

Examining the Effect of Business Innovation on Product Quality in Goldiran Company

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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. 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.

Keywords: Strategy, Innovation, Organizational Capabilities and Business Strategy.

Introduction:

Organizations that struggle to improve products and services more and better and compete each other on the delivery time and quality (Horbach,2008). These organizations try to use modern behavioral methods and motivate staff for their existence and reaching goals in order to be in expediency organizations path(Inklaar, Timmer, and Van Ark,2007). The article that is attended these days by organization experts is use of innovation in organization strategies in order to achieve stability, flexibility, competitive advantage and value creation. There is no specific and clear definition of this strategy. These strategies are used in organizations and are considered as inherent innovation strategies (strategy based on open-competition organization engineering). There is a discussion about innovation in organization strategies

from 1956 when managers overview their organizations and try to put flexibility in their strategies and strategic planning's.

This strategy is useful in organizations that have reached a special maturity level and growth that innovation need is obvious. This is not a pervasive policy and needs to be programmed for each organization and institute specially (opportunities in each organization differ from others).

More on us mention two samples of definitions of innovative strategy:

- Strategies that lead to value creation in organizations and institute.
- Innovative changes in organizations that lead to additional value creation in activities and organization processes(Mookherjee and Ray,1986).

Innovative Strategy Definition

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Organizations failure in Planned Strategies Implementation Reasons

More than 90 percent of strategies fail and can't achieve basic goals and the reason mostly is not because of the strategy weakness and its hidden ideas. Myriad valuable strategies in implementation stage face the problem and failure(Shapiro and Varian,1999).

Two main reasons could be listed as:

Management Skills

Organizations usually run by management capabilities but strategic implementation needs leadership more than management. We never seek to develop leadership competences. Scientific and academic centers deals with developing management capabilities than improving managers leadership talent, therefore we lack suitable leadership.

Strategy And Operation Gap In Organization

There is a gap between strategic layer (leadership) and operational layer (management). Many cases that we have noticed, executive decision and plantings would be implemented, despite the policies and strategies while there are valuable strategies on paper(Jiang, Bass, and Bass,2006).

Lack of a suitable mechanism for converting strategy to a plan and operational and routine goals could be mentioned as the main reason for this.

Policies are the most important factor of compatibility creation and synergistic in organization(Stock,2011). A strategy implementation needs organizational policies support

and in order to achieve this, first we have to settle suitable policies in organization before the new strategy execution (Kindstro and Kowalkowski, 2009). An innovative and creativity based strategy is needed to accompany policies which encourages risk reception (innovation) (Langerak, 2003).

Research methods

This research was done in Goldiran service company and seeking the answer of this question: 1-Does suitable internal size creation for service like customer learning cost and...beside the sale sizes like sale report, product net worth lead to business innovation increase in Goldiran service company?

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:

Table 4

Analysis Of "Developing Appropriate Internal Metrics For Services" Answer

		disagree	no idea	Semi agree	agree	Totally Agreed	Total
Does the service pricing separately beside product sales price lead to business innovation increase in Goldiran Service Company?	No.	14	29	35	26	28	132
	Percent	10.61	21.97	26.52	19.70	21.21	100
Does the price change in service and valuating the presented service lead to business innovation increase in Goldiran Service Company?	No.	13	27	33	33	26	132
	Percent	9.85	20.45	25.00	25.00	19.70	100
Does the measurement of service quality variable to customers as a quantity index beside other indexes lead to business innovation increase in Goldiran Service Company?	No.	7	29	30	44	22	132
	Percent	5.30	21.97	22.73	33.33	16.67	100
Does the training and service qualities index definition to the staff and sales managers for increasing their insight lead to business innovation increase in Goldiran Service Company?	No.	4	14	14	52	48	132
	Percent	3.03	10.61	10.61	39.39	36.36	100
Does reminding and defining services quality index to service staff and managers in order to increase their insight lead to business innovation increase in Goldiran Service Company?	No.	4	15	25	49	39	132
	Percent	3.03	11.36	18.94	37.12	29.55	100
Total	No.	3	25	49	37	18	132
	Percent	2.27	18.94	37.12	28.03	13.64	100

The analysis of the First question of the study (table4) showed that in” the service pricing separately beside product sales price” 40.91 percent of respondents (54 person) believed that it increases innovation in the company and also viewpoint of the 44.7 percent (59 person) the price change in service and valuating the presented service results in innovation increase. In the viewpoint of 50 percent (66person) the measurement of service quality variable to customers as a quantity index beside other indexes leads to innovation increase. 75.76 percent (100person) believed that the training and service qualities index definition to the staff and sales managers for increasing their insight, leads to innovation in the company.66.67 percent (88 people) believed that reminding and defining services quality index to service staff and managers in order to increase their insight has the same result.

In a general view 75 percent of Respondents (99person) developing appropriate internal metrics for services beside internal sale metrics 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).

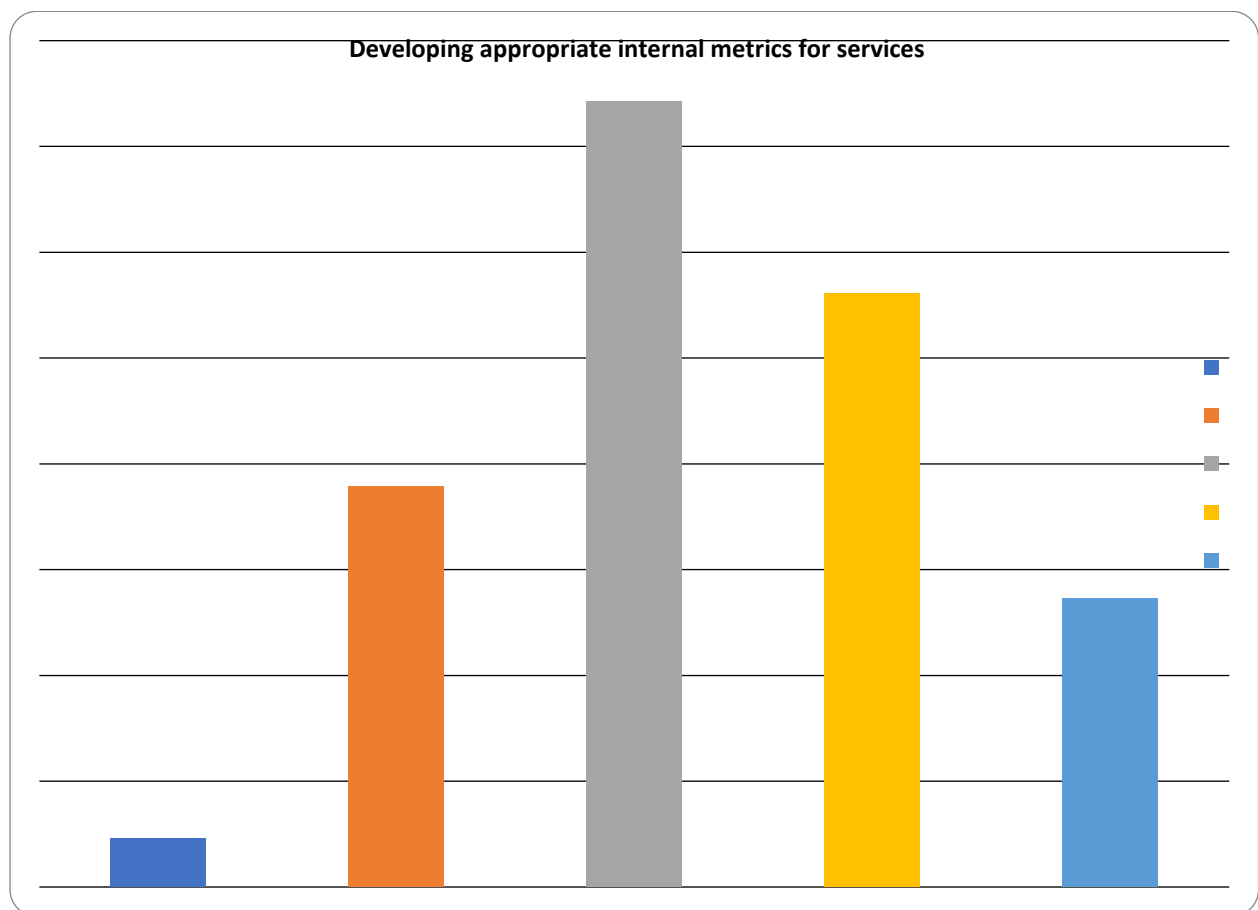


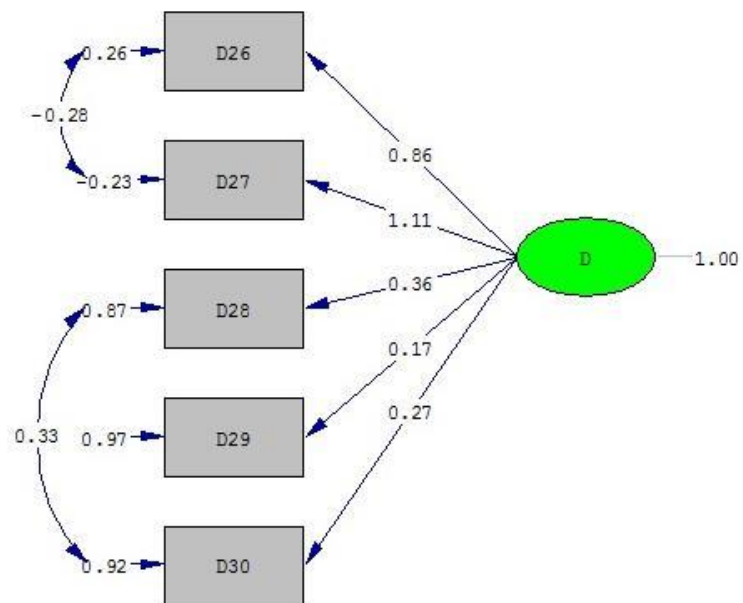
Table 5
 Average And Standard Deviation Of The Sample

	N	Mean	Std. Deviation	Std. Error Mean
D	132	3.3550	1.02484	.08920

Table 6
 T Test For The Significance of Research Question

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
D	3.980	131	.000	.3550	.1785	.5315

Table 4 and 6 also expresses that the average of Respondents answer was 3.53 that is significantly bigger than "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=4.38, df=3, P-value=0.22296, RMSEA=0.059

Diagram2-The Research Second Question Route Analysis

Digram2 shows solution presentation factor for developing appropriate internal metrics for services beside internal sale metrics has an internal validity in staff point of view.

Due to the low negative and high positive variables can be inferred that OCB is equal to three. Previous interpretation of this result is also confirmed. The histograms of the outcome variable encoding.

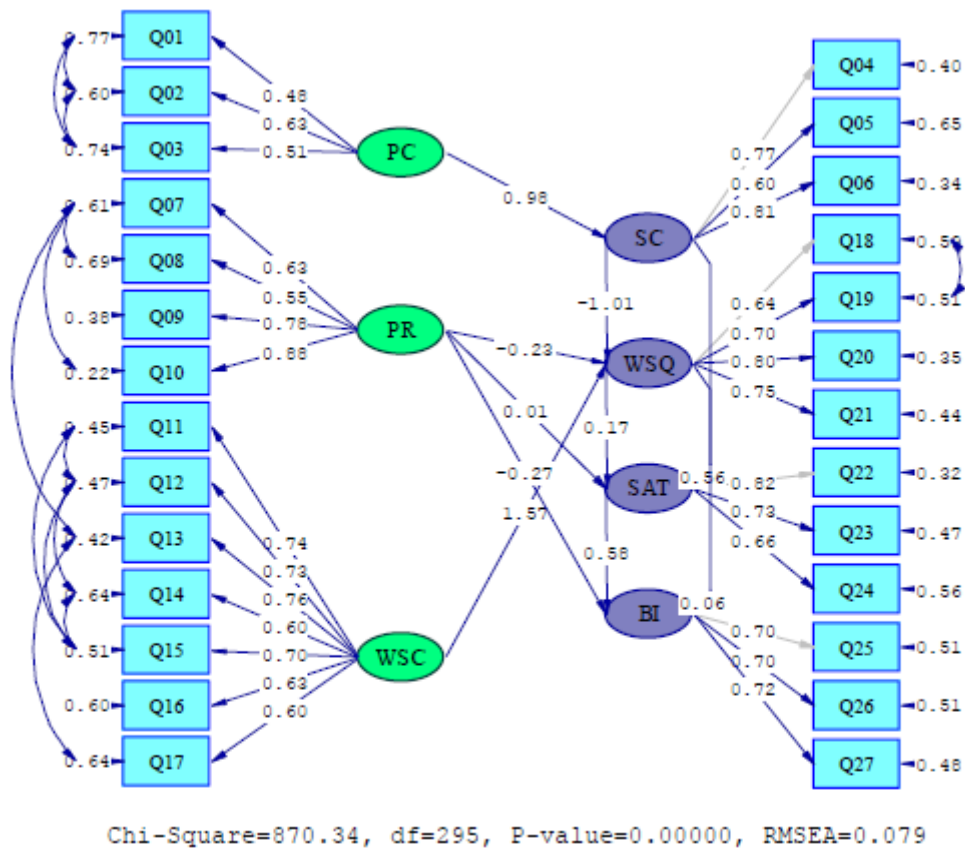


Diagram3-The Research Question Route Analysis

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(Stock,2011). Besides, the plan has to be prepared by staff’s cooperation. Programming is not only the manager’s authority because when a program is imposed to the staff they don’t feel responsibility(Ulaga. and Reinartz,2011). Manager’s cooperation also, leads staff to work with intimacy and effectuality to fulfill the program and this increases creativity(Sood , James and Tellis,2009). Generally, this is accepted that “individual innovation and risk tolerance” are key properties of that separates cultures .individual innovation is responsibility, independency ,freedom degree that people have inside a culture and risk tolerance is the range of staff tendency for innovation and improvement and risk. Live and dynamic organizational structures has a positive effect on creativity and innovation, since these structures has less centralization and formality and can adjust itself to environmental needs with more flexibility and facilitate creativity and innovation. Flexible structure makes information exchange and connections easily and makes people participate in decision making process. Innovation management faces two major challenges: 1-how innovation strategy is classified 2-innovative organization designing and innovative initiatives application. Innovation strategy classification needs understanding for

recognition of each innovation system. Vaona and Pianta, (2008) believes each system has to attend three features before decision making: Complexity, system transactions and their evolution.

These three Components are important for decision making and strategy determination in innovation system. Thus, innovation strategy is one of the building blocks of innovation management.

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