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1 Management Innovation: Research Proposition for the Organization Arissetyanto Nugroho, Janfry Sihite Abstract Management innovation well suited in the core of the organization activity, but as a concept it will need to be further empirically tested. This paper develop an argument that management innovation well suited in 3 strategic management school, which are the classic, contemporary and competitive school, nonetheless there is still lack of literature that cover the management innovation elements on 64 Strategic Management Journal published in 2012.

Keyword: management innovation, organization, invention, implementation, strategic management school Introduction Organization conducting an evaluation process to be able to manage the dynamics of the rivalry within an industry. Organization conducting a continuous improvement to be able to achieve the organization desired goals and performance.

Currently the dynamic competition is contrast compared to the early development of management theory (Fayol, 1949; Taylor, 1911), which assumed that the business environment are stable. Subsequently scholar have been reinventing new management practices and theory (Birkinshaw, Mol, & Hamel, 2005; Inkpen & Choudhury, 1995; March & Simon, 1958) that relevant to the organization veracity to be able to develop the competitiveness.

These kind of management practices and theory, for instance the organization SOP (Standard Operating Procedure), the reorganization of the management structure, the application of functional audit, the development of the modern technology system, the application of employee bonus assignment system, meeting and forum communications transparency, and the other reinvention of management activities had become a

necessity in the dynamic competition.

In the 2 point of me, these of hasn't be applied to the organization, then the idea considered to be a new thing for the organization. This kind of new thing so called innovation, the simple terminology for 'something new' (Gopalakrishnan and Damanpour (1997, p. 16). Management Innovation This innovation process of management theory and practices begin with an internal evaluation within the organization.

After the idea as the solution to develop the organization competitiveness innate, the organization operationalized the idea to enhance the organizational performance. These process generate at least 2 type of innovation which are, the invention of innovation in the abstract levels (Kramer & Kramer, 1975) which is the brainchild of the practices, processes, techniques and structures to enhance the organizational performance and the second innovation which is the operationalization of practices, processes, techniques and organization management structure (Alänge, Jacobsson, & Jaryehammar, 1998; Guillén, 1994), that intended to be the implementation.

Both of these innovations are series of processes, the invention and implementation of organization management aim to improve the performance of the organization. Invention and implementation are the elements of the management innovation concept (Birkinshaw, Mol, & Hamel, 2008). A concept stated that the management innovation is the invention and implementation of management practice, process, structure, or technique that is new to the state of the art and is intended to meet the organizational goals.

The complete definition of the concept meant that management innovation is relevant to be able to understand the process of innovation in the management of the organization, which produced the invention and implementation of practices, processes, structures and management techniques to improve the performance of the organization. Birkinshaw et al.

(2008) stated that management innovation such as Modern Research Lab (Hargadon, 2002), Total Quality Management (Zbaracki, 1998), the M-Form (Chandler, 1969), Activity Based Costing (Kaplan, 1998) are 3 the result of research on varieties of new things going on within the company. Furthermore, these kind of practices, processes, structures and management techniques being conceptualized and became a label (Birkinshaw et al., 2008).

The concept of management innovation as stated by Birkinshaw et al. (2008), as well as the definition of invention and implementation, can be further elaborated with the

strategic management theory. Strategic management theory focus on the examination of the perspectives or paradigms that mainly stands for the entire constellation of beliefs, values and techniques shared by the members of a given community (Kuhn, 1996, p. 176)), which are the managers that responsible to improve the organization performance (Drejer, 2004).

Aligned with the paradigm of strategic management, the concept of management innovation examine the management process in developing the idea (of invention) and (the implementation) of the idea to improve the organizational performance (Birkinshaw et al., 2005). Management innovation at least have 4 main elements which are: focus on the organization as its analysis unit, examination on the process of the organization to achieve the desired organization objective, observation on the role of manager in developing measures to achieve the goal, and finally the implementation of the measures in the process of achieving the organization objectives (Ronda-Pupo & Guerras-Martin, 2012).

These four elements happen to be the core of the paradigm in strategic management. Strategic Management School The main elements of the management innovation concept can be further elaborated within the "school" of the strategic management (paradigm). The classical school pointed out that the process to achieve the organization's competitiveness could be attained by exploring the advantages possessed within the organization, furthermore ensemble the advantages possessed to meet the expectation of the environment (inside-out approach).

This phases meant as the search process (invention) on an idea, then the next step are the process to manage the organization to meet the market potential needs. Furthermore, the classical putforward the implementation as a sub activity to support the process to reach the 4 organization's competitiveness (Learned, Christensen, Andrews, & Guth, 1965). Subsequently the contemporary school pointed that collaboration is important for the organization to be able to achieve the desired goal.

Furthermore, the contemporary school in strategic management pointed that the collaboration and cooperation among stakeholders (inside and outside) of the organization is the main priority for the organization to develop the organization competitiveness (Chaharbaghi & Willis, 1998). The contemporary school necessity on collaboration originated from the Simon (1957) "bounded rationality" on Administrative Behavior.

Simon convey the need for collaboration in the process of building a solution to achieve the desired goals, as well as Senge (1990) that stated the attempts to achieve growth

require a collaboration (game) between the reinforcing factors and limiting factors in the process on developing a solution. The paradigm of the contemporary school focus on collaboration, which also known as the processual approach, it seeks to understand the role of managers to implement the collaboration with the stakeholders to develop the organization competitiveness.

The competitive school on the other side has a different focus compared with the classical school. The competitive school as expressed by (Porter, 1987) developed the competitiveness by adjusting the organizational strategy toward the surrounding environment (outside-in approach). In brief, the organization encouraged to develop the excellence that "fit" the organization with the environment.

The Competitive school as stated, focus on developing the environment (market) oriented idea (outside-in approach). The school pointed that the environment affect the organization, influence the organization to create differentiation compared to the other organizations within an industry.

This paradigm can be further examined by Schumpeter (1934) "The theory of the economic development", Penrose (1995) "The Theory of the Growth of the Firm", (Porter, 1987) "Competitive strategy", Drucker (1999) on "Entrepreneurship in business enterprise", Teece (1980) "Economies of Scope and the Scope of the Enterprise" and as well as Barney (1986) "Organizational Culture: can it be a source of competitive advantage?" and Barney (1991) "Firm resources and competitive advantage".

The classic, contemporary and competitive school have a different paradigm to achieve the objective of the organization, but all of them covers the process of invention in developing ideas to reach the objective of the organization, as well as the implementation in the management of the organization. Therefore the management innovation as a concept is relevant to elaborate the paradigm of the internal agent organizations (CEO, top and middle managers) as well as the process of the organization in developing the management innovation which can meet the objective of the organization.

These strategic management school aligned with the operationalization of the management innovation within the organization to improve the organizational performance (Ronda-Pupo & Guerras-Martin, 2012). The management innovation also associated with the process of the manager as the "middlemen" within the process of building a new idea (invention) from different sources of information and knowledge within and outside of the organization as well as implement it (implementation) into an organization to attain the organization objective (Birkinshaw et al., 2005) . Empirical

findings The management innovation still lack of empirical tested.

Based on 64 literature review on Strategic Management Journal published within 2012, there were only 11 relevant publications that fit with some of the elements on management innovation, and there is only one publication that already incorporate most of the elements on management innovation, which is "Strategic (MIS) FIT: The Implementation of TQM in Manufacturing Organizations" (Zatzick, Moliterno, & Fang, 2012).

But none of these publications elaborate the holistic management innovation as the invention and implementation of a management practice, process, structure, or technique that is new to the state of the art and is intended to further organizational goals. Conclusion Therefore research on management innovation, the elaboration of the phenomenon of management innovation in the organization by conducting variety of available strategic management paradigm is required. The contribution of this research will contribute the corpus of the scientific knowledge on strategic management.

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