

STATE REGULATION OF EMPLOYMENT IN THE LABOR MARKET OF TERRITORIAL COMMUNITIES IN THE CONDITIONS OF INNOVATIVE DEVELOPMENT OF ENTREPRENEURSHIP: ASPECTS OF MANAGEMENT

**Svitlana Vasylichak¹, Uliana Petrynyak², Liliia Loiak³,
Raisa Zagnybida³, Olena Khomiv⁴, Iryna Hnatenko^{5*}**

**¹Department of Economics and Management, Lviv State University of Physical Culture
named after Ivan Boberskyj, Tadeusz Kosciuszko 11, 79000 Lviv, Ukraine**

²Oles Honchar Dnipro National University, Gagarin Avenue 72, 49000 Dnipro, Ukraine

**³Department of Hotel and Restaurant and Resort Affairs, Vasyl Stefanyk Precarpathian
National University, Shevchenko 57, 76000 Ivano-Frankivsk, Ukraine**

**⁴Department of Economics and Economic Security, Lviv State University of Internal Affairs,
Horodotska 26, 79000 Lviv, Ukraine**

**⁵Department of Entrepreneurship and Business, Kyiv National University of Technologies and
Design, Nemyrovycha-Danchenka 2, 01011 Kyiv, Ukraine**

***e-mail: q17208@ukr.net**

Abstract

The issue of state regulation of employment in the labor market of territorial communities occupies an important place in the process of intensifying the innovative development of entrepreneurship. Development of the economy and business based on innovation is a powerful impetus for structural changes in the labor market, which are associated with the intensive dissemination and implementation of knowledge in production processes. At the same time, the innovation of the economy affects employment by reducing jobs due to automation of production, increasing competition in the labor market between workers and more. Therefore, there is a need to model the impact of innovative business development on employment and to determine on this basis the conditions that affect employment due to innovation. In the scientific world at this time there are no studies on modeling the impact of innovative business development on employment. Which makes it impossible to determine the conceptual basis for the formation of state policy to stabilize employment in the labor market in terms of innovative development of entrepreneurship. The purpose of the article is to model the impact of innovative development of entrepreneurship on employment and to separate on this basis measures of state regulation that stabilize supply and demand in the labor market.

The research materials are the results of the labor market functioning and indicators of the innovative Ukraine regions development. Modeling of the impact of innovative development of entrepreneurship on employment is based on a comprehensive statistical analysis of the impact of innovations on employment in Ukraine. This modeling consists of methods: exploratory, graphical, cluster, multifactor correlation-regression analysis. Basic method of our study is correlation and regression analysis, which are usually used in combination. Correlation analysis allowed us to estimate the vector and strength of the employment rate from a pre-selected array of source data that characterizes innovation development. Use of regression analysis made it possible to calculate equations and analyze the relationships between dependent and independent variables, taking into account only those factors that have the greatest impact on employment.

Results of the modeling made it possible to divide the regions of Ukraine into eight consort, in which employment is influenced by the level of: intellectualization of human staff; financial and investment incentives; protection of intellectual property; development of innovation infrastructure; improvement of normative-legal documents; innovation mediation; information support of innovation activity, etc. This segmentation of regions allowed to determine the negative and positive impact of innovation on employment. After visualizing the grouping of

consortiums with positive and negative impact of innovative business development on employment, it is possible to identify impulses (negative challenges for the labor market) at the national level, which require the greatest consideration when forecasting a long-term strategy of state employment regulation.

These studies provided an opportunity to segment the regions of Ukraine according to the level of impact of innovative business development on employment. We determined that the impact of innovation on employment can be considered from the standpoint of two types of effects: reduction and compensation of employment. The proposed modeling is useful for public authorities to regulate the labor market and stabilize employment in the process of innovative business development.

Key words: *Innovative development, Employment, Labor market, State regulation.*