

EFFECTIVENESS OF INNOVATION ACTIVITY OF LARGE RUSSIAN COMPANIES

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Abstract

This article describes the study of correlation between outcomes of business activity of largest Russian companies and their research and development expenses. The latest research activities of largest American consulting companies has shown that in the recent years the effectiveness of research and development (R&D) activity in large companies of developed countries has been decreased. Thus it is important to study the effectiveness of R&D activity in Russia in conditions of developing economy.

The article propose models of influence of research and development expenses on market value, firm performance and firm output. The raw data used in the study were taken from financial reports of the companies included in the «Expert-200» rating report prepared by the «RA

Expert» rating agency. The data representing 142 largest Russian companies were used in the study. The results of the study are:

1. The level of research and development expenses for large Russian companies is low. Despite the statements of innovation implementation and increase in innovation activities Russian companies prefer to buy technology processes instead of developing their own technology.
2. A positive correlation has been found between market valuation of Russian companies, production performance and innovation activity. This lead to proposal that research and development activities has been performed effectively, has positive influence on activity of the company and increase trust in the company, which leads to increase in stock market valuation.
3. No correlation has been found between sales margin and R&D activities. We suppose R&D activities was not used for decrease of the cost of production.
4. The positive elasticity between increase of R&D expenses and output of large Russian companies has been found. The value of elasticity corresponds to the values of elasticity found by Western researchers.

Keywords: research expenditure, labor productivity, firm output

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