MANAGEMENT INNOVATION – CONCEPTUAL FOUNDATION OF CHANGES IN CONTEMPORARY SOCIETY

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Abstract

The competitiveness of today's society as a whole, but also its business entities, is based on the continuity of social changes, which represent a significant segment of the development and growth of the society. Such designation insists on the fact that only a competent management can be the holder and creator of that changes, that is it presents a conceptual foundation whereby only "change management" can generate, as well as systematically manage changes within the "society of changes". One of the essential management skills is „design skill“, which insists on the fact that managers themselves must be innovators, that is creators of social changes, and by using motivational approach they must mobilize other stakeholders that participate in working process to inventive and creative expression. Analogously, research in the segment of management innovations have become an essential need with regard to modernization of today's society. They are the driving-motivational-mobilization component of future innovative environment, suggest growth and development, as well as being corrective factor for redefining of business strategies on the achievable, but some new, futuristic grounds. Management innovations represent a kind of medium that articulates the necessity for high standard of social life, on which the authors tried to focus in the context of theoretical research.

Key words: *society, changes, management, innovation, management innovation*

1. INTRODUCTION

Today's modern societies, observed primarily from the national level, have definitely changed their approach and behaviour paradigm according to the acceptance of new rules and laws that dynamise their social development and social growth. The scientific - technological revolution that began the 60's of the last century brought a new dynamic political "path" in reviewing the growth and development of society and business systems. Similarly, humanity has become the creator and the witness of an era of prominent globalization views on the world's economy, in which national and local economies and business systems are trying to keep their positions, and in terms of development, increasingly actualizing and programming in longer-term its socio-economic "leader" status and the competitive nature of business (Kutnjak, Zekić & Rupčić 2007, p. 193). Particular importance is being given to innovative companies and businesses that base its current and futuristic perspective on the high production technology, information technology, inventive management, developing resources of artificial intelligence, innovations, the creativity of individuals, but also on the management innovation as the conceptual basis of changes of modern society. Given these circumstances, it is significant that the entire drift towards the social and organizational changes is called intelligent society. This new "derivation" of total life values and above all, a new score evaluation of their work and overall social activity, has been accepted by the business entities of a certain society. In principle, it could be said that the newly created value and approaches generated inside of individual businesses are a reproductive value, i.e. the manifestation of the development of a society. Therefore, some earlier development concepts of society, and analogically to that the development strategies of individual businesses within those societies, which does not have to be nor is always the "rule", proved to be unsustainable, outdated, clueless, inert, and ultimately resulted with an inefficient and ineffective individual society as a whole, i.e. their business entities. On the other hand, there are more positive "exceptions" in terms of businesses within the same conceptually outdated societies, which are far more advanced and in front of its time, i.e. the environment where companies participate and achieve

their business activity. There are countless businesses within very stable, affirmative and prosperous societies, that are not development oriented, have no vision for development, are satisfied with below-average results, that focus on existing values, self-define themselves as societies of apathy and hopelessness, and are complacent with their mere existence. On the trail of these facts, as well as the overall unsatisfactory results in terms of perception of the individual parameters of the business activities of businesses entities, it is clear that some companies in general, as well as some of its business systems exist in its self-significance, self-importance, with no actual realization of its success and conceptual perspective of its development. On the other hand, there are companies and their business entities that are deeply oriented towards the future, have a clear vision of their business definitions, with clear strategies and objectives; societies and business entities that in the creation of their prospects have positive deviations from the changes. There is no doubt that they have not understood/accepted their development component as a "constant", on the contrary, they encourage social development through a unique "macro system" and in correlation with other societies - on the national level, regional level, etc., but also the "micro system" of their businesses, in the above variable spectrum of their total activity, which are primarily self-generated, encouraged and developed.

2. INNOVATIVE SOCIETY - AS A SOLID SOCIAL DESIGNATION

The dynamics of today's global economy is ruining the traditional time, geographical and competitive barriers. The various business processes take place in different parts of the world at a different time. Decisions are made at all points of the process, which creates a business dynamics that needs to be properly addressed. Economic development is shifting towards activities that are based on knowledge, information, high technology and services. The new economic paradigm of society is based on knowledge and information as most important assets (Kutnjak, Zekić & Rupčić 2007, p. 196). The development component, or resource that, simply said, has to produce changes and development, is knowledge, and the holders of this pro-active policy of knowledge, changes, and thus the development are the managers. Depending on what kind of relationship the companies and businesses have towards the knowledge as a resource, and also what is the relationship towards change, invention, innovation, creativity of individuals and the institutions, each community can be identified in one of the following categories (Srića 1994, pp. 34-36):

1. Innovative societies – are those societies that proactively reflect on their future based on strategic planning, generating new development perspectives, primarily based on education and science, knowledge, IT infrastructure and significant financial investments in these development segments. They encourage the individual, group and the collective creativity and the creation of new innovative products and services.

2. Imitative societies – perhaps they are more modestly innovating knowledge in relation to innovative society, but they have been trained and have ensured the promptness of rapid acceptance and transfer of information, as a relevant development resource. The more successful among them significantly modify and improve the "incoming" solutions that they are mimicking; they are creative imitators, but not plagiarists. On these bases, the new technology "Dragon countries" of Southeast Asia are building their competitiveness and are systematically programming their future, which is evident from the export orientation that thrives in the global economic market.

3. Uninventive societies – are not methodically determined for the future, but they are quite simply, happening according to certain inertia, they are not innovatively recognized, even though there are very capable, talented and creative individuals within the same societies, that would unfortunately never be enough or not at all noticed. Their individual, group and organizational creativity are infected not at random, but very often through "systematic" barriers, blockades and restrictions. The nature of this blockade can be ideological (model of political and economic system that compresses invention), normative (laws which prevent inventiveness), infrastructural (marginalization of developing services, patent offices, "noise" in communication lines, restriction of public databanks), psychological or some other nature. The lack of an entrepreneurial climate needs to be highlighted in particular, as one of the

crucial blockades, as well as an inadequate education system that produces low-quality managers, without a true knowledge and acceptance of complex skills needed to manage economic and social systems.

Regarding the aforementioned, it is obvious that contemporary social and economic requirements, from one point, as well as the creation of positions for takeover of competitive niches and the further segmentation of the business enterprises in relation to the business environment (market) from another point, insists on "society of changes" that should be managed by adequate, knowledge and innovation driven and engaging management structure of the "management of changes". The society of changes insists on the innovative management that is competent, and above all, established in the framework of management innovation, as a factor in the development of the private as well as public sector. The essence of the differences of a desirable and innovative management in relation to the "classic" management is in the primary definition of "how to do it?", not "what is done?".

3. DEFINING INNOVATION

Given the relatively wide range of innovation study, and respectively, a large number of interpretations in terms of defining the term innovation, in the further text the authors have presented, according to them, only few of the most characteristic definitions, which determine the scope or nature and importance of the innovation "... as a process, since innovation is neither a simple nor an easy process, but necessary for survival" (Prester 2010, p. 39).

Etymologically, the term innovation is derived from the Latin word "*innovatus*", which is a noun from the verb "*innovare*" and the coin of the word "*in*" - 'into' and the word "*novus*" - 'new', and means to renew or change (Rothkopf 2009). From the day when the term has begun to be used in the economy in the first half of the 20th century and until the 1980s there was no universally accepted definition. For a longer period, the preferred terms in economics were innovation, technological change (technological advancement, technological progress) or even automation (Godin 2008). Also, the term innovation has often being used as a substitute for creativity, knowledge, change, etc. One of the central concepts used in defining the concept of innovation is change. However, as such change does not necessarily mean improvement, it also may include a deterioration compared to the previous state. In this sense, Rich (1981) argues that innovation cannot exist without changes, but most of the changes do not represent an innovation.

The development beginnings of the concept of innovation in the economy are associated with the analysis of J. Schumpeter in the first half of the 20th century, which emphasized innovation as the basic factor of technological progress and economic development, stressing that innovation means a combination of factors in a new way (Schumpeter 1939). According to him, innovation is reflected in the new outputs: a new good or a new quality of good, new methods of production or sales, the opening of new markets, new sources of raw materials (or semi-product) or new forms of organization (Schumpeter 1947). On the other hand, diversification of the terms invention and innovation was emphasized through the model (trilogy) "invention-innovation-diffusion". This trilogy separates the process of technological change in three phases. The first phase is the process of invention, which includes the creation of new ideas. The second phase is the innovation process, which involves the development of new ideas in marketable products and processes, while the third phase refers to the process of diffusion, where new products and processes spread to potential markets.

In defining the concept of innovation, the authors emphasize different aspects, such as the creation of new ideas, implementation of innovation, achievement of targeted benefits, the application of innovation for the first time in the organization or on a global level. Rogers (1998) believes that something can be characterized as an innovation if it has been implemented or commercialized in a certain way. The very creation of abstract knowledge or inventions of new products or processes is not considered as innovation until it is incorporated into the organizational activities. Pennings and Harianto (1992) argue that innovation is the adoption of new ideas, processes, products or services, developed internally or acquired from external environment. In the "Oslo Manual, Guidelines for collecting and interpreting innovation data" (2005), the manual which serves as the basis for

measuring innovation in the private sector through standardized innovation testing methodology, innovation is defined as the implementation of new or significantly improved products or services, processes, new marketing method or a new organizational method in business practices, workplace organization or external relations. According to Crossan and Apaydin (2010), innovation constitutes the development or adoption, assimilation and exploitation of a novelty with added value in economic and social terms; renewal and extension of products, services and markets; development of new methods of production; and the establishment of new management systems. The diffusion of innovation is here excluded because it is a process that occurs after innovation. This definition includes several key aspects of the concept of innovation; it entails internally developed and externally adopted innovation ("development or adoption"); emphasizes that innovation is more than the creative process, considering its application ("exploitation"); emphasizes targeted benefits from the implementation of innovation ("novelty with added value") on one or more levels of analysis; leaves open the possibility that the innovation can refer to the relative, as opposed to absolute novelty (innovation may represent a common practice in other organizations, but will continue to be considered as an innovation for the organization that applies it for the first time); draws attention to the two roles or dimensions of innovation – innovation as a process and innovation as a result.

Innovation simultaneously represents the result and the process by which this result is achieved (Quintane et al. 2011). While exploring innovation as a process, the most common factors or activities that create an environment for the development of innovation and its successful implementation are observed, while in the study of innovation as a result, certain types of innovation are most frequently being observed, for example, their achieved level of implementation, which is then associated with benefits resulting from the implementation of certain innovation. In addition to the dominant dimension of innovation as a process and as a result, the authors distinguish the other dimensions of observing the innovation. Gopalakrishnan and Damanpour (1997) identify the following dimensions of research of innovation: the levels of analysis (business, organization or organizational unit); the phases of the innovation process (creating ideas, the design, problem solving, development and commercialization); and the type of innovation (product/process, incremental/radical and administrative/technical). Similarly to them, Crossan and Apaydin (2010) also provide an overview of the most common dimension of analysis of innovation in the existing literature. They start from the two main dimensions of innovation (process and result) and on that basis they analyze existing approaches of studying the phenomenon of innovation. The concept of innovation as a process can be seen taking into account the following: different levels (individual, group, organization, etc.); incentives (resources, market opportunities); direction of the formation (top-down, bottom-up); origin of formation (invention, the adoption of existing concepts); location of analysis (company, i.e., organization, network, etc.). According to them, innovation as a result can be conceptualized regarding to: form of innovation (innovation of products, services, processes, business model), the magnitude of the effects (incremental, radical); referentiality, which refers to a measure that defines degree of a novelty (new for the company, i.e. the organization, market or business activity); type of innovation (administrative, technical).

Some authors give the innovation an exclusively technological character. Although the innovation is generally considered to represent a key source of competitive advantage, especially in an environment that is subject to constant changes (Dess & Picken 2000, Tushman & O'Reilly 1996), the majority of empirical research on the relationship between the innovation and organizational success are focused on technology development, i.e. the technological forms of innovation, such as the innovation of products/services or process innovation. The study of innovation was mainly related to technological developments, while little attention has been given to other forms of non-technological innovation and the dynamics of management. Moreover, the scientific literature suggests that research of innovations is a complex process that cannot be linked only to the technological dimension.

Based on the definitions set out by the respective authors, it is clear that the field of innovations is very complex; the significance of innovation is very important for the existence of a particular society and its business entities, for their prosperity, for their development and growth, for gaining competitiveness, and thus increasing market share in the global and local market. Therefore, one of the essential issues is the complexity in terms of giving answers to the question "how to manage

innovations?". It depends on the size of the company, type, sector, etc., but along with everything mentioned, there could be distinguished the two characteristics of innovating: a) innovation is a process, not a one-time event, and therefore it must and can be managed and b) there are factors that influence the process of innovation and the outcome (innovation) - which means that innovations can be managed (Prester 2010, p. 11), which gives the total weight and the importance of valorisation and the necessity of additional research in the field of non-technological innovation and management innovation as a distinctive type of non-technological innovation.

4. TYPOLOGY OF INNOVATION

The area of innovation research abounds with diverse typologies (Han, Kim & Srivastava 1998), with the purpose of understanding the different characteristics of innovation. The most commonly used typologies of innovation make the difference between: a) product and process, b) technical versus administrative and c) incremental and radical innovation (Gopalakrishnan & Damanpour 1997, Santos-Vijande & Alvarez-Gonzalez 2007).

4.1. Product vs. process innovation

The most commonly used typology of innovation is one that divides them into product and process innovations (Abernathy & Utterback 1978, Damanpour & Aravind 2006, Edquist, Hommen & McKelvey 2001, Utterback & Abernathy 1975). The key determinant in distinguishing product from process innovation relates to whether the innovation is the end product or service (product innovation) or the innovation relates to the production or delivery of end products/services (process innovation). Edquist, Hommen and McKelvey (2001) and Meeus and Edquist (2006) distinguish two types of product innovations (product innovation and service innovation), and two types of process innovation (technological innovation and organizational innovation). Product innovations also include material product innovations in the primary sector production and intangible services often consumed simultaneously in their production. Process innovation represent new ways of producing goods and services, and include both technological and organizational (administrative) innovations. Organizational process innovations imply new ways of work structuring and organizing. According to these authors, management innovations fall into this group. Management innovations represent non-technological forms of innovation, and are related to changes in the management practice. Given that most authors define process innovations as those related to the improvement in the primary organizational activities, management innovations can be, and should be viewed within the type of non-technological innovations, that support the smooth running of the primary business activity. Both types of innovations, both product and process, are related to the development or the application of new technologies, and are also called technological innovations (Schmidt & Rammer 2007) and as such have, until recently, occupied the dominant, and almost only area of innovation research. The dominant technological point of view of innovation is met with much criticism, as it does not cover the full innovations in service activities and important elements of innovative activities in organizations, for example, the adoption of new reorganization of the existing management methods, relations with the outside environment and the marketing. This implies that it is necessary to define a broader concept of innovations, which also includes non-technological innovations.

4.2. Technological vs. non-technological innovation

For the past few decades the technical and administrative typology of innovations has become widely accepted. It divides innovation in regard to the general distinction between the technology and the social structure. The dual model of innovation (Daft 1978) was really a turning point in the perception of technological and non-technological forms of innovation. The non-technological innovations, i.e. at that time prevalent term of administrative innovations, are just indirectly related to the primary organizational work activity and mainly affect its management system (Damanpour & Evan 1984.). The authors for this type of innovations have generally preferred the term organizational innovations, although, under the term organizational innovations the all kinds of innovations at the organizational level were meant. There were two significant papers for development of the field of non-technological innovations published in 1975, from the authors Baldridge & Burnham and Utterback & Abernathy. In

these papers, the authors have distinguished the product and process innovation and non-technological aspects of process innovation. Technological innovations are related to changes in the sphere of technology, and they reflect the technical and technological progress. Non-technological innovations are related to organizational restructuring, human resources and management methods, and are often found in cause and effect relationships with technological innovations. Non-technological innovations are much more difficult to be replicated in relation to the technological forms of innovations (Teece 2007), because of their nature, which is mostly abstract and intangible. Also, these types of innovations can contribute to long-term competitive advantage, particularly when organizations are faced with increased competition and an accelerated pace of technological change. To highlight the non-technological innovations, the following terms are most often used: administrative innovation, organizational innovation and management innovation. All of the used terms are conceptualized as a contrast to the product and process, i.e. technological innovations forms. Among the first, the term administrative innovation is used. According to the authors, who have mostly used this term, these types of innovations are oriented towards efficiency and effectiveness of organizational management processes and administrative systems (Damanpour & Evan 1984, Kimberly & Evanisko 1981).

Organizational innovations, in the narrow sense, are conceptualized as organizational changes, i.e. changes in the organizational processes and structure. Authors state the interdependent relationship with product and process innovations and their social dimension as specific characteristics of organizational innovations, since they influence the organizational culture and attitudes and norms of the employees (Kohl & Depner 2010). Organizational innovations in a broader sense include all innovations, i.e. all forms of innovations in an organization.

The term management innovation has recently being used in literature, gradually displaces the usage of other terms, such as organizational or administrative innovation. Management innovations are defined as the creation and implementation of new management practices, processes, structures and techniques that represent a significant departure from existing practices and norms. This kind of innovation includes innovations in the organizational form, practices, processes or techniques, actually represents rules and routines by which the activities are carried out in the organization (Birkinshaw, Hamel & Mol 2008). This conceptualization of management innovation is very similar to the one set by Kimberly (1981). It can be concluded that the content of these most commonly used terms overlap, and to emphasize the non-technological aspect of innovations, contemporary literature generally uses the terms management or organizational innovation. Besides the well-known management and organizational innovations, as a form of non-technological innovations, marketing innovations are being distinct in the recent literature. As noted above, non-technological innovations are often in a cause and effect relationship with the technological forms of innovations. New products/services often require new production processes and new production processes impose the need for new organizational methods and structures. The aforementioned results from the cognition that the changes in the technical system should be in line with changes in the social system of the organization, in order to achieve optimization of results in accordance with socio-technological perspective (Damanpour & Evan 1984). The implementation of technological innovations will be partly successful unless accompanied by organizational change and vice versa, because these types of innovations are interdependent (Freeman 1995).

4.3. Incremental vs. radical innovation

While the difference between product and process or technological and non-technological innovation relates to the outcome or content of innovations, a division of innovations, with respect to the criterion of radicalism, is associated with the nature of changes that a given innovations causes. Thus the incremental and the radical innovations are distinguished (Afuah 1998, Dewar & Dutton 1986, Ettlie, Bridges & OKeefe 1984, Greenwood & Hinings 1996). The radical innovation denotes the outstanding and risky departure from the existing practice, while the incremental innovation builds on existing skills and practices (Afuah 1998, Amis, Slack & Hinings 2004, Ettlie, Bridges & OKeefe 1984, Greenwood & Hinings 1996, Poole & Van de Ven 2004), i.e, denotes to improve them, but to a much lesser extent compared to the radical. Radical innovations are characterized by very high levels of novelty, destruction and change in the current situation. Incremental innovations are characterized as

adaptive, relying on existing knowledge and areas of expertise, as well as refining and improving existing conditions and practices. The distinction between radical and incremental innovations can be related to the distinction degree of the novelty when defining the term innovations. While radical innovations are the most "dramatic", incremental innovations are the most common, and they produce the greatest effect in terms of their accumulation. In fact, the radical innovations will achieve the greatest economic impact through incremental innovation (Nooteboom & Stam 2008).

5. MANAGEMENT INNOVATION

Given the previous theoretical assumptions of the concept of innovation, management innovations can be conceptualised as innovations at the global level, for the first time designed and implemented ideas, and as existing concepts that are new to the organization which implements them. The concept of management innovation, as distinctive type of innovations, is still in its scientific design and validation infancy. As the interest in research of non-technological forms of innovation intensified, a new area of research quickly opened, which in its essence examines the creation and adoption of new practices, structures and management processes. While technological innovations are dealing with changes in technology that are related to the organization's main activity, management innovations are introduced in the social sphere of the organization and the main emphasis is put on people, i.e. the managers. Non-technological innovations play a very important role in understanding innovations in general and their impact on the competitiveness of organizations and countries (Volberda, Van Den Bosch & Heij 2013).

Only recently the attempts of systematization of the overall research area have appeared in literature, by observing it within an integrated research framework with associated factors, dimensions and results of management innovations (Crossan & Apaydin 2010, Volberda, Van Den Bosch & Heij 2013). Management innovations are defined as the creation and implementation of new management practices, processes, structures and techniques that represent a significant departure from existing practices and standards (Birkinshaw, Hamel & Mol 2008.). They include changes of what managers do and how they do it (Hamel 2006). These kinds of changes are intangible, dependent on the context and are difficult to replicate and therefore, more likely, may lead to a sustainable competitive advantage (Birkinshaw & Mol 2006, Hamel 2006, Damanpour & Aravind 2012). The adoption and diffusion of management innovations is organizational-specific, and does not generate identical results. Even certain types of management innovations can produce different results because of different practices of organizations that implement them (Zbaracki 1998, Benner & Tushman 2002).

What is common to all authors is the emphasis of the purpose of implementation of management innovations, which is the improvement of performances of the organization, i.e., of the effectiveness and the efficiency. Their influence is primarily reflected in the increase of efficiency of internal organizational processes (Adams, Bessant & Phelps 2006, Birkinshaw, Hamel & Mol 2008, Walker, Damanpour & Devece 2011), the productivity growth (Mol & Birkinshaw 2009, Hamel 2006) and organizational success (Černe 2013, Walker, Damanpour & Devece 2011). In fact, recent studies show the importance of management innovations for the success of organizations, through their actions as complement to technological innovations (Černe 2013, Damanpour & Schneider 2009) and as an independent phenomenon. The employees (staff and management), the relations between them and the management of these relationships, features such as communication and cooperation, are distinguished as the key components in the study of management innovations, which act upon and improve these components. For this reason it is significant for this type of innovations, in comparison with other types of innovations (such as product innovation or process innovation), that these can be the most difficult to imitate, but can also, in the long term, significantly improve performance effectiveness. Innovations in management affect the rules, roles, procedures, structure of communication between members of the organization and between the environment and members of the organization (Abernathy & Utterback 1978, Damanpour & Gopalakrishnan 2001, Edquist, Hommen & McKelvey 2001). As they are being adopted, they tend to change the relations between the members of the organization, and often lead to new income and benefit distribution within the organization, which can cause rejection and resistance in its implementation.

Attempts to classify management innovations are scarce, probably, among other things, due to the reasons mentioned above, as these types of innovations are complex and comprehensive. In fact, the term dimensions of management innovations is being used often in literature. The most commonly used have already been aforementioned, which are derived from the main definition of the terms: practices, processes, structures and techniques. Mol and Birkinshaw (2009) claim that management practices include what managers do on a daily basis; goal setting, setting of appropriate procedures, tasks, functions. Management processes are related to the routines that define the work of managers. These processes can be strategic planning, project management, performance evaluation, etc. Management techniques include tools and approaches, such as, for example, the balanced scorecard.

Following these theoretical approaches that define and determine the management innovations, it is evident that the modern sustainable society, and consequently its business entities, may be viewed only in the context of an innovative society, which mobilizes and engages all of its available resources for the sake of creating competitive advantages, producing new values, but only based on human, sustainable development.

6. CONCLUSION

The modern society, and therefore its business entities that act within the same, is (pre-)defined by significant differences – by traditional values, the attitude toward creativity and entrepreneurship, the relationship towards individuals and presenting of freedoms, the relationship of the material to the spiritual, the relationship of global versus local, the attitude of "large" communities/subjects versus "small" social environments/companies, the attitude of the rich versus the poor, the relation of emancipation of women to men, and many other differences. The fact is that many companies and many businesses entities want to overcome the level of their current lifestyle and creativity and, in a certain way, elevate, modernize and enrich their wider or narrower living environment. However, the desire often exists only at the level of a "wish list" and as such is not sufficient; it is necessary to systematically create much more – in terms of generating individual ideas, mobilizing themselves and their associates, creating of overall prerequisites for a better, more spiritual, more meaningful, human society, differently interpreting/evaluating the work results, producing meaningful and more stable models of growth and development within the framework of sustainable development, increasing competitiveness and taking a significant share in the international market environment. Innovations are the determinant, they are the target and the asset for solving the existence and prosperity of the society and the business entities, the key for rationalization and cost savings within the already almost fully exploited space, the matrix for the creation of value added.

The research results in the field of management innovations mainly relate to private sector organizations. However, interest in further scientific research of organizational and management concepts and methods in the public sector is emphasized by recent intense demands placed in front of public sector organizations, and these are the requirements to achieve greater effectiveness, i.e. to rationalize the costs of functioning, higher quality of public services, professional management, implementation of new concepts and management methods, or a total increase of efficiency and effectiveness. Therefore, public managers should observe management innovations as a factor and a prerequisite for easier and more successful implementation of changes, which are inevitable in the Croatian local government, as well as in other countries in the region, with similar backgrounds of economic and social development.

The innovation management is invited, under the present and future needs and within the real possibilities - in restriction of generally limited natural resources, supporting infrastructural, non-technological and IT content, different cultural features, almost promptly available information, as well as the sophisticated knowledge, to change the social field of action, by creating systematic and thorough basis for "change society", based on a human life, sustainable development and social growth. Any remoteness and self-dissociation of this premise is a great contemplative, theoretical, and therefore even a practical estrangement from reality itself. Management innovations are a conceptual foundation, an aggregator of changes of modern society, "modus vivendi" of society, and the very

future depends on the managers themselves, their co-creators and collaborators, business entities and on the society as a whole and all of their prospects. The gauntlet has already been thrown down!

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