

# FORMATION AND DEVELOPMENT OF THE INNOVATION POTENTIAL OF THE COMPANY'S EMPLOYEES

## FORMACIÓN Y DESARROLLO DEL POTENCIAL DE INNOVACIÓN DE LOS TRABAJADORES DE LA EMPRESA

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### ABSTRACT

This article explores the innovation potential of the staff at industrial enterprises. One of the main goals of the research was determining the factors influencing the development of the innovative potential of the company's employees. The authors analyzed the company's internal regulatory documents that regulate the enterprise's innovation policy. The relevance of the research is confirmed by the increasing interest of companies in innovation. This manifests itself both in the changing organizational structure of enterprises and a new approach to human resource management, for instance, the revision of the key performance indicators of employees. Some authors mention that the changes and social transformations determine the need for organizations to search for alternatives that can improve performance, facilitate the achievement of goals and improve the provision of services. This confirms the relevance of the research topic and the need to study the factors influencing the development of the innovative potential of the employees. Having analyzed the internal documents regulating the innovation policy of the enterprise, we determined the organizational structure of the innovation management and the stakeholders. Thus, we could propose targeted recommendations and determine how to improve the system to develop the innovation potential of the staff.

**Keywords:** Innovation; Innovation potential; Human capital; Human resources management; Organization.

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## RESUMEN

Este artículo explora el potencial de innovación del personal en las empresas industriales. Uno de los principales objetivos de la investigación fue determinar los factores que inciden en el desarrollo del potencial innovador de los empleados de la empresa. Los autores analizaron los documentos normativos internos de la empresa que regulan la política de innovación de la empresa. La relevancia de la investigación se confirma por el creciente interés de las empresas en la innovación. Esto se manifiesta tanto en la estructura organizativa cambiante de las empresas como en un nuevo enfoque de la gestión de recursos humanos, por ejemplo, la revisión de los indicadores clave de rendimiento de los empleados. Algunos autores mencionan que los cambios y transformaciones sociales determinan la necesidad de las organizaciones de buscar alternativas que puedan mejorar el desempeño, facilitar el logro de metas y mejorar la prestación de servicios. Esto confirma la relevancia del tema de investigación y la necesidad de estudiar los factores que influyen en el desarrollo del potencial innovador de los empleados. Habiendo analizado los documentos internos que regulan la política de innovación de la empresa, determinamos la estructura organizativa de la gestión de la innovación y los stakeholders. Por lo tanto, podríamos proponer recomendaciones específicas y determinar cómo mejorar el sistema para desarrollar el potencial de innovación del personal.

**Palabras clave:** Innovación; Potencial de innovación; Capital humano; Gestión de recursos humanos; Organización.

## INTRODUCTION

Modern economic challenges underlie the increasing interest of enterprises in innovation. The efficiency of the latter, in turn, is based on the company's ability to form, develop, and use the innovation potential of its employees.

Understanding the essence of innovation, assessing the innovation potential of the company and its employees, and human resources management enables the company to develop unique products, thereby increasing its competitiveness, flexibility, and ability to respond to market changes promptly. Therefore, improving theoretical and methodological approaches and practical recommendations for managing innovation potential are especially relevant.

Based on the results of the analysis of the literature, the authors identified the need to improve theoretical and methodological approaches and practical recommendations for managing the innovative potential of commercial organizations, which in their activities are focused on the search and development of innovative flexibility competencies and strive for the rational use of resources when introducing innovations.

The authors note that despite the accumulated foreign and domestic experience of conceptual and applied research on this topic, in modern literature, when describing the factors influencing the development of the innovative potential of employees, the authors take into account certain aspects of the innovative potential of employees. In this regard, the authors consider it necessary to identify and analyze several factors influencing the development of the innovative potential of employees, regardless of a certain aspect of the innovative potential.

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The research goal was to determine the factors influencing the development of the innovative potential of the company's employees

To achieve this goal, we set the following research objectives:

- To analyze organizational, administrative, socio-psychological, and economic factors that affect the innovation potential of employees and to assess their influence;
- To determine the prospects for the creation of techniques aimed at the formation and development of the innovation potential of employees;
- To identify the problems of the formation and development of the innovation potential at two levels: in a company and by an employee;
- To analyze the system of the development of the innovation potential of employees on the example of two St. Petersburg industrial enterprises;
- To devise recommendations for the formation and development of the innovation potential of the company's employees.

The scientific novelty of the study lies in the substantiation of approaches to the formation and development of the innovative potential of employees of an industrial enterprise, the study of the features of innovation policy, and the identification of areas of growth and development.

The following results confirm scientific novelty:

- From the point of view of a multi-paradigm approach, the idea of organizational-administrative, socio-psychological, and economic factors of influence on the development of the innovative potential of employees has been clarified.
- The degree of influence of groups of factors on the development of innovative potential was assessed .
- The author's gradation of the key components of the system for managing the innovative potential of the personnel of an industrial enterprise and the key factors of its evolution, including the identification of the features of this system on the example of two enterprises, is proposed.
- A model of interaction within the innovation process framework was compiled based on the administrative and organizational structure of the enterprise.
- Recommendations were formed, and directions for improving the system for developing the innovative potential of employees were determined.

The theoretical significance of the work is determined by the relevance of the tasks set and the level of solving the problems of formation and development of the innovative potential of industrial enterprises, determining the factors influencing its development. The theoretical significance is confirmed in the developed recommendations that can be used to form innovation policy at the enterprise.

The practical significance of the work is manifested in the ability of enterprises to apply the main provisions and conclusions while improving the methods of managing the innovation potential and introducing internal regulations that describe the innovation policy of the enterprise.

When hypothesizing, the authors proceed from the assumptions that:

- Organizational and administrative factors have the greatest influence on the formation and development of the innovative potential of employees.
- Among the constraining factors, the most influential are: lack of an innovative strategy, authoritarian management style, the bureaucratization of the process.
- As technologies for developing innovative potential, the most applicable are consultations of specialized specialists.

## LITERATURE REVIEW

International researchers began studying the issue of innovation in the 20th century (Romera, 1988; Veblen, 1984; Schumpeter, 1982; Christensen, 1997). For instance, J. Schumpeter first introduced the economic concept of innovation as a combination of production methods that can bring commercial benefits, which imply the creation of new goods, use of new materials and sources of raw materials, the introduction of a new production method, and the opening of new markets.

In Russia, Baryutin (2000), Kondratyev (2002), Yakovets (2015), and other researchers explored the issue of innovation. They described the cycles and mechanisms of the impact of innovations on state development and the problems associated with updating the production facilities.

Pavlova (2007), Smith (2008), and Ball (2006) considered various impacts on the effectiveness of forming innovation potential. For instance, Marisa Smith proposed a conceptual model of internal factors to form innovation potential. This model includes technology, knowledge management, innovation, culture, corporate strategy, staff, the organization structure, management style, resources, and leadership. Lapteva (2014), Lezina (2015), Knyazeva (2012), and Borisov (2019) examined various aspects of the management of the innovation potential of an enterprise.

Russian researchers consider the innovation potential of enterprises from two perspectives.

The first one focuses on the effective approach. It implies that the enterprise is ready to implement innovative projects due to qualitative transformations during innovative development (Babanova, 2007; Vasyukhin, 2010; Zhelnina, 2015). For instance, according to Zhelnina, the internal ability of an enterprise to deliberately develop a new product and attract resources is a characteristic of innovation potential.

The second approach considers innovation potential with a focus on content and resources. That is, it prioritizes the total resources required for innovative activity and their sufficiency under the influence of the external and internal environment (Pushkarenko, 2011; Belyakov, 2010; Zinchenko, 2005). These approaches should be supplemented and adjusted for the most efficient application in current conditions of digitalization and informatization.

The authors analyzed published studies on the development of the innovative potential of employees of industrial enterprises to determine the elaboration of this topic. The most advanced study the phenomena associated with innovation: two levels can be noted: the organization and the individual. Depending on the level of study, researchers offer appropriate methods: - the study of the phenomena associated with innovative activities at the organization level involves the study of the corporate climate and the psychological one that promotes or hinders the introduction of innovations. Researchers use as methods: - the study of organization documents, including formalized content analysis; - the

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procedure for monitoring the workplace; - questionnaire survey; - procedures for innovative games and workshops;

The study of the phenomena associated with innovative activity at the individual level involves the study of individual and personal prerequisites for generating and implementing innovative proposals. In this case, the researchers resort to such methods as:

- Structured interviews;
- “Close observation” procedures;
- Scenario methods of analysis,
- Procedures of innovative games and workshops.

In the analysis, studies were noted that are characterized by an impressive volume and variety of ways to obtain arrays of information. It is based on 24 economic and sociological studies conducted in 1985-1998, making it possible to obtain significant sociological and statistical information. Such studies correspond to the multilevel nature of the study of innovations.

At the same time, the least developed aspect of this topic is identifying factors influencing the development of the innovative potential of employees. The methodological approaches to capacity management proposed during the discussions cannot fully identify these factors.

In addition, publications on this topic in recent years do not offer a universal and systematic idea of the innovative potential of the enterprise’s employees and its structure. The innovative mechanisms, which researchers in recent years have proposed need to be supplemented, taking into account the development trends of the Russian economy, as well as modern approaches to the personal development of personnel.

## **METHODOLOGY**

The study was conducted using systemic, process, and structural-functional approaches, methods of expert interviews, the method of expert assessments, and document analysis. An interdisciplinary approach to the study of innovative potential has enabled the authors to use theoretical principles and the methodology of sociology, management, and economics.

This article presents the results of studying the innovation potential of two St. Petersburg industrial companies. To carry out the research, we used the methods of in-depth interviews, expert assessments, and the qualitative analysis of documents. We relied on the following provisions of Kotler’s (1969) concept of managing a commercial enterprise:

- According to which companies should try to increase efficiency, productivity improvement. In this case, the developed innovation potential is one of the ways to achieve this goal, since the ideas of employees working in production mainly aim to improve the work process (modernizing the equipment, reducing time losses, and increasing operations efficiency), which increases the efficiency of production;
- According to which companies should seek to improve their products regularly, the concept of product improvement. Therefore, potential innovation management should consist of projects and specific activities that stimulate the search for innovative ideas.

• **Concepts of Innovation Management, Management, and Economic Concepts**

Exploring the economic concepts, we would like to note the Major Cycles of N.D. Kondratyev (2002). The researcher did not analyze innovation processes, but his conclusions formed the basis for the theory of innovation developed by J. Schumpeter (1982).

According to the concept of innovative management, we applied a systemic and project-based approach in this study. We considered innovation management a complex hierarchical socioeconomic and scientific-technical system consisting of the functional unity of elements and subsystems and the organization of the development and implementation of innovations in innovative projects.

In addition to this, the institutional approach underlies the conceptual design of this study. This approach allowed us to consider potential innovation management as a special mechanism for achieving sustainability, stable development of an enterprise, and its strategic success as a whole. We defined innovation potential as a set of characteristics of a socioeconomic system (in this research – an enterprise), which determines its ability to generate, implement, and promote new ideas and technologies.

• **Expert Interview Method**

We analyzed the system to develop employees’ innovation potential at industrial enterprises using expert assessments obtained in an interview. We identified five groups of stakeholders (Table 1):

**Table 1.** Responsibilities and the area of expert assessment of the respondents.

| NO | DEPARTMENT RES-<br>PONSIBILITIES  | REPRESENTATI-<br>VE, JOB TITLE        | AREA OF EXPERT ASSESSMENT   |
|----|---|---------------------------------------|---|
| 1  | Selection and hiring of new employees, as well as dealing with personnel issues | HR manager                            | Assessment of the innovation potential of the applicants, attracting innovation-driven personnel, keeping track of innovative activity when calculating bonuses and incentives.   |
| 2  | Personnel training and development, corporate culture                           | Training and Communication Specialist | Conducting training programs to boost the innovation potential of employees;<br>Implementing projects to increase the staff’s motivation and involvement in innovations;<br>Developing innovation potential in the corporate culture. |
| 3  | Engineering Department: implementing improvement ideas                          | Head of the Engineering Department    | Creating an efficient organizational structure for working with improvement ideas;<br>Issuing orders and instructions that regulate the implementation of improvement ideas;<br>Assessing the company’s readiness for innovation.     |

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|   |  |                                   |   |
|---|--|-----------------------------------|---|
|   |  |                                   | Providing tools to foster submission of improvement ideas;  |
| 4 | Production department: submitting improvement ideas                                | Production Manager                | Implementing projects to increase the motivation and involvement of staff in innovation;<br><br>Creating teams of employees working in R&D. |
| 5 | Economy Department: financial planning of the implementation of improvement ideas. | Manager of the Economy Department | Principles of financial planning for the implementation of improvement ideas.   |

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**Source:** Research data

We formulated the interview questions according to the field of expertise of the respondents, while the following aspects of the issue under study were the same for all of them:

- The relevance of the development of innovation potential for employees of industrial enterprises;
- The role of the innovation potential of employees in the sustainable and stable development of an enterprise and the strategic success of the company as a whole;
- Tools for assessing, forming, and developing the innovation potential of employees;
- Organizational, administrative, socio-psychological, and economic factors that affect the development of the innovation potential of employees;
- Prospects for developing technologies aimed at forming and developing employees' innovation potential.

The method of the expert interview has some advantages. For example, it allowed us to obtain information from specialists who assess, form, and develop the innovation potential of staff both at the employment stage and during work. This method enabled us to identify the aspects of the problem under study familiar to only those involved in the process. Moreover, interviewing professionals, we managed to test the existing hypotheses and assumptions and obtain information from the respondents who could not participate in other forms of surveys due to the high workload and administrative barriers.

- **Method of Expert Assessments**

The method of expert assessments allowed us to determine the significance of the development of innovation potential of employees at industrial enterprises, to evaluate the organizational, administrative, socio-psychological, and economic factors that influence its development, as well as to assess the prospects for designing the methods for assessing, forming, and developing the innovation potential of employees.

The experts assessed the applicability of technologies for the formation and development of the innovative potential of employees for industrial enterprises, where 0 - the technology is not fully applicable, 1 - applicable with low efficiency and only if supplemented with other technologies, 2 - applicable with average efficiency as an independent technology, 3 - applicable with high efficiency as an independent technology. Similarly, the experts assessed the degree of influence of three groups of facts (organizational-administrative, socio-psychological, and economic) on the formation and development of the innovative potential of employees on a scale from zero to three.

The study involved nine experts from five stakeholder groups, which the authors identified. The experts had the necessary theoretical knowledge experience and were participants in the innovation process in production. The authors took into account the following conditions: higher education, work experience of more than three years, participation in the innovation process, and decision-making to regulate the innovation policy of the enterprise.

- **Document Analysis Method**

Having analyzed the internal documents regulating the innovation policy of the enterprise, we determined the organizational structure of the innovation management and the stakeholders. Thus, we could propose targeted recommendations and determine how to improve the system to develop the innovation potential of the staff.

The analysis of documents was carried out based on content analysis. The objects were: (1) Regulations on the innovation policy of the enterprise; (2) Regulations on employee bonuses; (3) SOPs (Standard Operating Procedures) for recording improvement ideas, reviewing and implementing them; (4) Training strategy for production personnel; (5) A log of ideas for improvements; (6) Reports on the meetings of the “Committee of Ideas.”

## **RESULTS**

We obtain the research data by studying two light industry enterprises (factories) in St. Petersburg. Conducting the study, we made the models for potential innovation management in these companies.

Company 1 created the Focused Improvement Pillar Department to manage its innovation potential. This department consists of process engineers responsible for continuously analyzing the enterprise performance. They supervise both production machines and the entire production lines and the operation of service departments – mechanics, logistics, and offline maintenance. The engineers collect data on production losses and then devise projects to eliminate major losses.

This process involves employees who work on the production line, as they are most familiar with the equipment and everyday challenges. This means they can provide valuable information for developing an innovative project. Therefore, process engineers work with innovative ideas of production employees regularly. For this purpose, the company created the necessary infrastructure – a special mobile application in which employees can contribute their innovative ideas. This app allows attaching photos and videos, as well as feedback forms so that employees may read the comments of process engineers on their ideas and see their status (“Approved,” “Rejected,” or “Refine”).

Every two weeks, the representatives of all interested departments (the Improvement Ideas Committee) consider the approved suggestions. After a final discussion and a decision about the project launch, they nominate the author of the idea for a prize, the size of which directly depends on the economic effect of the implemented improvement.

In Company 2, the heads of the departments are responsible for managing employees’ innovation potential. Shift supervisors are the line managers of production employees. The employees are to analyze the efficiency of the line operation during every shift. For this, the company developed evaluation checklists. The employees should explain all losses of time, speed, and products recorded



during the shift using the five Whys analysis tool and propose at least two ways of dealing with the losses. The information collected is discussed at daily operational meetings of the production staff. They decide to launch innovative projects. The employees who contributed many ideas for reducing production losses receive quarter bonuses.

Once a quarter, the company organizes workshops for production employees to develop innovation potential and improve the application of analysis tools.

Twice a year, the company conducts the START Initiatives Accelerator for the staff of other departments. It selects the best innovative ideas, and its authors receive valuable prizes and the opportunity to participate in implementing the project.

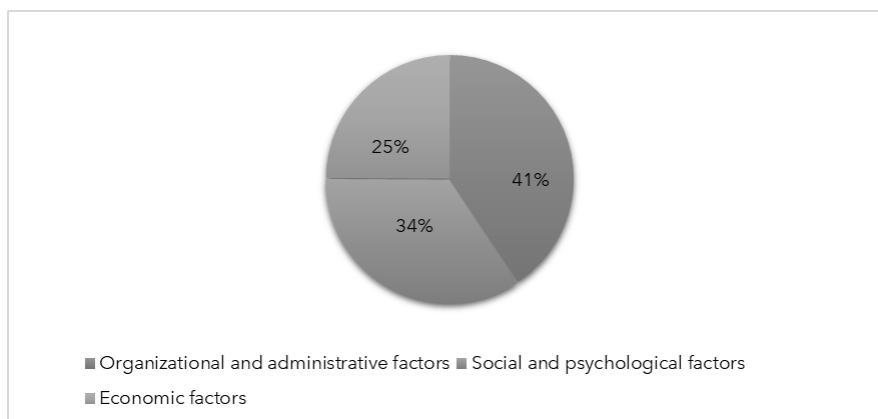
During the interview, the experts considered these two models and described the organizational, administrative, social, psychological, and economic factors influencing the development of the innovation potential of employees at industrial enterprises (Table 2).

**Table 2.** Factors affecting the development of the innovation potential of employees at industrial enterprises.

| GROUP OF FACTORS                  | FACTORS   |
|-----------------------------------|---|
| ORGANIZATIONAL AND ADMINISTRATIVE | The organizational structure of management; organizational and functional delegation of authority, the level of a learning culture; communications system: availability of information, working conditions; enterprise resource planning and management; innovation strategy; the procedure for making strategic decisions; infrastructure for submitting and considering innovative ideas. |
| SOCIAL AND PSYCHOLOGICAL          | Professionalism; motivation for innovation; personal qualities of employees; readiness for training and retraining; current knowledge and skills; development of soft and hard skills; willingness to take risks; motivation and incentives for the employees for innovation; the level of the corporate culture and the working climate.   |
| ECONOMIC                          | Wage payment system; financial incentives for innovative activity; financing of innovative projects; facilities and resources of the enterprise.  |

Source: Research data.

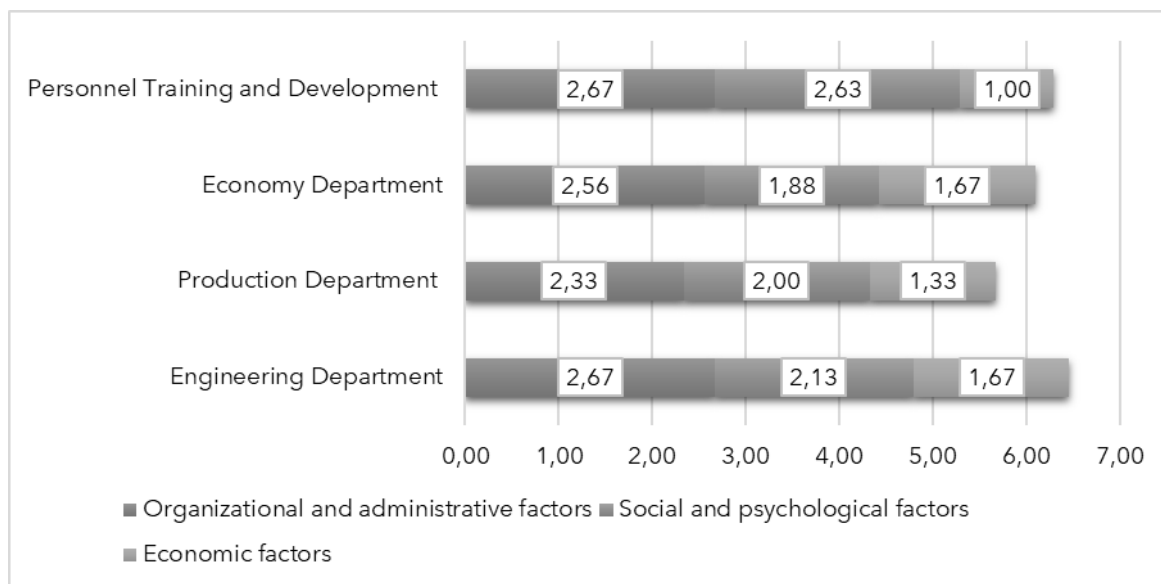
Next, as part of the method of expert assessments, we asked the respondents to assess the influence of three factors (organizational and administrative, social and psychological, and economic) on the formation and development of employees' innovation potential (Fig. 1).



**Figure 1.** The assessment results of the influence of three groups of factors on the formation and development of employees' innovation potential (research data).

According to the experts, organizational and administrative factors had the strongest influence on the formation and development of employees’ innovation potential: the average score for this group was 2.56 out of 3.0, or 41%. The social and psychological ranked second, while economic factors ranked third 2.16 (34%) and 1.56 (25%), respectively.

The values distribution by the department was as follows (Fig. 2):



**Figure 2.** The assessment results of the influence of three factors on the formation and development of employees’ innovation potential by department (research data).

According to the experts, the most significant factors were the infrastructure for submitting and considering innovative ideas; wage payment system; communications system, availability of information; the level of a learning culture; planning and management of enterprise resources.

The following factors had the least influence on developing employees’ innovation potential: the procedure for making strategic decisions, financing of innovative projects, and willingness to take risks.

In addition to this, the respondents identified tools for forming and developing employees’ innovation potential at industrial enterprises. These include additional professional education courses, workshops, business games, seminars, forums, expert advice, and project accelerators. Each of these methods may be applied both online and offline.

The experts assessed how effective these methods are for forming and developing employees’ innovation potential at industrial enterprises (Fig. 3).



**Figure 3.** Assessment of the effectiveness of these methods regarding the formation and development of the innovation potential of employees at industrial enterprises (research data).

The chart demonstrates that the experts gave the maximum average score (2.78 out of 3.0) to expert advice. During the interview, they noted that the consultations of the engineering team and the representatives of the Quality Assurance and Safety Departments both increased the motivation of employees for innovation and stimulated the elaboration of innovative ideas. Such meetings included a discussion of best practices and a detailed analysis of proposed innovations. Having analyzed the expert advice, it was possible to create a list of ideas implemented by process engineers.

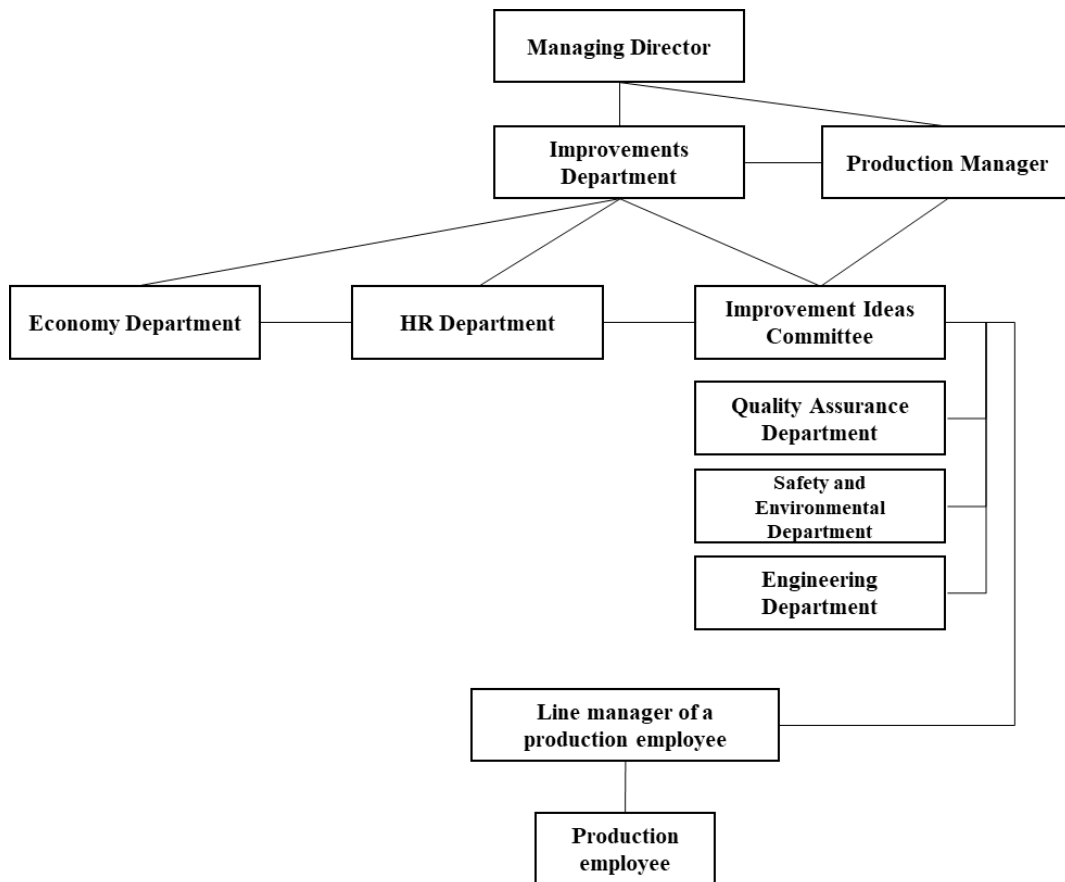
## DISCUSSION

According to the experts, effective techniques for forming and developing employees' innovation potential are training and project accelerators (2.67 points) and seminars (2.44). Such methods imply giving sufficient practical exercises, while project accelerators also develop and refine particular innovative proposals.

Forums, business games, and additional education courses ranked lowest (1.11, 1.00, and 0.56, respectively). The main reason is the low efficiency of these methods due to the specifics of an industrial enterprise. In this case, one of the necessary conditions for personnel development is to minimize the time when employees do not work in production, and the methods listed above do not meet this requirement.

At the same time, it should be noted that according to the study by dos Santos et al. (2019), when developing a management model, it is important to consider the incentive system. According to the authors, it directly affects the performance of management activities. This should also be taken into account when developing seminars and project accelerators.

Another issue discussed in the expert interview was the effective organizational structure of innovation management. We devised an interaction model when implementing innovations (Fig. 4).



**Figure 4.** Model of interaction during the introduction of innovations.

As we can see in Figure 4, the main contact person for the production employee is the line manager, who is to provide feedback. The line manager should submit the employee’s innovative proposals to the Ideas Committee, which includes Quality Assurance, Safety, and Environmental and Engineering Departments. The Improvements Department conducts the Idea Committee meetings. HR and Economy Departments provide consultations and support on human capital development programs.

During the study, the authors encountered many difficulties. Conventionally, they can be divided into two groups: organizational and semantic.

The authors refer to the first group as problems with access to respondents - namely, factory employees. The shift work schedule, which consists of night shifts, did not allow contacting a group of employees and studying the organizational, administrative, socio-psychological, and economic factors influencing the development of the innovative potential of employees, assessing the degree of their influence. The problem was resolved by obtaining additional permissions to communicate with employees at the enterprise.

In addition, the authors attribute the organizational difficulties to the fact that all work at the enterprise is carried out continuously during the day. Consequently, the time for communication with those respondents who needed to quickly respond to all problematic situations in production, namely with the head of the production and the engineering department, was limited, and the interviews were interrupted. As a solution to this problem, the authors conducted several interview sessions with these respondents.

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The authors refer to the second group of difficulties with many special terms and slang enterprises use when communicating. To ensure the possibility of two-way communication between the researcher and the respondent, the authors previously studied internal documentation, which contains special terms, and noted several slang words through communication with line managers of employees.

While conducting the research, we collected experts' opinions on the factors constraining and contributing to the development of innovation potential. They named such constraints as insufficient funding for innovative projects, lack of an innovative strategy, an authoritarian management style, insufficient interaction between departments, bureaucratization of innovative activities coordination, and sanctions imposed if targets are not achieved. In addition to this, the experts noted the impact of the human factor, namely, the personnel's resistance to changes in routine activities.

According to the experts interviewed, the factors increasing innovation potential are stable and regular investments in developing innovative projects, modern resources and facilities, and staff motivation for personal and enterprise development. The experts highlighted the significance of a good learning culture and a developed material incentives (bonuses) system.

According to the experts, the enterprise must create an open and transparent system for submitting innovative ideas and facilitate innovation by allowing participation in the discussion: it should provide information about projects and proposed innovations. This can be done at open meetings of the Ideas Committee by providing information on the stands and publications in the corporate press. The enterprise should enable its employees to exchange expertise with other businesses and introduce best practices. In addition to this, the company should allocate resources to provide consultations with key specialists on innovation.

The authors confirmed all three hypotheses stated in the introduction.

The first hypothesis that organizational and administrative factors have the greatest influence on the formation and development of the innovative potential of employees was confirmed both in the course of expert interviews conducted by the author: the average score for this group of factors according to the results of the expert assessment was 2.56 out of 3.0.

The second hypothesis that among the constraining factors, the following have the greatest influence: the lack of an innovative strategy, authoritarian management style, and bureaucratization of the process was partially confirmed in expert interviews. The experts referred to the constraining factors: insufficient funding, lack of an innovative strategy, authoritarian management style, bureaucratic approval process, and the presence of sanctions in case of failure to achieve targets.

The third hypothesis is that as technologies for the development of innovative potential, the most applicable are consultations of specialized specialists was confirmed in the course of expert interviews, and due to the application of the method of expert assessments: the maximum average score (2.78 out of 3.0 possible) was attributed by experts to specialist consultations. In interviews, they noted that consulting support helps increase employees' motivation for innovative activity and positively affects the level of development of innovative ideas.

Having conducted the research, we drew the following conclusions:

- (1) Organizational and administrative factors have the greatest influence on the formation and development of the innovation potential of employees;
- (2) According to the experts, the most significant factors increasing innovation potential are the development of the infrastructure for submitting and considering innovative ideas, the bonus system that reflects the employees' participation in innovation, and the availability of information about innovations;
- (3) The constraining factors are insufficient funding, lack of an innovative strategy, authoritarian management style, bureaucratic approval process, and sanctions imposed if targets are not achieved;
- (4) Expert advice is the most efficient method for developing innovation potential at an industrial enterprise. Such support increases the employees' motivation for innovation and improves the quality of innovative ideas;
- (5) An effective organizational structure for managing innovation implies people responsible for feedback and ideas implementation. They are line managers and the Improvement Department.

Speaking about comparing the results with previous studies, we can note the similarity with the conclusions of O.V. Vasyukhina, E.A. Pavlova that the innovative potential of both employees and the enterprise as a whole is a combination of various kinds of resources that are necessary to achieve the goals set by the business. Research by A.L. Lebedev also confirms this position - according to the author, the innovative potential is the strengths and capabilities of the enterprise for the implementation of innovative activities.

From the point of view of the factors of innovative activity, the study results by E.V. Zhelnina describe in detail the innovative potential of employees as an internal ability and motivation to implement innovations.

However, Zinchenko et al. (2005) state that innovation capacity is a set of services and products at certain development stages. The authors of this study share a position in determining the importance of organizational factors of influence on innovation potential. Zinchenko et al. (2021), in their works, pay special attention to the ability to organize the development of innovations, including the contribution of personnel specialists.

## **CONCLUSION**

To manage the innovation potential of employees at industrial enterprises, we propose the following recommendations:

- The meetings of the Improvement Ideas Committee should be held at least every two weeks. The meetings should be public: the authors of the ideas and any interested employees may attend one. Line managers should provide production employees with the minutes of the meetings;
- The communications system should allow posting information on consideration and implementation of innovative projects. This information should be available on the stands in production departments and TVs in recreation areas;
- Ideas should be submitted and considered through modern digital tools – mobile and tablet apps. This will reduce barriers: employees will be able to participate in innovations without leaving their workplace;
- The company should create an Improvement Department responsible for organizing the process of innovation;

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- To increase employees' motivation to participate in the development of the enterprise, the performance indicators should include quarter or annual bonuses for innovative activity. This may refer to the number of approved innovative ideas and projects the employee participated in. These indicators should be based on the classification proposed within Kaizen – the Japanese system for improvement. In this system, the status of an idea depends on the potential economic effect, which will result from the implementation of this idea;
  - The work schedule of the departments involved in the implementation of innovative ideas (Engineering, Quality Assurance, and Safety Departments) should allocate time for consulting employees on innovative activities;
  - To increase employees' knowledge and skills required to develop innovation potential, the company should conduct training, project accelerators, and workshops at least twice a year. New employees should undergo compulsory training in the programs on innovative ideas and get familiar with the organizational structure.
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