

The Impact of Creativity Orientation in Achieving Competitive Advantage in Pharmaceutical Companies in Jordan

Dr. Mohammad Izzat Alhalalmeh
Associate Prof. - Dept. of Business Administration - Al-Balqa Applied University
Princess Alia University College

Abstract

The study aimed to investigate the impact of creativity orientation in achieving competitive advantage. The study used the descriptive and analytical research methods, which were appropriate for the purpose of research. For achieving the study objectives, a questionnaire was designed and distributed. The target population consisted of all managers, head departments and directors. The researcher used a random sample method and designed a questionnaire to collect data from the study sample. The researcher distributed (90) questionnaires and (15) questionnaires dropped due to incomplete answers; therefore, (75) were analyzed. Different statistical methods were used to achieve the objectives of the study. The results showed that there is a statistically significant impact at ($\alpha \leq 0.05$) level of creativity orientation on competitive advantage in Jordan pharmaceutical companies. The results also concluded that there is a statistically significant Impact at ($\alpha \leq 0.05$) level of creativity orientation on competitive dimensions (quality, flexibility and responsiveness). The study recommends that pharmaceutical companies should alert all employees with the role of creativity orientation in achieving competitive advantage.

Keywords: Creativity orientation, Competitive advantage, Quality, Flexibility, Responsiveness, Pharmaceutical companies.

DOI: 10.7176/EJBM/12-8-06

Publication date: March 31st 2020

1.1 Introduction

Creativity has become an important tool for dealing with new developments, as it has become the key to any competitive advantage, which in its turn is the primary base on which the performance of organizations is based. While it is difficult for business organizations to have competitive edge at all levels and in all cases compared to other competitors, it imposes on it the pursuit of competitive advantages that make it outperform its competitors, and leads it to development and success by relying on resources of an intangible nature, foremost of which is the creative orientation that is a decisive factor in the ability of organizations to achieve competitive advantage, as it is a special tool in the hands of organizations, specifically organizations seek entrepreneurship through the exploitation of the changes as an opportunity to shift and move the product, service, or strategies and policies applicable to what is best to ensure the quality of work at the lowest cost and as soon as possible.

1.2 Study statement

Due to intensive competition witnessed, it has become difficult for institutions that adopt effective competitive strategies to confront and remain in an environment characterized by complex and rapid changes, which requires these institutions to direct their interests towards building and developing competitive strategies that ensure their continuity and superiority over their competitors, which necessitates great attention to the creative approach. Hence, the problem of the study is concentrated in answering the following question:

- What is the effect of creative orientation on achieving competitive advantage in pharmaceutical companies in the Hashemite Kingdom of Jordan?

1.3 Research Objectives

The research aims to identify creativity orientation role in achieving competitive advantages, in addition to the following objectives:

1. To propose a model of how the creativity orientation achieves competitive advantage
2. To write a theoretical framework for the study variables.
3. To provide recommendations for the decision makers.

1.4 Research significance

The research importance stems from the importance of the topic it deals with represented by creative orientation. The subject of the study research and its importance come from the following:

1. It helps pharmaceutical companies to activate the creative orientation in a manner that helps these companies to achieve competitive advantage.
2. Increasing Jordanian companies' awareness regarding the benefits of creativity orientation.

1.5 Research Hypotheses

The main hypothesis:-

H0-1 There is no statistical significant impact of creativity orientation at level ($\alpha \leq 0.05$) on competitive advantage in pharmaceutical companies in Jordan.

This hypothesis is divided into the following sub hypotheses:

H01.1: There is no statistical significant impact of creativity orientation at level ($\alpha \leq 0.05$) on quality in pharmaceutical companies in Jordan.

H01.2: There is no statistical significant impact of creativity orientation at level ($\alpha \leq 0.05$) on responsive in pharmaceutical companies in Jordan.

H01.3: There is no statistical significant impact of creativity orientation at level ($\alpha \leq 0.05$) on flexibility in pharmaceutical companies in Jordan.

1.6 Research Model

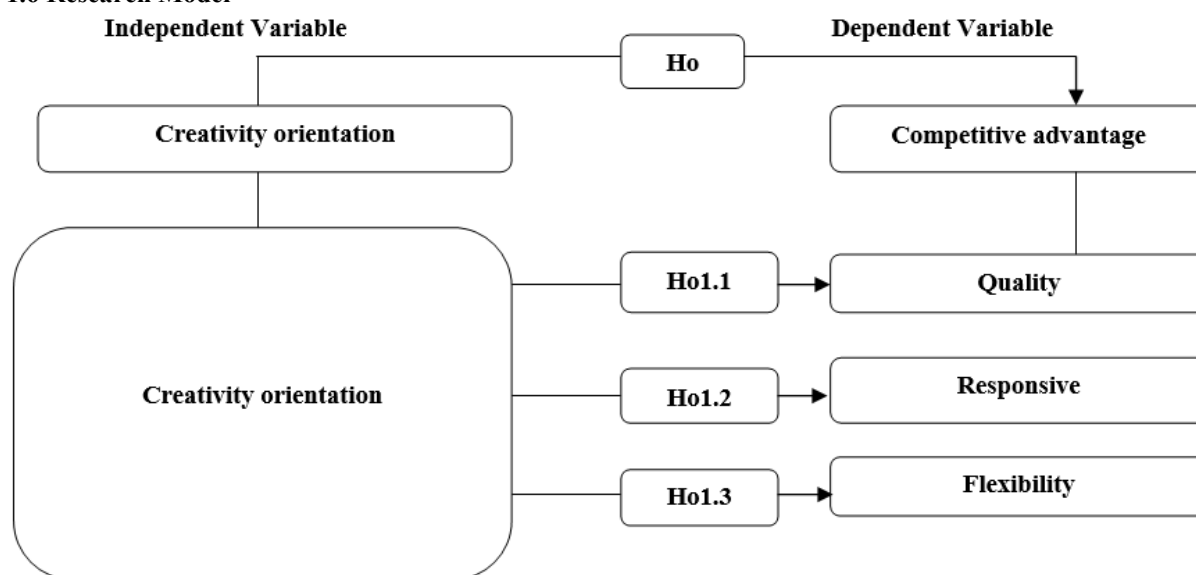


Figure (1-1): The research model
 (Developed by the researcher according to previous studies)

2. Literature Review

Innovation orientation is a philosophy that promotes openness to new concepts, and reflects a firm's temperament to alter through the adoption and implementation of latest technologies, resources, skills, and administrative systems (Hasani, 2016). Berthon, Hulbert and Pitt (1999) define innovation orientation from the perspective technological excellence: companies that "devote their energy toward inventing and processing superior product" Hamel (2006) described innovation more broadly as "a marked departure from traditional management principles, processes and practices or a departure from customary organizational forms that significantly alters the way the work of management is performed". Innovation offers vital advantages to firms like maintaining or enhancing market share and outperforming competitors (Lisboa, Skarmas, & Lages, 2011).

Dobni (2010) indicated that innovation orientation describes how innovative of an organization is and the results suggest that such an orientation provides a context for the implementation of proactive growth-based strategies. Organizations that have high innovation orientations are engaged in value creation strategies such as market segmentation, developing new products and services for new markets, While organizations who have low innovation orientations practice less aggressive and internally focused strategies, .

3. Theoretical framework

3.1 Competitive Advantage

Sigalas et al. (2013, p 324) defined competitive advantage as "the capability of a firm to create more economic value than the least efficient competitions". Wang, (2014) argued that when accompany has characteristics or attributes that are not owned by its competitors then it has a competitive advantage. Wang, (2014) also argued that competitive advantage is deemed as: performance heart in market competition since competition forms the success or failure core of any company.

3.2 Creative Orientation and Competitive advantage

Askar&Mortagy (2007) stated that Innovation is a key dimension of competitive advantage due to its ability in finding new opportunities in the external environment, control and quick response to it by achieving certain development or creative work, whether in production field and used technology, or finding new methods for generation more values in institution economic activity. Dobin (2010) found that there is a relationship between creative orientation and competitive strategies.

Alshibly (2015) found that that there is a significant effect of creativity orientation in achieving competitive advantage in Jordan telecom group, Dobin (2010) found that there is a positive relationship between creative orientation and company performance. Hasani (2016) found that there is a significant relationship between firm's orientation toward innovation and competitive strategy; the more firm's orientation toward innovation, the firms uses more Prospector strategy, and their strategies have a more aggressive state. Competitors

4. Research Methodology

Descriptive methodology was used in this research. This approach provides statistical data and suitable for descriptive research. The quantitative approach has various advantages, for example, the possibility of its results generalization moreover it prevents any personal bias, because there is no interaction between the researcher and the respondent (Creswell, 2017).

4.1 Research Instrument

A self-administrated questionnaire was used as research instrument, the questionnaire was designed in two parts, and the first part part is consistd of questions related to demographic data. The second part included the statements that evaluate the role innovation orientation in competitive advantage.

4.2 Population and Sampling

The study target population consisted of all managers, head departments and directors working at Jordanian 15 pharmaceutical companies. The researcher distributed 90 questionnaires, six respondents from each company. However, 90 questionnaires were returned and 15 questionnaires were dropped due to incomplete answers. Therefore, 75 questionnaires were analyzed and the response rate was 83.3%.

4.3 Research Validity

The questionnaire was subject to validation by number of university staff and their comments and amendments were taken in consideration.

4.4 Research Reliability

The study used Cronbach alpha to test the consistency of the results produced by the scale. According to this test, the overall reliability level was equal to (0.968) which are considered as an acceptable level of reliability Table (.1) shows values of Cronbach's alpha for each variable of the questionnaire and the entire questionnaire.

Table (1): Instrument reliability

Variable	Cronbach Alpha
Creativity Orientation	0.960
Quality	0.964
Flexibility	0.877
Responsiveness	0.950
Total Instrument	0.968

5. Data Analysis

The first part outlines the general and demographic information about the respondents and data analysis of the study to find percentages, standard deviation and mean for the study variables. The second part includes a statistical analysis performed on the study of the data to test and find the statistical significance of the study hypotheses.

5.1 Descriptive Analysis

Table (2): Sample distribution according to Demographic information

Variables	Options	Frequency	Percentage%
Gender	Male	41	54.7
	Female	34	45.3
Age	Less than 30	4	5.3
	30 to less than 40	34	45.3
	40 to less than 50	37	49.3
Education level	BSC	41	54.7
	MSC	25	33.3
	PHD	9	12.0
Position	Manager	27	36.0
	Deputy manager	16	21.3
	Head section	25	33.3
	Marketing manager	3	4.0
	Public Relation manager	4	5.3
	Directors	0	0.0
Experience	Less than 5 years	11	14.7
	5 to less than 10 years	20	26.7
	10 to less than 15	23	30.7
	15+	21	28.0

Table (2) indicated that 54.7% of the sample is males and 45.3% are females, As for age 5.3% of the sample are less than 30 years old, while 45.3% of the sample their age ranged from 30 to less than 40 years, 49.3% of the sample their age ranged between 40 to less than 50 years old. With respect to education level, 54.7% of the total sample have BSC, while 33.3% of the sample have MSC and 12% of the sample have PHD. As for position 36% of the total sample are managers, 21.3% are deputy managers, 33.3% are head sections, 4% are marketing managers and 5.3% are public relations managers, With respect to experience, 14.7% have less than 5 years experience, 26.7% of the total sample have an experience between 5 to less than 10 years, 30.7% of the sample have an experience between 10 to less than 15 years, and 28% of the sample have an experience of 15 years and more.

Table (3): Means and standard deviations of sample's responses regarding Creativity Orientation

No.	Question	Mean	S.D	Rank	Level
1	The company is keen to improve its products	3.68	1.092	12	High
2	The company uses new policies in providing the market its prod	3.77	.980	9	High
3	The company approves new styles in its operations management	3.93	1.082	6	High
4	The company empowers employees to take decisions related to updating	4.05	.971	4	High
5	The company encourages employees of new suggestions and thoughts	4.16	.987	3	High
6	The company uses new production methods	3.95	1.025	5	High
7	The company offers a range of additional innovative services compared to competitors	4.20	.870	2	High
8	The company is using feedback as a base for product development	3.92	1.088	7	High
9	The company has a program to improve and develop its products.	4.25	.824	1	High
10	The company seeks to innovate new ways to modify its products.	3.71	1.194	11	High
11	The company makes changes in its products design in line with modern technologies.	3.72	1.225	10	High
12	The company introduces new products from time to time	3.81	1.227	8	High
	General Mean	3.93	.878		High

Table (3): shows that means of sample subjects' responses ranged between (3.68- 4.25). The results indicate

high degree of sample's agreement... Table also indicated that statement no. (9) "The company has a program to improve and develop its products." ranked the first with a mean amounting (4.25) which is more than the average mean (3.93)... Statement No. (1) " The company is keen to improve its products "ranked the last with a mean (3.68) which is more the general mean (3.60)

Table (4): Means and standard deviations of sample's responses regarding quality

No.	Question	Mean	S.D	Rank	Level
13	The company is continuously improving its products quality	3.96	1.309	1	High
14	The company focuses on products quality to prevent competitors entry	3.89	1.122	3	High
15	The company products are of high quality to meet customers' needs and desires	3.95	1.150	2	High
16	The company is keen adopt international quality standards and specifications	3.60	1.103	7	Medium
17	The company provides complete product based on quality	3.81	1.111	4	High
18	The company selects its suppliers according to their products quality	3.59	1.054	8	Medium
19	Company products are highly reliable	3.68	1.221	6	High
20	The company follows up customer complaints related to quality	3.76	1.206	5	High
	General Mean	3.78	1.038		High

Table (4) shows means of sample subjects' responses that measure quality ranged between (3.59- 3.96). The results indicate different degrees of sample's agreement from medium to high level. Table also indicated that statement no. (13) "The company is continuously improving its products quality" ranked the first with a mean amounting (3.96) which is more than the average mean (3.78). Statement no. (18) "The company selects its suppliers according to their products quality" ranked the last with a mean (3.59) which is below the general mean (3.78)

Table (5): Means and standard deviations of sample's responses regarding flexibility

No.	Question	Mean	S.D	Rank	Level
21	The company has flexibility to meet different market specifications	3.36	1.181	7	Medium
22	The company has sufficient flexibility to cope with external stresses	3.73	1.070	2	High
23	The company has sufficient flexibility to adapt to external environmental changes	3.56	1.188	5	Medium
24	The company employees have flexibility to acquire new skills	3.36	1.135	7	Medium
25	The company changes its s products to meet customer requirements	3.15	1.087	9	Medium
26	The company uses new techniques in producing its products	3.38	1.077	6	Medium
27	There is a diversity in products to meet customers' requirements	3.73	.704	2	High
28	The company seeks to meet all change customers need	3.79	.759	1	High
29	The company is highly flexible	3.60	.973	4	Medium
	General Mean	3.52	.733		Medium

Table (5) shows that means of sample subjects' responses that measure flexibility ranged between (3.15- 3.79). The results indicate different degrees of sample's agreement from medium to high level. Table also indicated that statement no. (28) "The company seeks to meet all change customers' needs." ranked the first with a mean (3.79) which is more than the general mean (3.52).Statement no. (25) " The company changes its s products to meet customer requirements" ranked the last with a mean (3.15) which is less than the general mean (3.52)

Table (6): Means and standard deviations of sample's responses regarding Responsiveness

No.	Question	Mean	S.Deviation	Rank	Level
30	The company is able to perform tasks better than competitors	3.89	.847	1	High
31	The company is able to meet its clients' needs	3.83	.935	3	High
32	The company policy is to focus on customer	3.72	1.021	8	High
33	The company is able to satisfy customers needs	3.88	.915	2	High
34	The company develops new products with distinguished features	3.76	1.101	5	High
35	Company products match with customers demands	3.76	1.149	6	High
36	Company responded immediatlyfor customer needs	3.81	1.135	4	High
37	There is adversity in company provided products	3.75	1.054	7	High
	General Mean	3.80	.882		High

Table (6) indicates that means of subjects' responses that measure philanthropic responsibility are ranging from (3.72- 3.89)... Statement no. (30) " The company is able to perform tasks better than competitors "ranked first with a mean (3.89) which is more that the general mean (3.80). Statement no. (32) "The company policy is to focus on customer" ranked the last with a mean (3.72) which is less than the general mean (3.80).

5.2 Hypothesis Testing

First Main Hypotheses: There is no statistically significant impact at ($\alpha \leq 0.05$) of creativity orientation on achieving competitive advantage (quality, flexibility, responsiveness) at Jordanian pharmaceutical companies.

Table (7): Main Hypothesis Test

R	R ²	T Calculated	T Tabulated	Sig	Result
.699	.489	8.302	1.99	0.000	Reject

Table (7) shows that the correlation coefficient was ($R = .699$) which indicate a positive relation between independent variable and dependent variable, in addition R^2 was = .272 which indicates that 48.9 % of variance in competitive may be interpreted through the variance in creativity orientation . Table also indicates that t calculated value is (8.302) which is more than t tabulated level ($Sig = 0.000$). Therefore the null hypothesis is rejected and the alternative one is accepted. So there is statistically significant impact at ($\alpha \leq 0.05$) of creativity orientation on achieving competitive advantage (quality, flexibility, responsiveness) at Jordanian pharmaceutical companies

First sub hypothesis

H01.1 There is no statistical significant impact of creativity orientation at level ($\alpha \leq 0.05$) on quality in pharmaceutical companies in Jordan.

Table (8): First sub Hypothesis Test

R	R ²	T Calculated	T Tabulated	Sig	Result
.827	.689	12.590	1.99	0.000	Reject

Table (8) shows that the correlation coefficient was ($R = .827$) which indicate a positive relation between independent variable and dependent variable, in addition R^2 was = .689 which indicates that 68.9 % of variance in quality may be interpreted through the variance in creativity orientation . Table also indicates that t calculated value is (12.690) which is more than t tabulated level ($Sig = 0.000$). Therefore, the null hypothesis is rejected and the alternative one is accepted. There is statistically significant impact at ($\alpha \leq 0.05$) of creativity orientation on quality as a dimension of competitive at Jordanian pharmaceutical companies

Second sub hypothesis

H01.2 There is no statistical significant impact of creativity orientation at level ($\alpha \leq 0.05$) on flexibility in pharmaceutical companies in Jordan.

Table (9): Second sub Hypothesis Test

R	R ²	T Calculated	T Tabulated	Sig	Result
0.606	.367	6.504	1.99	.000	Reject

Table (9) shows that the correlation coefficient was ($R = .606$) which indicate a positive relation between independent variable and dependent variable, in addition R^2 was = .367 which indicates that 36.7 % of variance in quality may be interpreted through the variance in creativity orientation . Table also indicates that t calculated

value is (6.504) which is more than t tabulated level (Sig = 0.000). Therefore the null hypothesis is rejected and the alternative one is accepted. There is statistically significant impact at ($\alpha \leq 0.05$) of creativity orientation on flexibility as a dimension of competitive at Jordanian pharmaceutical companies

Third sub hypothesis

H01.3 There is no statistical significant impact of creativity orientation at level ($\alpha \leq 0.05$) on responsiveness in pharmaceutical companies in Jordan.

Table (10): Third sub Hypothesis Test

R	R ²	T Calculated	T Tabulated	Sig	Result
.282	.079	2.509	1.99	0.014	Reject

Table (10) shows that the correlation coefficient was ($R = .282$) which indicate a positive relation between independent variable and dependent variable, in addition R^2 was = .079 which indicates that 7.9 % of variance in responsiveness may be interpreted through the variance in creativity orientation. Table also indicates that t calculated value is (2.509) which is more than t tabulated level (Sig = 0.000). Therefore the null hypothesis is rejected and the alternative one is accepted. There is statistically significant impact at ($\alpha \leq 0.05$) of creativity orientation on responsiveness as a dimension of competitive at Jordanian pharmaceutical companies

6. Conclusions

Based on the analysis, the following results were found:

- The results showed that there is a statistically significant impact at ($\alpha \leq 0.05$) level of creativity orientation on competitive advantage in Jordan Pharmaceutical companies.
- The results showed that there is a statistically significant impact at ($\alpha \leq 0.05$) level of creativity orientation on quality as a dimension of competitive advantage in Jordan pharmaceutical companies.
- The results showed that there is a statistically significant impact at ($\alpha \leq 0.05$) level of creativity orientation on flexibility as a dimension of competitive advantage in Jordan pharmaceutical companies.
- The results showed that there is a statistically significant impact at ($\alpha \leq 0.05$) level of creativity orientation on responsiveness as a dimension of competitive advantage in Jordan pharmaceutical companies.

7. Recommendations

1. Pharmaceutical companies should apply for creativity orientation, and all employees in the company should recognize the benefits of creativity orientation in achieving competitive advantage for the company.
2. Pharmaceutical companies should specify their clear objectives in applying creativity orientation
3. Pharmaceutical companies should exert their best efforts provide their employees with full empowerment to apply creativity orientation.
4. Further studies are recommended in other industrial sectors.

8. References

- Alshibly, H. (2015), "The Effect of Creativity Orientation in Achieving Competitive Advantage for Jordan Telecom Group. Conference Paper. DOI: 10.13140/RG.2.14522.6404.
- Askari, M., & Mortagy, A. K., (2007), "Assessing the Relative Importance of Competitive Priorities in Egyptian Companies". *SAM Advanced Management Journal*, 72 (3), 35-46.
- Berthon, P., Hulbert, J. M., & Pitt, L. F. (1999). To Serve or Create? Strategic Orientations toward Customers and Innovation. *California Management Review*, 42(1), 37-58
- Dobni, C. (2010), "The relationship between an innovation orientation and competitive strategy. *International Journal of Innovation Management*, 14(2), 331-357.
- Hamel, G. (2006), "The Why, What and How of Management Innovation". *Harvard Business Review*, 84(2), 72-84. PMID:16485806
- Hasani, K., Parviz, K., & Arman G., (2016), "The Relationship between Innovation Orientation and Strategic Typology in Business Firms". *International Journal of Knowledge-Based Organizations*, 6 (2), 1-20.
- Lisboa, A., Skarmeas, D., & Lages, C. (2011), "Entrepreneurial orientation, exploitative and explorative capabilities, and performance outcomes in export markets: A resource-based approach. *Industrial Marketing Management*, 40(8), 1274-1284
- Sigalas, C. & Economou, P. (2013), "Developing a measure of competitive advantage", *Journal of strategy and management*, 6 (4): 320-342
- Wang, Y., Ning, L., & Chen, J., (2014). "Product diversification through licensing: empirical evidence from Chinese firms". *Eur. Manage. J.* 32 (4), 577-586.