from international positions. Innovations, continuously developing, change the international market, form new needs. The innovative activity of enterprises and organizations depends on external forces acting on a global scale. The study of innovative management in international business, in contrast to traditional management methods, allows

enterprises not only to survive, but also to receive innovative support of international business in a changing market environment [15; 16].

The issues of innovative management, innovative support and innovative activities were studied in the works of many foreign and domestic economists, including: K.P. Boldovska, Ye.Zh. Zamiatina, D.V. Lyzhenkov, I.V. Stepanova, A.V. Skrypka, O.Ye. Burtseva, N.M. Vdovenko, I.M. Kuksa, T.O. Diachenko, M.V. Siryk, V.P. Zalizniuk, N.P. Safonik, A.S. Kaia, L.O. Zghalat-Lozynska, N.I. Kara, L.V. Zynych, O.Ya. Koleshchuk, R.M. Kostiukevych, L.Sh. Mamatova, M.V. Odrekhivskyi, O.O. Pshyk-Kovalska, K.V. Satusheva, O.V. Koptieva, T.Yu. Sivova, K.H. Tkachenko, H.A. Mokhonko, L. Uniat, H.S. Frolova, D.K. Frolov and others.

The aim of the research. The purpose of writing the article is to research and define the theoretical foundations of innovative support of international business in modern conditions.

Results of the investigation. Innovative management in international business involves consideration of two systems: managerial – innovative management and managed – international business. International business is the business interaction of enterprises located in different countries with the aim of benefiting from the advantages of interstate business transactions [17; 18].

Realization of products or placement of production in another country should provide enterprises with certain advantages in comparison with the implementation of similar activities in their own country. Innovative support of international business should ensure the benefit from the use of competitive advantages of enterprises that carry out innovative activities in different countries, by conducting business and the appropriate use of economic, political, legal, cultural and other features of these countries and interstate interaction [19; 20].

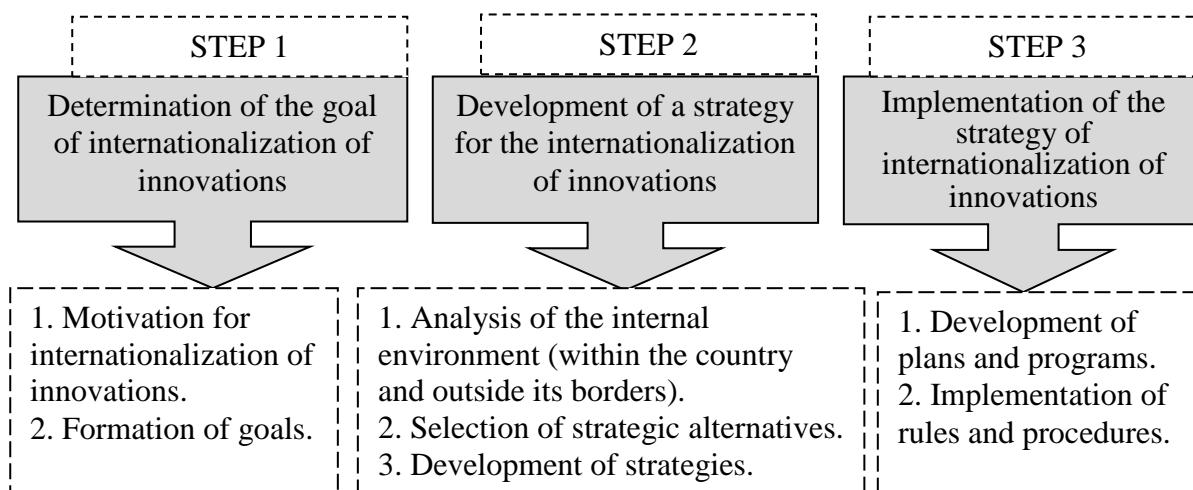
The structure of innovative support of international business covers the following spheres of influence: analysis and evaluation of the external and internal environment of the enterprise; communication and decision-making processes; functions of innovation management in international business; issues of group dynamics and leadership; external economic efficiency of the enterprise [21].

Thus, the main tasks of innovation support of international business correspond to the main functions of domestic innovation management, but at the same time have their own specifics. The main tasks of innovative support of international business are: motivation for internationalization of innovations; international innovation planning; organization and management of innovations in international business; monitoring of international innovations. Consideration of the above functions of innovation support in the field of international business will allow us to reveal their content, identify specifics and form a general idea of the management of innovations in international business [22; 23].

In international business, the motivation for the internationalization of innovations is related to the needs of implementing innovations outside the country. The main motives of enterprises entering the international market are: development of new markets; reduction of export and import costs associated with the supply of innovations (customs, transport, sales); ensuring access to other innovations through cross-licensing; saving costs and time for conducting own R&D; placement of subsidiary innovative companies abroad as a result of favorable economic, legal and political conditions; obtaining a higher income from innovations abroad, due to the sale of new equipment at higher prices or with large sales volumes. If the company does not have the necessary production capacity, financial and other resources for the independent development of development innovations, then the sale of technology can be the only opportunity to internationalize innovations and obtain a higher profit from their sale [24].

The motivation for the internationalization of innovations is determined by the foreign economic efficiency of innovations, which determines the level of profitability from their implementation outside the country. The criterion for the foreign economic efficiency of innovations is the profit obtained from their placement abroad. At the stage of motivation, calculations of foreign economic efficiency of innovations are preliminary in nature and determine the content of their internationalization [25].

International innovation planning means the process of determining the goals of internationalization of innovations and developing strategies to implement these goals. The process of planning international innovations is a set of strategic planning systems and strategic decisions that are the result of the functioning of this system. The system of strategic planning of international innovations consists of a set of interrelated procedures, the implementation of which requires special management structures, a description of the rules of their operation, the availability of personnel and an information base. The algorithm of strategic planning of international innovations can be presented in the form of a scheme (Fig. 1) [1–4].



Source: based on [1–4].

Fig. 1. Strategic planning of international innovations

The determination of the goals of the internationalization of innovations should be based on the motivation of placing innovations abroad. If the motive is profit, then the goal of internationalization of innovations should be presented in the form of specific economic indicators. The development of the strategy of internationalization of innovations according to the proposed scheme begins with the analysis of the external environment in two directions: the analysis of the external foreign environment; analysis of the external environment in the host country. The economic, political and legal conditions of the external environment are considered for each direction. The economic conditions of the external environment are inflation, the nature of competition, adaptation of innovations, investment attractiveness, export-import restrictions, economic stability in one or another country, etc. The political conditions of the external environment include the political regime in the country, the country's participation in international economic unions, social relations, political stability, etc. The legal conditions of the external environment are the consistency of the system of conduct in the country with the main provisions of international law, customs and investment legislation, the taxation system, state regulation of the market, the stability of the country's legal system, etc.

Comparison of the conditions that have developed within the framework of the country provides a basis for choosing strategic alternatives for the internationalization of innovations. The selection is made according to the following directions: placement or sale of R&D; placement or sale of new technologies; placement or sale of new products [6–9].

Implementation of the innovation internationalization strategy is carried out by developing more detailed plans and programs based on specific procedures and rules. So, for example, when placing R&D abroad, several programs are expected to be implemented, such as placement of research units abroad; placement of human and financial resources abroad; choice of R&D direction; choosing the location of research units [10–13].

Certain rules and procedures have been developed for the implementation of each of the areas of placement of R&D abroad. For example, the following models have been developed for choosing the location of research units: technology curve, technology portfolio matrix, Porter's modified competition model, etc. Depending on the chosen strategy of internationalization of innovations, the enterprise carries out one or another policy on the international market of innovations, where buyers and sellers of innovations, as well as innovation intermediaries, carry out their activities. Buyers of innovations, as a rule, are large companies that are not flexible and dynamic enough to develop new ideas and projects in the field of innovation in a timely manner. Large industrial companies acquire the most promising innovations for use in their own production by purchasing patents and licenses, contracting individual firms and specialists. Innovation sellers are small firms and individual inventors who generate new technical ideas and seek to sell their scientific and technical results.

Intermediaries play a significant role in the innovation market. Intermediary firms create an information database and help find partners for buying or selling innovations. Innovation intermediaries serve scientific and technical exchange and contribute to the acceleration of the spread of innovations in the economy. In addition to intermediary firms, an element of the innovation market is fairs, exhibitions of scientific and technical achievements, the holding of which contributes to the faster spread of innovations [4–8].

In the case of choosing a strategy of buying or selling innovations, the enterprise uses the services of the innovation market. If it wants to place innovations abroad by opening its branches in other countries, then it organizes its activities in a different way - on the basis of the creation of appropriate structures, such as international committees, management of innovation projects, international line and headquarters structures of innovation management.

International committees are focused on the management of innovative projects and are created for a limited period of time. They solve the following tasks:

- verification of innovative projects;
- control and coordination of implementation of innovative projects;
- consulting services.

Because international committees are created outside the framework of the enterprise structure, they carry out their activities through the responsible managers of the enterprise. In addition, innovative support of international business is impossible without innovations in human resources management [12–14].

Today, the following processes are in the focus of management's attention in innovation-oriented organizations:

- overcoming the limitations of technocratic forms of division of labor;
- introduction of innovative parameters in the expansion of labor functions;
- change in forms of control and expansion of powers at the micro level, spread of group forms of work;
- a radical change in approaches to the assessment of professionalism;
- continuous career planning of employees;
- development of the system of formal and informal innovative communications;
- creating an atmosphere of internal innovative entrepreneurship;
- complication of work motivation, reorientation of the value system of employees towards self-expression, development and creativity;

- stimulation of innovative behavior of employees;
- creation of innovative corporate culture.

When organizing innovative activities at the enterprise, it is necessary to remember that this first of all labor activity represents a special kind of specific work for the creation and distribution of innovations in the innovation market, which is based on the productive, creative factors of human activity [5–8].

Today, the following main features can characterize the post-industrial stage of economic development, which the most developed countries of the world have entered:

- radical technical innovations;
- intellectualization of the technologies used;
- increasing the role of the sphere of intellectual services and the information sector of the economy in the total social product;
- increasing the importance of production, storage, transfer and use of scientific knowledge and information;
- complication of work motivation and reorientation of the value system of employees towards self-expression, development and creativity.

All this, of course, requires a fundamentally different approach to labor management. It is about the formation of a system of innovative labor management, which has its own object and subject of research.

Thus, management based on qualitatively new innovative principles (Table 1) is replacing traditional labor management, characteristic of the industrial stage of economic growth.

The implementation of personnel innovation may require the organization to change functional relationships and functional division of labor, personnel training, hiring specially trained employees, psychological support of personnel, informational and financial support.

The basis of the innovation can be a commissioned innovation developed by an external specialized organization; own innovation developed because of own research; a practice-tested innovation implemented in the human resources work of another organization [13–16].

Table 1

Organizational mechanism of labor management

Elements of the organizational mechanism	Types of labor management	
	Traditional	Innovative
1	2	3
Organizational management structure	Stable or extensively changing hierarchical structure; clear distribution of functions for a long period; activity is organized on the basis of the resource processing process	Flexible, horizontal, autonomous structure; lack of a clear division of functions for a long period; activities are organized according to problems
Nature of actions when solving problems	Problems are repetitive, standard; reaction in response to the emergence of a problem; delay in relation to the appearance of problems	Problems are not repeated, new, non-standard; active search and analysis of problems, their prediction
Alternative search mechanism	Orientation to past experience; minor deviations from the status quo; the only alternative	Creative search is considered; large deviations from the status quo; numerous alternatives are considered

End Table 1

1	2	3
Attitude to risk	Minimization of risk; relevance of past experience	Conscious risk; balancing the aggregate options associated with risk
Object of management	Highly specialized employees; advanced training in a planned manner	Qualified employees with extensive training, included in continuous organizational training programs; autonomous groups
Management entity	Personnel service, which plays a subordinate role	Special unit for human resources management with high status; help to line managers-leaders
Leadership style	Stability, ability to establish unity of approaches	Encouragement of initiative and putting forth new ideas, right to make mistakes; the ability to inspire employees to accept changes
Personnel mobility	Minimal, mainly related to promotion on the hierarchical ladder	The possibility of horizontal and vertical movements in accordance with the tasks to be solved; achieving success and high positions due to creativity and implementation of innovations
Staff relations	Based on competition and rivalry	Based on interaction and mutual assistance to achieve common goals
Basic motivational values	Power, job security, remuneration for standard work, a clear perspective	Self-expression and creativity, the desire to take risks; encouragement of internal innovative entrepreneurship
Pay	Individual, individual; time-premium	Part-time premium; group using individual coefficients; fee for knowledge and competences
System of incentives and charges	Incentives for stability and efficiency; penalty for making a mistake	Encouragement for creativity and initiative; penalty for lack of initiative
Staff information system	Operational information on the execution of planned tasks by units	Innovative openness of communication chains, detailed information about the activities of the organization as a whole, its life, problems, tasks

Source: based on [13–16].

Summarizing all of the above, we can conclude that in order to conduct an innovative personnel policy, the following tasks must be set before the HR department of the company:

- constant training, retraining and adaptation of personnel, conducting a large number of trainings, including trainings with the invitation of specialists from other companies;
- higher quality personnel selection. One of the solutions actively used today is cooperation with universities with further employment of the most talented and proactive students;
- identifying employees prone to innovative activities, providing them with support and, possibly, financial rewards;
- getting rid of employees who prefer monotonous and monotonous work, as they are a potential ballast for the company;

– creation and implementation of a more perfect organizational structure. Traditional linear and linear functional structures have long since outlived themselves and hinder the company's innovative development.

A perfect type of organizational structure is the matrix type, which, although not without its shortcomings, is still successfully used in many modern companies; implementation of such a system of remuneration, when depending on the results of the work, the size of the remuneration may differ several times. This system will encourage innovators and punish "job imitators" for lack of initiative [17-21].

Therefore, all methods of innovation management are based on monetary relations that arise in the process of the movement of innovations on the market. Thus, the general content of all innovation management techniques is the influence on innovations of monetary relations that arise between the producer or seller of innovation, on the one hand, and the buyer of this innovation, on the other [24; 25].

Conclusions. Therefore, innovative support of international business is aimed at areas of action in the field of production and sale of innovations. These directions are determined by the structure of the innovation process. Techniques of innovation support are divided into the following groups: techniques affecting only the production of innovations; techniques affecting both production and implementation, promotion and diffusion of innovation; techniques affecting only the implementation, promotion and diffusion of innovation. Thus, the content and main tasks of innovation support in international business can be considered as a basis for further development of knowledge in the field of innovation management, expansion of ideas about it, which will allow effectively organizing innovative activities of enterprises in foreign markets, competently setting tasks and controlling their decisions.

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