

DOI: <https://doi.org/10.32782/2524-0072/2023-48-14>

UDC 658.012.8

INNOVATIVE COMPONENT OF FINANCIAL SECURITY OF ENTERPRISES

ІННОВАЦІЙНА СКЛАДОВА ФІНАНСОВОЇ БЕЗПЕКИ ПІДПРИЄМСТВ

Titenko ZoyaPhD in Economics, Associate Professor,
National University of Life and Environmental Sciences of Ukraine
ORCID: <https://orcid.org/0000-0001-5816-5519>**Тітенко Зоя Миколаївна**кандидат економічних наук, доцент,
Національний університет біоресурсів і природокористування України

Innovations play an important role in the development of both the economy as a whole and individual enterprises in particular. Therefore, the issue of ensuring innovative development and finding financial resources that will facilitate the implementation of innovations is becoming more and more urgent. In modern conditions, in order to ensure the proper level of financial security of business entities, it is necessary to implement the latest technologies that will contribute to increasing the competitiveness of enterprises, both on the domestic and foreign markets. The purpose of the article is to study the prerequisites for ensuring the appropriate level of innovative development of enterprises, as one of the factors for ensuring the appropriate level of their financial security in today's difficult conditions. The article defines the main factors of the innovative component of financial security: innovative development, innovative potential and innovative risks. The importance of their consideration to ensure the appropriate level of financial security has been proven. The author investigated the essence of the innovative development category and determined its direct impact on the level of financial security of enterprises. In the difficult conditions of conducting economic activity at present, the issue of increasing innovation potential is becoming more and more urgent. The author focuses attention on the factors of the external and internal environment that affect the innovative potential of the enterprise. The article offers the author's interpretation of the innovative potential of enterprises as a component of its financial security. It has been proven that to ensure effective innovative development, it is necessary to strictly follow the mechanism of its formation. It provides for the presence of certain constituent elements, in particular: a clear definition of the set goal, in accordance with which the tasks must be developed, throughout the study, an analysis of the implementation of the set tasks must take place, so that the main goal of the study is achieved. It was determined that threats and risks have a significant impact on innovative development, which necessitates their constant monitoring in order to help minimize them.

Keywords: financial security, enterprises, innovations, innovative activity, innovative development.

Інновації відіграють важливу роль у розвитку як економіки в цілому так і окремих підприємств зокрема. Тому питання забезпечення інноваційного розвитку та пошуку фінансових ресурсів, що сприятимуть впровадження інновацій набуває все більшої актуальності. В сучасних умовах для забезпечення належного рівня фінансової безпеки суб'єктів господарювання потрібно впроваджувати новітні технології що сприятиме підвищенню конкурентоспроможності підприємств, як на внутрішньому так і на зовнішньому ринку. Метою статті є дослідження передумов забезпечення належного рівня інноваційного розвитку підприємств, як одного із факторів забезпечення належного рівня їх фінансової безпеки в складних умовах сьогодення. У статті визначено основні чинники інноваційної складової фінансової безпеки: інноваційний розвиток, інноваційний потенціал та інноваційні ризики. Доведено важливість їх врахування для забезпечення належного рівня фінансової безпеки. Автором досліджено сутність категорії інноваційний розвиток та визначеної її безпосередній вплив на рівень фінансової безпеки підприємств. В складних умовах ведення господарської діяльності в даний час питання нарощення інноваційного потенціалу набуває все більшої актуальності. Автором акцентовано увагу на факторах зовнішнього і внутрішнього середовища, що впливають на інноваційний потенціал підприємства. В статті запропоновано авторське трактування категорії інноваційний потенціал підприємств, як складової його фінансової безпеки. Доведено, що для забезпечення ефективного інноваційного розвитку потрібно чітко дотримуватися механізму його формування. Він передбачає наявність певних складових елементів, зокрема: чітке визначення поставленої мети, у відповідності до якої повинні бути розроблені завдання, в продовж всьо-

го дослідження повинен відбуватися аналіз виконання поставлених завдань, щоб основна мета дослідження була досягнута. Визначено, що на інноваційний розвиток суттєвий вплив мають загрози та ризики, що обумовлює необхідність постійного їх моніторингу з метою сприяння їх мінімізації.

Ключові слова: фінансова безпека, підприємства, інновації, інноваційна активність, інноваційний розвиток.

Formulation of the problem. The current state of economic relations can be characterized as relatively unstable in recent years, which is due to the beginning of the Covid-19 pandemic in the world and the situation in Ukraine in connection with the military aggression of Russia and the subsequent full-scale invasion. The issue of innovative development of agricultural enterprises of Ukraine is one of the most urgent, since the agricultural sector plays a leading role in the export potential of Ukraine and contributes to the growth and recovery of the domestic economy. Stimulation of innovative processes will contribute to the strengthening of the financial security of the enterprises under study and cause structural changes in the country's economy.

It should be remembered that the main factor preventing the implementation of innovative processes in the activities of enterprises is the lack of adequate financial support. Thus, the introduction of innovations into the production process of agricultural enterprises is related to ensuring the appropriate level of investment attractiveness of their activities.

Analysis of recent research and publications. The study of theoretical and practical aspects of the innovative development of enterprises, as prerequisites for ensuring the appropriate level of their financial security, are constantly in the center of attention of scientists. In particular, the problems of innovative development of enterprises found their way reflected in the works of such domestic and foreign scientists as V. Goets, V. Hrynyova, S. Ilyashenko, M. Rogoza, P. Mykytyuk, V. Seminozhenka. Most scientists have studied the theoretical foundations of innovative development of enterprises, but not enough attention has been paid to the issue of its financial support and impact on the level of financial security.

The purpose of the article is to study the prerequisites for ensuring the appropriate level of innovative development of enterprises, as one of the factors for ensuring the appropriate level of their financial security.

Presenting main material. Innovations have a direct impact on the competitiveness of products and increasing the company's position on the market, which ultimately ensures an

increase in the value of the company. However, it should be remembered that ensuring the innovative development of the enterprise is directly related to the presence of appropriate internal and external conditions.

It is worth noting that there is a close connection between innovative activity and enterprise security, in particular financial and economic.

Ukrainian researcher, S. V. Labunska [1, p. 302] in his works focuses on the connection between the level of innovative activity of the enterprise and the level of its financial security, it highlights the resource component of innovative potential in functional subsystems (production, financial, intellectual, market and organizational potential); the management system of the enterprise with its ability to implement and commercialize both a separate innovation and the general process of innovative transformations; the level of stability of the company's financial security system, which is determined by its safety margin.

Our research shows that the introduction of innovations has a direct impact on the level of financial security of agricultural enterprises, which is manifested through their innovative activity, innovative development, as well as risks and threats to innovations (Fig. 1).

The highlighted proposed factors are directly interrelated. Thus, the innovative development of the enterprise is directly related to the growth of the level of its innovative potential.

The definition of "innovative potential" began to be studied relatively recently, however, there is a sufficient number of its interpretations. Thus, the Law of Ukraine "On Innovative Activity" defines that innovation potential is a set of scientific-technological, financial-economic, production, social, cultural-educational opportunities of the country (industry, region, enterprise, etc.) necessary to ensure the innovative development of the economy [2].

A number of authors [3-5] in their research adhere to the resource approach, that is, when interpreting the essence of the innovative potential category, they focus on the presence of resources that take direct part in the production process in order to increase the competitive advantages of the enterprise.

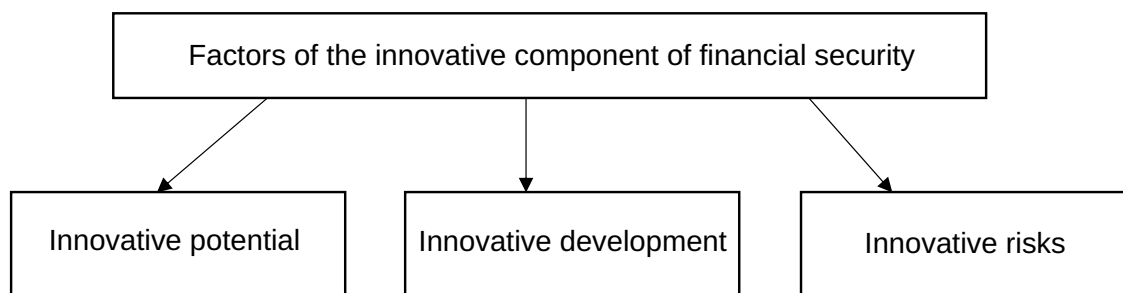


Figure 1. Factors of the innovative component of financial security

Source: generated by the author

Considering the research of scientists, we can single out the approach proposed by O. Mykytas and M. Mironova, they mean the system of factors and conditions necessary for the implementation of the innovation process by innovative potential. The assessment of the state of innovation potential is based on the capabilities possessed by the enterprise for its own innovation activity [6].

Summarizing the approaches of scientists to this category, we proposed the following interpretation of the category innovative potential of agricultural enterprises as a component of its financial security – it is their ability to implement innovative technologies and achieve innovative goals in accordance with the available production and financial resources, as well as the presence of qualified employees in order to increase competitive advantages of the enterprise on the market and increasing the level of its financial security.

The innovative potential of the enterprise is influenced by a set of various factors, which in the economic literature are usually classified as external and internal. Thus, the following should be included among the external factors of innovative attractiveness of agricultural enterprises:

1) political and legal, where the influence of these factors is due to the imperfection of the legislative framework regarding innovative activities, which negatively affects the development of new innovative projects;

2) economic, which are due to economic instability in the country, a high level of the shadow economy, in addition, the lack of protection of investors' interests when attracting their capital for innovative developments.

3) natural and climatic, since the development of agricultural production largely depends on favorable climatic conditions, especially the field of crop production. Unfavorable climatic

conditions reduce financial results and the company has no additional resources for the introduction of innovative technologies.

Conducted research on internal factors shows that the following have the most significant influence:

1) lack of a modern material and technical base, the agricultural sector is characterized by a significant percentage of physically and morally outdated equipment;

2) lack of highly qualified specialists capable of introducing innovations at the enterprise;

3) for the effective implementation of innovative technologies, the development of an appropriate development strategy and its gradual implementation at the enterprise is required;

4) the introduction of innovative technologies requires significant financial resources, which encourages enterprises to attract investment resources. According to the rating of factors that hindered technological innovations at enterprises during 2016–2021, compiled by the State Statistics Service, the following trend can be identified: the need for state financial support is decreasing, the lack of own funds is decreasing, but the cost of innovations and economic risk are increasing, a more important factor there is a lack of qualified personnel, the low innovative potential of enterprises becomes significant [7].

Increasing the innovative potential of enterprises will have a direct positive impact on the innovative development of agricultural enterprises.

In his research, V.P. Baranchev reveals the essence of innovative development through "...increased use of innovative opportunities to achieve the set goals of the development of a managed social object from various directions. At the same time, the main goal of innovative development is to radically increase the competitiveness of the enterprise in various

markets. This is achieved due to a highly profitable portfolio of innovative projects" [8].

It is necessary to understand that the increase in innovative development is due to the stimulation of innovative activity, both of individual enterprises and of the economy as a whole, which is directly related to the introduction of the latest technologies based on the use of intellectual labor and create a high added value of the product.

In his studies, S. M. Ilyashenko notes that "innovative development is a business process that is based on the continuous search and use of new ways and areas of realizing the company's potential in the changing conditions of the external environment within the framework of the chosen mission and accepted motivation of activity and which associated with the modification of existing and the formation of new sales markets [9].

M. Kass focuses his attention on the fact that innovative development is a complex and long-term process of innovative transformations at the enterprise, which includes a set of goals, planned measures, a system of motivation and methods of financing, on the other hand, it is a logically and consistently implemented process of specific measures regarding conducting scientific research and development, creating novelties and mastering them in production with the aim of obtaining new or improved products, new or improved production technology [10].

In order to ensure effective innovative development, it is necessary to clearly observe the mechanism of its formation (Fig. 2).

The study of risks and threats is quite important in the study of innovative development and innovative potential of enterprises. In the process of carrying out innovative activities, various risks may arise, which are caused by the influence of both external and internal factors, as well as caused by the activities of personnel.

In their research, scientists have grouped all existing risks according to the conditions of their occurrence [11]:

1) risks associated with insufficient justification of the choice of priorities of the enterprise's economic and market strategies, errors in the assessment of the enterprise's prospects on the market, its financial stability.

2) risks of wrong selection of innovative projects. The reasons for the occurrence of such a risk may be the unclear nature of obtaining the final scientific results, miscalculations in the planning, development and implementation of the innovative project, its cost, terms, quality characteristics and the value of the obtained result.

3) the risk of not providing the innovative project with a sufficient level of financing. The emergence of this type of risk is possible in cases of non-receipt of funds for project development, wrong choice of funding sources, etc.

4) marketing risks associated with the readiness of the market environment to accept

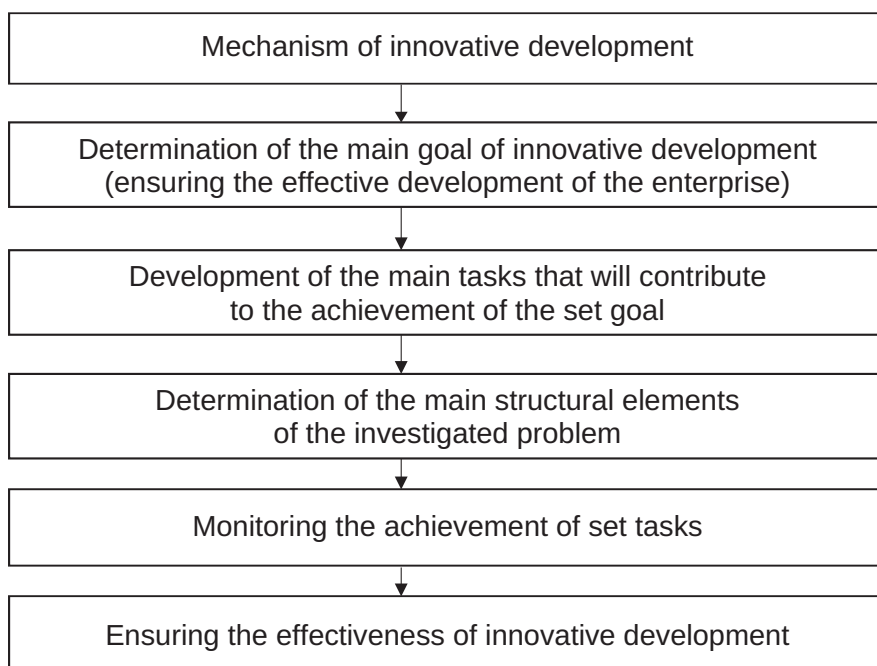


Figure 2. Mechanism of innovative development of the enterprise

Source: generated by the author

this innovation, the presence of hidden demand or market expectations. The source of such risk can be the insufficient level of professionalism of the company's marketing services, as well as the variability of the market environment.

5) risks related to the protection of intellectual property rights, which are especially relevant for enterprises engaged in innovative activities. The reason for this type of risk is the imperfection of patent legislation.

6) risks of the competitive environment, such as the appearance of new players on the market, unforeseen actions of competitors, a sharp change in their strategy on the market.

7) personnel risks, which are the result of low qualifications of personnel service employees, lack of professional personnel, etc.

In the process of carrying out activities, enterprises do not have the opportunity to avoid all existing risks. It is worth understanding that innovation, as a type of activity, is closely related to various threats, since the introduction of new technologies is associated with risk, but it is necessary to neutralize them as much as possible.

Ensuring innovative development of the enterprise and increasing its innovative potential will directly contribute to increasing the level of its financial security.

Conclusion. The conducted studies show that the investment and innovation component plays a significant role in the financial security

of the enterprise. Increasing the amount of investment resources and introducing innovative technologies is one of the important tasks of the development of agricultural enterprises.

Increasing the level of financial security of agricultural enterprises on the basis of increasing their investment attractiveness and innovative activity requires the study of factors that have a direct impact on them. The following instability of legislation, difficult economic situation in the country, high level of inflation, imperfect mechanism of protection of investors' interests, as for domestic ones – a significant degree of wear and tear of fixed assets, significant dependence of the agricultural sector on natural and climatic conditions are among the main inhibiting factors affecting investment attractiveness. Regarding the innovative activity of the studied enterprises, it is worth noting the imperfect mechanism of intellectual property protection, the decrease in the number of scientific and technical developments and their financing, the insufficient amount of the enterprises' own funds for the implementation of innovative technologies, and the lack of highly qualified personnel. Minimizing the influence of these factors will provide an opportunity to improve the innovation and investment activity of agrarian enterprises and contribute to strengthening the level of their financial security.

REFERENCES:

1. Lobunska S. V. (2012) Innovative activity of the enterprise as a risk factor and a condition for strengthening its economic security. *Bulletin of the National University "Lviv Polytechnic*. Access mode: http://ena.lp.edu.ua/bitstream/ntb/15950/1/46_297-304_Vis_725_Ekonomika.pdf.
2. Law of Ukraine «On innovative activity» №. 40-IV of July 4, 2002, as amended in accordance with the Laws of October 16, 2012.
3. Shilova O. Yu. (2012) Innovative potential of the enterprise: essence and management mechanism. *Marketing and innovation management*. 1. 220–227.
4. Glushenkova A. A. (2016) The structure of innovative potential of enterprises in the field of telecommunications and informatization. *Economy. Management. Business*. 4 (18). 100–106.
5. Volodin S. A. (2017) Theoretical foundations of the formation and implementation of innovative potential in the development of the economy. *Economy of agro-industrial complex*. 5. 65–72.
6. Mykytas O. O., Myronova M. K. (2015) Management of the innovative potential of the enterprise in modern business conditions. *Bulletin of the National Technical University "KhPI". Series: Technical progress and production efficiency*. 59. 53–56.
7. State of innovative activity of Ukraine URL: <http://www.ukrstat.gov.ua/>
8. Baranchev V. P. (2005) Mechanism of innovative organization development. *Invention*. 7. 11–15.
9. Ilyashenko S. M. (2003) *Management of innovative development: problems, concepts, methods: training. study guide*. University Sumy: VTD "University Book". [in Ukrainian].
10. Cass M. E. (2011) *Formation of an innovative enterprise development strategy based on management of intangible assets: monograph* Kharkiv: NNGASU. [in Ukrainian].
11. Dyachenko O. A., Artemenko L. P. (2015) Economic security of innovation-oriented enterprises in the conditions of European integration. *Economic Bulletin of the National Technical University of Ukraine "Kyiv Polytechnic Institute"*. 12. 173–180.