

The Legal Fundamentals for the Sustainable Development of the Industrial Enterprises while the Introduction of the Innovative Functional Units

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Abstract

In modern conditions, innovative activity is a special purposeful systematic set of measures to use innovative potential in order to achieve a new quality in the economic system in the process of ensuring its sustainable development. The implementation of innovative projects by industrial enterprises leads to disturbing influences in the form of innovative structural changes in the implementation of innovative structural units, affects the stability of economic systems and the effectiveness of their innovative activities. The presence of the legal grounds for changing the organizational structure of the enterprise in connection with the implementation of the activities aimed at the development of innovative goods and products is a prerequisite for the introduction of innovative units at an industrial enterprise. It should be noted that the regulatory framework governing innovative activity is quite contradictory and imperfect due to the lack of certain consistency regarding the definition of basic concepts and the existing conflict and inconsistency of legal regulation of relations in the field of innovative activity, so the relevance of its research and analysis is beyond doubt.

Keywords: legal fundamentals, innovative unit, industrial enterprises, sustainable development

1. Introduction

A modern study of the world economic system development experience convincingly indicates that the main factor in sustainable development in modern conditions is effective innovation. This means that innovative technologies are becoming the main economic resource, and the efficiency of transformation of organizational and structural relations at various levels becomes the main priority in a competitive environment. The transition of the national economy to an innovative development path is a determining factor in the qualitative growth of the population living standards, the transition to modern standards of the life quality, which, as a result, leads to structural changes in the internal environment of economic systems and their integrated associations. Over the past few years, in our country, most enterprises have realized the need for continuous modernization of production and the introduction of innovations, that is, the continuous implementation of innovative activities. The study of the internal conditions for the innovation effectiveness has so far led to the realization of the need

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for high-quality legal support in the process of introducing innovations by economic systems as the basis for ensuring their sustainable development.

2. The emergence of the structural shifts in industrial enterprises in their innovation activity

The structure is characterized by the heterogeneity, the corresponding hierarchy and the relationships between its components. The structural aspect of the development occurs either directly through the quantitative growth of the system, or through certain qualitative changes in it. Such an interpretation of the economy structure is applied to the development problems research (changes in some structures by others), the center of which are structural shifts. All structures, including economic systems, go through the following stages in their development: foundation, growth, maturity, regressive transformations (crisis), and disappearance or decay. Foundation and growth can be considered as a process of organization within the framework of the old structure, a process of struggle with the conservative parties and elements, a process of changing system qualities. The maturity period characterizes the stationary state of the structure, when the processes of organization and disorganization balance each other. Regressive transformations reflect the process of disorganization of the structure, when it, in turn, gives a way to the new structure. Of great importance in the structures' development is the continuity, the formation of new structures in the bowels of the old ones and on their basis [12]. Any structure is always characterized by parts of the old and the beginnings of the future relationships. Different structures coexist with each other while mastering innovations and making innovative decisions. All this affects the development of the economic system, shapes its features and determines the management of its innovative industrial risks.

However, the implementation of innovative projects related to the modernization of the production potential leads to disturbing influences in the form of innovative industrial risks, negatively affect the stability of economic systems and their innovative activities effectiveness.

The framework and legal basis for the innovative activities implementation in Ukraine is the Constitution of Ukraine [1], the Concept of Scientific, Technological and Innovative Development in Ukraine [2], the Commercial Code of Ukraine [3], the Law of Ukraine «On Innovation Activities» [4], the Law of Ukraine «On Priority Areas of Innovation in Ukraine» [5], Ukraine 2020 Sustainable Development Strategy [6], the Strategy of the Development of the Innovative Activity Sphere for the Period up to 2030 [7] etc. It should be noted that the development of legislation in the area of innovation went through several stages. Started with the adoption of the first basic law on science, technology and innovation in 1991 (Law of Ukraine «On Scientific and Scientific-Technical Activities», which lost its force due to the adoption of the new version in November 2015) and continues to this day.

Art. 325 of the Commercial Code of Ukraine defines innovative activity in the economic sphere as the activity of the participants in economic relations that is carried out on the basis of the implementation of investments aiming at the fulfilling long-term scientific and technical programs with long payback periods and introducing new

scientific and technical achievements in production and other areas of public life. At the same time, the Law of Ukraine “On Innovative Activity” defines it as an activity not only in the sphere of economy, aimed at the use and commercialization of the results of research and development, and causes the launch of new competitive goods and services on the market.

During the implementation of innovations in the economic system, innovation ideas are transformed into a new or improved product, a technological process introduced into production, or other organizational and economic changes that affect the structure of the system. In this regard, the result of the implementation of innovative projects in modern conditions at production and economic facilities is not only a new quality of goods and services, methods of production, but also the totality of their relationships, that is, the formation of the new characteristics of the economic systems due to the innovative changes.

In other words, now, the innovation activity presents a special purposeful systematic set of measures to use innovative potential in order to achieve a new quality in the economic system in the process of implementing changes in the structure of the production system.

However, the transformation of the communication structure of the system is accompanied by a negative effect on the system: the structural adjustment leads to an increase in entropy due to the increase in the overall level of uncertainty in the changing systems, the breaking of new connections and the emergence of new ones [9]. The emergence of this new quality leads to the internal resistance of the system itself and is accompanied, when structural transformation is not harmonized, by the emergence of disturbing effects (innovative industrial risks). This may lead to a reduction in the structural resilience of the system and a loss in the ability of the economy to implement innovations effectively.

The main purpose of managing structural change is: that they enhance the ability of the system to perform innovation functions that are beneficial to the system, while remaining receptive to innovation and innovation activities in the face of turbulent pressures, that is, to form factors for the growth of the economic system innovative development effectiveness. For these purposes, an analysis has been made of the conditions for the implementation of structural changes in the economic systems innovation. It was pointed out that the economic system in modern conditions is an industrial organization consisting of productive capacity elements (personnel, logistics, information, finance) and a combination of the links between them; by means of which the interaction of the elements is implemented and the integrity of the system, effectiveness and uniqueness of properties is ensured when exposed to the external environment [9].

Depending on the goals of innovation, the ways of innovation impacts in the economic system vary depending on changes in the quality characteristics of the product to a complete update of the system itself. Article 327 (2) of the Economic Code of Ukraine defines the following areas of innovation: the conduct of scientific research and development aimed at the creation of intellectual property and scientific and technological products; design, development, production and distribution of the fundamentally new types of equipment and technology; development and

implementation of new resource-efficient technologies to improve social and environmental conditions; technical re-equipment, reconstruction, expansion, construction of new enterprises, which are carried out for the first time as industrial development of new production or introduction of new technology. This makes it possible to highlight different degrees of innovation, from discrete product innovations to techno-organizational renewal of production. Depending on this, the starting point of innovation and the extent to which the qualitative characteristics of the business system can be changed in the process of innovation are identified.

However, regardless of the scale of innovation, its implementation affects the organizational structure of the existing economic system, causing varying degrees of change. At the same time, the dynamics of the efficiency of innovation activity are directly related to the quality, first of all, of the structural changes implementation security. In the context of continuous innovation, the qualitative level of changes in structure plays an increasing role in shaping the effectiveness of innovation activity, as the impact of disruptive impacts increases over time.

A study of the innovative development of domestic production and economic facilities clearly illustrates that the strength of the bonds between the elements of the system forms the internal mechanism of its resistance to changes and in the face of severe financial constraints and the uncertainty of the results of long-term processes, the economic systems prefer to implement projects with minor innovative impacts [12]. However, regardless of the degree of innovation of the project, it initiates a change in the structure of the economic system and changes its quality at each stage.

Structural changes, arising from the beginning of innovative activity, evolve from stage to stage and together with the main result from the implementation of an innovative project lead to the formation of new properties of the economic system, which are determined by the quality of its structural changes.

In today's environment, innovations tend to be integrally and cascading implemented. This means that the business system is pursuing a process of almost parallel innovation in the development of the productive potential components, with overlapping innovation cycles and maximizing the system's resource base. This creates a need to continuously improve the safety of innovation of business systems in order to achieve high results in such a development environment. It is ensured through qualitative changes in the structure of the system through preventive management of the resulting changes.

Stages of the innovation with the changes in the system's structure:

conducting the R&D, laboratory research, manufacturing laboratory samples, due to which changes in the structure of the system arise;

selection of the necessary raw materials for the new types of goods and services, thus creating new linkages in the production and resource structure;

development of the technology of the manufacturing new products process and the formation of changes in the technological structure of the system;

creation of projects and models of innovative technology, implementing the already identified changes;

acquisition of an innovative project, fixing, installation and adaptation of equipment and technologies, production of a pilot batch, determination of parameters of future structural changes;

implementation of the developed innovative organizational and management decisions aimed at the application of innovations, the beginning of the implementation of structural units;

study, research, evaluation, acquisition of the relevant information support of innovations and information resources, or, transformation of the information component structure;

training, education and special methods of selecting personnel necessary for R&D, changes in the structure of values and norms of the system, that is, in the structure of organizational culture, possible changes in the structure of the personnel component of the system;

organization of the marketing research to promote innovation, the development of the transformation of the information component with the provision of influence on the structure of distribution channels;

development or acquisition of the necessary licensing, patenting and other documentation, and consolidation of the structural changes in the system;

production and realization of innovative products, creation of conditions for a new level of structural changes.

Thus, structural changes, initiated by innovations, at their inception are innovative in nature, which can lead the economic system to a new level of sustainable development.

3. The legal foundation for the innovative units functioning at the industrial enterprises

We propose that innovative structural changes be placed in a special category to which it is proposed to include such changes in the relationships of the economic system, which enable it to achieve a new level of systemic qualities and ensure continuity of its innovation activity and sustainable development. In this context, structural changes in the business systems innovation are taking on the following characteristics: irreversibility, evolution, proactive development. This requires special approaches to creating a system for managing them in order to increase the efficiency of the implemented projects on the basis of increasing the innovative sustainability and survivability of the business systems formed in the conditions of the innovation security. Direct functional communication is the connection through which the control information is transmitted by the functional subject of the administration and, related to it control object from the other service. An example of such a link is between the chief of the production unit and an employee of the equipment maintenance service. Information on the need to repair the equipment may be transmitted within this connection. Functional feedback is the relationship between the structural unit and its functional head. It is generally used to report on the results of the work carried out. For example, an employee of the garage technical service of the company, by order of the head of the supply department, made an incomplete car repair, and, for the repair to be

completed, he needed extra time. He reports in writing or verbally to his functional manager on the work done and explains the reasons why he did not have enough time allotted for the repair.

The mechanism for enterprise development and expansion consists of two processes:

- recruitment of new staff into existing structures;

- inclusion of new structural units in the already existing organizational structure of the business entity's management.

Technologically, the first and second processes are similar to each other, but only in that part in which the second is never complete without the first. Therefore, we consider only the mechanism of the second one.

Before introducing the new structural unit of an industrial enterprise, it is necessary to make sure that all the prerequisites have been created. This can be identified from the results of the assessment of such functional characteristics:

- existence of the legal grounds for changing the organizational structure of an enterprise in connection with the implementation of activities aimed at developing innovative goods and products;

- need of the organization of any functions that the existing services and units either perform ineffectively or unable to perform; it may also be necessary to separate the services from the structural units which they comprise for various reasons;

- understanding the economic and social feasibility and benefits of forming an innovative unit by the employees of the enterprise;

- willingness of the manager of that part of the enterprise structure, to which the head of the implemented innovation unit will join, to create favourable conditions for him in his team;

- presence of the required minimum number of competent specialists in the enterprise staff who can become employees of the future innovation department.

If all of the above points can be answered in the affirmative, it is possible to proceed directly to the preparation of the enterprise for the incorporation of a new structural unit, that is, to make the organization functionally ready. This includes several steps, resembling the pre-investment, investment and operational phase of an investment project.

Stages of formation, justification and selection of the methods for introducing an innovative structural division (unit) into the organizational structure of the business entity's administration:

- determination of the status of the enterprise unit and preparation of the relevant regulatory documentation necessary for its proper functioning;

- analysis of the investment opportunities, that is, assessments of possible financial investments in the formation of an innovative structural department (unit);

- completion of the questionnaire, calculation and analysis of the investment efficiency and cost-effectiveness, preparation of a ASM package of the economic activity entity and carrying out the necessary research;

- preparation of the report on the feasibility of implementing the new structure for the senior management of the company.

The stage of formation of the industrial enterprise innovative structural unit occurs in the following sequence:

- creation of the workspaces and places for the future head and staff of an innovative structural unit;

- development of job descriptions for employees of the innovation unit and its head;

- if necessary, training employees of an innovative structural unit.

Issuing the following company directives:

- on the formation of an innovative structural unit;

- on the appointment of a pre-trained employee or on the appointment of the acting head of a certain structure as the head of a new unit [11];

- on appointments to the posts of the created structure employees;

- development of the job descriptions by the head of the innovation department for its employees;

- providing the new unit with all the necessary resources and materials for its functioning.

Stages of the newly created structural unit operation:

- launch of the new unit;

- target functioning of the new structure;

- support of its functioning;

- procurement of necessary resources;

- carrying out repair and finishing work in the working premises of the unit;

- staff renewal;

- advanced training of the current staff and other activities;

- unit development and improvement.

In addition to the steps considered for the formation and implementation of the innovation unit in the structure of the enterprise, it is necessary to carry out the following preparation of the entire industrial enterprise to ensure the functioning of the innovation unit:

- to develop a finance flow chart that will circulate through the innovation unit;

- to ensure the inclusion of documentation and reporting of the innovation unit in the general document management of the enterprise and other measures aimed at ensuring the functioning of the innovation unit.

The proposed mechanism for forming an innovative structural unit is flexible, not rigidly formalized. It is possible to add other steps and actions to it, or you can exclude unnecessary steps. However, the overall structure of the proposed mechanism is universal, because it has the standard stages of forming an innovative unit in the enterprise and it does not go against common sense and management in the enterprise.

4. Interaction Mechanism of the Machine-Building Enterprise Innovative Functional Units

The procedure for creating a structural unit of an enterprise is determined by the Article 64 of the Commercial Code of Ukraine [3], which contains provisions on the types of structural units (production, functional), organizational structure issues that are

determined by the goals and objectives of the activity, its production functions and depends on many production conditions.

The innovative unit of the enterprise has certain, clearly defined functions in the production process, different from the functions of other units, and is organizationally isolated from other units. The legal regulation of such structural divisions of the enterprise is determined by the local regulatory legal acts of the enterprise.

Article 64, Paragraph 2, of the Commercial Code of Ukraine states that the functions, rights and obligations of the enterprise's structural units are determined by the regulations, approved in accordance with the procedure established by the statute of the enterprise or other constituent instruments. The regulations define the main lines of activity of the unit and explain the rights and obligations of the employees in the production process organization and the legal relations arising therefrom between the units, between this functional unit and the enterprise as a whole and the basis for the clear and objective application of liability measures in case of violation of the duties assigned to them by the regulations. It should be noted that there is currently no regulatory act that would contain requirements for the content of the Regulation. At the same time, such requirements may be established by regulatory acts of a departmental nature in certain areas of activity. As an example, we can cite the Model Regulation on the structural unit of the local state administration, approved by the Cabinet of Ministers of Ukraine dated September 26, 2012 No. 887 [8].

The proposed mechanism for introducing innovative units at an industrial enterprise can be used not only to form an innovative unit, but also to reorganize those that are already at the enterprise.

Changing the organizational structure of a business entity's management from time to time may help to achieve the following goals:

an evolutionary change in an entity's existing governance structure;

expansion, development of the organization, both qualitatively and quantitatively;

support for flexibility, which is important in the current market economy of Ukraine and others.

Nevertheless, how can one conclude the need for changes in the organizational structure of an industrial enterprise?

The results of evaluating a business entity's management organizational structure functioning are the key parameters that reflect the various structural units and their associations.

To carry out an objective comprehensive assessment of the enterprise management organizational structure effectiveness is quite difficult, because it is necessary to take into account a large number of different aspects, which have their own specific characteristics in each enterprise. The solution to this problem can be approached bilaterally.

The financial approach to assessing the effectiveness of the business entity organizational structure functioning — that is, evaluating how effective the costs of operating the organizational structure of the organization include the following types of expenses [9]:

the costs of remuneration of the enterprise managers, which can be ranked by divisions and by management levels, up to individual structural units;

the costs for forming, maintaining the operability and efficiency of the organizational management structure itself, which may be presented in the form of payment for consulting services of a third-party organization, expenses for individual events, such as a meeting of various committees, maintaining their long-term functioning, financing the work of expert councils or individual experts, etc.;

the operational costs associated with the enterprise administrative apparatus functioning;

the costs of various supplies, without which the manager's work is impossible at all. Payment of electricity necessary for the functioning of the office equipment, etc.

A systematic approach to assessing the effectiveness of the business entity - that is, assessing the quality of the organization as a system or its combination, which is difficult to clearly formalize, but the following most important aspects can be distinguished [106]:

Assessment and analysis of the information flows movement characterized by such aspects of their functioning:

total response time;

intensity;

redundancy;

duplication;

instability;

error;

presentation form.

Assessment of the quality of the solving tasks, which can be implemented through analysis of the following items:

compliance with the established for the implementation various tasks and achievement of the specific goals, time and quantitative characteristics;

the presence of the so-called "bottlenecks" and the effectiveness of their neutralization;

compliance of functions performed by employees with their job descriptions;

the internal atmosphere of the enterprise, the quality of PR events, etc.

In order to assess the effectiveness of the business entity's administration organizational structure, the author of this research recommends the use of financial analysis, as it is better able to present the overall picture of the enterprise's activities.

Since the organizational structure of the management is primarily the management system of the enterprise, including managers at all levels, the main indicator of its performance is the assessment of the business activity of the business entity.

The functional units that are responsible for establishing the innovation management system of a machine building enterprise are referred in the work to (according to the structure of the corporate innovation management system) structural organizational formation in an enterprise, which directly or indirectly forms (or is the initiator of this formation) innovative culture, innovative infrastructure and innovative opportunities.

Using the organizational structure of a machine-building enterprise as an example, let us consider the mechanism of interaction of the innovative functional units

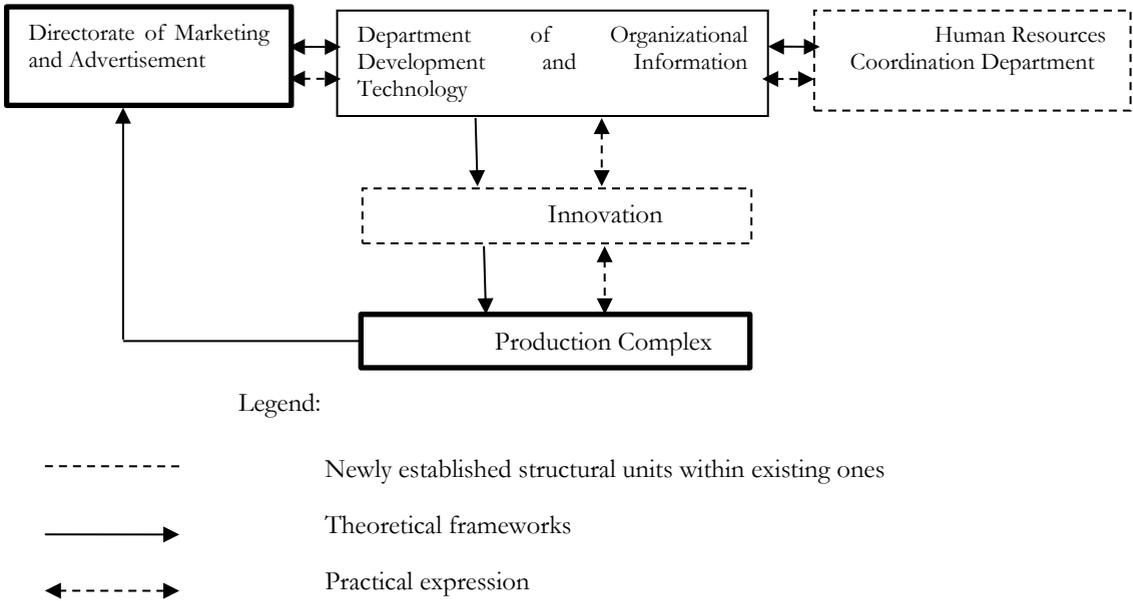


Fig. 1. Interaction Mechanism of the Innovative Functional Units of the Machine-Building Enterprise

According to the above scheme, it is planned to create in a machine-building enterprise a Human Resources Coordination Department and an Innovation Development Group to form an innovation management system within the framework of this corporate system. The Organizational Development Department indirectly through the Innovation Development Group influences informationally the Production Complex (meaning the Executive Directorate of a machine-building enterprise), which, in turn, has feedback in the form of theoretical insights and directly correspondence with the Directorate of Marketing and Advertisement.

Through the Directorate of Marketing and Advertising, the innovations made in this enterprise are commercialized. The key to the relationship between the innovative units of a machine-building enterprise is the Department of Organizational Development and Information Technology, since no organizational changes occur without its participation. In the future, it is planned to separate the Department of Organizational Development and Information Technology into the Bureau of Information Systems and the Computer Support Group into an IT service, and merge the Department of Organizational Development with the Innovation Development Group.

The Human Resources Coordination Department is designed to provide the conditions for the acceleration, but without compromising quality, of the cycle:

Department of Organizational Development – Innovation Development Group – Production Complex – Directorate of Marketing and Advertisement.

Thus, the existing organizational structure of a machine-building enterprise is not created anew, but is supplemented by such units as the Human Resources Coordination Department and the Innovation Development Group.

Table 1 lists the innovative functional units of the machine-building enterprise and the functions performed by them (both currently existing and those that are planned to be performed in the future).

Thus, the formation of the corporate innovation management system of the machine-building enterprise will not cause significant changes in the organizational structure, and therefore significant financial costs.

Changes may affect the Human Resources Coordination Department, and in the future will not only perform formal labour relations management functions, but also develop the human resources of the enterprise.

The purpose of this service is to influence the capabilities of the enterprise (human potential, etc.), organizational culture and some components of the internal innovation infrastructure.

Already in the market conditions, lack of knowledge and skills leads to low quality of work results, increase of consumption of resources, low productivity, decrease of competitiveness of production and the enterprise, decrease of motivation and increase of level of stressful situations, increase of danger of work, pollution of environment.

Table 1. Innovative Functional Units of a Machine-Building Enterprise and the Main Functions Performed By It (Actual and Future)

№	Name of the Unit	Fixed Functions, Actual	Additional Functions in Future
1.	Directorate of Marketing and Advertisement	Market research, forecasting the demand for the produced goods and services. Monitoring the identified trends	Forecasting the need for the technological innovation, planning the innovations marketing, finding new consumers of the innovations, commercializing the innovations in segments with the similar demand characteristics
		Fixed Functions, Actual	Additional Functions in Future
		Promotion of products to the market	Organization and conduct of the scientific and technical seminars, exhibitions, presentations
		Providing information support for the marketing complex	Marketing of the new products (activities related to the introduction of a new product to the market, i.e., preliminary market research, adaptation of the product to different markets)
		Methodological support and participation in the development of the enterprise strategic goals and the development of a management system that can fulfil them	Possibility to enhance the functions of the Innovation Development Group by joining the Innovation Development Group in the Department of Organizational Development

№	Name of the Unit	Fixed Functions, Actual	Additional Functions in Future
		Development of the business functions and management functions necessary for the implementation of enterprise strategies and selected types of commercial activities	No future functions available
		Development of an optimal organizational structure to support the required functions	No future functions available
		Development of matrices of the structural units functional responsibility	No future functions available
		Development and management of the structural implementation of the basic regulations on the structure and individual activities	No future functions available
2.	Department of Organizational Development and Information Technology	Methodological guidance for the development of job descriptions	No future functions available
		Development of the process flow models to perform basic and auxiliary business functions and management functions, methodological management of preparation and holding of functional value analysis of the business processes	No future functions available
		Development, implementation management and regular monitoring of the enterprise's document flow and structural units	No future functions available
		Development and methodological guidance for the implementation of ISO 9001 standards in the enterprise	No future functions available
		Regular audit and control of quality system processes	No future functions available
		Development and control of the information technologies application necessary for the enterprise and its structural units for the effective implementation of the main and auxiliary functions	No future functions available
		Technical, software and methodological support for the use of the implemented IT technologies in the enterprise	No future functions available

№	Name of the Unit	Fixed Functions, Actual	Additional Functions in Future
		Organization of development, creation and support of the enterprise website, introduction of modern Internet technologies	No future functions available
		Provision, installation, commissioning and maintenance of the computer and other “electronic” office equipment	No future functions available
3.	Innovation Development Group	Technical, software and methodological support for the use of the implemented IT technologies in the enterprise	No future functions available
		Providing all automated workplaces of the enterprise with consumables for office equipment (printers, copiers, faxes)	No future functions available
		Optimization of the information systems technical infrastructure and communication systems	No future functions available
	Innovation Development Group	No actual functions	Conducting changes in the production procedures, methods and standards and quality control of a new product or process
		No actual functions	The acquisition of materialized technology in the form of patents, licenses, disclosure of know-how, trademarks, designs, models and technological content services
		No actual functions	Acquisition of hard technology (machinery and equipment, in terms of technological content related to the introduction of innovations product or process)
		No actual functions	Development of “in-house” materialized technology in the form of patents, licences, disclosures of know-how, trademarks, designs, models and services of technological content
		No actual functions	Production design (preparation of plans and drawings required to define production procedures, technical specifications, performance characteristics)
4.	Human Resources	Legal and information support for the personnel management system	Staff development management
	Coordination Department	Development and improvement of the personnel policy	Management of staff motivation behavior
		Staff planning and	Social Development Management

№	Name of the Unit	Fixed Functions, Actual	Additional Functions in Future
		marketing	
		Recruitment and Staff Records Management	Development and active use of the personnel assessment system
		Labour Relations Authority	HR monitoring
		Talent management	Building an effective staff training and development system
		Job market monitoring	Setting up a modern mentoring system
		Systematic certification of both management and production staff	Analysis of the effectiveness (feedback) of the introduced measures
5.	Production Complex	Instrumental preparation of production (installation of acquired production equipment, tools)	No future functions available
		Ensure start of production, including product and technical process modifications, trial production if design development is anticipated	No future functions available
		Maintenance of the production process	No future functions available
		Quality assurance of innovative products	No future functions available

Staff training is the most important tool through which they realize the opportunity to influence the formation of organizational and production culture, increase the potential of human resources, achieve production goals at the optimal cost of resources. The system of professional development established at the enterprise allows to expand the system of social work and motivation of employees, to reduce the turnover of personnel, to increase the interest to work in this organization, to specify the prospect of personal development. The ability and willingness of company employees to learn faster than competitors is a reliable factor that ensures the effective functioning of the company in the labor market, goods and services. It is companies that carry out professional training and continuous training of their staff, achieve a high level of competitiveness and success in today's business environment [14].

In establishing a mechanism for the interaction of innovative units of industrial enterprises, it is important to take into account the risks in the management of the labour potential of the enterprise, both direct and indirect losses. The most obvious direct financial losses related to non-reimbursable retraining costs, poor product quality due to unprofessional work, cost of finding staff with the necessary skills, indirect (indirect) identification losses that are typically the result of improper recruitment, high turnover and underutilization of the workers' knowledge and skills.

A significant feature of workforce management is that many management decisions in this area are made in a highly uncertain environment. It is virtually

impossible to predict, for example, the duration of the newly admitted workers' adaptation to the collective, the fluctuations in work motivation and creativity, the fall in working capacity because of the deteriorating health, the emergence of conflict situations, etc. The decision maker has to rely on estimates of the likelihood of such events occurring. It should be borne in mind, however, that in order for such estimates to be reasonably accurate, a very large amount of information on the circumstances surrounding such events must be available. Its existence makes it possible to reduce considerably the uncertainty and subjectivity of the decisions taken and thus to determine more precisely the probability of risk and the resulting damage.

In order to minimize the likelihood of labour potential management related risks being missed, it is necessary to build on changes in the components that determine the level of workforce capacity.

Thus, that the introduction of the innovation units in industrial enterprises is intra-corporate, has a strategic orientation and there will be two main types of risk: funding and «human factor». Two points need to be taken into account. First, nothing is done without people, and the more they understand what is expected of them, the less likely they are to do something wrong. Second, the achievement of operational objectives requires specific tasks, which in turn requires the existence of very specific skills required by the employees at the disposal of the enterprise.

Thus, three main factors determining the success of the introduction of innovative structural units in industrial enterprises as a whole can be identified.

Factor 1. The objective should be very well defined and business-oriented.

Factor 2. Continuous evaluation of the effectiveness of such implementation and the knowledge gained is needed. It is necessary to track the difference of results «before the project» and «after the project». The results directly related to the stated goals should be evaluated.

Factor 3. The involvement and continued support of company management is required. This is a critical factor.

Conclusions

Thus, structural shifts are a significant change in the internal structure of the system, the relationships between its elements, the laws of these relationships, leads to a change in the basic (integral) system qualities, which is the quality of innovative sustainability. This means that structural changes, being a kind of dynamic processes that accompany the implementation of innovative activities, can be considered impulse carriers for the transition of economic systems to a new level in the process of their development. Structural changes in innovation activity can be in different directions, therefore, to increase the efficiency of innovation activity of economic systems due to the growth of sustainability and development security in the long term, they need a controlling effect. In the future, when creating such management and maintaining the growth rate of its efficiency, structural processes allow forming a self-developed innovative economic system.

It should also be noted that the numerous regulatory framework governing innovation is sufficiently contradictory and imperfect, given the lack of some coherence

in defining basic concepts and the existing conflict and inconsistency in the legal regulation in the field of innovation relations. At the same time, a positive development is the adoption in 2019 of the Innovation Strategy up to 2030. It takes into account the Ukraine 2020 Sustainable Development Strategy, which is to ensure the sustainable development of the country as a leading vector of the country's development. This provides, among other things, creation of favorable conditions for conducting business activities, and is aimed at solving the issues of innovation activity development common to all spheres of activity, and emerging relationships between entities that create and implement innovations. We are convinced that the identified ways of solving problems will help to create a proper and favorable legal basis for business entities that are innovative.

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