

# Opportunities to Increase the Efficiency of Innovation Management

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**Abstract:** *This article analyzes the possibilities of improving the effectiveness of innovation management based on the ongoing reforms and measures in the country and evaluates them on the basis of the global innovation index rating in the world.*

**Keywords:** Innovation, innovation management, strategy, project, innovation activity, management, manager, management companies, innovation efficiency.

## Introduction

Today, the field of innovation is applied in all disciplines and areas. In particular, innovation is reflected in the economy. Innovation management is one of the new areas in the economy. It will be possible to introduce innovation through this area. Therefore, today the state pays great attention to the management and regulation of innovations. Uzbekistan considers joining the ranks of developed countries, continuing and deepening political and economic reforms, modernization of the country, the formation of civil society and, on this basis, the creation of decent living conditions for its citizens as important tasks for the future [1]. It is expedient to create innovations and introduce a management mechanism to launch new production and ensure efficiency in the country. In this regard, an action strategy has been developed for the five priority areas of further development of the Republic of Uzbekistan in 2017-2021, which identifies ways to transition to an innovative model of introduction of scientific achievements into production and radical changes in the modern technological system [2].

Also, the Decree of the President of the Republic of Uzbekistan dated November 24, 2018 PF-5583 "On additional measures to improve the mechanisms of financing projects in the field of entrepreneurship and innovation" was adopted [11]. Through this decree, in recent years, a large-scale work has been carried out in the country to develop entrepreneurship, attract investment and create a favorable environment for doing business.

The special resolution of the President of the Republic of Uzbekistan dated September 9, 2018 "On approval of the Strategy of innovative development of the Republic of Uzbekistan in 2019-2021" PF-5544 sets a number of other tasks for innovative development. Through this, ensuring the effectiveness of innovation management and its full implementation is seen as a key goal.

## Analysis of the relevant literature

The concept of innovation was first introduced to science by J.Schumpeter and was considered as a factor in the emergence of entrepreneurship [10]. Later, innovation itself was separated as an independent field, and it became necessary to conduct and use it. This situation manifests itself as innovation management. Innovation management is innovation management through which innovations are directed to the implementation of an effective activity. More precisely, innovation management is a set of principles, methods and forms of innovation processes, innovative activities, organizational structures engaged in this activity and the management of their employees [1]. Innovation is applied in different areas, and the management of these areas requires the use of new ideas and technologies. That is, innovation - modernization due to the integration of new ideas, provides technological development of the enterprise, which allows to create new processes, products, services [8].

Increased attention to innovation and innovation management is required by the life of today's society, because the emergence of innovative processes in new products and new techniques will be the basis of its socio-economic development. In order to manage innovation, it is necessary to determine its effectiveness and increase it continuously. To do this, innovations will be of particular importance in terms of product, process, marketing and organization. Therefore, many studies focus on product, process, and organizational innovations [5]. In particular, the first scientific innovation in marketing innovation was introduced in 1960 by T. Levitt, who argued that it affects the efficiency of the enterprise [4].

## Research methodology

Research methods such as monograph, economic analysis, comparison, logical thinking, abstraction, induction, deduction, SWOT were used in the research.

## Analysis and results

Innovations in the management process play an important role in this process and will have unique characteristics. This is because innovation attracts a wide range of consumers as a new product, event or behavior in the market. Its main purpose is to meet the needs of the consumer and bring income to the entrepreneur.

Innovation does not form spontaneously and is manifested through the factors that determine its development. Accordingly, the factors determining the development of innovation will be:

- market conditions and competition in domestic and international markets;
- the level of development of the environment or science and technology, the legal and regulatory framework, political and economic stability;
- personnel or scientists, specialists, entrepreneurs, managers, politicians and civil servants;
- resources or natural, manufacturing, financial, scientific, technical, technological and infrastructure.

Innovation-based management practices have evolved extensively through its development factors. Such an experience can be seen in the example of Finland. That is, 100 social innovations have been created in this country, one of which can be traced to an effective management system on the example of 24-hour serviced apartments. In particular, the serviced apartments are divided into the following groups [7]:

- lonely part: about 10% of people with mental illness living separately, unable to do household chores independently;
- with the help of a network of serviced homes to evacuate thousands of patients living in psychiatric hospitals and allow them to live like the rest without spending large sums of money;
- about 70,000 citizens of the country live with their elderly relatives.

As part of such management, management companies operate effectively. That is, today, innovative management companies have been established that focus on the effective implementation of innovations, increase management efficiency, and regulation. According to it, the management company is obliged to establish an internal audit service in the structure and in the manner prescribed by its constituent documents and legislation, the functions of management companies are determined independently and monitoring of management companies is carried out by the relevant competent state body.

To increase the effectiveness of innovation management, it is expedient to assess the opportunities for economic development in countries around the world. In particular, the level of development of countries can be assessed on the basis of the innovation index. This indicator plays an important role in the ranking of countries around the world. Based on this, it is planned to make the Republic of Uzbekistan one of the 50 leading countries in the world by 2030 in the ranking of the global innovation index. The Global Innovation Index is a ranking of global research and the level of development of innovations in other countries. It is based on the methodology of the French International Business School. The study, conducted since 2007 as part of a joint project of INSEAD International Business School, Cornell University and the World Intellectual Property Organization, currently presents the most complete set of innovative development indicators in different countries around the world. This is reflected in a 2019 study of the Innovation Index conducted in 129 countries.

**Table 1. Ranking of countries in the innovation index [3]**

Rating	Economy	Index	Rating	Economy	Index
1	Switzerland	67,2	66	Brazil	33,8
2	Sweden	63,7	67	Colombia	33,0
3	United States of America	61,7	68	Saudi Arabia	32,9
4	Netherlands	61,4	69	Peru	32,9
5	United Kingdom	61,3	70	Tunisia	32,8
6	Finland	59,8	71	Brunei Darussalam	32,3
7	Denmark	58,4	72	Belarus	32,1
8	Singapore	58,4	73	Argentina	31,9
9	Germany	58,2	74	Morocco	31,6
10	Israel	57,4	75	Panama	31,5
11	Republic of Korea	56,6	76	Bosnia and Herzegovina	31,4
12	Ireland	56,1	77	Kenya	31,1
13	Hong Kong	55,5	78	Bahrain	31,1
14	China	54,8	79	Kazakhstan	31,0
15	Japan	54,7	80	Oman	31,0
16	France	54,2	81	Jamaica	30,8
17	Canada	53,9	82	Mauritius	30,6
18	Luxembourg	53,5	83	Albania	30,3
19	Norway	51,9	84	Azerbaijan	30,2
20	Iceland	51,5	85	Indonesia	29,7
21	Austria	50,9	86	Jordan	29,6
22	Australia	50,3	87	Dominican Republic	28,6
23	Belgium	50,2	88	Lebanon	28,5

24	Estonia	50,0	89	Sri Lanka	28,5
25	New Zealand	49,6	90	Kyrgyzstan	28,4
26	Czech Republic	49,4	91	Trinidad and Tobago	28,1
27	Malta	49,0	92	Egypt	27,5
28	Cyprus	48,3	93	Botswana	27,4
29	Spain	47,9	94	Rwanda	27,4
30	Italy	46,3	95	Paraguay	27,1
31	Slovenia	45,3	96	Senegal	26,8
32	Portugal	44,6	97	United Republic of Tanzania	26,6
33	Hungary	44,5	98	Cambodia	26,6
34	Latvia	43,2	99	Ecuador	26,6
35	Malaysia	42,7	100	Tajikistan	26,4
36	United Arab Emirates	42,2	101	Namibia	25,9
37	Slovakia	42,0	102	Uganda	25,6
38	Lithuania	41,5	103	Cote d'Ivoire	25,6
39	Poland	41,3	104	Honduras	25,5
40	Bulgaria	40,3	105	Pakistan	25,4
41	Greece	38,9	106	Ghana	25,3
42	Viet Nam	38,8	107	Guatemala	25,1
43	Thailand	38,6	108	El Salvador	24,9
44	Croatia	37,8	109	Nepal	24,9
45	Montenegro	37,7	110	Bolivia	24,8
46	Russian Federation	37,6	111	Ethiopia	24,2
47	Ukraine	37,4	112	Mali	24,0
48	Georgia	37,0	113	Algeria	24,0
49	Turkey	36,9	114	Nigeria	23,9
50	Romania	36,8	115	Cameroon	23,9
51	Chile	36,6	116	Bangladesh	23,3
52	India	36,6	117	Burkina Faso	23,3
53	Mongolia	36,3	118	Malawi	23,0
54	Philippines	36,2	119	Mozambique	22,9
55	Costa Rica	36,1	120	Nicaragua	22,5
56	Mexico	36,1	121	Madagascar	22,4
57	Serbia	35,7	122	Zimbabwe	22,3
58	Republic of Moldova	35,5	123	Benin	20,4
59	North Macedonia	35,3	124	Zambia	20,4
60	Kuwait	34,6	125	Guinea	19,5
61	Iran (Islamic Republic of)	34,4	126	Togo	18,5
62	Uruguay	34,3	127	Niger	18,1
63	South Africa	34,0	128	Burundi	17,6
64	Armenia	34,0	129	Yemen	14,5
65	Qatar	33,9			

However, the innovative activities of the entities operating in the country require the introduction of new and improved production, minimization of production costs, creation of products that meet and meet environmental standards, constantly increase their consumption and quality characteristics. This will allow it to contribute to the economic development of the country through effective innovation management. To do this, it is necessary to choose the right object of innovation management, to manage innovations in different forms and, as a result, to achieve high efficiency.

First of all, an effective evaluation of innovation activity is necessary to determine innovation efficiency. This issue has been studied by researchers A.Ovsyanko and V.Kuganov, who propose a balanced system of the following groups of indicators [6]:

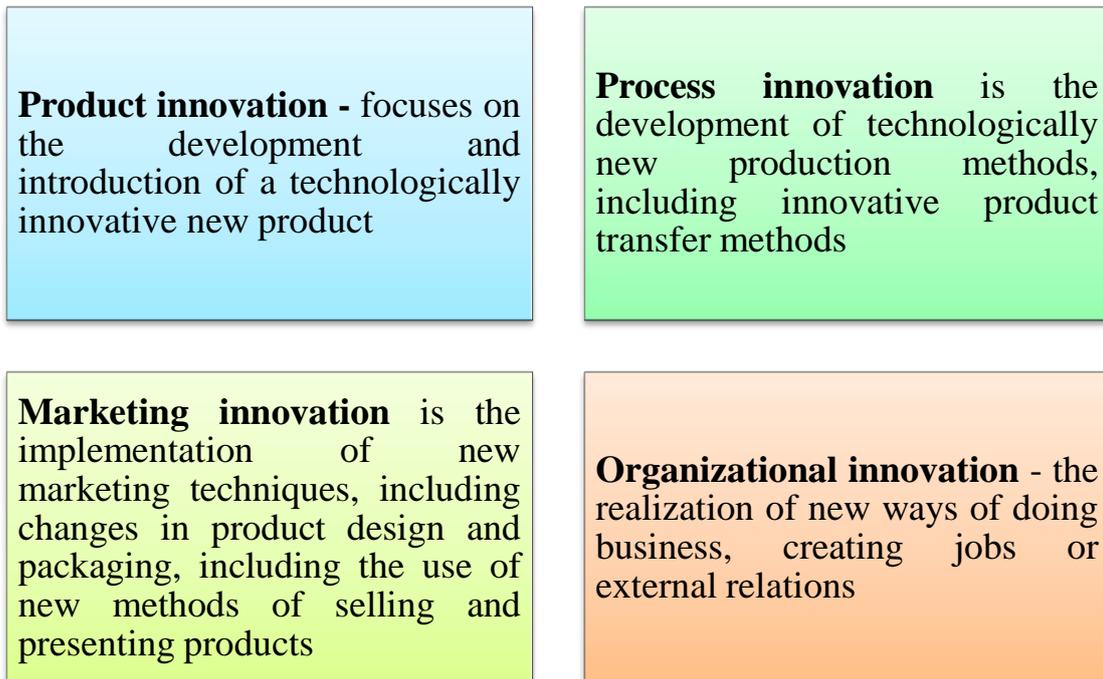
- innovative entrepreneurship;
- sensitivity to scientific progress;
- perception of changes in the market of the organization or enterprise;
- innovative behavior aimed at feeling.

Indeed, the further intensification of efforts to modernize the economy in Uzbekistan is determined by ensuring the continuity and scale of innovative processes in production and services. This is reflected in the development of inventions and projects based on direct scientific achievements in the efficiency of production and service enterprises, the introduction of high-capacity products into production, and as a result, the need for innovation factors. Because today, the basis of future economic growth and ensuring the competitiveness of the country are innovative factors.

Today, the implementation of innovative activities in the enterprises of the republic depends on the level of development of the institutional framework, which forms a single system of legal norms within the framework of laws aimed at improving the innovation environment, based on its effectiveness. And in the context of modernization of the economy, the innovative potential of the national economy will depend on the development of the system of financing innovative projects, ideas and inventions, along with the legal mechanisms governing these activities. Its provision is carried out directly in the news market. That is, the news market is formed by scientific organizations, temporary scientific communities, research associations, commercial organizations, independent scientific laboratories and departments, national and traditional innovators.

In this regard, the effectiveness of innovation management as a priority of the state in the context of modernization of the economy will depend on increasing the innovation potential of the country. For this purpose, the state should modernize the national economy, re-equip it technically and technologically, radically change the structural structure of the economy, diversify. And as a result of the development of enterprises in the national economy aimed at achieving this, in recent years there has been a steady growth trend in the share of competitive finished products in exports and a decrease in the share of raw materials. In particular, a draft normative document on the innovative development of enterprises has been developed, on the basis of which measures will be taken to fully implement the system of national accounts of the United Nations and the International Monetary Fund from January 1, 2020 [9]. In particular, it is planned to organize and hold an international conference on the creation of a zone of ecological innovations and technologies in the Aral Sea region. organization and development and coordination of the draft final document of the conference are reflected in the adopted program.

The main reason for this is the implementation of structural changes in the leading sectors of the economy and the introduction of innovations through the diversification of these sectors. Based on it, innovation-related relationships are regulated and monitored. Innovations are manifested in the form of product, process, marketing and organizational system:



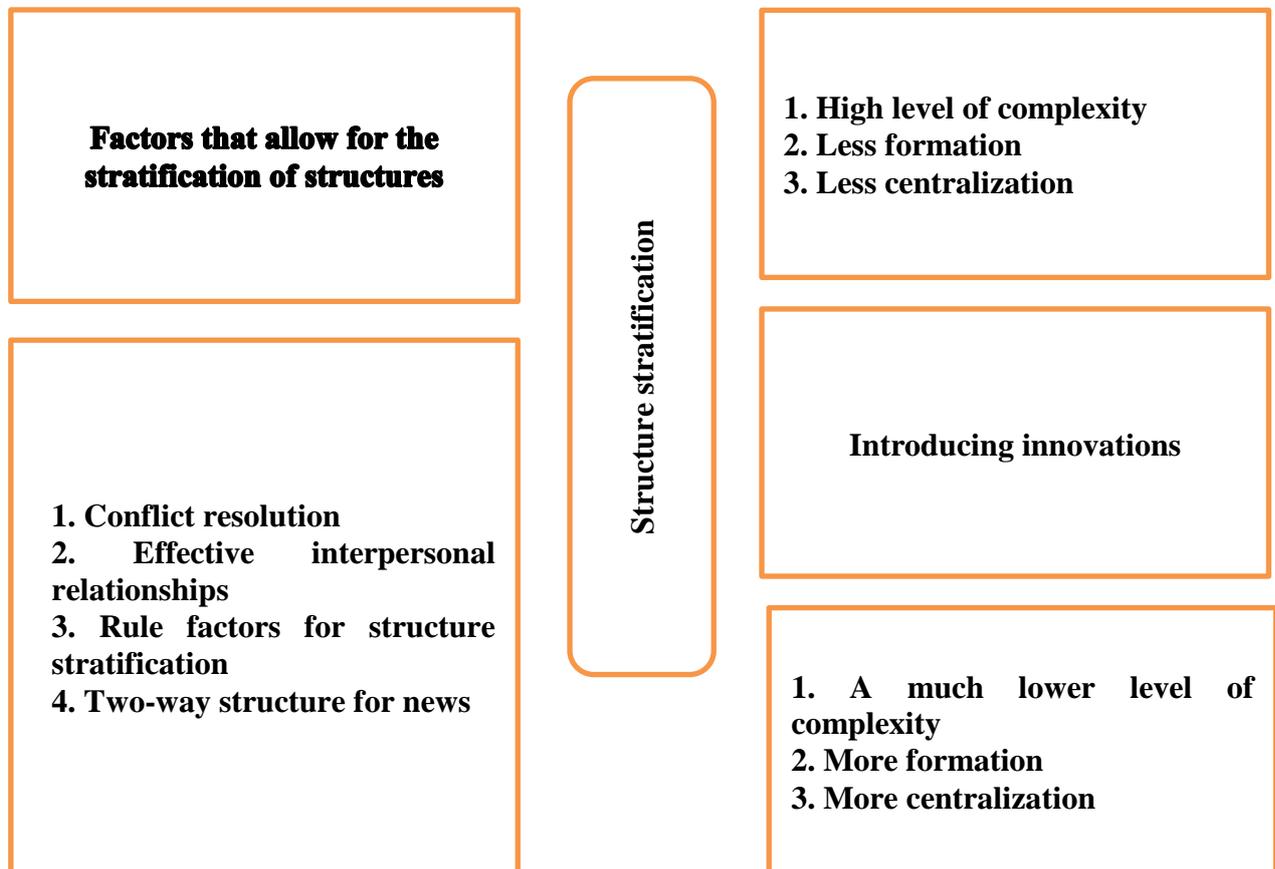
**Figure 1. Manifestation of innovations in various forms as an object of management [7]**

Indeed, improving the effectiveness of innovation management depends on the object of management, and its effective implementation must be ensured by managers. Because the manager must have the ability to organize innovative processes, implement new ideas and inventions. However, it is necessary to constantly improve the skills of managers as well as managers. That is, starting from 2018, a system of training leaders in innovation management has been formed in the country.

In particular, since February 2018, short-term special courses on innovation management have been organized on the basis of the Academy of Public Administration under the President of the Republic of Uzbekistan. This is stated in the resolution of the Cabinet of Ministers "On measures to create effective mechanisms for the application of

scientific and innovative developments and technologies in production." According to it, short-term courses on innovation management will be organized for responsible managers and specialists of scientific and higher education institutions, economic management bodies and large state enterprises [8].

At the same time, it is necessary to design and model the process to increase the effectiveness of innovation management. To do this, it is advisable to use the following design model:



**Figure 2. A differentiated design model aimed at increasing the efficiency of innovation management**

According to the drawing, the projected model is organized in a stratified manner. As a result, on the basis of increasing the efficiency of innovation management, an assessment of the cost-effectiveness of innovative activities in enterprises is achieved. To do this, it is recommended to analyze the main directions of innovative development and develop an enterprise development strategy, taking into account the inevitability of the innovation process and its role in the economic growth of enterprises. In particular, special attention should be paid to the organizational concept of management based on the integration of strategic resources and strategic objectives of enterprises, the study of key categories of innovation analysis, innovation project management, intellectual asset management and innovation risk in decision making.

#### **Conclusions and suggestions**

The use of innovations in the socio-economic development of the country requires increasing the competitiveness of the national economy. To do this, it is necessary to expand the areas of activity of enterprises and industries through the creation of innovative products. It also requires technical and economic modernization of enterprises, further development of priority industries, increasing production efficiency, increasing the number of competitive goods that meet the requirements of foreign and domestic markets and creating new ones through the formation of innovative activities. In this regard, it is necessary to clearly define the priorities for the implementation of innovation processes in the economy, to make science-based innovation decisions and to effectively attract internal and external funding sources.

In general, in order to increase the effectiveness of innovation management, it is necessary to implement measures for innovative development in the following areas:

- creation of an optimal strategic planning system that will allow to form an innovative model of priority development of industries and sectors of the economy;

- Introduction of the most modern innovative forms of ensuring the efficiency of public administration;
- formation and further expansion of modern infrastructure networks for the development of science and innovation;
- wide attraction of active investments in the development and introduction of innovative ideas and technologies;
- Comprehensive support and encouragement of scientific research and innovation, first of all, support of ideas and developments of the younger generation.

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