

THE INFLUENCE STAKEHOLDERS IN THE PROCESS OF INNOVATION ACTIVITY ENTERPRISES

Liezina Anastasiia,

*PhD, Senior Lecturer of Management Department of the PhD,
Senior Lecturer of Management Department of the SHEE
«Kyiv National Economic University named after Vadym, Hetman»,
Department of Management, Ukraine, lezya86@gmail.com,
<https://orcid.org/0000-0003-0516-6598>*

В исследовании рассматривается актуальная проблема взаимодействия стейкхолдеров и инновационных процессов предприятия, которая, по мнению автора, представляет собой взаимосвязанную систему непрерывного воздействия. Представлено авторское видение шагов, которые могут помочь в процессе внедрения инноваций в деятельность предприятия, а также групп заинтересованных сторон, которым необходимо составить карту заинтересованных сторон для достижения максимального эффекта.

Ключевые слова: предприятие, инновации, стейкхолдеры.

У дослідженні розглядається актуальна проблема взаємодії стейкхолдерів та інноваційних процесів підприємства, яка, на думку автора, являє собою взаємопов'язану систему безперервної дії. Представлено авторське бачення кроків, які можуть допомогти в процесі впровадження інновацій у діяльність підприємства, а також груп зацікавлених сторін, яким необхідно скласти карту зацікавлених сторін для досягнення максимального ефекту.

Ключові слова: підприємство, інновації, стейкхолдери.

In today's changing environment, the emergence of the fourth Industrial Revolution (Industry 4.0) and increased competition between businesses, more and more entrepreneurs are re-orienting their businesses with the help of innovations and new technologies. At present, the integrated use and dissemination of innovations is necessary to gain competitive advantage in the market and increase the profitability of production. In a market economy, those companies that are quick, active and timely to innovate benefit from the benefits. This allows them to expand markets and / or conquer new segments of the market with their products, and in the case of attracting fundamentally new inventions – to

occupy a temporarily dominant (monopoly) place in the market, which undoubtedly affects the significant increase in profits of the enterprise.

By its essential content the strategy of innovative activity of the enterprise consists in constant updating of a nomenclature of products and expansion of directions of activity of the company. Accordingly, in this area, one of the important aspects is to ensure the interests of stakeholders who can act as partners for the purpose and end consumers of the products of the enterprises. That is why, tracking the impact of stakeholder interests in the processes of enterprise innovation is a pressing issue. We believe that in this area of research it is advisable to apply comparative analysis and mapping tools to the stockholders, as well as to use analytical approaches to determine the place and role of stakeholders in the processes of formation of innovative activity of enterprises.

At the present stage of management development as a field of knowledge, stakeholder theory is one of the youngest and most relevant. This is due to the fact that in modern economic relations, each person is subject to influence and / or influence on the processes of functioning of the enterprise. Thus, according to the founder of this theory, E. Freeman, the achievement of the goals of the organization should take into account the interests of different stakeholders who will represent a certain type of informal coalition [1, p. 123]. This statement is sound, but we believe that in the processes of innovation, conditions can arise when coalitions change rapidly, and interests of stakeholders from supporters may change to competing ones. In this case, it is necessary to monitor changes and prevent the emergence of risks, and also to consider stakeholders as the only contradictory whole, the interests of which will determine the direction of realization of strategic development of the organization. Thus, collectively, the stakeholder impact concept is an ecosystem of interconnected groups of individuals and entities whose interests and values need to be anticipated, satisfied, balanced and secured for the successful operation and support of the enterprise's innovation activities.

According to international standards ISO26000, one of the principles of corporate social responsibility, which is a component of innovation, is respect for the interests of stakeholders (respect, consider and meet their interests) [2, p. 9]. To do this, the following steps must be followed:

1. determine (identify) best range of stakeholders;

2. distribute stakeholders into groups according to their interests and expected values;

3. assess and take into account the ability of stakeholders to interact with the company and affect its innovative process changes.

First of all, it is necessary to identify (identify) the range of possible stakeholders that can influence the processes of innovation of the enterprise. That is, when a company decides to choose a new strategic development vector and innovates, it needs to be clear about who will create the full product, who will buy it, who can create resistance, and who will be the partner and help in this process. The answers to all of these questions first of all identify the range of potential stakeholders and formulate a list of stakeholders. Further, the use of a wide range of tools allows the enterprise manager to have a more thorough understanding of the stakeholders.

There are currently many methods and methods for identifying stakeholders. The most common are the stakeholder matrix (compiled as a table where experts evaluate the degree and strength of stakeholder influence on the business), the A. Mendlow model (the power / interest matrix) provides for the classification and grouping of stakeholders according to their attitude to power. they own), a power / dynamism matrix (identifies stake holders according to their power and position dynamism), Mitchell's model (implies identification based on a combination of one, two, or three attributes).

Each of the methods presented above is based on expert judgment, but this method is subjective and, in most cases, depends on the experience of the identity of the stakeholder. It is fairer to carry out several independent expert assessments of the potential stakeholder circle and / or to apply several methods of determining the stakeholder circle, as well as at the end of the comparison of the potential stakeholder circle by the method of comparison with the responsible manager of the enterprise. This approach is more labour and costly, therefore, not all enterprises are ready to invest some effort and money against the background of significant investments in innovations, innovations and modernization of the enterprise. But the correct and accurate identification of all possible stakeholders can help to achieve the goal for which the enterprise innovates.

Thus, from the point of view of the theoretical concept, every stakeholder is more or less interested in innovation, but in practice, as noted by Bas Y [3, p. 397]. We consider this remark relevant but debatable, since we need to confirm this kind of data imperatively. In addition, it is important for the enterprise manager to identify key stakeholders among all stakeholders and to manage their impact in such a way as to maximize negative effects and enhance positive impact or achieve synergy.

In the second stage, it is appropriate to group all the stakeholders into groups for organized and operational management. Thus, according to Myroshnichenko Y. and Bondar A., the stakeholders should be divided into the following three groups: persons (groups / organizations) affected by the activity of the enterprise; persons (groups / organizations) to whom the enterprise has legal, financial and operational obligations and persons (groups / organizations) that can influence the results of the enterprise activity and who make management decisions [4, p. 72]. But this position does not include stakeholders who have a negative or neutral attitude towards company innovation. Therefore, we suggest mapping all stakeholders and dividing them into four groups. Namely:

- stakeholders who are interested both in the processes of innovation and in the end results of the company;
- stakeholders who are most interested in the process of enterprise innovation;
- stakeholders, which is an important result of the organization's innovation activity;
- stakeholders who do not have significant interests and consequences from the proposed innovations of the enterprise [5, p. 118].

In the third stage, it is important to determine the degree of stakeholder willingness to work with the enterprise in the face of innovative change. This leads to a number of activities on the part of the manager, namely: to establish the degree of interaction of all groups of stakeholders in the enterprise, as well as with each other; balance their expectations and interests in the company innovations; develop stakeholder engagement plans and responsibility maps for the processes of enterprise innovation formation and more.

We believe that all stakeholder groups can influence the process of enterprise innovation in different ways, but each of them should be

based on the AA1000 (Accountability) principle of involvement [6]. This standard cover all interested parties, their right to express themselves, influence them to be heard, even if their point of view contradicts the main strategic direction of innovative development of the enterprise. Participation can be achieved by observing the following principles: weight, completeness, responsiveness, expediency (Fig. 1).

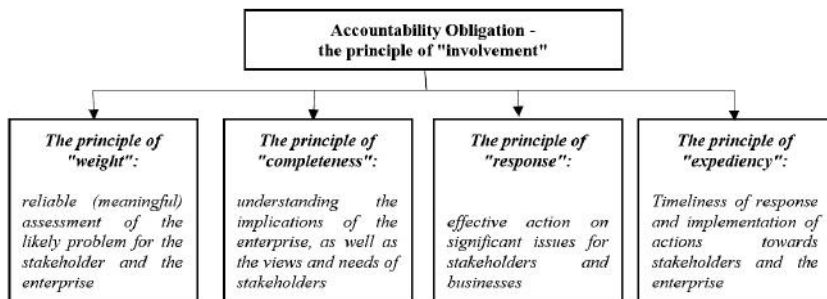


Fig. 1 Accountability Commitments and Principles

Source: supplemented by author based on [7].

An important aspect of adhering to the principles is to apply them in the context of key stakeholder issues:

1. The principle of “weight” – how important for you is the innovation activity of the enterprise? This issue coordinates the perspective of the enterprise’s engagement in the direction of the most significant and interested stakeholders.

2. The principle of completeness – will the information on enterprise innovation be presented in a truthful and honest way? This kind of question will help to shape the core stakeholder needs for innovation and understand their implications for the enterprise.

3. Responding principle – Do you have the ability to influence and be responsible for change? Adhering to this principle can help to identify the range of potentially hidden resistance from stakeholders and, conversely, to identify those who can take effective measures to avoid risks.

4. The principle of “expediency” – how important are the time constraints for implementing innovative measures for you? The answer to

this question may impose restrictions on stakeholders. Innovations are very fleeting, and their timeliness can significantly change the stakeholder range.

The questions above are unified, but the list of likely stakeholders for each company is different. This is primarily due to the specific nature of the enterprise, its territorial affiliation and strategic intentions for innovation. We believe that adherence to these principles is appropriate and can be effective in implementing innovative changes in enterprises.

Taking into account the above influence of stakeholders on the processes of formation of innovative activity of enterprises is indisputable, since the relationship of constant expectations and interests of stakeholders with innovative changes of enterprises is a system that provides for the sustainable development of the latter by constantly assessing the level of responsibility of business entities based on stakeholder expectations. In our opinion, this issue requires further in-depth theoretical study and implementation of basic developments in practice, which we will carry out in the future.

References

1. Freeman R. E. Strategic Management: A Stakeholder Approach. First Edition. Boston: Harpercollins College Div, January 1984. 275 p. (Pitman Series in Business and Public Policy).
2. Gerasimenko Y. V. Identification of enterprise stakeholders and assessment of their impact: theoretical aspect. *Bulletin of the Zhytomyr State Technological University. Series: Economics, Management and Administration*. 2019. № 1 (87). Pp. 9–16.
3. Bas Y.V. The Stakeholder Concept in the Corporate Social Responsibility System. *Management and Marketing*. 2013. № 4 (32), T. 2. Pp. 115–120.
4. Miroschnichenko Y.O., Bondar A.V. A model of stakeholder interaction in the real economy of Ukraine in the context of CSR. *Eastern Europe: Economics, Business and Management*. 2018. V. 5. P. 71–74.
5. A. V. Liezina, Rationale for managerial innovations in the processes of value creation projects. *Business-inform*. 2018. № 4. Pp. 393–399.
6. AA1000 Accountability principles. 2018. URL: https://www.accountability.org/wp-content/uploads/2018/05/AA1000_ACCOUNTABILITY_PRINCIPLES_2018_Single_Pages.pdf
6. T. Crick, M. Forstaiter, F. Monaghan, M. Silanpa. Stakeholder Engagement: A Practical Guide to Stakeholder Engagement. 2005. 148 p.