
Problems in the Mechanism of Introducing Innovations into the Activities of Industrial Enterprises and Ways to Prevent Them

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Abstract: In the competitive landscape of modern industry, the adoption of innovative technologies and processes is critical for the growth and sustainability of industrial enterprises. However, the integration of innovations presents several challenges that can impede progress. This abstract explores the common problems faced by industrial enterprises when introducing innovations and proposes strategies to prevent or mitigate these issues.

The stable and balanced development of the world economy is, first of all, ensuring consistent economic growth by taking a strong place in the world markets, further increasing the standard of living and well-being of the population. These are joint-stock companies that are flexible to any economic changes, can quickly adapt to internal and external influences, are important in creating innovations and widely introducing them into the production process, constantly updating and improving the types of products and services, in a situation where global geopolitical changes are expanding in the world. places great responsibility on such enterprises.

Key words: Industrial innovation, change management, financial resources, infrastructure, expertise, regulatory compliance, market uncertainty, system integration, strategic planning.

Introduction:

Innovation is a critical driver of competitiveness, growth, and sustainability in the industrial sector. Industrial enterprises are continuously seeking ways to enhance their processes, products, and services through the adoption of innovative technologies and practices. However, the introduction of innovations within these enterprises often faces several challenges that can impede successful implementation and realization of benefits. Understanding these challenges and developing strategies to overcome them is essential for fostering a robust innovation ecosystem within industrial enterprises.

Since the first years of independence in Uzbekistan, a lot of attention has been paid to the further development of the activities of enterprises and associations based on various forms of ownership and management, through the implementation of structural changes in the economy. As a result, first of all, great steps were taken to reform, liberalize and modernize our economy, diversifying its structural structure. This set the task of properly establishing the activities of joint-stock companies established on the basis of state property, increasing their investment attractiveness, and further improving their innovative activity at the expense of attracting investors.

This introduction sets the stage for exploring the various problems associated with the mechanism of introducing innovations in industrial enterprises and proposing viable solutions to prevent these issues. It will provide a brief overview of the significance of innovation in the industrial context, outline common problems encountered, and highlight the importance of addressing these challenges effectively.

The Significance of Innovation in Industrial Enterprises

Innovation in industrial enterprises encompasses a wide range of activities, including the development of new products, improvement of manufacturing processes, adoption of advanced technologies, and implementation of new business models. These innovations can lead to increased productivity, cost savings, enhanced quality, and improved market competitiveness. In the face of rapid technological advancements and ever-changing market dynamics, the ability to innovate becomes a crucial determinant of an enterprise's long-term success and sustainability.

Common Problems in Introducing Innovations

Despite the clear benefits, the introduction of innovations in industrial enterprises is often fraught with challenges. These problems can be broadly categorized into organizational, financial, technical, and cultural barriers:

1. **Organizational Barriers:** Bureaucratic structures, lack of coordination among departments, and resistance to change can hinder the adoption of new innovations. Siloed thinking and poor communication channels further exacerbate these issues.
2. **Financial Barriers:** High costs associated with research and development (R&D), acquisition of new technologies, and training of personnel can be prohibitive. Additionally, uncertain returns on investment (ROI) can deter enterprises from committing to innovative initiatives.
3. **Technical Barriers:** The complexity of integrating new technologies with existing systems, lack of technical expertise, and potential compatibility issues pose significant challenges. Ensuring the reliability and scalability of new innovations also adds to the technical difficulties.
4. **Cultural Barriers:** A risk-averse culture, fear of failure, and lack of a supportive environment for experimentation can stifle innovation. Cultural resistance to change and lack of employee engagement are common issues that need to be addressed.

Importance of Addressing Innovation Challenges

Addressing these challenges is crucial for industrial enterprises to fully leverage the potential of innovations. Effective strategies to overcome these barriers can lead to more efficient implementation processes, greater acceptance of new technologies, and a more innovative organizational culture. This, in turn, enhances the enterprise's ability to respond to market demands, improve operational efficiency, and achieve sustainable growth.

The following sections of this analysis will delve deeper into the specific problems faced by industrial enterprises in introducing innovations and propose comprehensive strategies to prevent and mitigate these issues. By understanding and addressing these challenges, industrial enterprises can create a more conducive environment for innovation, ensuring long-term success and competitiveness in the global market.

Literature Review:

The introduction of innovations in industrial enterprises is critical for maintaining competitiveness, improving efficiency, and fostering growth. However, various challenges can hinder this process. This literature review explores the problems associated with the implementation of innovations in industrial enterprises and examines potential strategies to prevent these issues.

Organizational resistance is a significant barrier to innovation. Employees and management may resist change due to fear of the unknown, loss of job security, and disruption of established workflows. Structural inertia and existing corporate culture often hinder the adoption of new technologies and processes (Kotter, 1996).

Innovative projects often require substantial investment, which can strain financial resources. The risk associated with unproven technologies further complicates obtaining funding. Financial

constraints can limit the ability to invest in R&D, new equipment, and training necessary for innovation. (Christensen, 1997).

A lack of skilled personnel can impede the implementation of innovative solutions. The rapid pace of technological change often outstrips the current workforce's skill set, necessitating continuous education and training programs to bridge the gap. (Brynjolfsson, E., & McAfee, A., 2014).

Regulatory and compliance requirements can pose significant challenges to innovation. Strict regulations can limit the scope of experimentation and the introduction of new technologies, especially in highly regulated industries such as pharmaceuticals and chemicals (Porter, M.E., & van der Linde, C., 1995).

Market dynamics and consumer acceptance play crucial roles in the success of innovations. Uncertain market conditions, rapidly changing consumer preferences, and the potential for disruptive technologies by competitors create a challenging environment for introducing innovations (Abernathy, W.J., & Clark, K.B. 1985).

Effective change management practices are crucial for mitigating organizational resistance. Leadership must clearly communicate the vision, benefits, and necessity of innovation. Involving employees in the innovation process and providing adequate training can facilitate smoother transitions (Kotter, J.P., 1996).

Securing diverse funding sources, such as public grants, venture capital, and internal investment funds, can alleviate financial constraints. Implementing robust risk management strategies can help in identifying and mitigating potential financial risks associated with innovative projects (Chesbrough, H.W., 2003).

Investing in employee training and development programs is essential. Collaborations with educational institutions and offering continuous professional development opportunities can help bridge skill gaps. Creating a culture of lifelong learning can enhance workforce readiness for innovation (Senge, P.M., 1990).

Conducting thorough market analysis and understanding consumer behavior are critical for successful innovation. Developing flexible strategies that can adapt to market changes and leveraging partnerships can enhance market positioning. Utilizing strategic foresight can help anticipate and respond to market uncertainties effectively (Teece, D.J., 2010).

The formation of the property management system in joint-stock companies increases the need for enterprises that can attract investments for the state, create jobs and material wealth, be viable and competitive in the world market, and have a well-organized level and mechanism of property management (Begmatov A., 2007).

Research methodology. Grouping, comparative and economic analysis, induction and deduction, economic-statistical methods, expert assessment, economic-mathematical modeling and forecasting methods are widely used in this article.

Analyzes and results

The activity of investors is directly related to the financial and economic status of the enterprise, its economic potential, which determines the level of utilization of investment resources, and the property management system formed in the joint-stock company. It is these parameters that determine the investment attractiveness of joint-stock companies, which is considered the main component of the investment potential.

Today's economic development trends confirm that there is a highly competitive environment in almost all business areas. Such a competitive environment is becoming more and more intense in the current globalization, creating problems of maintaining one's position in the market rather than penetrating the market. In order for joint-stock companies to maintain their position and leading capabilities, it is necessary to adopt the policy of adopting innovative technologies and continuously expanding the range of activities.

Table 1 Shareholding society description of investors

Indicators	Composition of investors		
	Portfolio investor	Financial investor	Strategic investor
Investment period	up to 6 months	6 months to 3 years	3 years and more
Form of investment	owning up to 10% of the authorized capital	Offer loans	Owning a large share package for the purpose of modernizing the enterprise and building new facilities
According to the object of investment placement	Owning shares with high liquidity in the stock market	Voluntary joint-stock company with a promising and stable financial situation	A medium-sized and large joint-stock company specializing in a specific line of industry of strategic importance, withstanding competition
Investment objective	Earnings by selling shares at high prices in the secondary market	Earning through loans	Strengthening the position in the market and entering new markets, offering innovative products and services, reducing production costs
Investment guarantee	Participation in the general meeting of shareholders	A block of shares pledged as collateral or a highly liquid property, a letter of guarantee issued by a third party	Owning a controlling share package or having a majority of votes at a general meeting of shareholders
Direct impact on enterprise activity	Impact does not show	Impact does not show	Introduction of new production technologies, making suggestions on effective management, conducting marketing and innovative research
Exiting the enterprise business	By selling stock packages to a willing investor	By taking back the given loan with a percentage	By selling the stock packages to another strategic investor after reaching the target or for other reasons
A useful aspect for the enterprise	Evaluation of the market value of the enterprise according to the official share price	Giving incentives for loans	Attracting large amounts of financial resources from the international credit market
Downside for the business	Control over the general meeting of shareholders, disputes in demanding dividends	Regular payment of interest payments for loans and maintenance of liquidity of collateral	Investor control over financial cash flows and accountability of enterprise management

As mentioned above in our research, in order to further increase the efficiency of attracted foreign direct investments, the investors' financial resources directed to the enterprise were grouped into portfolio, financial and strategic investors, taking into account the investment period, purpose, impact on the enterprise and other factors.

In this table, it was scientifically justified that it is necessary to take into account the composition of investors in the modernization of the national economy and technical-technological updating of chemical industrial enterprises, attraction of foreign direct investments and their effective use.

As a result of the conducted research, we conditionally divided investors into categories of portfolio, financial and strategic investors. A portfolio investor tries to get a high profit by placing his funds mainly in the enterprise for a short period of time. This is especially effective in cases where the secondary market of securities is developed. Due to the insufficient formation of the secondary market of securities in our country, the influence of this category of investors on joint-stock companies is not felt.

In our country, the category of financial investors mainly includes banks. A large number of financial institutions make up the composition of financial investors in developed foreign experience. They mainly offer investment resources for promising and financially stable joint-stock companies. According to the state-guaranteed system of private ownership, the activities of strategic investors are carried out in the country. They mainly own stock packages to place long-term investments in a particular sector or industry. This is a guarantee that they have placed a large amount of investment. For this purpose, our proposals regarding the creation of a favorable environment for attracting foreign capital to Uzbekistan and the study of the activities of investors offered by us in the financing of chemical industry enterprises of the banking system will help to create a legal framework in this field and develop joint enterprises in the field of chemical industry.

The production and export of chemical products is increasing year by year as a result of the modernization of the enterprises operating within "Uzkimyosanoat" JSC, the launching of new ones and the wide involvement of local and foreign investors in this process. For example, in the first half of 2021, 168.3 mln. USD worth of products were sold abroad, and in the same period of 2022, the sales volume will be 280.6 mln. amounted to US dollars. New jobs are being created as a result of the increase in the volume of release of competitive products to the domestic and foreign markets, the launch of new enterprises within the company. In the first half of last year, more than 2,600 new jobs were created, 800 of them are working on the basis of household production. All-round support of producers by the state, creation of privileges and opportunities for them helps enterprises to work stably.

As a result of modernization of existing enterprises and establishment of new ones, production of new types of products will be launched, dependence on imports will decrease. Recently, the production of men's shirts, jeans, suits, gabardine and various synthetic and mixed fabrics, melange (olachipor) thread has been mastered. Enterprises of JSC "Uzkimyosanoat" work together with other industry enterprises to reduce imports within the framework of industrial cooperation. For example, the chemical industry supplies various materials needed by the chemical industry.

It was planned to increase the production of chemical industry products in our republic by at least 2.6 times in 2017-2022. However, the pandemic that occurred at the end of 2019 and the beginning of 2020 had a negative impact on the implementation of several goals in the chemical industry, as well as in other sectors.

World experience shows that in the presence of favorable conditions, the development of the chemical industry will bring great benefits to the country's economy. At the same time, due to the deep processing of raw materials, there will be a significant increase in the value added, as a result of which the income of the population, enterprises and the state will increase, as well as high growth rates of exports and a reduction in the volume of imports (ready-made garments).

Due to the limited resources of raw materials (natural gas, phosphorites, sulfuric acid, etc.) in the republic, as well as the high level of obsolescence of the main funds of "Uzkimyosanoat" JSC enterprises, the total net amount is 1.4 mln. tons of mineral fertilizers (growth rate - 95 percent), of which 1.1 mln. tons of nitrogen (growth rate - 98.3 percent), 108,800 tons of phosphorus (growth rate - 66.7 percent) and 198,000 tons of potassium (growth rate - 100.1 percent) fertilizers were

produced.

In 2023, industrial products worth 15.7 trillion soums were produced by the member enterprises of "Uzkimyosanoat" JSC, which decreased by 2.6% compared to 2022. During this period, the export volume of these enterprises increased by 2.7% to 495.2 million. dollars, made 37.84 percent of the total production volume.

Table 2 Chemistry industry main indicators in Uzbekistan in 2021-2023 years.

Indicators	2021	2022	2023
Work release, trillion soum	11, 0	15, 2	15, 7
export, <i>million USA dollar</i>	381.98	481.99	485.2

By the end of 2023, the products produced by the enterprises of the society will make up 2.4% of the total industrial production volume of the republic, and 45.5% of the total production volume of chemical products enterprises. Currently, JSC "Uzkimyosanoat" has 48 enterprises, of which 37 are production enterprises, 4 are transport-expedition and export enterprises, 4 are scientific research institutes, and 3 are construction directorates of industrial enterprises. 24 of these enterprises have a share in the charter fund of "Uzkimyosanoat" JSC.

The most important of them are:

- macroeconomic stability;
- legal bases of innovation activity;
- the quality of the tax system and the level of taxation;
- banking system and another financial institutions status and reliability;
- infrastructure development level
- partners by contract obligations performance;
- state management system.

In the world modern development trend that's it shows joint stock company, of the economy innovative development encourage, advanced science achievements economy networks current to do stable economic the main factor of growth is considered Including the current one in the day in Germany 2.7 percent of GDP, 2.8 percent in the USA and 3.5 percent in Japan exactly innovations to develop being directed above of your opinion obvious is evidence.

In the fourth direction of the action strategy developed and adopted at the initiative of the President of the Republic of Uzbekistan Sh. Mirziyoyev, the promotion of scientific research and innovative activities, the creation of effective mechanisms for the implementation of scientific and innovative achievements, specialized scientific and experimental laboratories at higher educational institutions and scientific research institutes, high issues such as the establishment of technology centers and technology parks are envisaged. Therefore, it is necessary to develop innovative enterprises and support their activities in order to fulfill these tasks provided for in the Strategy of Actions.

Conclusions and Recommendations:

Introducing innovations into the activities of industrial enterprises is a complex process that can face several challenges. Here are some common problems and suggested solutions, along with conclusions and recommendations:

Problems in the Mechanism of Introducing Innovations

1. Resistance to Change:

- Problem: Employees and management may resist changes due to fear of the unknown, loss of job security, or comfort with existing processes.

- Solution: Implement change management strategies, including clear communication about the benefits of innovation, training programs, and involving employees in the innovation process to gain their buy-in.
- 2. Lack of Resources:
 - Problem: Innovations often require significant financial investment, skilled personnel, and time.
 - Solution: Secure adequate funding through internal budgeting, government grants, or external investors. Invest in continuous training and development programs to build the necessary skills within the workforce.
- 3. Inadequate Infrastructure:
 - Problem: Existing infrastructure may not support new technologies or processes.
 - Solution: Conduct a thorough assessment of current infrastructure and upgrade or retrofit as necessary. Plan for incremental implementation to spread out costs and disruptions.
- 4. Poor Strategic Planning:
 - Problem: Lack of a clear innovation strategy can lead to misaligned efforts and wasted resources.
 - Solution: Develop a comprehensive innovation strategy aligned with the company's overall business goals. Set clear objectives, milestones, and performance indicators to track progress.

Conclusions:

Introducing innovations into industrial enterprises is essential for maintaining competitiveness and achieving sustainable growth. However, it requires a strategic approach that addresses potential challenges systematically. By anticipating and proactively managing these issues, enterprises can successfully integrate innovative practices and technologies into their operations.

Recommendations:

1. Develop a Clear Innovation Roadmap:
 - Outline the vision, objectives, and steps for innovation within the enterprise.
 - Ensure alignment with overall business goals and regularly update the roadmap based on progress and changing market conditions.
2. Foster a Culture of Innovation:
 - Encourage creativity and risk-taking within the organization.
 - Recognize and reward innovative ideas and solutions from employees at all levels.
3. Invest in Training and Development:
 - Continuously upgrade the skills of employees to keep pace with new technologies and processes.
 - Provide access to external training programs, workshops, and seminars.
4. Enhance Collaboration and Partnerships:
 - Establish partnerships with universities, research institutions, and other companies to leverage external expertise and resources.
 - Participate in industry consortia and innovation networks to stay abreast of the latest trends and developments.

5. Implement Agile Project Management:

- Use agile methodologies to manage innovation projects, allowing for flexibility and iterative improvements.
- Regularly review and adjust project plans based on feedback and changing circumstances.

By addressing these challenges head-on and following these recommendations, industrial enterprises can create a conducive environment for innovation, leading to enhanced productivity, competitiveness, and long-term success.

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