

Implementation of management innovation – a precondition for the development of local government effectiveness: evidence from Croatia

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Abstract: *The literature in the field of innovation is mainly focused on the different aspects of technological innovation. However, during the last fifteen years, there has been an increase in studies of other forms of innovation which are, according to their characteristics, non-technological. The purpose of this paper is to explain the concept of management innovation as a distinctive type of non-technological innovation and its impact on the implementation of other innovation types. The need to research management innovation in the public sector is gaining in importance due to the ongoing public administration reforms which are often, through the implementation of new methods and management concepts, aimed at increasing public service efficiency and effectiveness. The empirical research has been conducted on a sample of local government units in the Republic of Croatia. The results generally suggest that the implementation of management innovation has a positive effect on the implementation of other types of innovation (service innovation, process innovation and communication innovation) in the local government, i.e. management innovation has a positive effect on the innovation capacity and effectiveness of local government units. The obtained results carry implications for managers in local government units, as well as for those in other public bodies such as state administration.*

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