

The Study of innovation Situation and Innovative Aspect in Business Strategy

Masoumeh Sadat Abtahi

Department of Humanities, Zanjan Branch, Islamic Azad University, Zanjan, Iran

E-mail: m_almasi2020@yahoo.com

Amin Jafari

Department of Management and Accounting, Qazvin Branch, Islamic Azad University, Qazvin,
Iran

DOI: 10.6007/IJARBS/v3-i9/241 URL: <http://dx.doi.org/10.6007/IJARBS/v3-i9/241>

Abstract:

One of the most complicated and valuable organizational capabilities, is the business strategy. Recognition of Characteristics of entrepreneurial behavior has the most importance that makes the opportunities with the self skills and creates it by the means of innovative strategies. The lack of this skill, varied and nice processes of strategic planning would degrade to a brain game, because strategy cannot change the organization without implementation. Thus, we tried to express the characteristics and goals of innovative strategies and essential preconditions for its utilizations in business. More on, in this article we express the role and effect of opportunity and its recognition and the relation of organization life stages and how this business strategy is used and we presented some samples in this paper.

Statistical Society includes all Goldiran service company staff (200 person) that is named "staff" in this study and according to Cochran formula 132 of them are chosen as Statistical sample.

Research method in this study is correlation and Descriptive and data collecting method is field-library and for data analysis we used Liserl 8.7 software. this research results confirmed a significant effect of business innovation effective factors on service improvement in Goldiran Service Company.

Key words: Strategy, Innovation, Organizational Capabilities and Business Strategy.

Introduction:

According to the dynamic environment in competition and velocity, organizations need to be capable of changing their strategic planning rapidly according to environmental changes and adjust it. They mostly seek this topic to achieve a fixed level of new technology. In future we would observe organizations that compete each other for their existence. For several decades the scholars emphasized that companies could gain competitive advantage by creating better and superior value through innovation for customers (Zee, Fok, and Hartman, 2010). Companies that understood the new methods of value creation for customers could create competitive advantage realized that this goal is reached just by the means of innovation

(Yaghoubi, 2010). Innovation is not only exclusively connected with marketing but also one of the key factors of entrepreneurship. Therefore, in this article we try to express and define innovative strategy to essentials, methods, prerequisite to execute this strategy and opportunity role (Petkeviciute and Kalinina, 2010).

Strategic planning and strategic innovation differences

It seems that lots of strategic planning includes reviews in market and rivals, problems like updated market share, income, annual growth prediction. These planning could also include strength, weaknesses, opportunities and threats analysis. Yet, strategic planning in many countries rarely presents an experience in processing and creating new and effective strategy for the future of the company. Furthermore, strategic planning process seems to be a fixed and perennial event and in best reviews is the current strategy in current year (DelCampo, 2007).

Richard Faster and Sara Kaplan in his book named "Creative Deconstruction" mentioned that lack of effective effort on data collection that put current mental pattern in challenge, mostly happens in general strategic planning. The procedure, mostly based on concentration or reanalyze of current businesses and analyze of equal rivals than trying to understand articles is around business or how this model changes (Yang, 2002a).

-Process of strategic Innovation Creation Character

-Creativity

Innovation in strategy needs a creative process not an analysis one. This needs to listen to customers as well to create a new way to design new kinds of the product and use our imagination for new strategies in market (Yang, 2002b).

This is a process that has drawn to the order by strategic planning process but is creatively used. Special cases used for innovation in strategy are: insights which include new understanding of the value. This insight can be gained through listening to the customer and observing their behavior, acts, emotions and their demands and wishes, and also by listening to the experts and industry scholars that express instantaneous and current and future dynamics. Insights quality is a mandatory for innovation in strategy which is not provided by statistics. People with high imagination can participate in strategy innovation process (since anybody has a degree of innovation) but they have to examine their quality tools and mental models before the strategy innovation. Nevertheless innovation in strategy is not an analytical process but a creative one.

-Market oriented

Effective innovative strategy needs new business opportunities to become an important customer-company oriented value to be a helpful concept. After all the turning point has to be customer or market demands not company demands.

-Initiative methods

Innovation process in strategy, in most companies, is not as predictable and linear as strategic planning. Corrective planning and updated numbers have a kind of predictability, so that help you schedule strategic planning for future months. Innovation in strategy is an initiative process

that depends on the quality of provided insights through the path. Innovation in strategy, sometimes, happens quickly and sometimes needs lots of repetitions before the innovation formation. Repetitive nature of innovation process in strategy, means the quality of output could be reduced by requirements like imposed deadlines. It means, sometimes people have to stop the research before gaining required insights just because of end of imposed deadlines. Therefore, a flexible scheduling for initiative nature of innovation process could be more suitable (Meyer, Becker and Vanderberghe, 2004).

Relation of Opportunity and Innovative Strategy:

If we can consider opportunities with three viewpoints: allocation, discovery, creation, Entrepreneur's role in innovative strategy is to make opportunities by a creative destruction.

Relation of organization life stages and innovative strategy:

If we consider organization having a two phase of growth, we can say there is a kind of natural and formative growth route in the first phase of maturity in organizations that according to out of control changes, persuades organizations to create big changes in basic foundation and varies with growth in the first organizational phase. Second phase of organizations maturity is dummy and knowledge-based process and utilization of advanced technologies and beyond this, utilization of new entrepreneurs' capabilities. This phase is called "Institutional Growth phase". In this phase entrepreneur role and innovative strategies will be highlighted. These articles have to be considered:

- organizations' preparation for all changes in structures which include size and human resource quality, business policies, software and brain game Facilities and the financial field.
- preparation of managers, organization owners or founder Entrepreneurs organizations in fulfilling capabilities area and special skills that includes macro-attitude in business policy determination, get teamed up and leading professional groups, decision makings according to network process, power acquirement and determination of executive order.
- utilization of innovation from sectional and Interrupted status to continuous structure and accelerate it to vital areas like marketing, venture capital absorption, produce and design process of products and services.
- Enjoyment of innovation based strategy which competitiveness is used in, being an opportunity not a challenge.

Thus, Entrepreneur role as a guide is obviously considered in this study. This research was done in Goldiran service company and seeking the answer of this question:

1-Does the additional service creation for valuating current customer products lead to business innovation increase in Goldiran service company, in the staff point of view?

Research Methods:

The study has a practical target and the goal is identifying effective factors on business innovation in Goldiran Service Company and has a solidarity method. The place territory is Goldiran Service Company. Statistical Society is all the staff of the company and are named briefly "staff" and they are 200 people. According to the total numbers 132 person are chosen by variables like sex, age, and experience as the sample size. Descriptive and inferential methods will be used for data analysis. Descriptive Statistics is used for analyzing demographic

variables and we used Lisrel 8.7 software for measuring effective factors on business innovation. T & χ^2 Test and rout analysis will be used and for Prioritization the average attitude and Orientations Tukey post hoc test will be used and Cronbach's Coefficient Alpha was applied for the questionnaire credit test.

Result:

Table1- Analysis of" additional service creation for valuating customer's current products" answer

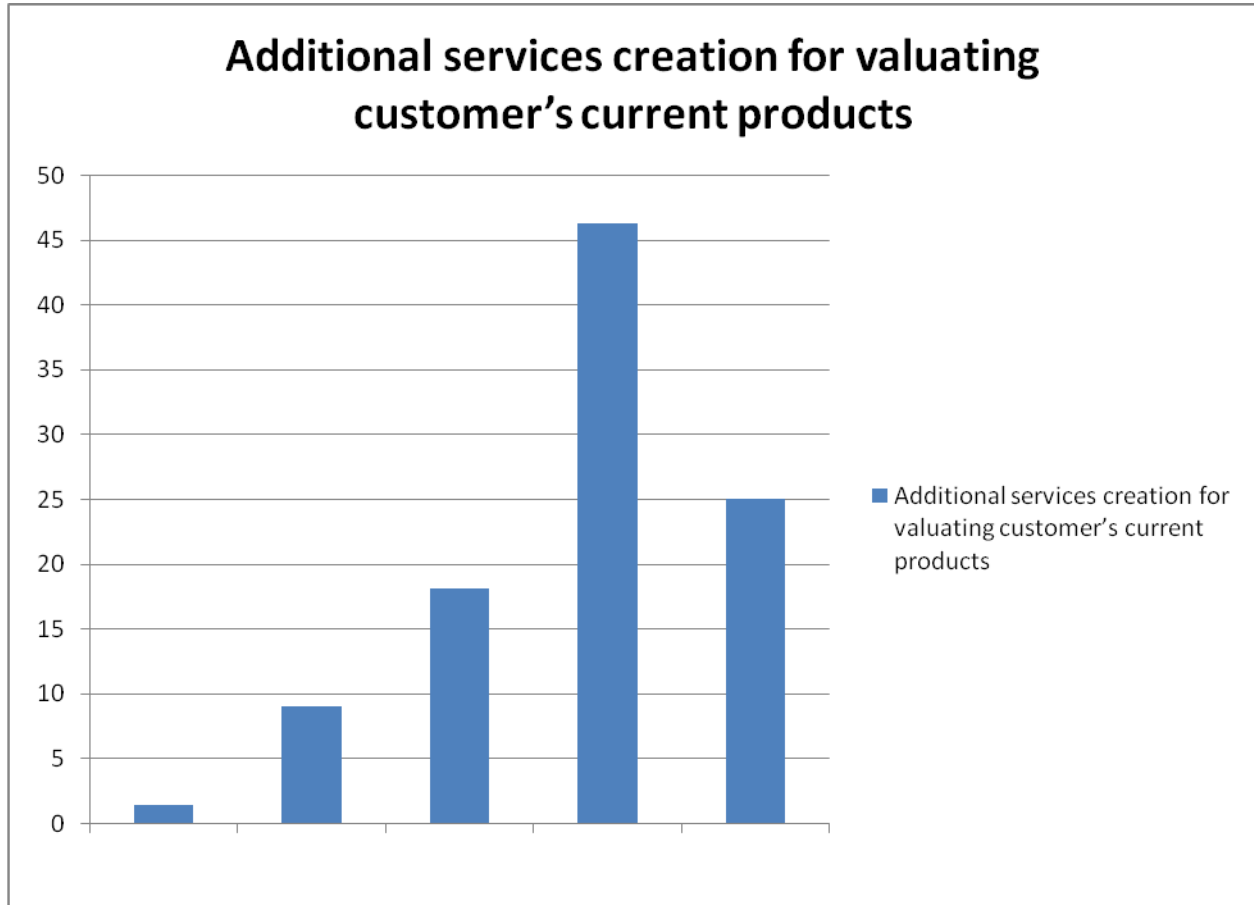
		disagree	no idea	Semi agree	agree	Totally Agreed	Total
Does repacking current services and adding new advantages and completely new services creation lead to business innovation increase in Goldiran Service Company?	No.	7	16	20	47	42	132
	Percent	5.30	12.12	15.15	35.61	31.82	100.00
Does the additional service creation for customers that can't afford to buy more products but pay for the extra service that values the product more lead to business innovation increase in Goldiran Service Company?	No.	10	19	25	33	45	132
	Percent	7.58	14.39	18.94	25.00	34.09	100.00
Does getting customers teamed up and planning for additional services creation for them in regular periods lead to business innovation increase in Goldiran Service Company?	No.	7	17	19	47	42	132
	Percent	5.30	12.88	14.39	35.61	31.82	100.00
Does the service agent training for additional service creation for customer well, lead to business innovation increase in Goldiran Service Company?	No.	2	10	18	41	61	132
	Percent	1.52	7.58	13.64	31.06	46.21	100.00

Does making service agents do the services and maintenance contract with customers based on the standard lead to business innovation increase in Goldiran Service Company?	No.	4	15	27	39	47	132
	Percent	3.03	11.36	20.45	29.55	35.61	100.00
Total	No.	2	12	24	61	33	132
	Percent	1.52	9.09	18.18	46.21	25.00	100.00

The analysis of the First question of the study (table1) showed that in "repacking current services and adding new advantages and completely new services creation" 67.42 percent of respondents (89 person) believed that it increases innovation in the company and also viewpoint of the 59.09 percent (78 person) the additional service creation for customers that can't afford to buy more products but pay for the extra service that values the product more results in innovation increase. In the viewpoint of 67.42 percent (89person) getting customers teamed up and planning for additional services creation for them in regular periods innovation increase. 77.27 percent (102person) believed that the service agent training for additional service creation for customer well, leads to innovation in the company.65.15 percent (86 people) believed that making service agents do the services and maintenance contract with customers based on the standard has the same result.

In a general view 71.21 percent of Respondents (94person) believed the additional service creation for valuating current customer products lead to business innovation increase in Goldiran Service Company.

To evaluate if this increase business innovation in the company, we applied T test for the group and in comparison with the average of Likert Spectrum (NO.3).



One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
C	132	3.8150	.90812	.07904

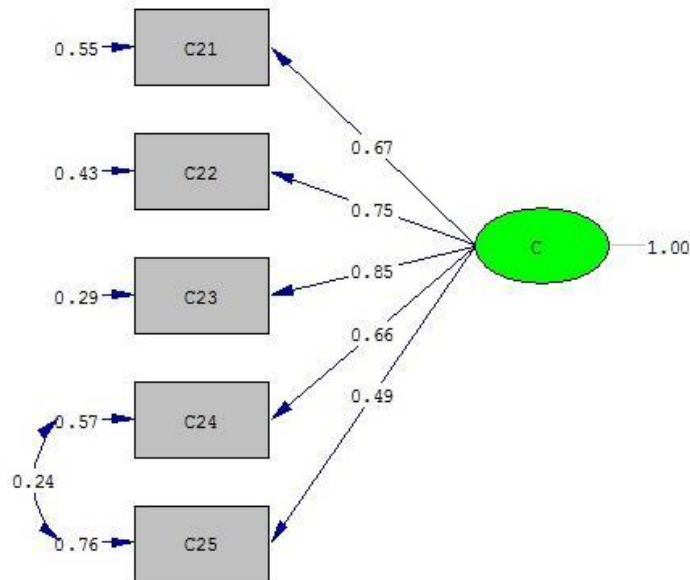
Table2- average and Standard deviation of the sample

One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
C	10.311	131	.000	.8150	.6586	.9714

Table3- T test for the significance of research question

The top tables result shows the average answer of is 3.81 which is significantly bigger that "3 " because the level of test eloquence rate is 0.000 which rejects the zero theory based on the number3 and average equality.



Chi-Square=2.27, df=4, P-value=0.68676, RMSEA=0.000

Diagram1-first question of research rout analysis

Digram1 shows by standardizing these coefficients routs and their combination in question we achieve additional services creation factor for valuating current customer's products.

Conclusion:

The study results showed that additional service creation for valuating customer's current products and developing appropriate internal metrics for services can both play an effective role in advancing organization's goals. Therefore, creativity deals with constructing and finding new ideas and innovation in utilization of ideas (Gautam,2004).

From a managerial point of view, creativity is not sufficient alone and thoughts needs to be seen in practice and this is well done by applying new ideas in management planning. Any successful planning needs hundreds of applied ideas. The ultimate success and sometimes even the persistence of the organization, depends on programmer capability in creating and using new thoughts (Janssen, 2004). Planning task includes presenting a definition of organization goals, determination of a general strategy to reach these goals and comprehensive hierarchical of the programs to integrate and coordinate the activities. A good program has to be so much balanced to consume available resources for all tasks in a balanced way (Lok and Crawford, 2001). Furthermore, short term advantages should not be sacrificed by long terms or vice versa. The program must be as flexible as we can make any change in resource allocation. Additionally, it also has to be flexible in newly changed conditions so that even if the future

events did not happen by schedule, the previous one can be used with some changes and compliance with the new position (Morrison, 1997). A program has to be simple and cathedral through the innovation and creativity emerge in the organization. Generally, creativity and innovation power and informed and constructive ideas plays a considerable role in planning and policies (Petkeviciute and Kalinina, 2004).

There are seven properties that present organizational culture extract, which is:

- 1-innovation and risk ability: the amount that staff is encouraged to innovation and risk ability
- 2-details attention: the amount of attention staff has to pay for details, being accurate and analyze affairs.
- 3-results attention: amount of attention manager has to pay for” results” not “executive methods that caused the result”.
- 4-organization member’s attention: amount of attention that manager has to pay while making a decision and member’s participation.
- 5-team attention: amount of affairs and activities based on team not people.
- 6- Ambition: degree of members and people ambition and not be submissive and passive
- 7- Stability: the amount of organization emphasis on the maintenance of current situation and this in contrary with growth and improvement process.

An innovative organization needs an innovative strategy because without a specific one, organizations cannot control basic changes in future. For an integrate innovation development, innovation management approach is needed which studies company modernization in a holistic way.

Petkeviciute and Kalinina (2004) has depicted how to draw innovation strategy so simply and applied. They simulated an innovative and growing business activity creation to a football game and expressed that organizations need a “game plan” for success in order to select effective innovative strategies intentionally. Another effective factor in executing innovative strategy utilization is knowledge role in organizations .innovation is not formed except by knowledge overflow. company comes to innovates by the means of technical knowledge and by their knowledge about networks leads to the emergence of these innovations .therefore, we can say knowledge related to product quality process and relation to active players in business like providers and customers makes the organization come to innovation and commercialize innovation and finally affect the company’s operation.

Corresponding Author

Masoumeh sadat Abtahi

Department of Humanities, Zanjan branch, Islamic Azad University, Zanjan,
Iran,(m_almasi2020@yahoo.com)

References

Gautam, T., Rolf, V.D. and Ulrich, W. (2004), “Organizational identification and organizational commitment: distinct aspects of two related concepts”, *Asian Journal of Social Psychology*,

Vol. 7 No. 3, pp. 301-15.

-Janssen, O. (2004), "The barrier effect of conflict with superiors in the relationship between employee empowerment and organizational commitment", *Work and Stress*, Vol. 18 No. 1, pp. 56-65.

-DelCampo, R. (2007), "Psychological contract violation: an individual difference perspective", *International Journal of Management*, Vol. 24 No. 1, p. 43.

-Grimmer, M. and Oddy, M. (2007), "Violation of the psychological contract: the mediating effect of relational versus transactional beliefs", *Australian Journal of Management*, Vol. 32 No. 1, pp. 153-74.

Lok, P. and Crawford, J. (2001), "Antecedents of organizational commitment and the mediating role of job satisfaction", *Journal of Managerial Psychology*, Vol. 16 No. 8, pp. 594-613.

Marchiori, D.M. and Henkin, A.B. (2004), "Organizational commitment of a health profession faculty: dimensions, correlated and conditions", *Medical Teacher*, Vol. 26 No. 4, pp. 353-8.

-Meyer, J.P., Becker, T.E. and Vanderberghe, C. (2004), "Employee commitment and motivation: A conceptual analysis and integrative model", *Journal of Applied Psychology*, Vol. 89 No. 6, pp. 991-1007.

Morrison, K.A. (1997), "How franchise job satisfaction and personality affects performance, organizational commitment, franchisor relations, and intention to remain", *Journal of Small Business Management*, Vol. 35, pp. 39-67.

Omdahl, B.L. and O'Donnell, C. (1999), "Emotional contagion, empathic concern and communicative responsiveness as variables affecting nurses' stress and occupational commitment", *Journal of Advanced Nursing*, Vol. 29 No. 6, pp. 124-36.

Petkeviciute, N. and Kalinina, I. (2004), "Factors increasing employees' organizational commitment", *Organizacijų vadyba: sisteminiai tyrimai*, No. 31, pp. 179-93.

Porter, L.W., Steers, R.M., Mowday, R.T. and Boulian, P.V. (1974), "Organizational commitment,

-Yang, Y. (2002a), "Human resource management practices in the UAE private sector: patterns, evolution and challenges", *Development and Policy Series*, No. 10, Tanmia, Dubai.

-Yang, Y. (2002b), "Retaining the UAE National Employees in the private sector: findings of two surveys and lessons to human resource managers", *Labour Market Series*, No. 18, Tanmia, Dubai.

-Yaghoubi, M., Raesi, A.R., Afshar, M., Yarmohammadian, M.H., Hasanzadeh, A., Javadi, M. and Ansari, M. (2010), "The relationship between the learning organization and organizational commitment among nursing managers in educational hospitals of Isfahan University of Medical Sciences in 2008-09", *Iranian Journal of Nursing and Midwifery Research*, Vol. 15 No. 2, pp. 78-82.

Zee, S.M.L., Fok, L.Y. and Hartman, S.J. (2010), "Employee perceptions of individual and organizational commitment to the green movement and their impacts between male and female subjects", *The Coastal Business Journal*, Vol. 9 No. 1, pp. 24-30.