



2nd GLOBAL CONFERENCE on BUSINESS, ECONOMICS, MANAGEMENT and
TOURISM, 30-31 October 2014, Prague, Czech Republic

Management Innovation: Correcting Mistakes

R. Sagiyeva^{a*}, K. Alenova^b, A. Galimakair^c, Aziza Zhuparova^d

^aProfessor, Doctor of Economic Sciences, Al-Farabi Kazakh National University, 71, al-Farabiave., 050040, Almaty, Kazakhstan
Almaty, Kazakhstan

^bProfessor, Doctor of Economic Sciences, S.Seifullin Kazakh Agro Technical University, Astana, Kazakhstan

^cPhD student, al-Farabi Kazakh National University, 71, al-Farabiave., 050040, Almaty, Kazakhstan

^dPhD student, al-Farabi Kazakh National University, 71, al-Farabiave., 050040, Almaty, Kazakhstan

Abstract

The article raises problems of innovative development of Kazakhstan in the light of the implementation of the adopted programs in the country industrially-innovative development. According to the authors, a critical factor hindering the development of innovation in our country has been failures in the management of innovation processes that require immediate correction. Thus, innovation management in Kazakhstan is advisable to adjust not only in accordance with the identified experts' system errors, but also taking into account the above factors. What we propose to do and how? To streamline the national innovation policy and in order to save resources, you must create a national body - the Office of innovative development of Kazakhstan under the President. This institution is designed to not only build innovative priorities of the country, but perform all the functions of innovation management at the macro level: planning, organization, control, motivation, control and coordination. It is this office is authorized to determine the structure of the industry responsible for the results of innovation and strategic program to develop regional innovation cluster. In turn, the regional innovation strategy of clustering involves not only the use of natural and geographical potential of the territory, but also the creation of all the necessary elements of an innovative missing basic infrastructure around the university. In orbit major regional universities should operate hundreds of research institutes and small start-up companies that are directly related to the business. Under the leadership of the body develops recommendations on mechanisms for public-private partnership in the field of innovation, as well as relevant legislation.

© 2015 The Authors. Published by Elsevier B.V. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Selection and/ peer-review under responsibility of Academic World Research and Education Center

Keywords: innovation, innovation map, Kazakhstan

*R. Sagiyeva. Tel.: +7-701-090-0014

E-mail address: ms_tulegenova@mail.ru

1. Introduction

Our country is becoming a knowledge-based economy as one of the key priorities, which is set by the President of the Republic of Kazakhstan Nursultan Nazarbayev's Strategy "Kazakhstan -2050". Current long-term goal promote the trends observed in the modern world, which at this stage has amassed sufficient scientific, technical and socio-economic potential for transition to a new technological order. Today it is possible to outline the most important components of the knowledge economy:

1. The main source of growth factor of the knowledge economy is the new knowledge and innovation embodied in new products and services, as well as in advanced technologies. A considerable part of the GNP of developed countries is formed by the innovation sector, which not only develops dynamically, but also provides a flow of billions of dollars of revenue through the sale of outside innovation, education and consulting.

2. On the generation and commercialization of research works integrated national innovation system conducive to continuity of innovation development of economy. The main elements of the innovation infrastructure are the universities and research institutions in cooperation with business, including transnational corporations.

3. Successful development of innovative economy provided accordingly formed an institutional structure that combines government regulation and competitive market forces. As a rule, the main methods of state management of innovation processes aimed at creating a competitive environment for scientists, inventors and entrepreneurs as well as for domestic business, in order to awaken their innovative interests. Very important aspect of the knowledge economy - is the protection of intellectual property rights and the possibility of its inclusion in commercial circulation

Since Kazakhstan has identified the development of an innovative economy as the most important strategic goal for quite time and at this stage we can appreciate some of the results of the state innovation policy.

First, with the implementation of the Strategy of Industrial and Innovation Development of Kazakhstan in the country began to form elements of the innovation infrastructure in the regions began to raise innovative activity of enterprises. Today in Kazakhstan started working nine industrial parks, 5 national and 15 regional laboratories, nine venture capital funds. Created three design offices and plans to create another 2: Transport Engineering (Astana) and mining and metallurgical equipment (Ust-Kamenogorsk), the oil and gas equipment (Petropavlovsk), agricultural machine (Kokshetau), instrumentation (Almaty).

Secondly, the legal basis for the development of innovative processes in the country was the Law of RK of 2006 " On state support of innovation ", which in 2009 was amended, extending the powers of such development institutions as "Centre of Engineering and Technology Transfer" JSC "science Foundation" and "KazAgroInnovatsiya", JSC "National Innovation Fund". With the development of innovative processes in Kazakhstan and the need to address new challenges in the development of innovations in January 2012, the Law of RK "On state support of industrial innovation" was accepted. This law aims to establish the legal, economic and organizational framework to stimulate industrial innovation activities and determine the measures of the state support. In particular, the new legislation is designed to stimulate the subjects of industrial innovation for the development of national high-tech and competitive industries and their export potential. Also, this law specifies the competence and authority of the government and other authorized bodies and subjects of innovative activity. It is noteworthy that in addition to the authorized bodies such as the National Institutes of state planning and development, the new law prescribes the competence of regional executive bodies in the sphere of industrial-innovative development. Given the need to get results from innovation, the new law not only refined elements of industrial innovation infrastructure and their functions, but also called financial instruments and institutional mechanisms of state support for innovation. Thus, in Kazakhstan there are elements of the legislative framework for the systematic implementation of all stages of innovation and measures of the state support, as well as legal and regulatory framework governing the conditions for the creation of innovative enterprises and the relationship between the subjects of innovation infrastructure.

Third, the purpose of formation of national innovation system and market-type development of a competitive market knowledge transformation initiated leading universities in research universities. The presence of such universities helps to concentrate financial, material and human resources to address major scientific and technical problems. Therefore, according to the new Law of RK "On Science" and amendments to the Law "On Education" in the country begin to develop these types of higher education institutions as a national research university , national university, research university , university, academy , institute. In this research universities are called to implement

the Government of Kazakhstan approved development program for five years, and also have the opportunity to develop educational curricula based on the results of fundamental and applied research to the generation and transfer of new knowledge.

Essential mechanism for the formation of innovation infrastructure in Kazakhstan became legally allow the creation of innovative educational consortia. This - voluntary peer associations acting on the basis of agreement on joint activities in which higher education institutions , research organizations , and other entities engaged in the production , combined intellectual, financial and other resources to the training of highly qualified specialists on the basis of fundamental and applied research and technological innovation.

It is innovative and educational consortia in the future will allow integrating education, science and industry through the creation of universities around the area of research organizations, providing educational process of new knowledge.

Fourth, a significant step in the development of the national innovation system is embedded in the new Law of RK "On Science" model of governance in research activities , which increases the role of scientists in decision-making , eliminated unnecessary bureaucratic units and shared strategic , administrative and expert functions . For this significantly expanded the powers of the Higher Science and Technology Commission of the Government of the Republic of Kazakhstan , which are the leading scientists of the country and which is identified as priorities for the development of science, and the direction of its funding. National Science Council, created by industry knowledge and formed from among local and foreign scientists, designed to occupy a key place in the final decision-making on the implementation of specific research projects and programs. In this decision the National Research Council are binding on the competent authorities - the Ministry of Education and Science, other ministries, coordinating research: health, agriculture, etc. The role of the scientific and technical expertise at the National Center of State Scientific and technical expertise (NTSGNTE) which presents its results directly the National Research Councilso in the new Law of RK "On Science" identified new mechanisms for funding research. Now it takes place in three forms: grants, base and target-oriented (Mutanov, 2012).

Despite a series taken unprecedented measures in Kazakhstan on the way to the knowledge economy, we would like to highlight some of the systemic failings in the management of innovation, which have been identified by experts of the European Economic Commission and reflected in the overview of innovative development of Kazakhstan in 2012. In particular, are the following managerial barriers?

- keep vertical innovation management : they are initiated "from above" state with weak horizontal links between the elements of innovation infrastructure;
- low commercial orientation of public research segments ;
- Underdeveloped scientific base and human resources , their fragmentation and duplication of research;
- The generation of new knowledge structurally and functionally separated from the processes of commercialization and deployment into production , then there is no connection between integration stages of the life cycle of innovation ;
- the business has no interest in innovation, as in the national economy prevails role sectors with a low science intensity (resource sector) with a relatively high yield ;
- Regional and sectoral mismatch management of innovation processes.

The basis of failures in the management of innovation, according to analysts, is traced key reason: keep vertical management structures at low demand for innovation from the business, not stimulated competition. Was not actually made a qualitative transition to market mechanisms of creation and development of innovations that are objective driving forces of innovative development companies. Thus, innovative initiatives «from above» - the state - are unclaimed "bottom" companies and consumers.

In addition to the lack of objective competitive forces to enhance innovation in the country , there are administrative errors in the implementation of each stage of the life cycle of innovation , which is known , in its traditional model comprises the steps of generating ideas , fundamental and applied research, experimental development and commercialization of innovations with subsequent transition to commercial development. In fact, a more detailed study of the practice of innovative development of Kazakhstan classical management functions containing such basic elements as planning, organization, control, motivation, control and coordination at every stage of the life cycle of innovation is not being fully realized. If generating the ideas can be traced functions of planning, organization and control, the function of motivation, management and coordination implemented poorly. For example, there are still no clear legal mechanisms for the protection and inclusion of intellectual property in

economic turnover. Also there is duplication directions and subjects of scientific research institutes and universities scattered on the rising personnel "famine".

If you move to the analysis of the existing processes of innovation management in our country at the macro level, it can be stated that the functions of planning, organization, management and coordination of all phases of the life cycle of innovation divided between two key ministries and Mint MES RK, and are carried out in parallel with other industry ministries. With this control, oddly enough, is not specifically attached to any particular government agency, as well as, respectively, blurred responsibility for the results of innovation. Who (which organization or entity) to whom (or what organization structure) is responsible for the failed or implemented innovative projects? A special place in this whole mess occupies financing innovation processes that are carried out by various funds and development again with uncertain liability for the results.

In the planned economy, as we know, there was a logical completeness vertically organized management structure, and the «fulfillment of the state plan was the law «with all functioning measures of control and responsibility. Today symbiosis of state innovation initiatives in conjunction with the lack of entrepreneurial dynamism demonstrates errors in the management of innovation processes, which does not implement the elements of innovation infrastructure coordination, control, responsibility, motivation and communication.

Each of the above components of innovation management provides the necessary result of the whole process managed, so the absence or neglect of one of the elements not only violates the integrity of the management system, but also leads to unexpected results. These results are surprising because the innovation process associated with specific factors such as:

- Spontaneous formation of new knowledge;
- lack of information about the opportunities and risks of implementation and application of innovation;
- The need for long-term investment resources.

With the transition of developed countries to the post- stage of the above factors are complemented by such features as:

- availability of vast amounts of knowledge and information;
- rapid technological change (shortening life technologies);
- wide spread of information technology in all spheres of public life ;
- High level of complexity of innovation that requires highly skilled personnel.

Thus, innovation management in Kazakhstan is advisable to adjust not only in accordance with the identified expert's system errors, but also taking into account the above factors. What we propose to do and how?

2. Discussion

To streamline the national innovation policy and in order to save resources, you must create a national body - the Office of innovative development of Kazakhstan under the President. This institution is designed to not only build innovative priorities of the country, but perform all the functions of innovation management at the macro level: planning, organization, control, motivation, control and coordination. It is this office is authorized to determine the structure of the industry responsible for the results of innovation and strategic program to develop regional innovation cluster. In turn, the regional innovation strategy of clustering involves not only the use of natural and geographical potential of the territory, but also the creation of all the necessary elements of an innovative missing basic infrastructure around the university. In orbit major regional universities should operate hundreds of research institutes and small start-up companies that are directly related to the business. Under the leadership of the body develops recommendations on mechanisms for public-private partnership in the field of innovation, as well as relevant legislation.

For successful clustering consider it appropriate to use the computer program "Information system «InnoMap.Kz»(map of Kazakhstan innovative development), developed by scientists Kazakh National University. Al-Farabi. This allows the electronic atlas in the regional context to determine the effectiveness of innovative development based on the use of three key criteria: performance of research activities in the region, the level of commercialization of new knowledge and innovative products and the volume per unit costs.

Thus, the presented resource allows tracking the dynamics of intellectual activity in the region, the market demand for the scientific research and real innovative component of the gross regional product. Integrity paintings innovative development in comparison with the existing intellectual and natural potential can not only monitor

systemically relevant results, but also implement the most effective management tools, as well as to justify the optimal integration relationship for the development of innovative clusters .

References

- Mutanov G.M. (2012).. Innovacii: sozdanieirazvitie. – Almaty: Kazakuniversiteti, – 224 s.
Obzor innovacionnogo razvitija Kazahstana Evropejskojj ekonomichesko komissi OON .-N'ju-Jork, Zheneva – 2012 god.