THE INFLUENCE OF INNOVATION ENTERPRISES ON
EMPLOYMENT AND ECONOMIC DEVELOPMENT

The implementation of the strategic objectives of national economy, improve its
competitiveness requires intensification of innovative activity of enterprises and labour
in the context of globalization. The decline of the innovation is happening in many
domestic enterprises threaten economic slowdown and the loss of any competitive
position in domestic and foreign markets. The problem of formation of innovative
model of economic development is relevant because the innovations are necessary and
objective factors for competitive development of modern enterprises. The aim of this
article is the diagnosis of dynamics of innovation Ukrainian enterprises and its impact
on employment and economic development in general.

The effectiveness of the company and its competitiveness mainly dependent on
the efficiency of labor and capital in the past. In the transition to post-industrial
dominance factors, the main direction of ensuring competitiveness as the economy as a
whole as individual enterprise is changing. It runs from a particular employee who is a
generator of new knowledge to the accumulation of knowledge in the society. Innovations are a prerequisite of production, improve the quality and quantity of
production, new products and services as well as the main means of preserving the
competitiveness of enterprises in market conditions. Actually there is a problem of
increasing economic growth through the use of intensive factors, which include
innovative processes through which ensured improve basic economic indicators,
improve living standards in the long run.

Extremely important is the issue for more intensive involvement of own (public)
and foreign capital to finance the development of innovative sector of Ukraine for the
growth of national economy. Investment and innovation are very close to the area of
the market and, consequently, any investment tactics applied by the company or the
state will directly guide the innovation in the same target area of its life. The state of
employment is closely related to the level of innovation active and inactive innovative
companies in the country, in particular sales volume and share of products. Because
such researches of all economic activities are not carried out in the Ukraine by the
State Statistics Committee, we can use statistical research on international
methodology, conducted in 2012. These statistics are relevant to this day because in
the last five years (2010-2014) there was no economic development in the country and
crisis against a background of political instability and military aggression was
compounded. The innovative activity of industrial enterprises at the national level in
2014 amounted to 16.1%, whereas in developed countries - 60-70%. In recent years,
the volume of innovation expenditures in industry show a negative trend (decrease
occurred on 14333, 9 million UAH. In 2011 to 9562,6 million UAH. in 2013) and the
volume of sales of innovative products, which amounted to 25669.0 mln. USD. in
2014 at a maximum value over the period 45,830,200,000. USD. in 2008.

However, the characteristics of enterprises in the volume of sales, including
existing relationship between innovation and not innovative enterprises (47.8% / 52.2% respectively), says that innovative enterprises in the total number is much
smaller, but they sold products to more. Considering the volume of sales by economic activity, we state the fact that the industry innovative businesses realize greater share of production (52.2%) than not innovative enterprises (47.8%). This confirms the need for modernization of enterprises, and involving them in investment and skilled human resources - professionals and innovators, thus reviving market skilled workers.

Next, we consider the situation from the position of the number of employees in innovative enterprises and their share in total employment. The share of employees that working on innovative enterprises is 42.4% in total employment of Ukraine. The share of employees that working in the mainstream is 57.6%. The number of employees in innovative enterprises in the industry is 1409.5 thousand people, and it is almost equal to conventional non innovative enterprises (1,415.1) thousand people. Almost half of employees in innovation active enterprises in Ukraine (49.2%) work in Donetsk region – 11.3%, Kyiv – 8,9%, Dnipropetrovsk region – 8,9%, Kharkov region- 7.9%, Zaporizhzhia region - 6.3% and Odessa region - 8%, 50,8% - in the rest of the regions (21 regions). Then we calculated and compared the volume of sales per employee in innovation active enterprises and not innovation active enterprises by economic activity in 2013 year. We noted that the volume of sales per employee in innovation active enterprises in the whole Ukraine in that period was higher by 81.9 thousand. UAH than in non innovation active enterprises. The trend of predominance of sales per employee in innovation active enterprises remains almost all economic activities. The exception is electricity, gas, steam, air conditioned, and activities in the field of architecture, engineering, technical testing and research. The highest rate is in the activities related to information and telecommunications where the innovative enterprise is dominated in 3,6 times. The lowest rates are in transport and communication activities [7, p 143-150]. We highlight the following factors that hinder the innovative development of enterprises (Table 1).

<table>
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<th>Obstacles for innovative development</th>
<th>Expert score (%)</th>
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<tr>
<td>Large amounts of expenses</td>
<td>33</td>
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<tr>
<td>Lack of (limited) sponsorship</td>
<td>87</td>
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<tr>
<td>High interest rates</td>
<td>34</td>
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<td>High economic risk</td>
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<td>Lack of raw materials</td>
<td>23</td>
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<td>Lack of financial resources in client</td>
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<tr>
<td>Imperfection of logistics</td>
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<td>The lack of demand in products</td>
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<td>Lack of information concerning markets</td>
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</table>

*It was prepared on the basis of findings of experts [8; P.102-103].

We agree with the researcher V. Stadnyk. She believes that innovative risks are a significant obstacle and destimulator for innovations. They are taking place not only in bringing to market new products, but also in the implementation of the technological renovation of production, that forcing innovators to minimize the costs of technical equipment [9]. However, these obstacles for innovation development need clarification and amendments on the basis of acute problems and strains which inherent in the field of industrial relations.
These results should serve as a basis for determining alternatives to develop national strategies to improve innovation enterprises and its working people. After that, it is necessary to develop more detailed measures with taking into account the feasibility of introducing differentiated sectoral and regional policies of state regulation of employment and innovation of enterprises.

In particular, scientists isolated the factors that hinder the expression of innovation activity personnel of enterprises in this area:

- traditional policy of low cost of labor in Ukraine, that followed by employers: it is advantageous for employers to hire more workers with low wages than to buy new equipment and to invest in training and retraining workers, that adapting them to the needs of innovative enterprises and variable market demand;
- traditionally understated assessment of importance of work of innovative content in enterprises, organizations, institutions. This assessment was inherited from the time of a planned centralized economy, when difficult work of an engineer, researcher and inventor paid less than work of laborer;
- unresolved issues of intellectual property and copyright protection in domestic practice innovation;
- extended formal relationship to collective bargaining and their implementation. This eliminates the importance of improving of stimulation of labor innovators and the importance of improving working conditions for the performance of creative work [10; 11].

Persistent negative trends that are generated by the system of factors-desstimulants of innovation observed in the innovative development of enterprises in Ukraine. Unresolved issues of innovative development of enterprises are the risk for uncompetitive entities, especially in the stages of EU accession.

Prospects for overcoming the problems of innovative development should be linked, firstly, with the development of the competitive environment, increased demand for innovation at the macro level, and secondly, the progressive changes in stimulating innovation in the enterprises and the macro and mezzo levels. Thirdly, it should be linked with the dramatic changes in material promoting labor innovative content, the result of which has become increasing critical mass of inventors and innovators in all areas, the rise of creative and intellectual activity, forming the best opportunity to update knowledge and develop new ideas and projects.

Thus, the activation of innovation activity requires only integrated, multi-system approach, which is impossible without the close and fruitful cooperation of government officials, managers toward the formation of an effective mechanism to stimulate innovation in Ukraine.

References:


