

# THE IMPACT OF INNOVATION ON ACHIEVING THE COMPETITIVE ADVANTAGE IN IRAQI MARKETS APPLIED STUDY (BAGHDAD UNIVERSITY) AS A MODEL

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## Abstract

This study aimed at identifying the impact of innovation on achieving the Competitive Advantage. A questionnaire was used as an instrument of this descriptive study. Samples of 260 managers were randomly selected in top and medium levels of management. The T test, ANOVA, simple and multiple regressions were used to assess the hypotheses of the study.

The results of the study showed that there is a statistically significant impact at ( $\alpha = 0.05$ ) to the innovation dimensions (products, process, technology, and risk taking- personality) on the competitive advantage dimensions (resources, flexibility, quality, and speed on response), and that there is no statistically significant differences in the effect of the innovation on the competitive advantage that can be related to age, gender or marital status.

Depending upon these results, the study concludes a number of recommendations such as the importance of expanded research in such dimensions which reflected less affect than others.

**Key Words:** Innovation, Competitive Advantage, Risk taking – personality.

## INTRODUCTION

Universities around the world have great responsibilities to plan such strategies through adopting the organization's case studies in specified the situation to the students; more over universities excellent for seeking to discover the rapid changes in both external as well as internal environment to select the weaknesses and strength from one side and select the opportunities and threats from another side, then universities will pave the way for gradulators to face the market and know how to manage the situation to achieve sustain for organizations.

Iraqi market after 2003 became an open market to the world and the competition among national organizations or global ones can be described as a dynamic movement; the best will sustain. Threats are the basement of Iraqi market but it is the sources of innovation at the same time, because human being while he is eager to know and seek to gain his target; he will use many methods and trying to innovate in order to achieve his target. Innovation is the practical application to create or produce new good or service (Al Saren , 2000: 27). Thus, universities while adopting innovation will active novel ideas, techniques, or new developed processes that can be accepted in the economic market.

Global business organization realized that knowledge is the key of any development, and this needs a tight relationship between the business organizations as an importing side which importing their experiences from universities which be considered as a dynamic source of knowledge.

Looking for the relationship between innovation and achieving competitive advantage is our target here; depending on knowledge is the basement of innovation that leads it to reach the competitive advantage.

Thus, the high level of business organization's compete need to adopt intellectual capital, and this can be happened as this paper will talk, through a joint tight relationship between universities as well as business organizations.

## Review of Literature

Abdul Wahab Buba'at (2012) this study trying to search for the role of innovation in activating and developing the telecommunication organizations, this study hold at Algeria, its results were illustrated through using SPSS, and the main results that any organization should has innovation to continue and sustain in a dynamic economic life, and this can be happened through importing knowledge from universities.

Abdullah Qaed Galeb Ali (2012) this study was adopted in another sector of business, it was adopted in Islamic banks in Yemen. This study aroused a question (Could the Islamic banks sustain and develop as commercial banks through having competitive advantage?), the results showed the whole five Islamic banks in Yemen insisted on knowledge and the exchangeable experiences that should be present through joining knowledge relationship between business organizations and universities. This study depended on analytical methods to reach its results.

Urbancova Hana (2013) this study treated both innovation and knowledge to achieve the competitive advantage. The study took place in Republic of Chic, it aimed to find out the advantages of knowledge and innovation and their impact upon sustain and develop of any organization, it insisted on personal skills of human resources that trained and polished by knowledge and learning. It showed its results through using questionnaire and then analyzing them by using SPSS.

Justin, William, and Jennife (2012) this study insisted on the competencies that leads to sustain and development, not only for business organizations but for all aspects of life.

This study adopted a model of American Association of Training & Development (ASTB) which reflects certain novel competencies that any organization has to follow to sustain. Harrington. J & Voehj. F (2012) this study compared some organization in USA & Canada and how could some organization develop and sustain while others are not. It showed that creating novel ideas, adopting ideas, reaching for customer needs, using technology, and adopting universities' researches and studies has a great impact upon innovated management, and this innovation results the increasing of share market then achieving the competitive advantage.

**Objectives of the Study**

Business organizations now days depending on (what is new?) and (know how?), and these are the two main ideas of this study because only by knowledge; organization can take its part to develop and sustain. Meanwhile knowledge needs a basement to start and universities could be this basement according to its ability to discover and create the innovators who try all the time to change and add new values to their future. Thus, this study will discuss the matter in details and how it affects the Iraqi Market especially after Oil crisis and ISIS region.

**Hypothesis of the Study**

Based on reviewing the literatures, the following null hypotheses were formulated to prove or reject the hypotheses of the study:

- H1:** Innovation (products, processes, technology, risk-taking personality) have a positive impact on competitive advantage (resources, flexibility, quality, speed of response) in Iraqi Market.
- H2:** Innovation (products, processes, technology, risk- taking personality) have a positive impact on competitive advantage (resources) in Iraqi Market.
- H3:** Innovation (products, processes, technology, risk- taking personality) have a positive impact on competitive advantage (flexibility) in Iraqi Market.
- H4:** Innovation (products, processes, technology, risk- taking personality) have a positive impact on competitive advantage (quality) in Iraqi Market.
- H5:** Innovation (products, processes, technology, risk- taking personality) have a positive impact on competitive advantage (speed of response) in Iraqi Market.
- H6:** Innovation (products, processes, technology, risk- taking personality) have a positive impact according to personal & demographical characters (gender, age, job description, educational level, marital status).
- H7:** Competitive Advantage (resources, flexibility, quality, speed of response) have a positive impact according to personal & demographical characters (gender, age, job description, educational level, marital status).

**Period of the Study**

This study covers a period of one studying year in Baghdad University for the studying year 2016-2017.

**METHODOLOGY**

**Sample Frame**

The study examine (2310 students) and (226 lecturer) who selected by Stratified Proportionate Random Sampling Method in Baghdad University that includes (27 Colleges)

and examine many private organizations to improve the questioning tools that used for this study.

**Data Collection Method**

The study mainly depends on the primary data that collected from the structured statements. This study was carried out through survey methods depending on interviews with organizations' managers side by side with primary data. The statements included the innovation dimensions (products, processes, technology, risk-taking personality), and the competitive advantage dimensions (resources, flexibility, quality, speed of response).

**Statistical Tools**

The validity and reliability of the statements were measured. Cronbach's test used in this study to find out the internal consistencies. The statement shows the reliability value is (0.84). Implication from these values indicates that all items used for each component in the statement have high and consistent reliability values. The data were analyzed by statistics soft wear programs AMOS&SPSS TESTS.

**Limitation of the Study**

The out coming data of this study depended on Baghdad University (Students & Lecturers only). The survey was limited because of the political circumstances in other Iraqi governorates that limited the researcher.

**Statement of the Problem**

Most business organizations faced a limitation to have competitive advantage to continue or to sustain under the dynamic circumstances as Porter said in 1986, in which he explained how could business organizations decayed and fade if they insisted on using traditional methods. Here, the researcher will try to find out the impact of innovation on achieving the competitive advantage in Iraqi markets especially the dynamic circumstances is rather different than in other countries, because Iraq from 2003 faced too much challenges especially now under the Oil crisis and ISIS region.

**Findings**

The measure data of the study "the impact of Innovation on achieving the Competitive Advantage in Iraqi Market", showed that all the items loaded different remarks on the corresponding factors, but in all cases there is an obvious effect of innovation on competitive advantage. The results of measuring data as t- value was: t= 12.512 for innovation, and t=1.181 for competitive advantage and the other indicators are as mentioned below.

Fit indices	Acceptable Levels
KOM & Bartlett	0.73/Innovation & 0.88/ Competitive advantage
Chi- Square	527.76/Innovation & 464.11/Competitive advantage
Alpha Chrombag	0.71 /Innovation & 0.47/ Competitive advantage
R <sup>2</sup> (lisper Man)	27.60/ Innovation & 28.09 / Competitive advantage

**CONCLUSIONS & RECOMMENDATIONS**

**Conclusions**

- a. Although, innovation is a skill how characterized to such person but innovation comes from high level of knowledge, and therefor knowledge comes from either training or from learning. In both case university life has a great role on this matter in polishing the future

competencies to service the business market around the world and in Iraq as a specific for this study.

- b. This paper leads the researcher to realize that still all Iraqi Markets, Iraqi Universities, and even Iraqi business sector need high level of knowledge to create the culture of innovation then achieving competitive advantage.
- c. The university programs in universities are less than the global business needs because still studying in Iraq depends on traditional methods (indoctrination & memorization) without using cases or applied methods which could be good source of experiences.

### Recommendations

1. Trying to make joint venture between business organizations and universities in Iraq to find out the causes and results of such cases, and at the same time trying to plan the future needs to serve achieving competitive advantage.
2. Focusing on knowledge and how it could be the main bowel of innovation, creation, development to be side by side with the dynamic changes of the world, especially after many studies that showed that innovation is the tool of increasing the effectiveness and efficiency of any organization.
3. Believing that universities have huge number of competencies that can be considered as the intellectual capital for the modern economy which adopted in some developed countries and called (knowledge economic).

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