Analysis on the Management Innovation System

JUSHENG YANG

ABSTRACT

In the 21st century, scenario globalization shows a steady state, and the proposition of "management innovation" which is seen as the trick of enterprise development has been thrown out. In the moment of innovation development oriented, management innovation can be described as odd things. On the basis of combing the literature, first of all, the paper studies the categories and processes of management innovation. It summarizes the processes of management innovation and then draws the characteristics and importance of management innovation through the research of the processes. Based on the analysis of the research status of management innovation, the paper forecasts the prospect of management innovation and summarizes a sustainable management innovation system for further reference.

KEYWORDS

Management innovation; Innovation process; Management innovation system.

INTRODUCTION

The term "management" has been a hot topic in recent years. To ask what management is, many experts and scholars have given different explanations. Nobel laureate Herbert Simon's definition of management is that management is making decisions. Stephen Robbins' definition of management is that the so-called management refers to the more effective process to complete activities through working with others. Peter Drucker believes that management is a job that has its own skills, tools, and methods; management is an organ that gives the organization a living, dynamic organ; management is a science, a systematic and practical knowledge; at the same time, management is also a culture. The scholars have their own words, in fact, we can find an important meaning implied in a management in their discussion about management is "effective". The effectiveness of finishing projects, the effectiveness of creating the individual value within the organization, the high utilization efficiency of production materials, the flexibility and timeliness, effectiveness of the insight into the market, the effectiveness of enterprise innovation are all pursued. Management is usually very abstract. In the real life, many companies talk about innovation generally. The most intuitive impression of innovation is always developing a new product, testing a new technology. However, to create a new management theory is still very strange for us. Demanpour's dual-core model mentions that organizational innovation can be divided into the management innovation and the technological innovation.

In the 21st century, the development of economic globalization has entered a...
stable period. The internationalization of production, investment and finance, technology development and utilization, the globalization of world economy regionalization, capital flow, the transparency of knowledge and technology become the main trends of economic development. In such an environment, many propositions such as what knacks of the business success are and what the business development depends on are put forward by many entrepreneurs. In the 1980s and 1990s, some companies in the United States made a series of technological innovations in order to occupy market share under the wave of rapid economic development, but they entered the "dilemma" of innovation. Enterprises that are in search of self-innovation are always of the standard to reflect on their own product development and other technological innovation issues, rather than thinking the relevant propositions which are more macro, closer to the mission. In fact, the essential attribute of innovation is to be different. This is why the enterprise always regards developing products and reducing costs as the magic weapons of business survival. But in recent years, with the changes in the environment, the enterprise has been not only the problem of technology, more essential to say, is a "chain reaction." In order to reduce the cost of time and inventory as much as possible, the enterprises have invented and applied the on-time inventory. In order to shorten the length of the supply chain, enterprises have been trying to streamline and integrate supply chain as much as possible. In order to ensure the quality of products, enterprises have used a series of scientific management mode for product quality management. In order to realize the management of large-scale projects, enterprises have adopted the measures of double management both project manager and business manager. The familiar terms in management field are all about a common topic—management innovation.

THE CONCEPT OF MANAGEMENT INNOVATION

The Definition and Category of Management Innovation

According to the views of Hargrave and Van de Ven (2006), Van de Ven and Poole (1995) and so on, management innovation emphasizes the introduction of the new organizations in the existing things, in short, is an organizational change. Ruilan Wang (2003) in the paper "The Economic Thinking of Management Innovative" argues that management innovation is considered from the three dimensions of human, finance, thing, systematically coordinates and integrates various resources within the organization to maximize profits by making overall or detailed innovation from the aspects of business management ideas, business practices, business methods, mechanisms and management systems. Experts and scholars take innovation as a starting point to discuss the concept of management innovation. In fact, innovation as the symbol of a theory is that "innovation theory" was put forward in 1912 by economist Schumpeter in a book called "Theory of Economic Development". The theory argues that innovation is a new combination of production factors and management innovation is one of the kinds of innovation. Therefore, management innovation is actually to restructure the production factors at the organizational level.

Following Schumpeter, many experts and scholars discuss around the composition of the enterprise innovation system. In Jianmin Wang's (2011) paper
called "The System Analysis Framework of Management Innovation", it argues that the enterprise innovation system mainly includes technology innovation, management innovation, institutional innovation and market innovation. Institutional innovation lies at the core competitiveness and optimizes the property rights structure. Market innovation is the ultimate goal and management innovation is the platform. In the paper called "The Obstacles and Effective Operation of Management Innovation Activities" of Yujun Miao and Yuewu Zhang (2010), the management innovation has been further subdivided, including operational pattern innovation, organizational innovation, the innovation of management methods, institution innovation, and culture innovation and so on. In the paper called "The Concept and Mechanism of Management Innovation" of Jie Xue (2011), it classifies depending on the utilitarian perspective, popular perspective, cultural perspective, rational perspective. In Jing Lu's (2002) paper called "Use Management Innovation to Promote the Sustainable Development of Enterprises", it dicusses the main content of management innovation, and namely, management innovation includes the concept innovation of management, organizational innovation, institutional innovation, strategic innovation, cultural innovation, market innovation. In the summary of various scholars for the definition, classification and conceptual definition of management innovation, a more comprehensive classification method can be instituted. We can believe that management innovation is divided into two categories of business management innovation and public management innovation. Business management innovation mainly includes management innovation of private enterprises and public management innovation mainly includes governments at all levels and state-owned enterprises operating infrastructures. We can divide the business management innovation into personnel innovation, strategic innovation, operational innovation, financial innovation, marketing innovation and cultural innovation according to the elements of management and innovation, as well as the organizational functions of governments and enterprises. We can separate public management innovation into personnel innovation, policy innovation, functional innovation, financial innovation, service innovation, purpose innovation. In fact, when we further define the concepts of different categories of management innovation, we can feel that they are overlapping between discrete categories. Innovation is an association of diverse elements; finally, it is human beings combining of separate elements. When management and innovation are in the pursuit of maximizing enterprise efficiency, encompassing all aspects of the production and operation, so the principles classifying management innovation of this paper are mainly comprehensive, assigned to avoid duplication, as showed in Figure 1.
In Yuanyuan Lu's (2009) research about the basic elements and theoretical model of enterprise management innovation, management innovation is discussed in accordance with the framework of "means - task - purpose". The means of management innovation is to achieve the purpose about how enterprises should do. How to do is built on the elementary form analysis of management, the starting point of management thinking and human nature. The task of management innovation refers to what kind of things the enterprise should do to promote people work actively and harmoniously in the organizational system to make it its goal. The purpose of management innovation is to reach the goal of the organizational system.

In the paper of Jie Xue (2011) called "The Concept and Mechanism of Management Innovation", it transforms the decomposition from "means-task-purpose" into a "motivation-invention-implementation-theory and transmission". The "motivation" stage is to find what elements trigger the theme to think management innovation. The "invention" stage is the trial and error of the management practice to be verified. The "implementation" stage includes all the activities from the initial attempt to the period of the new management practice gradually mature, in essence, is a technical process. The "theory and transmission" stage is the theorization of innovation and practice and a social process to form the final institutionalized organization. The most important factor why four stages can be carried out in an orderly manner is the body of the management innovation process -people. The author divides the people who manage the innovation process into two categories, namely, external change promoters and internal change promoters. People of different stages, different roles of bear different tasks.

In the paper of Jingqin Su and Haifen Lin (2011) called "The Review and Prospect of Management Innovation", the management innovation is divided into
four perspectives: the perspective of influencing factors, the perspective of the innovation process, organizational learning perspective and organizational performance perspective. Then management innovation is divided into four stages that the incentive stage-the invention stage-the implementation stage-the theory and the identification stage. In the paper of Shiping Shuai (2005) called "the capacity of the main body on management innovation", the management innovation is divided into the stages of "problem stage-problem analysis stage-program formulation-program implementation-control and revision".

In the paper of Yuanyuan Lu and Lei Xue (2009) called "Research on the Concept Model of Enterprise Management Innovation in the Background of the Social Transformation", the management innovation is divided into goal innovation, task innovation and means innovation. In the means innovation of management, it puts forward three key points: the basic form analysis of management, the starting point of management thinking, human nature analysis of management. The conceptual model suggests that the real social relations and the accumulation of traditional culture determine the basic assumption of human nature and managers will unconsciously design their own management models with such mortal human nature assumptions. They will adjust human nature assumptions according to the practical results of the management model, then adjust the real social relations and ultimately build a new management model instead of the original management model to achieve management innovation.

In general, the divisions of the process of management innovation are summarized as follows: the observation stage, the planning stage, the execution stage, the feedback stage and the reprocessing stage. In fact, the essence of innovation is the path from the problems finding new, better links and solving the problems.

Based on the process of management innovation, we can divide management innovation into two categories: one is micromanagement innovation and the other is macro management innovation. Micro management innovation refers to the in-depth study of some specific types selected in accordance with the management innovative functions, thus forming the strategic management innovation, the supply chain management innovation, the business process reengineering, the total quality management and the marketing management innovation and so on. Macro management innovation includes a variety of management innovation types to explore the common and regularity.

The Characteristics of Management Innovation

In the paper of Li Yun (2014) called "The Analysis of Management Innovation", the characteristics of management innovation are summarized as uncertainty, the innovation protection and destructive, the innovation contingency and opportunity. In the paper of Shaoqing Lu (2015) called "Research on the Enterprise Management Innovation in China's Market-oriented Reform", combined with the characteristics of management and innovation, based on the multi-level and multi-dimensional of management, it believes that management innovation is based on the modern corporate governance structure and regarding the modern management process as a prerequisite. Ruilan Wang (2003) combined with the thinking about management innovation from the aspect of economics, argues that in the management
innovation, there is the uncertainty of the external environment, the information asymmetry, the dynamics and complexity of process, the limited rationality of innovation body and the limit of innovation capacity, the indispensability of support resources and the uncertainty of management innovation performance.

In fact, in the summary of the characteristics of management innovation, the perspectives of different experts and scholars are different. In this paper, the classification of management innovation is based on the point of management innovation implementation. The uncertainty of environment and the dependence of the information correspond to the observation stage; the natures of the perspective, the overall, the system and the continuity correspond to the planning stage; the natures of the system, the personnel's bounded rationality correspond to the execution stage; the evaluation ability corresponds to the feedback stage; the adjustability corresponds to the reprocessing stage.

The Meaning of Management Innovation

In this research of Qiongjie Zhou (2013) on the enterprise management innovation, it discusses the necessity of enterprise management innovation and points out that management innovation is the key factor of enterprise's core competitiveness, an important source of the sustainable development and the fundamental way to improve the economic benefit. In the paper of Xinxin Wang (2005) called "Research on the Enterprise Management Innovation", it considers that management innovation is the foundation for scientific management, the needs of the organizational resource integration, the social system operation and the social development. In the era of knowledge economy, the enterprise management innovation is at the root of vitality. Peineng Zeng (2011) proposes that management innovation is conducive to enhancing the initiative and foresight, to allocate enterprise resources and to explore the inherent laws of management. The enterprise management innovation can affect the way of cooperation and guide enterprises to pay more attention to the quality of staff and the comprehensive performance management. Guotao Fu, Wensong Zhang (2013) in the "Management World" have discussed the importance of the government management innovation. To promote the government management innovation is the inherent requirement of democratic politics, the objective need of improving the market economy system and the urgent requirement of economic globalization and informatization.

The meaning of management innovation is derived from the definition of management innovation itself. It is necessary and even indispensable to reorganize the organizational elements in order to attain maximum efficiency. It is necessary to carry out management innovation in different areas of the business administration and public management, and so is for each subdivision of management.

THE MEANS OF MANAGEMENT INNOVATION

In the paper of Zaomin Li, Jingqin Su and Yibo Lu (2012) entitled “A Research Review of Management Innovation from the Perspective of Rationality", the method of management innovation is classified as the case study method, the statistical research method, and other research methods. Other researches include the mathematical model method, the deduction method, the economic analysis
method and the empirical comparison method. Yuanyuan Lu (2009) proposed the KJ method. Xiaohui Wang and Lin Lin (2011) put forward the key factor model of SME management innovation in the paper entitled "Research on Key Factors of SME Management Innovation". For different management innovation objects, the main bodies of the management innovation seek different methods. Seeking the methods of management innovation is always following certain standards and principles. Jing Lu (2002) mentioned the principles in the paper "Management Innovation can promote the Sustainable Development of Enterprises", that is, the principle of restoration, the principle of cork, the principle of cross-synthesis, the principle of compatibility, the principle of not afraid of making mistakes. The principle of restoration is to break the limitations of existing things, seeking to form the origin of innovation of existing things. The principle of the barrel is to find the bottleneck factors that restrict the development of things. The principle of cross-synthesis can be obtained by cross-synthesizing the theories of various disciplines. The principle of compatibility is to adhere to extensive absorption. The principle of not afraid of making mistakes is a process including continuous trials and errors, so the methods of management innovation are almost derived in the induction and comparison. This paper argues that different stages of observation, planning, execution, feedback, and reprocessing should also correspond to different methods. In other words, different programs should have different updated method libraries. Table 1 summarizes the various management innovation methods.

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<tr>
<th>Method name</th>
<th>Method overview</th>
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<tr>
<td>Brainstorming</td>
<td>Through the group talk, you can play a group of collective creativity in a short time so as to get more ideas.</td>
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<tr>
<td>Comprehensive method</td>
<td>To create new ideas by using known things as a medium, combining unrelated and different knowledge elements.</td>
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<tr>
<td>Reverse thinking method</td>
<td>Reverse thinking is anti-conventional, anti-traditional, so it has different characteristics with the general thinking.</td>
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<tr>
<td>Checklist method</td>
<td>With a list of items based on the problems to solve one by one to check, from all angles to induce a variety of creative ideas in order to promote the creation, inventions and innovation, or solve the problems of work.</td>
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<tr>
<td>Imitating innovation method</td>
<td>Most of the inventions of mankind begin with imitation, and then enter the original.</td>
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<tr>
<td>Information intercourse</td>
<td>Through the expansion and convergence of a number of types of information in a certain direction of, we can stimulate creative thinking and put forward innovative ideas.</td>
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<tr>
<td>Key factor analysis</td>
<td>Through the factor analysis of affecting organizational performance, we can identify key factors and improve key factors.</td>
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<tr>
<td>Mathematical modeling method</td>
<td>STEPHEN uses the means of building mathematical model, pointing out that enterprises should introduce new ways of management to maintain business faced with pressure.</td>
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<tr>
<td>Deduction method</td>
<td>A method of measuring the contribution of management innovation in the economic growth.</td>
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<tr>
<td>Economic analysis</td>
<td>A method which can analyze the enterprise management innovation from the perspective of economics.</td>
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<tr>
<td>Case study</td>
<td>A method which can extract the experience and valuable theory through the summary of the successful business management practices.</td>
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REVIEW AND PROSPECT OF MANAGEMENT INNOVATION

The Current Situation Analysis of Management Innovation

Management innovation has always been the discussed focus in the area of academia and practice. In the review of the literature, we can find that there is no standardized and complete process and no consensus classification in the existing research on management innovation. At the same time, there are different opinions on the characteristics and nature of the management innovation, so the lack of uniform standards is difficult to form a reference. The summary of the management innovation methods also shows that the management innovative methods are simple. The management innovation includes mainly the interview method, the empirical analysis method, and the case analysis method in the early period, but the recent the management innovation method makes quantitative analysis by means of the statistical point. In general, the perspective of the existing management innovation approach is relatively simple.

In the paper of Yufan Bao, Liwen Tan, Lu Wang (2013) entitled "Analysis and Prospects of Management Innovation Research Situation", it considers that the management innovation research in the early period revolves around the motivation, the process and the dissemination of management innovation. Later, the research is mainly focused on the two factors influencing factors and performance effects of management innovation. At present, due to the extension of the concept of management innovation, the assessment methods of the present situation of the management innovation are also diversified. A large number of management innovation categories lead to the forms bound to show a "flourishing" situation. MeiLing's technology-driven cost management, Toyota's voucher system, GE's network management, Samsung's international management, Haier's market chain management, Vanke's unique "6+2" business management model, WangLaoJi's brand marketing management are actually the specific performances of management innovation. As management involves all aspects of government and business, management innovation will become the eternal topic of enterprise survival. In recent years, with the rapid development of the global economy, the Internet era not only makes it convenient for people's lives and provides opportunities for the development of enterprises around the world, but also brings many challenges for the development of enterprises. No development means retrogression; no innovation means outdated. Management innovation plays a role of platform in many innovations, and plays a key coordinating role, so management innovation is bound to become the main body of innovation.

The Prospects of Management Innovation

In recent years, different management areas have emerged a variety of new ideas and new ways. There are TQM, JIT, PPP, EPC, CRM, 3A supply chain management, the empirical management model, the dolphin management model. Many changes in the field of management methods, in fact, will lead to organizational changes, after many trials and errors, eventually will derive into management innovation.

Management innovation started late, which is a new development area with great space. After determining a consensus management innovation process, we will
further develop a more standard and more comprehensive theoretical system of management innovation in the future through the analysis of the mechanism of different stages, the involving subject, role objects, the predictive evaluation and other aspects. The author believes that the management innovation in the future will deepen, reinforce, derivative and organize the existing management innovation theory and will further subdivide the main body of management innovation and explore the elements impacting management innovation deeply, and will find and verify the execution and the implementation mechanism of management innovation through the logical deduction and the empirical verification. At the same time, we focus on the horizontal and vertical transmission of management innovation.

CONCLUSION

From the aspects of expression, management innovation can be subdivided into gradual innovation and mutant innovation. From the perspective of management, management innovation can be subdivided into different categories such as concept innovation, organizational innovation, system innovation, strategic innovation and cultural innovation. This paper argues that business innovation and public management will be the two main areas of future management innovation. The division can be fully inclusive of diverse forms of management innovation. In the process division of management innovation, this paper combines the theory of "motivation-invention-implementation-theory and transmission" from previous scholars, with the PDCA cycle flow chart, obtained the division method of five-stage: observation, planning, implementation, feedback, and retreatment. Through the comprehensive analysis of management innovation, the division of management innovation process and the summary of management innovation characteristics, the final selection of scientific management innovation method combines the status of management innovation and future prospects, eventually forming a systematic management innovation system.

REFERENCES