

INDUSTRY DRIVERS OF KAZAKHSTAN: DEVELOPMENT OF MANAGERIAL INNOVATIONS AND INNOVATIVE POTENTIAL

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***Abstract:** The transformation conditions of the functioning of the national economic system of the Republic of Kazakhstan require industries to improve their adaptive ability, turn management towards the strategic framework, and increase validity of development programs, whose important component is to maximize the existing innovative potential strategy. Only the continued support of development processes and assurance of their manageability is able to provide national producers with success in their competitive struggle and the sustainability of market position.*

The authors give consideration to the essence of the concepts of “innovative potential of enterprise” and “innovative development of enterprise” as well as their relationship; present the main ways of formation and development of innovative potential of the enterprise, conditions needed to form the efficient mechanism of innovative potential management of the enterprise, and its milestones.

When analyzing the innovative potential of the regions in Kazakhstan, we can take a territorial model as a basis. This model justifies the identification of four groups differing by objective conditions of economy management, resources and production capacities, specialization, and the nature of the current tasks.

The authors arrive at conclusion that the monitoring of innovative potential of the regions creates the preconditions for innovation policy adjustments, giving it greater dynamism that ultimately contributes to the improvement of its performance.

***Keywords:** innovations, innovative potential, innovative activity, innovative potential management mechanism, territorial model, monitoring.*

1. INTRODUCTION

Innovative development is manifested through the emergence and proliferation of new products and advanced technologies, where the primary position in the hierarchy of emergence and development is held by technologies. It is the technological changes that may cause the disappearance not only of individual products but entire industries,

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whereas the pace of development is determined by the rate and scope of implementation of new technologies. However, innovative development is hampered by the lack of developed methodology, methodological approaches to the evaluation of enterprise innovative potential, and the unsolved problem concerning the application of a particular innovative potential management mechanism.

In Kazakhstan, like in other countries of the Customs Union (CU), the state is the main initiator of innovative development. Innovative development prospects were repeatedly raised by the President of RK N. Nazarbayev in his annual message to the people of Kazakhstan, as well as The first real step in the transition of Kazakhstan to the innovative economy model was the "Strategy of Innovative Industrial Development of Kazakhstan for 2003-2015" (On the Strategy of Innovative Development of Kazakhstan for 2003-2015), which was followed by the State Program of Accelerated Industrial and Innovative Development of the Republic of Kazakhstan (On the State Program for Accelerated Industrial and Innovative Development of the Republic of Kazakhstan for 2010-2014 and Recognition as Becoming Invalid for Some Decrees of the President of the Republic of Kazakhstan), whose implementation has led to an increase in investment activity in the country.

In contemporary conditions of economy management, innovations gain intentionality as the dominant factors providing economic growth of both individual businesses and national economies in general. Without the close cooperation between scientists and entrepreneurs, it is impossible to ensure production growth of new products and implementation of new technological processes.

For economy of the enterprises, preserving so far a pretty significant capacity of innovative development, which, however, rapidly decreases, the transition to the innovative way is the only acceptable way of advancement. Therefore, under these circumstances, the special urgency is given to a study of the formation of management mechanism of enterprise innovative potential (hereinafter – EIP) in the industrial sector.

The purpose of the industrial enterprises is increasing their production competitiveness, because the considerable investment resources provide the opportunity to conduct research and development (R&D), upgrade and timely improve production and technology, develop and implement the marketing strategy and the like. Every enterprise, despite its capabilities, should develop its own optimal strategy of building up the existing innovative potential, form the organizational and economic management mechanism of innovative potential, and assess its level.

The theoretical framework of EIP is based on a certain number of works which provide for the consideration of innovative potential of the enterprise through the ability to achieve strategic or operational objectives (Abramov, 2012), the range of enterprise's capabilities (Gunin, Baranaev and Ustinov, 2000), the availability to use relevant resources (Gusakov, 2002), and the ability to meet the needs or match external conditions (Kochetkov, 2006).

Thus, we can assume that EIP is a range of resources and operation environments that shape the willingness and ability of the organization for innovative development. Though, the approach based on consideration of just resources and capabilities of their use is restricted. The innovative potential of enterprise is the core of the total economic potential of the enterprise, seamlessly penetrating into its components, and determines the performance potential of the enterprise for the implementation of innovative development (Matuzov, 2012).

The formation of EIP requires new forms of organization. Thus, new organizational structures such as technology parks, science-technology centers (complexes), incubators, various associations (unions, communities), and temporary labor collectives emerge along with the traditional organizational structures. As shown by the research, formation of the organizational and economic mechanism of EIP cannot be achieved only by the efforts and capabilities of the enterprise. Here, state assistance and support is necessary (Goncharova, Kartashov and Gavrilov, 2009).

Thus, the major formation and development ways of organizational and economic mechanism of EIP at the state level should include:

- improvement of regulatory and legal framework for innovation system development of Kazakhstan;
- formation of innovation-oriented structure of the national economy;
- the creation of innovative products market, which would be provided with an adequate protection of intellectual property;
- promoting the development of organizational and financial infrastructure of innovations to ensure the continuity of the “science-technology-production-market” chain;
- accelerated implementation of innovations and the state order for innovative products;
- identification and support of innovative development regions;
- targeted training of the innovation managers (Dnishev, 2012).

The analysis of scientific and methodical literature has demonstrated the multidimensionality of differences when approaching to determination of significance, content, essence, and structure of EIP. For further study of EIP, as the basis for long-term innovative development of the enterprise, it seems appropriate to provide different interpretations of the concept of “innovative development of enterprise” (hereinafter – IDE). Thus, according to various researchers, the IDE is

- a range of changes that result in the emergence of a new quality and strengthen the vitality of the system, its ability to resist against destructive forces of the external environment (Hamidov, Kolosov and Osmanov, 2000);

- a transition process of the economic production system to a new, more qualitative condition by increasing the quantitative potential, change and sophistication of structure and composition that results in an increase of system's ability to resist against the destructive impact of the external environment, and the improvement of system's performance efficiency (Gokhberg and Kuznetsova, 2002);
- a process that unfolds in time, passing from one state to another, and is characterized by the qualitative transformations in general or the emergence of qualitatively new elements, properties, and characteristics which determine system construction and operation (Kokurin, 2001).

To establish the relationship between EIP and IDE, scientists propose to supplement a set of enterprise's meta-features with one more especially important feature, namely the enterprise competitiveness (hereinafter – EC). On the one hand, EC performs as a certain generalizing feature of the enterprise, on the other hand, EIP and IDE are not inherent values; they are of practical value only from the standpoint of ensuring the long-term functioning of the enterprise (Trifilova, 2005).

All meta-features of the enterprise have a positive effect of one on another. The studied features of the enterprise in terms of their mutual interinfluence are drivers, that is, each of them affects the other positively. For example, the increase of EIP leads to higher EC and, in turn, provides IDE (Chalenko, 2011).

According to researchers (Maksimov, Mityakov, Mityakova and Fedoseeva, 2006; Zavlin and Vasilyev, 1998; Mityakova, 2004; Key world energy statistics; Tarasov, 2002), in contemporary conditions, with the objective of establishing an effective management mechanism of EIP, it is advisable to carry out the assessment of EIP according to certain components, which more thoroughly and comprehensively characterize the EIP status and its utilization capacity, namely:

- 1) manufacturing capabilities (capacity utilization rate, and the level of advancement of applied technology);
- 2) staff capabilities (staff skill level, willingness of the staff to changes at the enterprise, development of staff motivation system);
- 3) scientific and technical capabilities (the level of expenditure on R&D and its proportion in the cost of commercial products, the level of expenditure on scientific and technological advances and its proportion in the cost of commodity products, the level of use of various inventions, etc.);
- 4) marketing capabilities (efficient use of commodity distribution channels, flexible price policy, efficiency of a distribution system);
- 5) organization capabilities;
- 6) financial capacity (the quick ratio, cash ratio, liquidity adequacy ratio, and financial stability index).

It is obvious that the key factor to form an effective EIP management mechanism is the availability of newly-designed products that could be transferred for practical use. However, in our opinion, the availability of newly-designed products ready for commercial use is not the only condition for their effective dissemination in public production. Equally important is to determine the readiness of the enterprise and its individual departments to use available scientific and technical reserve.

The process of development of organizational and economic mechanism for EIP management and the formation of economic integration of the enterprises involve the use of methodological, methodical and organizational tools. In order to form the EIP management mechanism, the latter should make efforts in search for innovative features, taking into account impact factors and interaction factors.

The impact factors include high risk of innovative activity, lack of legislation on innovative activity, deficiencies in training of innovation specialists, and the image of the region.

In turn, the interaction factors include the readiness of the enterprise and staff for innovations, the intellectual capital level, the degree of adaptability to the technology market, the availability and degree of innovations, the possibility of failure in the enterprise's own funds, and the demand for innovation and return on investment.

Next it is necessary to formulate the enterprise development strategy, which consists of resource and internal components. Approaching to the implementation of the EIP management mechanism, it is necessary to pass several stages, namely, analyzing internal and external environment, evaluating the EIP, and carrying out benchmarking.

There are various methods to analyze the external and internal environment. However, SWOT-analysis is used more often in recent years. Evaluation of the EIP must contain the assessment of all its structural elements. Benchmarking of EIP is conducted in order to identify the average values of EIP for other enterprises.

The next stage is the planning, resource allocation and utilization carried out with the aim of using the available resources of the enterprise and its reserves.

The implementation process of the EIP management mechanism is completed by monitoring and control in order to determine the feasibility and necessity of its development. Thus, the EIP management mechanism allows the corporate management to work effectively in the field of corporate innovation and adjust the innovation strategy to changes in the external environment. The use of this mechanism for development management of the EIP allows restoring the technological communications in the industry, insuring an efficient EIP development and production in general, increasing the sustainability of the industrial enterprises, improving the competitiveness of businesses, implementing successfully the innovations and carrying out R&D, as well as obtaining reliable clients.

2. METHODOLOGY

The EIP management acquires special importance in the industrial sector of Kazakhstan, which is one of the fundamental indicators of the status of the Kazakh economy. Available industrial potential of the Republic of Kazakhstan is a sufficient basis for improving the competitiveness of the economy in general and ensuring its sustainable development.

When analyzing the innovative potential of the regions in Kazakhstan, we may take a territorial model as a basis. This model justifies the identification of four groups differing by objective conditions of economy management, resources and production capacities, specialization, and the nature of the current tasks.

The first group includes the regions with high scientific and production potential and an economic environment quite favorable for creating high-tech industries. These regions can become basic regions in technological breakthrough, because they have the highest starting level of industrial-innovative development in terms of the implementation of the State Program for Accelerated Industrial Innovative Development (SPAIID) and implementation of the requirements of the Strategic plan for development of the Republic of Kazakhstan until the year 2020.

The second group includes the regions with unique reserves of mineral resources of strategic nature and quite high level of scientific-production potential. This group is characterized by extremely irrational sectoral structure of national economy (absolute predominance of the industries involved in the mining and partial processing of mineral raw materials).

The third group includes regions, whose agro-industrial complexes are leading in the formation of the food potential of the Republic.

The fourth group consists of the regions that have extreme technical and technological conditions, severely limiting the opportunities for economic maneuver, an extremely irrational sectoral structure, as well as regions of ecological crisis.

It is important to note that different starting opportunities of the regions are not an obstacle for intensive economic development. As can be seen from the above, the regions have different conditions for scientific and technological development. These conditions determine a differentiated approach when choosing the strategy of socio-economic development. The regions of Eastern and Central Kazakhstan have relatively high development and production potential, while Western and Northern Kazakhstan have average potential, and Southern Kazakhstan has the lowest industrial potential.

3. RESULTS OF INVESTIGATION

During the past decade, the regions of Kazakhstan are characterized by the transformation of the investment processes, i.e. by the change of investment formation sources, as well as organizational forms of engagement and financial resources distribution or floating methods. All the approaches and principles of investment

activity have been completely reformed, while number of participants in these processes has increased. The market economy utilization possibilities vary across regions. The largest investment downturn was observed in depressed regions, which require significant investment to recover the economy and living standards of the population. Over the years of reforms, the lack of financing of the state budget resulted in the weakening of direct and indirect state support of the traditionally backward regions of the country and even more exacerbated the situation.

In regions with a predominance of processing industries and agricultural production in the economic structure, the investment situation still remains rather complex, primarily, because of noncompetitiveness of manufactured products in the world market and high dependence on domestic demand.

If considering this issue on the basis of the theoretical underpinning of investment attractiveness of the region, we can note several factors that affect the latter. First of all, these are market entry conditions of the region. Here we can imply industry specialization of the region, which depends on natural-resource potential of the region, production potential, geographical location etc. The second factor can be called the strategy and tactics of the region in carrying out reforms. These include the extent and pace of privatization, the securities market formation, development of the banking system, the specifics of the economic policy of the region, etc. The third factor is the effectiveness of socio-economic transformations and the degree of adaptation of regions to market relations. This is influenced by ownership forms and their proportion in the region, the investment climate, development of market infrastructure, etc.

Given these factors, it is possible to assess the level of provision of regions with investment resources (Table 1). The latter is characterized by the following indicators:

- the amount of investment per 1 tenge of gross regional product;
- investments index;
- the proportion of the region in total amount of capital investments of the Republic;
- the amount of portfolio investments;
- the development level of the securities market;
- the development level of investment institutions.

Based on data presented in Table 1, we can notice:

1. the extremely low degree of investment security of most regions of the country, with the exception of Astana;
2. continuous declining of investment security;
3. the low degree of investment security of the regions with high scientific and production potential, and per capita production volume of GRP.

Table 1
Dynamics of investments amount per 1 tenge of GRP
by the regions of Kazakhstan as percentage of total

	2011	2012	2013	2014	2015
The Republic of Kazakhstan	0.16	0.10	0.10	0.14	0.16
Akmola Region	0.10	0.07	0.41	0.89	0.01
Almaty Region	0.09	0.05	0.08	0.10	0.11
North Kazakhstan Region	0.08	0.04	0.02	0.04	0.06
Astana	0.00	0.00	0.80	0.91	0.69
Almaty	0.16	0.09	0.05	0.06	0.03

Almaty Region is included into the group of regions with a relatively high level of investment potential, which is characterized by the strongest and most sustainable response to the market transformations. This is export-oriented and the so-called “advanced market” region, where reforms are carried out according to the attacking strategy scenario. Relatively high investment opportunities of these regions are due to favorable starting conditions of entering the market, as well as the current trend for concentration of financial resources, accelerated development of market institutions and business entities.

North Kazakhstan Region belongs to the second group of regions in which major industries in the context of economic reforms proved to be ineffective according to market criteria, though their functioning and development is in the strategic interests of the country. This region is characterized by high pre-reform level of production capacity, diversified sectoral structure of industry, the presence of the machinery production and military-industrial complex, well-developed production of fast moving consumer goods and other industrial products for civilian use. Due to the drastic reduction of purchasing power for finished products of investment and consumer designation, as well as its complete noncompetitiveness in the context of an market economy, these regions were characterized during the reform period by a significant decline in production, combined with high unemployment and low labor demand that indicates the poor development of market institutions and the economy sectors. Starting benefits were inadequate and were partially lost; therefore they were unable to provide full funding for the reproduction of morally and physically worn-out fixed assets. The instability of the market transformations and the deterioration of the starting conditions predetermine the implementation of reforms in these regions mainly on the basis of reconstructive strategy.

Akmola Region (excluding the city of Astana) can be attributed to the third group of regions – the most numerous one. This group mainly comprises of depressed regions, as well as areas disadvantaged in social and environmental terms. Most of them are characterized by unfavorable starting conditions, the steady deterioration of the socio-economic situation with regard to many critical parameters, the depressed investment climate, weak or depressed response to market reforms. The revival of investment

activity and slowing down the negative social and economic processes are possible only at state support and the brisk growth of market transformations.

The above ranking of country's regions evidences of the following.

1. Interregional differentiation increases with the progress in market reforms. The market reform strategy and tactics in various regions of the country was carried out in different ways. This reflected in the ownership transformation trends, scale and development pace of financial markets, investments and securities market, market infrastructure development, as well as adaptation of the regions to market transformations.
2. The features of the regional economy structure have decisive influence on the level and use of investment potential;
3. Insufficient financing from the Republican budget led to the weakening of direct and indirect support of backward regions and further worsened their situation.

4. DISCUSSION OF RESULTS

Today Kazakhstan holds the leading position among CIS countries in terms of the per capita amount of attracted foreign investments, which is about \$1300.

Due to favorable business conditions, today more than eight thousand companies with the involvement of foreign capital, including those listed in "Fortune-500", successfully operate in the Republic of Kazakhstan. These are world famous manufacturers such as "Chevron", "Siemens", "Microsoft", "General Electric", "Coca-Cola", "Danone", and "Henkel".

The factors influencing investment attractiveness of Kazakhstan include a comfortable business climate of the country supported by favorable investment legislation, attractive measures to support investments, as well as economic and political stability.

The second circumstance is the availability of rich natural and mineral resources. According to estimations of scientists, Kazakhstan occupies the sixth place in the global reserves of natural resources. Among the 110 chemical elements of Mendeleev's Element Periodic Table, bowels of Kazakhstan contain 99 elements, among which 70 are already explored, while 60 are currently extracted and used.

Kazakhstan ranks first in the world in terms of explored reserves of zinc, tungsten and borates, the second – in silver, lead, uranium and chromites, third – in copper and fluorite, fourth – in molybdenum, and sixth – in gold.

Third reason is country's advantageous geographical location. Kazakhstan is located in the heart of the Eurasian continent, at that, main transcontinental routes linking Asia Pacific with the Middle East and Europe pass through the territory of the Republic.

Three countries of the BRIC “Quartet” are located near Kazakhstan: Russia, China and India. The establishment of the Customs Union with the consumer market population of 170 mln people opens up additional opportunities and horizons to investors for the effective implementation of investment projects in the territory of the Republic.

The largest investments volume into fixed capital of manufacturing industries is recorded in the Pavlodar and Karaganda regions. The proportion of these two regions accounted for more than 58% of all investments in the industry. Just for comparison, this figure from January to May, 2014 amounted to 30%.

For 5 months of 2015 the investment volume into the fixed capital of the sector has reached 84.6 bln tenge in Pavlodar Region, and 48.1 bln tenge in Karaganda Region.

These regions were also the leaders of growth relative to the same period of last year: the growth in Pavlodar Region amounted for 52.3 bln tenge, while in Karaganda Region - 14.8 bln tenge (Table 2).

In total, nine regions of Kazakhstan showed positive dynamics of economic development (Official Internet resource of Statistics Committee).

In general, the investments in fixed assets of manufacturing industries in the Republic of Kazakhstan have increased for 5 years (January-May, 2015 to the same period of 2011) by almost twice – from 120.9 to 228.3 bln tenge.

Thus, we can say that the degree of investment attractiveness of the two regions of Northern Kazakhstan, in our opinion, can be assessed as promising. This conclusion

Table 2
Investment in fixed capital. Manufacturing industry.
The regions of the Republic of Kazakhstan

Regions	Total	Additions to total		Proportion of total	
	2015/05	2014/05	2014/05	2015/05	2014/05
Kazakhstan	228.3	216.7	105.3%	11.6	100.0%
Pavlodar Region	84.6	32.2	262.4%	52.3	37.0%
Karaganda Region	48.1	33.4	144.3%	14.8	21.1%
Atyrau Region	13.9	43.6	31.9%	-29.7	6.1%
East Kazakhstan Region	13.3	14.1	94.7%	-0.8	5.8%
South Kazakhstan Region	11.8	6.7	177.4%	5.2	5.2%
Almaty Region	11.3	8.5	132.8%	2.8	5.0%
Aktobe Region	11.0	33.7	32.5%	-22.7	4.8%
Almaty	6.4	3.9	166.6%	2.6	2.8%
Akmola Region	5.7	11.8	48.5%	-6.1	2.5%
Zhambyl Region	5.1	6.5	77.6%	-1.5	2.2%
Kostanay Region	4.3	13.0	33.1%	-8.7	1.9%
Astana	4.3	3.0	145.1%	1.3	1.9%
West Kazakhstan Region	3.5	1.9	183.7%	1.6	1.5%
Mangystau Region	2.1	2.9	71.0%	-0.8	0.9%
North Kazakhstan Region	1.9	1.2	155.2%	0.7	0.8%
Kyzylorda Region	0.9	0.4	261.9%	0.6	0.4%

has been made based on the studied material. In the region, there are resources available for the development of crop raising and livestock production, though this requires financial investment that cannot be done from neither regional nor state budgets. Also in the region there are bases for the development of engineering industry, which had brought substantial profits during the period before the reform.

Based on multivariate correlation and regression analysis, calculating and trying different models, we were able to identify and justify eligible equation describing the dependence of gross regional product of the system on set of indicators characterizing innovative activity of the regions of Kazakhstan.

Using the successive inclusion method we found that the most acceptable is the 5-factor model having the following form:

$$Y = 185384 + 13179X_1 + 18.52X_2 + 2.67X_3 + 917.3X_4 + 159.76X_5, \quad (1)$$

where Y – is the gross regional product, mln tenge; X_1 – is the number of innovative enterprises and organizations, units; X_2 – is the volume of innovative products subjected to improvement, mln tenge; X_3 – is the total volume of innovative products, mln tenge; X_4 – is the per capita investment in fixed capital, thousand tenge/person; X_5 – is the number of employed people, thousand people.

The close relationship between identified factors and gross regional product is proved by high level of correlation coefficient approaching to unity ($R = 0.98$). Variability of Y at 96% is due to changes of factor indicators X_1 , X_2 , X_3 , X_4 and X_5 , included in the model that is indicated by the determination coefficient ($D = 0.9583$). The proportion of other factors not included in the regression equation, account for just 4%.

The resulting model served the basis to assess the level of innovative potential of the RK regions and their subsequent ranking according to this criterion. When determining the level of innovative potential in the integral form, we used the rating analysis technique based on the calculation of standardized coefficients. The essence of the techniques is as follows.

At the first stage the best indicator (in our case – having the largest value) among the regions is assigned a maximum value of 1. The indicators of the other regions are calculated as fractions of a unit. This approach allows balancing the values of analyzed indicators and bringing them to a comparable form.

At the second stage the obtained values are squared.

But since the importance of indicators in the regression equation is different, at the third stage we felt it necessary to calculate the weight of each indicator according to the degree of its impact on the gross regional product (GRP) and use the obtained weights (multiplying them to their respective standardized coefficients calculated at the second stage) to determine the weighted average values of the innovative potential levels of the regions. The results of these calculations are presented in Table 3.

Table 3
Baseline data to assess the innovation potential
of the RK regions for 2015 (calculated by authors)

<i>Region</i>	<i>Factor indicators</i>				
	<i>X1</i>	<i>X2</i>	<i>X3</i>	<i>X4</i>	<i>X5</i>
Akmola Region	0.00164	0	0.00014	0.00293	0.00020
Aktobe Region	0.01085	0	0.00153	0.01290	0.00016
Almaty Region	0.00657	0	0	0.00160	0.00076
Atyrau Region	0.00271	0	0.00002	0.21521	0.00007
East Kazakhstan Region	0.05631	0.00001	0.00020	0.00103	0.00061
Zhambyl Region	0.01772	0	0.00029	0.00114	0.00033
West Kazakhstan Region	0.00566	0	0.00000	0.01057	0.00011
Karaganda Region	0.13721	0.00019	0.00210	0.00193	0.00058
Kostanay Region	0.00566	0	0.00013	0.00118	0.00032
Kyzylorda Region	0.00214	0	0.00000	0.00561	0.00010
Mangystau Region	0.00335	0	0.00019	0.06425	0.00004
Pavlodar Region	0.01209	0	0.01119	0.00312	0.00019
North Kazakhstan Region	0.00335	0	0.00008	0.00032	0.00016
South Kazakhstan Region	0.00968	0	0.00002	0.00058	0.00130
Almaty	0.92308	0.00008	0.00089	0.01001	0.00051
Astana	0.00754	0	0.00000	0.04007	0.00013

Further the coefficients of Table 3 were summarized for each region. Obtained integral indicators characterizing the level of innovative potential were used to rank the regions of the Republic of Kazakhstan (Table 4).

As is obvious from Table 4, the innovative potential of the regions ranges from 93.46 points for city of Almaty up to 0.39 points for the North-Kazakhstan Region.

Table 4
The level of innovative potential of the regions of the
Republic of Kazakhstan for 2015 (calculated by authors)

<i>Region</i>	<i>Score</i>	<i>Evaluation</i>
Almaty Region	93.46	High level
Atyrau Region	21.80	
Karaganda Region	14.20	Average level
Mangystau Region	6.78	
East Kazakhstan Region	5.82	
Astana	4.77	
Pavlodar Region	2.66	Low level
Aktobe Region	2.54	
Zhambyl Region	1.95	
West Kazakhstan Region	1.63	
South Kazakhstan Region	1.16	
Almaty Region	0.89	
Kyzylorda Region	0.79	
Akmola Region	0.76	
Kostanay Region	0.73	
North Kazakhstan Region	0.39	

Thus, there is a large enough gap between the maximum and minimum values of the calculated indicator.

Analysis of the obtained data allows distinguishing three groups of regions according to the level of their innovative potential: low level includes North Kazakhstan, Akmola, Kyzylorda, Kostanay and Almaty regions; average level includes Pavlodar, West Kazakhstan, South Kazakhstan, Zhambyl, Aktobe, East Kazakhstan, Mangystau regions and city of Astana; and high level includes city of Almaty, Atyrau and Karaganda regions.

Thus, the Republic of Kazakhstan is characterized by significant differences in the level of regional innovative potential, at that, the innovative capabilities of most regions can be estimated as average.

5. CONCLUSION

Innovative activity of industrial enterprises is the basis to ensure their competitiveness. Therefore, each market actor is interested in the creation, use and development of innovation. The authors revealed an urgent need for use of enterprise innovative potential management. The article describes the management mechanism of EIP as well as the EIP management mechanism, which consists of three main components: formation of innovative potential management strategy; search for innovative opportunities; and the implementation of the enterprise innovative potential management mechanism. Through this mechanism, it will be easier to enterprise's management team to implement innovations to already well-established production.

However, there are several objective obstacles. First, the elaboration of development programs should be based on innovative ground, though there is a rather low ability of enterprises to innovate. Second, the control over the implementation of the development programs is rather complex, though it is the quality of their implementation that ensures the future success of the enterprise in terms of fulfillment of own innovative potential.

Realities require from heads of the enterprises and organizations, as well as from each person the awareness of the importance of innovation-based reforming of the society. Overcoming innovation stagnation requires the development of new approaches and principles of strategic policy formation. Heads of the enterprises should comprehend that innovative development of the enterprise makes it more competitive in relation to others. Resources for extensive growth are exhausted, and thus ensuring prosperity of the enterprise in contemporary conditions can be achieved only through the implementation of new technologies and innovation.

The organizational-economic mechanism of the innovative potential management of the enterprise is one of the important components which is both targeted vector and source of development. Innovative potential is a category that is closely interlinked with the different components such as labor, material, and financial resources. Therefore

the formation of the organizational and economic mechanism of innovation potential management should be carried out taking into account these important components, though innovative policy of the state cannot be ignored, since it creates a favorable environment for the innovative development of the enterprise.

In conclusion, we note that monitoring of innovative potential of the regions creates the preconditions for innovation policy adjustments giving it greater dynamism that ultimately contributes to the improvement of policy effectiveness.

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