Management of Innovation Development System of Regional Economic: Project Approach

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Abstract: The article deals with the problem of management of a multitude of innovation programs and projects, which are elaborated and implemented in the territorial system. The process of management of social and economic systems, including the regional innovation progress system, is implemented through a multiple differently directed interactions in various spheres of society development (political, production, social, labor, etc cetera). They are formalized in numerous programs and projects. These interactions are optimized by the regional management system in order to save the territorial resource potential by selecting the management technology to ensure formulation and implementation of project numerous regional innovation spaces. Due to the need to manage a combination of mega and Meta projects, the region needs scientific search and development of management mechanisms and technologies with the account of program and project specifics.

Key words: Process of management of social and economic systems • Properties of program and project innovation set

INTRODUCTION

It is known that we live in the world of constantly changing and growing velocities. To survive and prosper, businesses need to change permanently product range and services. The projects are the means of implementation of innovation. More innovations - more projects [1].

As regards regional economics, the project can be defined as initiative to bring about change. This is done in order to achieve specific objectives, within a timescale, in a given context. A project is normally allocated a budget. Baum, Martin and York mentioned the attributes of a project as follows. The project

- Has a clear purpose that can be achieved in a limited time;
- Has a clear end when the outcome has been achieved;
- Is resourced to achieve specific outcomes;
- Has someone acting as sponsor who expects the outcomes to be delivered on time; and is a one-off activity that would not normally be repeated [2].

The combination of projects developed and implemented in a region can be represented as some system dynamic, distributed in time and space possessing attributes of complex variety and openness. It is noteworthy that the system is utterly unstable and disequilibrium in many characteristics. In this case, the program and projects set or system can be identified as some dissipative (scattered, passing into another state) structure.

In the context of this presentation, the system management can be provided by a variety of adaptive structures and by a variety of contents of tools satisfying the system of program and projects. Because the management is specific, it has its features.

Presently, no scientific and methodological management mechanisms are available to manage the system and projects when they are implemented mainly at the microlevel (within individual businesses or bodies). Yet, the world has a considerable experience of managing, developing and implementing national mega and meta projects and programs. At the regional and territorial levels, the management of programs and projects is implemented with rational technologies based on administrative approaches ignoring the evolution of the
process of economic progress or the specifics of innovation projects. The contemporary management of innovations programs and projects is in fact reduced in the better case to the monitoring of local processes of implementing individual local programs and projects, in the worst case it is reduced to culling the parametric information about the setup and implementation of innovation projects and programs from regional production and scientific research bodies. Thus, the regional social and economic space, the system of management of a set of programs and projects having the innovation specifics.

**Main Part:** The distinctive feature of the system of innovation programs and project within the set territory are instability and disequilibrium due to significant level of entropy of innovation programs and projects. It is known that the notion ‘entropy’ is explained as the object transformation or alteration characterizing the uncertain functioning (the measure of indefinite state) of any system, including the social and economic micro- and macrosystem [3] in different attributes. This postulate relates to the system set in question.

The non-equilibrium of the program and project set is explained by continuous changing of their parametric characteristics in the sense of the structural and resources misbalance between separate subsets. Directly developing the process, the programs and projects and their implementation are misbalanced in time in the regional space. Following the study of I. Priggin, this quality dictates not only the processes of organization and self-organization but the entropy of orderly’s system behavior (the entropy is the measure of disordilessness) in nature, economy and society [4].

In respect to the project management in the regional economy, the entropy can be determined as the quality indicator of disorder, the measure of excessive work when reaching the formulated aim, the share of useless by-pass processes of phenomena accompanying a certain activity [5]. In fact, it proves that the disordered or uncontrollable activity of implementation even highly effective individual projects detached from the strategic content can lead to negative phenomena in the regional social and economic environment: the misbalance of reproductive and natural resource spheres, social discontent and other negative consequences.

In the modern economic publications a broad variety of views and methodological concepts of the process of regional economy management are presented. In addition, the commonly governing imperative in this subject sphere is the priority of updating the regional management mechanism. In its turn, the management mechanism updating is unthinkable without understanding the structural and functional management mechanism characteristics in the context of modern methodological approaches (system, process, projection, et cetera). The process business-process approach to managing territorial systems is worthwhile consideration. This key permits to imagine the entire management process as the combination of management business processes comprising the concepts and techniques of supporting decision making, administration, structuring and effectiveness evaluation [6].

Traditionally, the management mechanism characteristics are considered as the structural and functional components. The structural saturation of the mechanism of management of the system of regional innovation progress mechanism is represented by the aim, the combination of tasks, organizational and economic elements, system techniques, the combination of economic rules and limitations. The functional set comprises two subsets: the main and supporting ones. The first comprise the functions of aim setting, planning, coordination, adjustment, supervision and decision-making. The supporting set comprises the communicating, norms and methodological, expert analytical functions. It is determined that [7] the management mechanism should be based on the order and directive principles (like in the company). It should consider the feasibility implementation in the volunteer adherence and integration of resources in program and project management to achieve the project aims.

Lewis has come up with the following project management knowledge areas: Scope Management; Cost Management; Communications Management; Human Resources Management; Time Management; Quality Management; Risk Management; Procurement Management [8].

The modern scientific literature treats the “project management” and “projects management” terminologically as synonyms [9]. But it is believed that “project management ” is a narrower notion envisaging the management of local projects, meanwhile the “projects management” assumes the management constructed on the principles of managing a group of projects implemented within the limits of action of the system of management of the territory. In this case, the management implies identification of the subsystem of territorial management oriented at implementing the project aims.
Absence of such subsystem does not imply any negation of projects management in the region. The management of individual projects is implemented within the framework of the general process of territorial management. The context of the system representation of project management is shown in the Figure 1.

The essential content and the content variety of projects permit to determine the general system characteristics of the process management process and the tools of implementation at the hierarchic level. For instance, known work [9] identifies “project management” (“projects management”) as a particular type of managerial activity envisaging preliminary collegiate development of the “…model of actions to achieve the original aim …”. The authors presume that this type of management (project management) is applicable to management of both projected objects directly and to any other objects. In our view, this definition is incorrect because not all object possesses the properties inherent namely to the project as an object of management.

Gorobtsov G. Ju. uses the process approach to definition of project management assuming it as a combination of five different processes: initiation, planning, execution and completion. In this case, the project management is proposed to consider as the activity of resource management through the combination of means and techniques to achieve project aims [10]. But the process of project management implements a number of functions and to identify one as the priority is not quite true.

CONCLUSIONS

Having determined the systemacy as the basic characteristic of a project, the author believes it is necessary to treat the project management in the context of managing intricate and complex structure of systems at economic mesolevel because any project (including the managerial) is linked to a definite territory or region and the process of managing its implementation is, in fact, the subsystem of regional management. Kerashev A.A. notes in his work that, due to the appearance of the factors, on the one hand, of globalization and the factors, on the other hand, localization of economic relations in the conditions of economic innovation in the economic management process, all economic system require the updating at all levels [11]. It is known that to manage this intricate variable social and economic as a region in respect to its subsystems is performed in the process circumstances, by integration, diversification, unification and other aspects. The adaptivity of regional system functioning is assured by horizontal and vertical interactions with the environment. With all variety of managerial technologies a significant role of project management is particularly noteworthy in the context of studying of processes of regional economic innovation.

Conclusions:

- The integrated complexes in the region represented by local communities implement their activity both in recyclable clusters and regional economic branches as individual production elements. These objects of project management are complex structured multilevel systems with various aims. The project management should possess the hierarchic structure at the proper information and resource provision for project implementation by synergic effect.
The comprehension of project management as the system of formulation and implementation of projects, determines the research methodology within which the most essential is dissipativity, dynamics, instability and disequilibrium.

Due to different content of managerial tools and aim functions, it is expedient to consider their content with the account of formulation and implementation of projects. The types and mechanisms of governing influence on the process of regional project management dictates the multiple identified properties, such as inhomogeneity in time and space, their interaction and intercasuality in all variability of the region, cyclicity and continuity of the management process in time.

REFERENCES