

Key Concepts, Goals, and Tasks of Innovative Management

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Abstract: This article explores the key concepts, goals, and tasks of innovative management, emphasizing its significance in ensuring organizational sustainability and competitiveness in today's dynamic business environment. The study highlights that innovative management is not limited to technological progress but also involves creativity, adaptability, strategic thinking, and the transformation of organizational culture. The research methodology is based on a qualitative approach, utilizing literature reviews, case analyses, and expert opinions to identify core principles and trends in innovative management. Special attention is given to Uzbekistan's position in the international innovation index and its ongoing reforms aimed at strengthening innovation-driven development. The paper outlines the essential tasks of innovative management, including planning, implementation, leadership, and evaluation of innovation processes. The findings suggest that successful innovative management fosters continuous improvement, efficient resource use, and the creation of competitive advantages. Ultimately, the study concludes that embracing innovative management principles enables organizations to adapt to change, enhance market performance, and achieve long-term sustainable growth.

Keywords: Innovation, innovative process, innovative activity, innovative management, innovative governance.

Introduction.

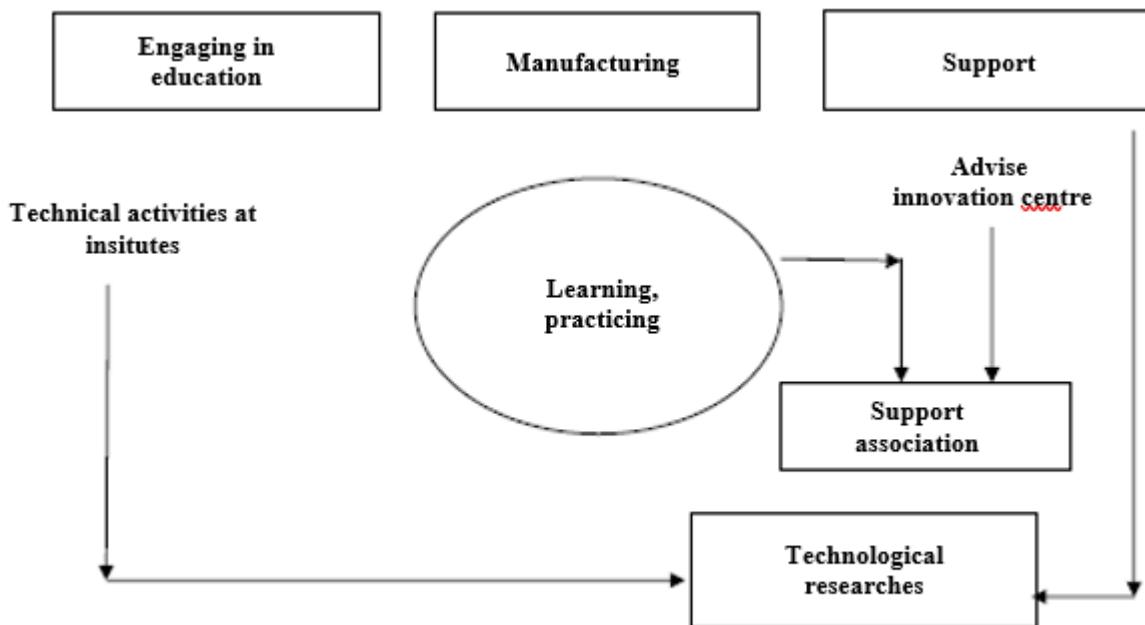
Innovative management has emerged as a critical approach in today's rapidly evolving business landscape, where staying competitive and relevant requires constant adaptation and transformation. The concept focuses on fostering a culture of innovation within organizations, empowering them to harness creativity, embrace change, and continually develop new strategies, products, and services. Innovative management is not just about technological advancements but also involves rethinking business processes, organizational structures, and leadership approaches. It integrates both strategic vision and operational excellence, driving organizations toward sustainable growth and long-term success. This article explores the key concepts, goals, and tasks of innovative management, shedding light on how it differs from traditional management practices. By understanding the core elements of innovation in management, organizations can better position themselves to tackle the challenges of the modern business environment, capitalize on emerging opportunities, and stay ahead of competitors. The article also aims to provide practical insights into how innovative management can be effectively implemented to achieve organizational objectives.

1. Key Concepts of Innovative Management

The increased attention to innovations and innovative management is demanded by the very nature of contemporary society, as the realization of innovative processes in new products and technologies forms the basis of its socio-economic development. The innovative process consists of preparing and implementing innovative changes, comprising interconnected phases that form a unified whole. As a result of the changes carried out in this process, innovation arises. For the implementation of the innovative process, the timely dissemination of innovations that have been assimilated and used in new conditions and applications is of great importance. The innovative process has a cyclical character, which should be considered in the development of compact systems for organizing and managing the economy [1]. In global economic literature, "innovation" is interpreted as the realization of potential scientific and technological development (STD) in genuine, new products and technologies. In our country, the issues of innovation have been developed over many years within the framework of economic research on scientific and technological progress. The term "innovation" is used in Uzbekistan's transitional economy to define both independent and various related concepts such as "innovative activity," "innovative process," "innovative decision," and others [2]. Economists, particularly foreign scholars (N. Munches, I. Perlaki, V.D. Hartman, E. Mansfield, R. Foster, B. Twiss, J. Schumpeter, E. Rogers, and others), interpret this concept differently based on their research objects and subjects. However, an analysis of these various definitions of innovation leads to the conclusion that changes constitute the specific content of innovations, while the task of these changes becomes the primary task of innovative activity. Australian scholar J. Schumpeter identified five typical changes:

1. The use of new techniques, new technological processes, and new market supply in production (buying and selling);
2. The application of data with new characteristics;
3. The use of new raw materials;
4. Changes in organizing production and its material-technical supply;
5. The emergence of new sales markets.

These principles were formulated by J. Schumpeter as early as 1911 [3]. Later, in the 1930s, he introduced the concept of innovation as a change aimed at the application of new types of consumer goods, new production and technical means, and organizational forms of markets in industry. Sometimes, innovation is viewed as a systematic process, thereby recognizing the stage-like development of the introduction of new ideas over time. In the context of modernizing the economy, the methodology for describing innovations is based on international standards. To coordinate efforts in collecting, developing, and analyzing information about science and innovations, a national expert group on science and technology indicators has been established within the framework of the Organization for Economic Cooperation and Development (OECD). The Frascati Manual ("Proposed Standard Practice for Surveys of Research and Experimental Development") has been developed. This document takes its name from the first version of the recommendations adopted in 1963 in Frascati, Italy. The science of innovative management encompasses all technical tools related to various forms of production [4].



1- picture. Innovation researches

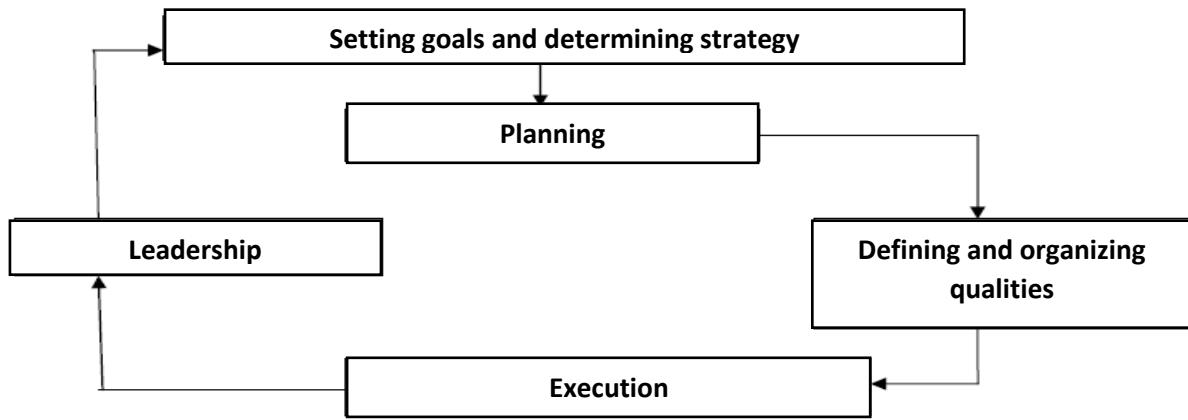
Clarifications to the rules in the Frascati Manual are made periodically, based on changes in the scientific and technical policy strategy at national and international levels, as well as in the organization of scientific research and development. The latest edition of the Frascati Manual (1993) includes key concepts related to scientific research and development (SRD), their composition and boundaries, and methodologies for measuring the number of personnel engaged in research and development activities. The methodology for collecting data on technological innovations is based on recommendations adopted in 1992 in Oslo, Norway, known as the "Oslo Manual." According to international standards, innovation is defined as the final result of innovative activities that manifest as new or improved products launched on the market, or new or improved technological processes used in practical activities, or a novel approach to social services. Innovative management is exceptionally complex. Specialists known as innovative managers are necessary for analyzing the development patterns of innovative processes; they focus on various organizational and economic aspects of innovation. Their primary task in managing innovations is to promote the innovative process, predict potential obstacles, and outline ways to overcome them. The competition among independent firms with updated products is characteristic of the modernization of the economy, along with the presence of competing innovations in the market. The numerous success stories of large companies attest to this. Therefore, there is a market selection for innovations, in which innovative managers participate. Innovative managers can engage in various organizational structures (academies of science, educational institutions, scientific societies, research organizations, design bureaus, engineering companies, etc.) by forming creative teams to search for and disseminate innovations and to establish a portfolio of orders for scientific research and development. They manage scientific teams and coordinate research activities. All of this places high demands on the qualifications of innovative managers: they must possess both scientific-technical and economic-psychological expertise, and they should be capable of evaluating the effectiveness of innovations and managing them as qualified economists, embodying both traditional managerial and research scientist roles.

2. Essence and Tasks of Innovative Management.

Innovative management is the system of principles, methods, and forms for managing innovative processes, innovative activities, and the organizational structures and employees involved in these activities. Like any other area of management, it involves setting goals and choosing strategies, which consist of four stages:

1. Planning;
2. Setting conditions and organizing;
3. Implementation;
4. Leadership.

The stages of innovative management are presented in the diagram below.



The tasks outlined in each stage of the process are addressed accordingly. In the first stage—planning—a strategy implementation plan is developed. In the second stage—setting conditions and organizing—resources are designated for the various phases of the innovation cycle, tasks are assigned to employees, and work is organized. During the implementation stage, checks and developments are carried out, and the plan is executed. The leadership stage involves monitoring and analysis to correct actions, incorporate feedback, and gather experience [5]. At this point, innovative projects, innovative management decisions, and the effectiveness of implementing innovations are assessed. The innovative process (IP) has a cyclical nature. The activities representing the IP are divided into distinct functional and organizational units that arise as a result of the division of human labor. The economic and technological impact of the IP is only partially realized in new products or technologies. It manifests much more significantly as a condition for the emergence of new techniques, through an increase in economic and scientific-technical potential. This means that the technological level of the innovative system and its constituent elements rises, thereby increasing the propensity for innovations. The innovative process can generally be represented as a chain: FT – AT – I – L – Q – O' – SICH – M – Sot, where FT and AT stand for fundamental and practical research; I – development; L – design; Q – construction; O' – assimilation; SICH – industrial production; M – marketing; Sot – sales. To analyze this chain, it is necessary to abstract from the feedback factors between its various elements (which involves distinguishing significant features of the relationships between the subjects and their interactions) and to consider the duration of the FT – O' phase (which can last more than 10 years) and the relative independence of each phase (FT – AT; L - Q). Fundamental (theoretical) research, associated with the concept of scientific activity, serves as the initial stage of any innovative process [6]. Each separate element of the process is indeed filled with scientific activities related to fundamental research. Notably, the amount of new information decreases from FT to SICH. In this process, research activities are gradually replaced by skills, experiences, and standardized methods. When discussing the final results of FT, one must highlight research activities aimed at acquiring and processing new, remarkable, and validated information within the field of theoretical research. While theoretical research is not directly linked to solving specific practical tasks, it serves as the foundation of the innovative process. At the same time, the necessity for theoretical research can be substantiated by synthesizing the needs of practical activities with prior knowledge about the subject. Fundamental research

typically manifests in practical research; however, this does not occur immediately. Only certain studies become practical applications (AT – I – L, etc.). Approximately 90% of the topics of fundamental research may yield negative results. From the remaining 10% that yield positive results, not all will be applied in practice. The ultimate goal of fundamental research is to understand and develop the process (theory of the problem). Practical research (AT) is aimed at entirely different objectives. It involves transforming knowledge into tangible forms, modifying them during the production process, and delivering new products, technological designs, etc. As a result of development activities, the design of new machines (equipment) is created, leading to the stages of process design (L), visualization, assimilation (O'), and industrial production (SICH). The stages of M and Sot are directly related to the commercial sale of the results of the innovative process [7].

3. Goals of Innovative Management

The goals of innovative management in a company are linked to its mission, philosophy, traditions, and lifecycle. The modern economic entity is a business, company, firm, or corporation—essentially a legal entity engaged in various types of activities, with partners, the freedom to choose ownership, and obligations defined by the state. A firm possesses strategic and operational independence, determining production volumes and types, as well as addressing market behavior and positioning issues. It has a structure of goals influenced by the external environment and internal needs of the firm. The system of strategic goals arising from the firm's external environment is illustrated in Figure 1.2. From the perspective of the firm's internal needs, the goals of its innovative activities are focused on improving production efficiency through the renewal of all production systems, as well as enhancing the firm's competitive advantages based on effective use of scientific, technical, intellectual, and economic potentials. Social goals aim to increase employee wages, improve working conditions, and enhance social protection. Innovative goals relate to the development, patenting, and licensing of innovations, as well as acquiring know-how, new industrial designs, trademarks, and similar assets [8]. The goals related to the commercialization of the firm's innovations include conducting active marketing research to strengthen its market position, subsequently expanding its segments and penetrating new markets. The priority goals of innovative management involve stimulating innovative activities to facilitate the organization's growth and development, actively promoting new products and technologies in the market, utilizing opportunities for further specialization of production, and fostering economic advancement and entry into new markets [9]. The tactical goals of the organization include developing, implementing, and assimilating innovations; attracting and financing investments; training for specialization changes; incentivizing and rewarding employees; enhancing the scientific base of R&D and innovations; and improving management methods, tasks, pathways, and styles [10]. The structural goals of the organization are related to the harmonious functioning of its systems: production, R&D, employees, finance, marketing, and management. The general classification of innovative management goals is conducted based on the following key criteria:

- Level (strategic and tactical);
- Type of environment (external and internal);
- Content (economic, social, political, scientific, technical, organizational, etc.);
- Priority (primary, ongoing, traditional, one-time);
- Duration (long-term, medium-term, short-term);
- Functional structures (production, R&D, employees, finance, marketing, management);
- Phases of the organization's existence (emergence, growth, maturity, decline, and termination).

In large organizations, it is common to observe the existence of a goals tree. In this case, the hierarchy of goals is crucial, as the objectives of lower levels are subordinate to those at higher levels.

Conclusion.

Innovative management plays a critical role in ensuring the sustainable development and competitiveness of organizations in today's rapidly evolving environment. The study of its key concepts, goals, and tasks reveals that innovative management is not merely the adoption of new technologies but a comprehensive process that involves the generation, implementation, and continuous refinement of ideas across all organizational levels. The key concepts of innovative management—such as innovation, creativity, adaptability, and strategic foresight—underline the importance of fostering a culture that encourages experimentation and embraces change. Organizations that integrate these principles are better equipped to respond to market fluctuations, technological advancements, and customer needs. The primary goals of innovative management include enhancing efficiency, improving product or service quality, and achieving long-term growth through continuous innovation. These goals align closely with the broader objectives of organizational sustainability, competitive advantage, and customer satisfaction. In terms of tasks, innovative management involves several crucial activities: identifying innovation opportunities, mobilizing resources, implementing new solutions, and monitoring their impact. Effective leadership, collaboration, and employee engagement are essential to ensuring the successful execution of these tasks. Success in this domain depends not only on having the right tools and strategies but also on fostering a mindset that values continuous learning and innovation. As the global business landscape becomes increasingly complex, innovative management will remain a vital function for organizations seeking to thrive in the face of uncertainty and disruption.

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