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Article

Features of the Elements of the Organizational and Economic Mechanism for Ensuring Innovative Development in Trading Enterprises

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Abstract: This article examines the features of the elements of the organizational and economic mechanism for ensuring innovative development in trading enterprises.It studies how their organizational, economic, management, and innovative processes in the field of trade are interrelated. Special this includes roles of strategic planning; resource provision; role of digital technologies and other means at institutional levels into fostering innovation activity. Based on theoretical analysis and this mechanism has systematized the components of the mechanism, generalizes its influence on the competitiveness and sustainable development of trading enterprises in terms of both direct and indirect consequences identified. The research findings contribute to improving management decisions aimed at increasing innovation efficiency in modern market conditions.

Keywords: Innovative Development, Trading Enterprises, Organizational And Economic Mechanism, Innovation Management, Competitiveness, Digital Transformation.

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1. Introduction

In the context of globalization, digitalization, and intensifying market competition, innovative development has become a key factor determining the sustainability and competitiveness of trading enterprises. The trade sector plays a strategic role in the national economy by ensuring the efficient movement of goods from producers to consumers, responding promptly to changes in demand, and forming a modern consumer market. Under rapidly changing economic conditions, traditional management approaches are no longer sufficient to ensure stable growth, which makes the formation and effective functioning of an organizational and economic mechanism for innovative development particularly relevant[1].

The innovative development of trading enterprises is a complicated and multi-aspect process; the implementation of which relies on the coordinated interaction of organizational forms, economic tools, management methods, and institutional conditions. The organizational and economic mechanism is a holistic model that integrates planning, motivation, resource distribution, levers, and regulatory mechanisms designed to activate innovation behavior and enhance the productivity of business processes. At the same time, the effectiveness of this mechanism is largely determined by the qualitative composition of its elements and the degree of their adaptability to the specific features of the trade sector [2].

In recent years, trading enterprises have increasingly faced challenges related to the introduction of digital technologies, optimization of logistics systems, development of omni-channel sales models, and improvement of customer service quality. These challenges require not only financial investments but also organizational transformations, changes in management culture, and the use of modern economic incentives. In this regard, the study of the features of the elements of the organizational and economic mechanism that ensure innovative development becomes especially important for identifying internal reserves and improving management decisions[3].

Despite the growing number of studies devoted to innovation management, insufficient attention has been paid to the systematization and practical assessment of the organizational and economic mechanism of innovative development specifically in trading enterprises. Existing research often focuses on industrial or high-tech sectors, while the trade sector has its own structural, functional, and economic characteristics. This determines the need for a comprehensive approach to analyzing the elements of the mechanism, taking into account sectoral specifics and modern market trends[4].

Therefore, the purpose of this article is to study the features of the elements of the organizational and economic mechanism for ensuring innovative development in trading enterprises, to identify their role and interrelationships, and to substantiate directions for improving their effectiveness in modern economic conditions. The results of the study can be used in the development of innovation strategies and management systems for trading enterprises, as well as in further scientific research in the field of innovation economics and trade management[5].

Literature review

The study of innovative development and its underpinning mechanisms has been the subject of extensive scholarly inquiry over the past few decades. Early foundational research in the field emphasized the strategic importance of innovation as a driver of competitive advantage and long-term sustainability in business enterprises. Other key contributions much of the groundwork to understand innovation not just as technological change but as a systemic process, involving organizational, economic and institutional dimensions[6].

There exists a large scope of literature investigating the organizational processes by which innovation is achieved. As such, long ago Nonaka and Takeuchi and Tidd and Bessant argued that organizational.

In its context, the three-legged stool of organizational structures, knowledge management practices, and culture is ultimately the enabler of the generation and implementation of ideas. They emphasize the demand for flexible structures that facilitate cross- Prior studies praise functional collaboration, learning orientation, and decentralized decision-making as antecedents of innovation capacity. And again, Drucker shares the perspective that managerial practices that encourage testing new solutions and taking risk[7]. Economists and management academics have also studied the economic mechanisms that shape innovation, the allocation of resources, the incentive structures, and market signals. Porter emphasizes that competitive pressure and market forces provide incentives to firms to innovate and become more efficient. In related work, Brynjolfsson and McAfee look at investments that innovation diffusion policies focused on investment significant public spending on relevant digital technologies and human capital can boost both innovation performance and economic outcomes. Elements of innovation policy are critical to induce innovation activity, they can be located internally (e.g., funding based on actual ex-ante knowledge transfer) and externally (access to finance, tax incentives)[8].

In spite of the broader perspectives on innovation systems, there has been more little research on innovation systems related to trading enterprises specifically. Some of the studies tackle innovation in the retail and trade aspect, with a strong emphasis on digital transformation, customer experience, and supply chain integration. For example, Verhoef et al. Pulling from the works of Verhoef et al. (2015) they examine omni-channel strategies in retail with some key points:

The evolution of digital technologies has reshaping the relations between customers with companies and the ways they do their business. Håkansson and Snehota also pay(d) attention to network relationships that are simultaneously enacted at the trade level that help firms to anchor their trading relationships in the local environment.

Promote innovation across supply chains. These pieces highlight that trade firms are frequently innovative not only via their own capabilities but by reshaping their connections with suppliers, logistics partners, and customers[9].

Nonetheless, despite the increasing acknowledgment of innovation processes in trade, the systematic study of the organizational and economic mechanisms which safeguard the innovative

At the same time, development in trading enterprises is still at a very early challenging stage. Existing literature tends to focus either on broad innovation theory or on isolated aspects such as technology adoption and consumer behavior, without articulating a comprehensive mechanism that integrates organizational and economic elements. Research by Pires et al. acknowledges this gap, calling for more studies

that address innovation management tailored to the specific structural and market characteristics of the trade sector[10].

In newer work, other authors have focused on the wider context surrounding those mechanisms. Scholars point to the fact that macroeconomic conditions, regulatory their familiarity with local regulations, frameworks, and significant institutional support affect how trading enterprises manage their innovation process. These works demonstrate the multi-level nature of innovation Namely, as it relates to the need for consequences (and mechanisms) and recognition of the need to take both firm- and environment-level determinants into account[11].

To sum up, the literature offers relevant theoretical and empirical starting points for examining innovation processes as well as the interaction between organizational and economic aspects. Yet, the absence of well-integrated approaches which, with regard to their type, would directly simulate the mechanism of innovative development of trading enterprises.

Operational and market dynamics. This article seeks to fill this gap by systematizing the components of the mechanism and examining their characteristics and interactions through the lens of modern trade environment[12].

2. Methodology

This study employs a comprehensive methodological approach aimed at identifying and analyzing the features of the elements of the organizational and economic mechanism for ensuring innovative development in trading enterprises. The research is based on a combination of general scientific and special economic research methods, which allows for a systematic and objective examination of the subject under study.

At the initial stage, general scientific methods such as analysis and synthesis, induction and deduction, abstraction, and generalization were applied. With the help of these methods, the possibility of studying the theoretical grounds of innovative development, the clarification of a conceptual apparatus and the systematization of existing scientific approaches was achieved for organizational and economic mechanisms. Logical analysis and synthesis were used to establish the major features of the mechanism and their relationships. The system has been used in a core methodological capacity within the research. In this framework, the innovative development organizational and economic mechanism is viewed as a system composed of overlapping organizational, economic, managerial, and institutional components; The above method allowed the detection of within and An external influence on innovative growth of trading organizations and an overall assessment of their joint operation on efficiency of innovations.

Methods of comparative and structural analysis were applied to study the particular characteristics of innovative development of trading enterprises. This enabled the comparison of various innovation management approaches in sectors; and sector-specific features of trading enterprises. The classification the structural analysis was performeded.

For Seamless Integration–Optimize Matching within organizational and economic mechanism elements, including combinations of all the following: organizational structures, economic incentives, resource provision, management tools, and regulatory instruments.

By applying different strategies of scientific-statistical and economic analysis, including grouping, dynamic and relative indicator analysis, to determine tendencies nauch-dimensions and spots of innovation activity in the trade sector. Economic indicators of innovation represent a certain "imprint" to evaluate, statistical data, analytical reports, and information at the level of enterprises statistical data of "ink" quot; for the justification of analytical conclusions. That made sure that the research results were objective and reliable. In order to enhance the practical relevance of the study, theoretical modeling and graphical representation methods were employed. Based on the analysis results, a conceptual model of the organizational and economic mechanism for ensuring innovative development in trading enterprises was developed. This model reflects the structure of the mechanism, the functional roles of its elements, and the interactions between them. The methodological framework of the research ensures the consistency, validity, and applicability of the obtained results. The combination of theoretical and empirical methods makes it possible to formulate scientifically grounded conclusions and practical recommendations aimed at improving the effectiveness of innovation management in trading enterprises under modern economic conditions.

3. Results and Discussion

The analysis of the organizational and economic mechanism for ensuring innovative development in trading enterprises was conducted based on a systematic approach that considers innovation as the result of the interaction between organizational, economic, managerial, and institutional elements. The findings prove that the effectiveness of innovative development of trading enterprises is defined not so much by the stability of the abovementioned elements as by their flexibility considering the changes taking place on the commodity market over the course of the work process conditions[13]. The last part of the organizational part of the mechanism are management structure, decision-making processes, coordination mechanisms, and human resource

management. Thus, the study reveals that more innovation is actually found in trading companies that have a flexible structure of the firm and the system of decentralized decision making activity. These businesses are better positioned to expedite the rollout of new technologies, streamline their business processes, and adapt to consumer demand[14].

Human capital is an important part of the organizational mechanism. The results reveal that organizations that invest in personnel training, digital skills, and digital culture development achieve better innovation outcomes. When it comes to innovation, developing innovation teams in house with built in communication systems boosts idea generation and execution. Especially on digital sales platforms, logistics optimization, customer relationship management, etc. To this end, among the various economic aspects of this mechanism, we mention funds, policy for investment, cost, price and economic levers The research also found that demand for financial resources has always been one of the major limitations on innovative development in trading enterprises. However, getting those internal funds right along performance-based incentive systems seems to give enterprises a better chance of innovation[15].The results also confirm that economic incentives, such as bonuses for innovation initiatives and profit-sharing mechanisms, positively influence employees' innovative behavior. Furthermore, investments in digital technologies and process automation demonstrate a direct correlation with improvements in operational efficiency and cost reduction, contributing to the overall economic sustainability of trading enterprises[16].

A key result of the study is the identification of strong interdependence between organizational and economic elements within the mechanism. According to the analysis the financial investments on innovation yield positive results when coupled with the appropriate organizational conditions – planning, innovation management systems, and efficient control systems. In contrast, organizational initiatives that are not coupled with adequate financial funding tend to be less effective as drivers of innovation performance[17].

The results suggest that firms which pursue an approach that integrates organizational flexibility with economic takes achieve more resilient and sustainable innovative development. By integrating their strategic goals with operational capabilities and market needs, trading enterprises can now align their goals into a single cohesive entity.

According to the performed analysis, five thematic groups of the constituent elements of the organizational and economic mechanism for ensuring innovative development in trading enterprises have been sistematized.

Aspects of organizational structure and management methods; economic instruments such as pricing; provision of resources; and institutional support. Results show that most influence on innovative Such things and elements can lead to the development, if these things work together in the fashion of a system, not as independent, so that there will be no fragmentation of the process of spatial and economic development[18].

The proposed systematization demonstrates that institutional factors, including regulatory environment and state support programs, indirectly influence innovation activity by shaping economic conditions and reducing risks associated with innovation implementation. Trading enterprises that actively utilize external support mechanisms show greater innovation stability and long-term development potential. Overall, the analysis confirms that innovative development in trading enterprises is not driven by isolated measures but by the effectiveness of the organizational and economic mechanism as a whole[19].

This finds that the better performance of the innovation dynamic mechanism elements complement each other, the better innovation performance, competitiveness and adaptability to changes in the market are. Such findings lay the foundation for practical recommendations regarding improving the innovation management systems of trading enterprises in contemporary economic environment.

The assessment of the organizational and economic mechanism for the provision of innovative development of trading enterprises was conducted based on the system and comparative approaches. The results reflect the role and effectiveness of key mechanism elements and their influence on innovation performance, competitiveness, and sustainability of trading enterprises[20].

Organizational elements determine the internal capacity of trading enterprises to initiate and implement innovations. The analysis shows that enterprises with adaptive organizational structures, innovation-oriented management, and qualified human resources demonstrate a higher level of innovation activity[21]. Table 1 presents the influence of key organizational elements on innovative development in trading enterprises[Table 1].

Table 1. Impact of organizational elements on innovative development.

№	Organizational element	Description	Impact on innovation
1	Management structure	Level of decentralization and flexibility	High
2	Strategic planning	Presence of innovation-oriented strategy	High
3	Human resources	Staff qualification and training	High
4	Internal communication	Information exchange and coordination	Medium
5	Organizational culture	Innovation support and motivation	Medium

The results indicate that strategic planning and human capital development are the most influential organizational factors. Trading enterprises that integrate innovation goals into their strategic documents achieve better alignment between operational activities and long-term development objectives. Economic elements form the financial and incentive basis for innovative development[22]. The analysis reveals that insufficient financial resources and high innovation risks limit innovation activity, particularly for small and medium-sized trading enterprises[Figure 1].

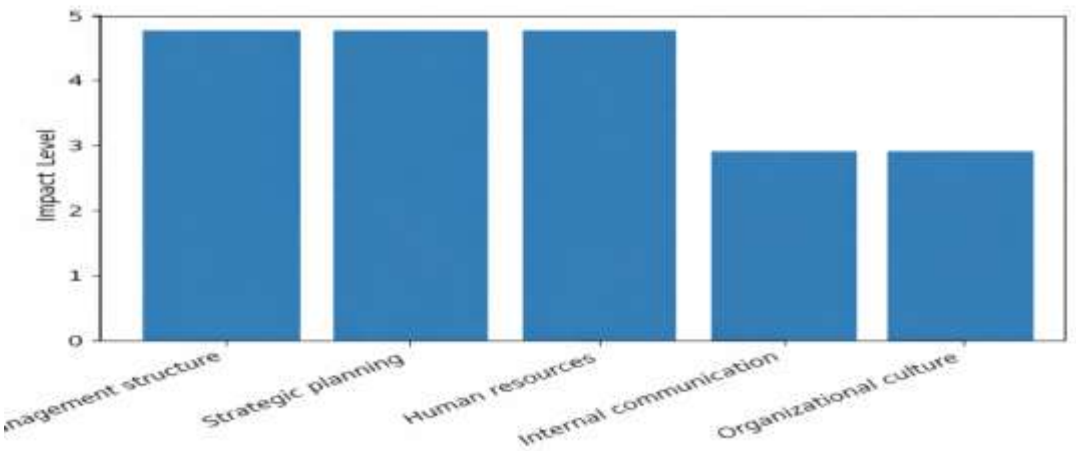

Figure 1. Impact of organizational elements on innovative development.

This chart illustrates the relative impact of key organizational elements on the innovative development of trading enterprises. The results show that management structure, strategic planning, and human resources have the highest influence, while internal communication and organizational culture have a moderate but supportive role[23]. Table 2 summarizes the key economic elements and their role in ensuring innovative development[Table 2].

Table 2. Economic elements of the organizational and economic mechanism.

№	Economic element	Function	Effect on innovation
1	Investment resources	Financing innovation projects	High
2	Cost management	Optimization of innovation expenses	Medium
3	Pricing policy	Market-oriented pricing flexibility	Medium
4	Incentive systems	Motivation for innovative behavior	High
5	Profit reinvestment	Sustainable innovation funding	High

The figure demonstrates the effectiveness of economic elements in ensuring innovative development. Investment resources, incentive systems, and profit reinvestment show the strongest effect on innovation activity, confirming the importance of financial sustainability and motivation mechanisms in the trade sector[24]. The findings confirm that targeted investment and effective incentive mechanisms significantly increase innovation intensity [Figure 2].

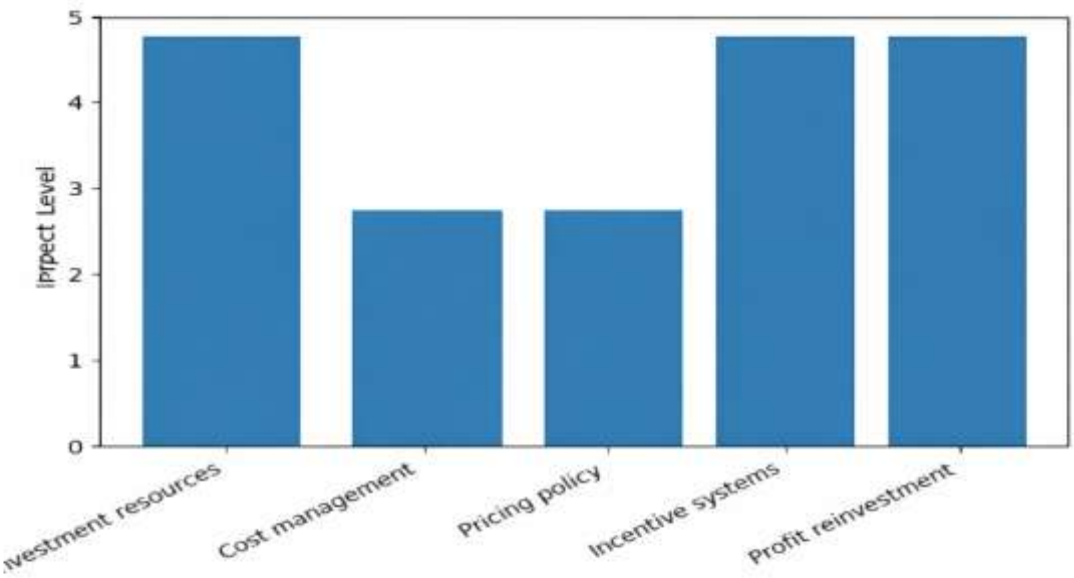

Figure 2. Effectiveness of economic elements in innovation support.

Enterprises that reinvest profits into digital technologies and logistics modernization demonstrate improved operational efficiency and market adaptability. The analysis confirms a strong interdependence between organizational and economic elements. Financial investments in innovation produce maximum effect only when supported by appropriate organizational conditions [Table 3].

Table 3. Integrated impact of organizational and economic elements.

№	Integration level	Characteristics	Innovation result
1	Low	Weak coordination, limited funding	Low innovation activity
2	Medium	Partial coordination, selective incentives	Moderate innovation activity
3	High	Strategic alignment and sufficient funding	High innovation performance

The results show that enterprises with a high level of integration achieve stable innovative development, faster adaptation to market changes, and higher competitiveness. Based on the analysis, the organizational and economic mechanism was systematized into five interconnected blocks. Their contribution to innovative development is presented in Table 4. The systematization results indicate that the highest innovation effect is achieved when all blocks function in coordination, forming a unified management system. The analysis demonstrates that innovative development in trading enterprises is ensured through the effective interaction of organizational and economic elements rather than isolated innovation measures[Table 4].

Table 4. Systematized elements of the organizational and economic mechanism.

№	Mechanism block	Key components	Role in innovative development
1	Organizational	Structure, HR, culture	Innovation readiness
2	Economic	Investments, incentives	Innovation financing
3	Managerial	Planning, control	Coordination and efficiency
4	Resource	Financial, technological	Implementation capability
5	Institutional	Regulations, state support	Risk reduction

The results confirm that improving strategic planning, strengthening economic incentives, and enhancing coordination mechanisms significantly increase innovation performance. These findings form a practical basis for developing recommendations aimed at improving innovation management systems in trading enterprises under modern economic conditions[25].

This graph reflects the relationship between the level of integration of organizational and economic elements and innovation performance. A higher level of integration leads to a significant increase in innovation outcomes, proving the systemic nature of innovative development in trading enterprises [Figure 3].

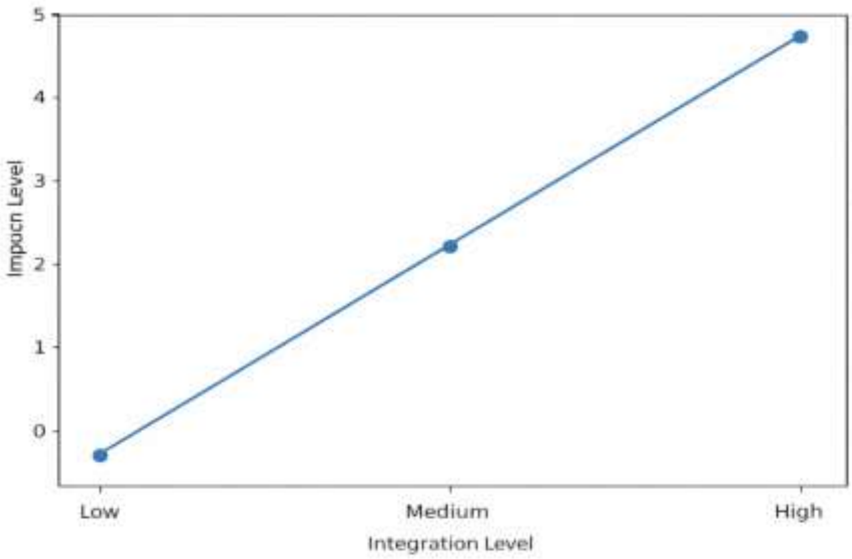

Figure 3. Innovation performance by integration level of mechanism elements

4. Conclusion

The study confirms that innovative development in trading enterprises is a complex and systematic process that depends on the effective functioning of the organizational and economic mechanism as an integrated whole. The analysis shows that innovation activity cannot be ensured through isolated managerial or financial measures; instead, it requires coordinated interaction between organizational structures, economic instruments, management methods, resource provision, and institutional support.

Those results reveal that from organizational side—like flexible managerial settings, strategy plans concentrated on innovation, sufficient quality of human resources as well as supportive notably, the micro-foundational elements—such as organizational culture—are essential to establish internal support for innovation. Simultaneously, economic variables, such as investments resources, incentive systems, and profit reinvestment mechanisms, become the basic financial tool of launching innovation activities These elements become far more effective when they are aligned and mutually reinforcing. The research also highlights the close linkage of organizational and economic factors. Financial investments in innovation yield sustainable gains only when complimented with proper conditions within the organization level, while organizational measures have less impact without adequate economic back up. The systematization of the components of the mechanism indicates that organizational, economic, managerial, resource and institutional its individual components work synergistically.

In general, the results indicate that the improvement of the organizational and economic mechanism ensures high innovation performance, competitiveness and the potential flexibility of trading companies in the conditions of changing market and digitalization processes On the basis of the results of the research, we propose the following for increase effectiveness of the organizational and economic mechanism for providing innovative development in trading enterprises:

First, trading enterprises should link innovation goals with their longer-term strategic planning processes. Such as designing clear innovation strategies, defining KPI of measurable innovation performance and innovation objective linkage to overall business development priority setting.

Second, organizational structures need to be more flexible and decenter decision-making processes. The forming of innovation departments and the better internal communication will allow implementation of innovative solutions and faster coordination of functional units.

Third, boost economic incentives for innovation by investing more in digital technologies, logistics modernization and process automation. The These performance-based incentive systems and profit-sharing mechanisms can substantially increase motivation among employees to engage in innovation activities.

Fourth, the development of human capital must be treated with necessary special attention. Continuous training programs, consolidation of digital skills and establishment of an innovation-process-oriented organizational culture are key capabilities for continuous innovative development in the long run.

And lastly, do not hesitate to use the available institutional support mechanisms, such as state innovation programmes, tax incentives, collaboration with research and education institutions. This cooperation can minimize innovation risks, increase the reach of resources, and hasten the spread of innovative technologies in the trade domain.

These proposals are included in the wider scope to be implemented within the organizational and economic mechanism of innovative development; that will be an important step towards sustainable growth and development. The issue of raising the competitiveness of trading enterprises in the conditions of modern economy — ResearchGate.

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