



## Administration Management in the Innovation Cluster

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### ABSTRACT

The key point in the management of modern industrial innovation cluster in the global economic market, as well as on the inside of the domestic arena, is administration, responsible for making decisions in the production process, management policy, the sale of products on the market. Most established and functioning innovation clusters in Russia were created on the initiative of the regional authorities and the main role of the management company's innovation cluster usually performs one of the "universal institutions of development" of the region. The formation and operation of cluster management in the management focuses on enhancing interaction of all participants in the cluster, in order to implement all the main objectives of development of innovation clusters and implement joint projects, to represent the interests of residents in the cluster bodies, development institutions, in the arena of domestic and global economic market. In the process of writing a new approach to the management of management of innovation clusters, based on the representation of system activity, allowing, on the one hand, to bring a progressive dynamism of the cluster and its objectives, on the other hand, it ensures high competitiveness both in domestic markets and in the world.

**Keywords:** Management, Innovation, Cluster Approach, Management System, Staff

**JEL Classifications:** M31, E24, H83, M19

## 1. INTRODUCTION

Activities innovation cluster policy and its functioning to achieve the objectives should focus on cluster development, solving related problems, improvement of the situation on the market of products, the implementation of a regional cluster policy. The main strategic goal of the cluster is the effective management of innovation clusters in order to promote the development of enterprises, organizations and participants to increase their competitiveness and profitability.

Formation of innovative activity in Russia, the formation of clusters of economic enterprises (Barmuta et al. 2015), the industry is today a major element of national economic policy. Recently, there was a significant shift in the understanding of the significance of this problem both at the state and at the level of the scientific community and the business. Consist composes

the national innovation system, the institutional framework and infrastructure innovation cluster.

Transition of the Russian economy on an innovative path of development determines the dynamics of economic growth and competitiveness within the cluster of industries and in world politics. In the context of globalization, embracing new spheres of activity, competition is exacerbated, not only in the national framework, but also on the world markets. Therefore, domestic innovation clusters have to increasingly compete on quality and technical level of production with foreign clusters, which in a number of positions have certain advantages.

One of the most important tasks today is to enhance innovation activity of the cluster, namely their ability to clearly and adequately respond to changes in the market through the issuance of recent or improved existing products, introduction of new cluster of

production technology, restructuring, improving the management of management systems and the use of advanced marketing strategies.

Innovation activity has a broader concept. It involves scientific and technical activities, organizational, financial and commercial, and is the basis for the promotion of innovation to consumers (Chueva et al., 2016). Innovation management is called innovative control management, which is the sphere of administrative activity. Innovation Management is understood as a set of principles, methods and forms of management of innovative processes, innovative activities, those activities organizational structures and their staff.

## 2. MATERIALS AND METHODS

Theoretical and methodological basis of writing was the work of the classics, economic and management publications in the definition of management control, management as a science, domestic and foreign scientists in the field of labor economics, human resource management, capacity, overall organizational education innovation clusters, economic processes domestic and foreign policy activities innovation cluster.

The research methodology is based on the dialectical method, system and strategic approaches to the analyzed objects. Scientific provisions, conclusions and recommendations made in the thesis, based on the use of combined methods of historical and logical analysis, comparison and synthesis, induction and deduction, economic-statistical method and expert assessments.

Information base of research were the laws of the Russian Federation, the official publication of the state statistics, management bodies of social and labor relations in the field of employment, the International Labor Organization, thematic collections and directories, information published in scientific journals and periodicals, Internet resources.

When writing operation using data characterizing development trends of the organizational and social and labor relations in the innovation cluster, management control, both external and domestic labor market.

## 3. DISCUSSION

Cluster is always a concentration of innovative, for example an active enterprises.

Innovation activity counts participative orientation of firms in the innovative development (under which, in turn, refers to the continuous improvement of the competitive advantages due to different types of innovation: Technological, organizational and marketing).

Innovation cluster-is a form of organization, which leads to the creation of a particular form of innovation-“the total product innovation” (Elangovan, 2016). This innovation is a product of

several companies or research institutions that can accelerate their distribution network interconnections in the common economic space.

Sustainable development of innovation clusters is critically dependent on access to the best sources of scientific knowledge, management policy of the internal structure, advanced technology, the introduction of advanced equipment, the use of staff development techniques (trainings, seminars, and conferences) as well as the capabilities of the concentration of significant financial resources in the investment sphere, patent work.

Some important factor in the development of innovation clusters is the management of personnel management, policies, and selection of optimal solutions in the process of production, the introduction of technology, the use of modern negotiation techniques, and much more.

Therefore, contemporary literature reflecting the management of innovative clusters and their staff conduct basic policy often uses in its content of concepts such as innovation management, as well as the use of cluster management (Mitchell, 2001; Filippova et al., 2016).

In order to align the definition of concepts such as “management,” “cluster,” “innovation” carry out the analysis of the impact of management on the management of innovative clusters.

Management is the administration of socio-economic organizations in a market economy, the objectives of which, as a rule, they are economic.

Management Innovation Cluster is an area of knowledge and professional activity aimed at training and supply clusters in achieving goals through efficient use of existing resources.

Initially, management began to develop the theory of production management, and then transformed into a theory of management activities of human behavior.

The main objective of the management of innovation management is to ensure harmony in the development of innovation clusters, for example, coherent and effective functioning of all internal and external elements of the cluster, its staff.

System Innovation of Cluster Management administration should be viewed as a set of institutional mechanisms and methods to ensure an increase in the market value of the cluster (Katz and Fraley, 1982; Oleinikova et al., 2016).

It can be argued that the main methods of innovative cluster management administration act as the “early warning system” a possible reduction in the effectiveness of cluster activities in general. An effective system of management of innovative cluster management allows detecting and preventing cases of lower economic effectiveness of the cluster in the earlier stages, thus providing considerable savings of resources.

American scientist D. Cotua believes that the management of the activities of the innovation cluster and its production is the impact that provide for the adoption of organizational decisions and coordination of cluster (Haim Faridian, 2015).

Solutions, acquired in the course of corporate governance innovation clusters, may be contrary to the interests of individual organizations constituting it. Due to the fact that these solutions act as constant continuity ensuring the corporate interests of the entire cluster, rather than some of its members. To cluster interests require control center, which is looking for partners, collection and signing contracts, maintaining operational communications with the external and internal environment, control the implementation of the commitments, the calculations on them and other operations conducted in the interests of the entire cluster.

In the current domestic economy management of the innovation cluster, as well as management of any publicly and organizational structure, consists of strategic and tactical interactions with external and internal environment.

In this regard, management of internal management of the cluster environment-regulation is the interaction of cluster members and the allocation of resources between them in order to maximize the economical effectiveness each participant and the system as a whole. Managing a modern innovation clusters is reduced to three major areas: Coordination of interaction with the environment, carrying out coordinated financial-economic policy, coordination of production-economic activity of cluster members.

Monitoring is an important part of the management system of cluster's monitoring system as an integrated system, is always more complicated than in mono level structures do not combine their activities. It constantly functions as a cluster with each participant engages a much wider range of subjects than, for example, with a separate joint-stock company. Cluster structure includes the following parties: The management company; company's cluster members; partner organizations, such as universities; organizations representing government structures and other stake holders economic activity. Heterogeneity of organization participants requires the introduction of specific governance mechanisms. One of these control mechanisms can be a "cluster manager."

This mechanism of cluster manager management innovation now allows the ability to distinguish between invest control actions at the level of the overall level of innovation and innovation cluster as a whole.

In order to improve information exchange (Zakharov et al. 2016; Oleinikova et al. 2016) and resource managers in the cluster management policy efforts to improve the co-operation of institutions can be made, which in turn will help to increase and improve the trust between the participants of the innovation cluster. The emergence of new ideas and projects for joint use of cluster resources, the solution of common problems, the formation of the necessary process orientation joint efforts to ensure the normal operation of the staff and the staff associations; all these

tasks are the foundation of the innovation cluster management control.

Specificity of work and direction of development of innovative enterprise assumes the cluster manager to take into account the fact that the main production center of the cluster can capture and hold inside the cluster resources to the detriment of the development and realization of its potential different components of the innovation cluster.

This phenomenon can lead to the fact that the components of the cluster units will be in the typological status: Higher (progress) and lower (regress), or the status of the same level (isogress) to prevent this phenomenon in a clustered enterprise management process and to organize a continuous production cycle to obtain the final result and meet all objectives in full (Krattiger, 2007; Ksenofontov et al., 2016; Rylov et al., 2016).

If the events are threatening the transition to the regression of the cluster, the cluster manager should be, to prevent this phenomenon by adjusting the flow of resources between the central cluster and its units so that a cluster headache has not incurred losses and losses in the realization of its activities.

In other words, an innovative cluster management should maintain a balance between competition for resources and collaboration in their joint use, for the most sustainable development of innovation clusters.

## 4. RESULTS

Managing the development of innovation clusters, ensuring its dynamic progressive result of activity is possible only through effective policy management cluster, his subordinates (Mindlin et al., 2016).

Innovation Cluster acts as a tool for the prioritization of domestic and global market, as well as the mechanism of horizontal integration, together with heterogeneous actors (companies, universities, research institutes and infrastructure organizations, etc.), aimed at the intensification of innovative processes in the domestic, regional and global communities.

The mechanism of activity imposes special demands on the control system in the cluster. The fact that there is innovation policy in an open, flexible communities with negative and low power distance, the activity of which is characterized by a plurality of links, and burn "bridges" between the structural units and persons from different social (professional) groups.

Cluster in the chain of the relationship involves not only the link between structures and organizations as a link between people (cluster managers), regardless of whether they work in any industry.

High density of communication of cluster management and control policy is an important condition, along with the number of companies and professionals (Silnov, and Tarakanov, 2015;

Kunelbayev et al., 2016), in order to carry out the launch of the innovative process in achieving the objectives of the cluster.

In general, the efforts and the cluster manager management methods of innovation clusters appropriate to focus on the following steps:

Step 1: Promotion and coordination of balanced development of the cluster head of the enterprise and its environment; unnecessary obstacle to reallocation of resources.

During the implementation of this phase in the development of the innovation cluster, you must enable links in the cluster to realize the accumulated and qualitative characteristics they have acquired, the potential for the implementation of the progressive dynamic development of innovation. If not timely replace one of the links in the cluster-its subsidiary or company included in the innovation cluster, it could lead to a reduction and a decrease in the pace of the progressive development of innovation cluster managed and under unfavorable cluster management activities- to its regression.

Step 2: Analyzing and monitoring the deployment of cross-industry confrontation surrounded the head office innovation cluster.

At this stage, you want to balance compliance with the reallocation of resources between cluster units. Effectiveness and efficiency in the resolution of misunderstandings unions cluster units must contribute to the maintenance of productive operation modes innovation cluster between the head office and subordinate enterprises.

Step 3: Promoting and regulating of the cluster processing component of the scattered and divided organizations and firms operating in the industrial cluster as an element of the economic system.

Cluster Manager in the implementation of innovative enterprise activities forms a cluster which gets the potential transition to a more competitive and high typological status of the domestic, and sometimes the world, the market becomes more developed form of system organization.

Effective governance manager of innovation clusters through the management of the unfolding and resolution of conflicts and misunderstandings between the constituent units (Sozinova and Fokina, 2015; Sozinova et al., 2015) shall depend upon the balance of competition (for resources) and cooperation (for the joint implementation of the resources) between cluster headaches and components enterprises as small and large-scale activities.

In general, management and cluster management policy management helps ensure the evolution of dynamic innovative clusters within the modern economic system.

Activity cluster manager in an innovative association management policy should focus on cluster development; the solution of related

problems, improvement of the situation in the state, global, regional labor market, the implementation of cluster management policy, the development of social infrastructure.

The main objective of the cluster management is to implement the strategic objectives of the management company-effective management in order to promote the development of companies and organizations-participants of the cluster, increase their competitiveness and profitability.

In order to achieve these strategic objectives cluster management and its staff must carry out a number of tasks:

- Organize and improve the efficiency of interaction between the business, scientific-research institutions and authorities
- Strengthen co-operation and dialogue between the parties to the cluster offices, agencies, branches, to implement and the implementation of joint innovation projects and the formation of project teams, associations
- Accompany the implementation of the goals and objectives of the cluster and to promote innovative projects
- Contribute to the promotion of products of the cluster members associations in the domestic and international markets
- Organizing a program to develop human resources personnel cluster
- Basic principles in the activity of the cluster manager should be based on the following features
- Democracy and representativeness-for the development of cluster policy control manager is responsible for connecting all the participants of the innovation cluster, regardless of the "size" of the enterprise included in the development strategy of development of the innovation cluster
- Separation of the functions of strategic and operational management of the cluster between the administrative structures and offices
- The presence in the structure of management innovation cluster project department with broad competencies in the profile for this sector of business.

Head, cluster policy management manager plays a leading role, or may be presented as a coordinating body at the level of individual employees of enterprises in the realization of activities and tasks (Thompson, 2008).

An effectively constructed and presented innovative cluster management structure is not always a guarantee of success of the (high competitiveness cluster). In order to consolidate the efforts of the cluster management policy is based on the need for a leader who must have the necessary information on the cluster.

The head of the cluster (cluster manager) must be an expert in the field of strategic management, as well as in the area of specialization of the innovation cluster.

In its management policy, he has to make decisions related to the development of innovation clusters, in the shortest deadlines (participation in round tables, discussions, seminars, workshops, participation in international conferences, etc.).

During the study of the basic policy management innovation cluster managers of these companies there appears a definition a “production workers,” which shows relatively better results than the ordinary management of small enterprises and businesses.

## 5. CONCLUSION

In the course of writing the material was analyzed basic policy of cluster management guide, it reflects the basic methods and problems in the course of implementation, and the implementation of the basic measures of innovation cluster.

Cluster management can be carried out through its impact on conflict, emerging and developing links between the clusters as a small scale so large.

In this case it is advisable to take into account and believe that in each of the innovation cluster and its components, and the sum is based the whole complex of contradictions: In the main office of the cluster and its constituent units.

All these structures require efficient, professional and adequate management and implementation of the core business activities. With proper management and conduct of the explanatory innovation clusters are capable, according to analysts, academics; demonstrate long-term sustainable development and progressive improvement with the necessary steps for the functioning of izogress ensuring the accumulation and acquisition of capabilities and opportunities for the future, in further work, the progressive transition.

Moreover, within the external management innovation cluster management it becomes possible to form associations, necessary for the purposes of the regional and national economy, as well as sector development infrastructures.

In the methodological sense, the main difficulty for management control leadership in innovation cluster policy lies in the fact that the consumption of services and the implementation of the goals and objectives of innovative association occurs at the moment of their delivery.

To optimize the cluster management policy and management policy management should be possible to assess the quality of services through applied system of performance indicators, ranked according to their importance for consumers of these policies and to minimize the negative divergences between the consumer and the actual values of performance management.

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