
Samsudin WAHAB¹,*, Sofea Adriana A JAMALULIL² and Muhamad Fairos M SHAH³

¹,²Universiti Teknologi MARA, Pulau Pinang Malaysia
³Center for Postgraduate Studies, Universiti Sultan Azlan Shah, Perak Malaysia

*Corresponding author

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Abstract. The purpose of this study is to examine the elements under innovations in influencing the firm performance. The elements proposed were service innovation, process innovation, organizational innovation and marketing innovation. These four (4) elements of innovations were then being analyzed based on data findings from questionnaire survey. 270 respondents have fully answered and returned the questionnaires. The findings of this study show that service, process, organizational and marketing innovations have positive relationship with firm performance. Further suggestion and recommendation are also discussed.

Introduction

Innovation and changes work together in a dynamic and changing environment [1]). When a company poorly innovates, its customers, employees and the community at large can all suffer. Managers must have competencies in order to manage innovation and changes. Past study conducted [2] shows that by the increased of global markets competition, firms have started to understand the significance of innovations because the changes in technologies and global competition promptly erode the benefits of existing products and services. Innovations provide firms with a strategic orientation in order to overcome the problems they encounter while striving to achieve sustainable competitive advantage.

Innovation has an important role in developing firm performance of an organization. Firm performance is associated to the ability of the organization to gain profit and growth in order to achieve its general strategic objectives [3]. To maintain company’s firm performance is not easy and it contributes to a lot of pressures. In fact, all marketers want to be high performing and keep in success but the challenge is what exactly is firm performance and what does success look like? In order to bridge the gap, company must focus on driving the discussion and setting the criteria for firm performance by conducting some innovations to the company. Thus, innovations in influencing firm performance is an important issue that need to look up to.

There are four categories of innovation as reviewed by literature. Firstly is service innovation. Service innovation can be defined as involving innovative or improved the offerings of service that can only be occurred as an outcome of partnering and one that could not be conveyed on single firm merits [4]. Service innovation can also be motivated on the roles of customer and competencies in the service process [5,6]. Besides, most company that produce products still obey to the model of invention where it highlights the conventional, structured processes and platforms for product development that are typical of mature and service innovation has major roles in modeling innovative markets and generating innovative business opportunities [7].

Secondly is process innovation. Process innovation is more internally concentrated while product or service innovation motivates more on the market [8]. It is the operation of a new or improved production or delivery method. This includes substantial changes in techniques, equipment and
software. Process innovations can be used to reduce production or delivery cost, enhance quality or to produce or deliver new or improved products. [9] Process innovation can be defined as deliberate and new organizational attempts to change production and service processes. To be concluded, process innovation can be defined as the firm operates or adapts new technological changes into the business to remain competitive in the market [10].

Organizational innovation is defined as the implementation of an idea or practices that is new to the firm [11,12,13,14,15,16]. [17] stated that organizational innovation is defined as a new technique where job can be systematized and attained within a firm to embolden and stimulate competitive advantage. This can be achieved either through a new product, service, technology, or organizational practice. In order to build better organization, employees need to think outside of the box to solve challenges in the company and endeavor for results that can be considered as something innovative to the firm and even innovative to the industry.

Marketing innovation has influenced on the performance of a company as it successfully seizes the capability of a company to apply new marketing practices that are enclosed in business processes [18]. According to [19], marketing innovation referred as “the expansion of new marketing tools and techniques” and there are two forms of marketing innovation which are the ability to obtain the data of consumer and lessen consumer transactional expenditures. The main purpose of implementing marketing innovation is to see the growth of sales, market share and new markets opening. The idea to implement innovation in the marketing techniques into firms is to bring effectiveness in the industry [20].

Innovations should be one of the important methods in increasing firm performance for growth of the business. In this study, it is intended to measure the relationship of innovations towards firm performance.

**Research Objectives**

The objectives of the study are:

i. To examine the relationship between service innovation on firm performance.

ii. To determine the relationship between process innovation and firm performance.

iii. To establish the relationship between organizational innovation and firm performance.

iv. To identify the relationship between marketing innovation and firm performance.

**Research Hypothesis**

i. There is a relationship between service innovation on firm performance.

ii. There is a relationship between process innovation and firm performance.

iii. There is a relationship between organizational innovation and firm performance.

iv. There is a relationship between marketing innovation and firm performance.

![Figure 1. Research Framework.](image)
Methodology
This research is correlational research in nature. Questionnaire survey was carried out for this research and distributed to the respondents. Population is a target group either the person or the organization. The target population of this study was 15000 employees from 3 broadcasting companies in Lembah Kelang Kuala Lumpur. According to [21] for this number of population the estimate sample size is 375 respondents. In this research, probability sampling design and simple random sampling technique was considered.

Research Finding

Reliability Analysis
All the variables meet reliability score assumptions which are above 0.7 Cronbach alpha values. Whereby Service innovation 0.86, Process 0.94, Organization 0.89 and Marketing innovation 0.91. This score ensure the consistent and stability of independent variable measurement.

Table 1. Model summary of regression analysis.

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<th>Model Summary</th>
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Based on Table 1, the R Square (R²) result is 0.812. Thus, the fitness of the model is 81.2% where firm performance can be predicted by service, process, organizational and marketing innovations.

Correlation Analysis

Table 2. Correlation analysis result.

<table>
<thead>
<tr>
<th>Service Inno</th>
<th>Process Inno</th>
<th>Org Inno</th>
<th>Mark Inno</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Inno</td>
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<td>.789**</td>
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<td>Process Inno</td>
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<td>.836**</td>
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<td>Mark Inno</td>
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Table 2 shows a moderate positive of Pearson’s Correlations of 0.789. It means that service innovation is correlated with firm performance. The significant value is 0.000 which is less than 0.05. Therefore, there is significant relationship between service innovation and firm performance which supports the previous study conducted by [22].

Analysis result shows a significant relationship between process innovation and firm performance which supports the study conducted by [23]. Organization innovation also correlated with performance. There is a significant relationship between organizational innovation and firm performance which supports the previous study conducted by [24]. Marketing innovation also positively correlated to firm performance. The result shows that marketing innovation is important to firm performance which supports the previous study conducted by [18].

Suggestion and Recommendation
The findings of this research indicated that all of the variables have significantly benefited to firm performance. Thus, this shows that the company needs to do innovations from time to time to
encourage the growth of firm performance in industry. Besides that, the research finding also shows that marketing innovation was recorded as the highest mean score. Thus the company should emphasize more strategy on marketing innovation. To serve as a leader in media service industry, the company should conduct innovation on promoting methods to attract the market for example such as using social medias and website as a platform to promote prizes and free merchandise for lucky winners or subscribers. Furthermore, the company also should renew the design of the current or new services without altering the common practical and useful structures as well as employs new media or techniques for service promotion for example such as introduces new broadcasting channels from international countries such as Korea, China, Singapore and etc. to bring latest foreign content and entertain Malaysians. This enables viewers to enjoy a string of new and exciting programmes at home.

Conclusion
Marketing Innovation has the highest mean value which can be summarized that ‘Marketing Innovation’ is the most important factor on firm performance. The findings have shown that all hypotheses are accepted, hence, it can be concluded that service, process, organizational and marketing innovations have significant relationship with firm performance. Therefore, this study gives much effect on firm performance of broadcasting context of studies. The company must ensure that innovations are visible to all of the employees as the variables affect the firm performance.

References


