THE EFFECT OF INNOVATION ACTIVITIES ON ORGANIZATIONAL PERFORMANCE: A RESEARCH ON HOTEL BUSINESSES*

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ABSTRACT

Innovation is one of the most important competition methods for establishments. The aim of this study is to determine how the innovation activities are perceived by business executives, and to specify their effects on business performance. For this purpose, a questionnaire is prepared by utilizing the literature. The questionnaire consists of three parts. In the first part "Causes of businesses innovation", in the second part "Innovation measuring expressions" and in the third part "Statements showing the business performance" are there. As a result, in order to ensure the continuity of businesses in intense competition conditions, it is important to emphasize innovative activities to keep pace with the market. It is seen in the direction of the data obtained from the businesses we have reached that the innovation activities of the businesses affect the performance. The results of the study can help tourism establishments in Turkey to adopt innovative logistics technologies and develop better strategies and also can make them innovation based tourism service providers.

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INTRODUCTION

Nowadays, the market share efforts among businesses has accelerated due to the increase of competition power in global markets. Since the competition conditions are hardening day by day, businesses need to put constant effort to be one step ahead of their competitors. Because markets are global, rival businesses require not only being limited in the region but being competitive all around the world. In this hard rivalry conditions, businesses put enough emphasis on innovation activities to have the advantage.

For businesses to overtop in rivalry and continue its existence, they should be able to adapt to the constant change and renewal conditions in the business environment. Creating value, one of the main objectives of businesses, appears to be more favorable to creating value when it is integrated with innovation activities.

The tourism industry has always been quick to adopt technological innovations for many purposes, from serving customers better, to marketing or product development (Cesar & Vicente, 2012)

The business needs to generate new ideas to create value. The new idea should not be considered an idea that has never been found before. It is possible to use a previously used idea by manipulating and transforming it to provide a new benefit. Businesses should be open to learning all the time. It must always be in a position to be open and adaptable. Constant innovation is essential to compete in rapidly developing and growing markets. Businesses should have preparations that can be put into effect as they are always open to innovative activities. In intense competitions, businesses should not be static and they are required to renew themselves in accordance with market conditions. In recent years, innovation has been intertwined with the research and development activities. Businesses are always in need of innovation to develop and renew. By adapting innovative activities to businesses, businesses can work in a more organized way, and with the intra-organizational harmony, they can increase organizational performance.

In the researches made in recent years, it is seen that the business continues its existence in the long term and increases the performance and profitability of the business with the use of organizational innovation activities (Yavuz, 2010, p.144). Innovation activities have been found to improve the organizational structure of the business and have a positive contribution to business operation. For this reason, the relationship between innovation and organizational performance has been sought in our work, and it seems to make a positive contribution to the operation by eliminating the deficiencies or the competitive negativities with the innovations made within the enterprise. Innovations can not only be used to address adversities in business, but can also be used to make the operating structure of the business more functional. Our work has been made on hotel business. Due to the intense competition in the tourism sector, a study has been carried out on hotel management in order to determine the outlook of the hospitality services that tourism has taken the greatest burden and to measure whether there are organizational improvements with innovation activities. Our study consists of three parts, in the first and second part literature review has been on innovation and organizational performance, and research part of the study is in the third part.

INNOVATION

Innovation means “renewing science and technology in a way that they will provide economic and social benefits.” In our language, the word “renewal” is used instead of innovation. However, it can only meet a small part of innovation. When talking about innovation, using science and technology to have an economic and social benefit should especially be emphasized. Looking at the definitions, it is thought that the short and long-term goals that are used while creating science and technology policies are meaningful with innovation. Because both are aimed at social benefit (Yamaç, 2001, p.6; Evan, 1993; Baregheh, Rowley, & Sambrook, 2009; Tidd & Hull, 2003; Soosay & Hyland, 2005; Schumpeter, 1939).

Innovation is in a very important position for the 'health' and future of an enterprise, within the framework of the understanding of the growing and changing markets. Innovation is derived from the Latin word 'nova', which means 'new'. Innovation is “the period in which knowledge gained commercial value through the modification, consolidation or synthesis of information in the form of new source, product, process, service, management technique or technology that creates original, correlated, unique solutions and value to fulfill organizational functions "(Altuntaş & Dönmez, 2010, pp. 53-54).
Innovation, as a term, affects both a process (renewing/renewal) and the result (novelty). Innovation is a process that includes the usage of information about creating new beneficial goods and supplying them to the market (Tuncel, 2012, p. 86).

Innovation; is a special tool for entrepreneurs and provides a new capacity to create prosperity, enabling more efficient use of resources. Innovation should be seen as a value rather than a science or technology. Innovation activities can not be done only within the organization or only outside the organization (Durna, 2002, p.5). While making an innovation, it should be considered as a whole and should be done considering all internal and external environmental factors.

Innovativeness should be considered as a search for finding the changes that a business can benefit for its own sustainability, instead of a change method (Barker, 2001, p. 23). With the effective use of innovation, plans of businesses would be more sufficient.

Innovation consists of successive processes. Before the starting point of these processes is determined, new ideas must be created as a result of the researches carried out. Inspiration and imagination are important factors in the emergence of new ideas in innovation. According to the examinations made, it is stated that the effect of inspiration and imagination in the process of innovation is 10% while the effect of effort and occupation has a weight of 90% (Örüçü et. al., 2011, pp. 62-63). Innovation not only ends with finding out the idea, but it also contains actualization phase of the idea. It has emerged as a result of research that new ideas should not be just inspired and efforts should be made to find opportunities for innovation.

Innovation provides new opportunities for businesses to operate with its existing capabilities or new capabilities to meet customer needs. An invention or an idea needs to be of commercial value to be able to fall within the scope of innovation. In short, it is considered necessary for an invention to be introduced as a new product to the market or to be used in a new process in production (Kaygısız, 2015, p.9; Evan, 1993). Innovation is not just about finding an idea, it's a whole that also includes the actualization phase of idea.

Innovation, in particular, technological innovation, is very influential in economic development. If we look at the contribution of the innovation to the economic development, “the increase of the efficiency of the physical capital occurs with the complementation with the workforce, the serious increase in the productivity of the human capital, and human and physical capital.” In order to be able to sustain long-term economic growth in the intense competition conditions of international markets, innovation should be take advantage of at a significant extent (Ünlükaplan, 2009, p.238). Innovation activities have become a necessity to stay in the market, to ensure the sustainability of the business and to develop (Baregheh, Rowley, & Sambrook, 2009).

Innovations are not made only in products and services. Apart from products and services, innovations are also being made in business processes, marketing techniques, supply types and organizational fields (Özsağır, 2014, p.29; Tidd & Hull, 2003). Hjalager (2010) addressed various categories of innovation – product, process, managerial, marketing and institutional –

ORGANIZATIONAL PERFORMANCE

The first stage of increasing success and performance in enterprises is through intra-organizational socialization. What expected from the person who just joined the organization or who passed to a different unit, is to learn and to get used to the job in a short time of period. It is aimed to adopt an organization with socialization and become active (Can et al., 2009, p 207). Employees in businesses should be in coordination with each other. Socialization is important in order to ensure that work does not stop, it is healthy communication and peace within the company. As the sociability in the organization can not occur by itself, the managers should provide appropriate environments for organizational innovation activities.

Organizations are community of different individuals. These individuals have come together within the framework of their duties and professional rules. Common belief and value systems are being established in organizations. Individuals, even if their values are different, they constitute the organization's culture as they aim to the same objective under same roof. With the formation of an organizational culture, the organization comes to a position recognized around the itself and reflects its values, its social benefits, its relationship with other organizations and individuals in the sphere (Eren, 2000, pp. 119-120). The organization should be in good
relationship with its community. Thus, it will be easier for the business to maintain its continuity. It is very
difficult to maintain the continuity of organizations that have been torn apart.

Organizations are established to achieve their goals and put their plans into practice. Therefore, personnel of the
organization are a tool to achieve these goals. For goals to be achieved, needs and wishes of tools of an
organization should be conceived. The policy of the organization should be recruiting the personnel that will
achieve the goals and targets of the organization and to infuse the organization into the personnel. (Tortop et. al.,
2010, p. 164).

Managers in organizations must manage communication, especially at the individual level, and communication
of the organization as a whole. The management of healthy relationships within the organization through in-
house organizational innovations is also important. Occupational satisfaction of employees also influences intra-
organizational communication. For this reason, process innovations increase the performance of the organization
(Tüzün & Varoğlu, 2013, pp. 502-503). With the increase of organizational communication, it will be easier for
employees to adopt the job. Thus, it is possible for employees to work more productively and efficiently.

Organizational performance defines an entirety as a success indicator with the evaluation of different elements.
The total outcome of evaluating of the divisions as production marketing in the organization together shows the
performance of the organization. In general, renewal performance, market performance, production performance
and financial performance are used in the measurement of organizational performance. This way, common
outcome of different divisions shows the performance of the organization. (Yavuz, 2010, p. 147-148).

Innovation Performance: It is the process from the formation of an idea to the presentation to the market. It
generally refers to the whole process. It covers the activities of developing, presenting and promoting innovation

Market Performance: Businesses’ Market performances are the most widely used performance indicators in the
recent years. The market success which is sustained in periods when the market is mature or when the product
curves change, shows the market performance of the business (Yavuz, 2010, p.149).

Production Performance: Especially the quality of the products produced, the production time or speed, the
cost and the flexibility of the production are considered as the main targets in the businesses. Increasing the
performance of the production increases the performance of the business by providing competitive advantage

Financial Performance: Positive financial data of the business, profitability of its activies with the business’
financial performance increase the organizational performance. Measures that indicate growth rates are the most

Measuring the performance of businesses is one of the most important parts of the management process. Measurement of production performance, control and continuous renewal studies require quality of processes to be guaranteed. Businesses often focus on quality management as an effort to improve performance. The aim of quality management in enterprises is to improve the quality of products and services in general. In order to make these improvements, the uses of analytical tools are increased by giving importance to the organizational systems (Naktiyok & Küçük, 2003, p.50). With these organizational innovations, in their decision-making businesses help show adequate performances in production and services.

INNOVATION AND ORGANIZATIONAL PERFORMANCE

Therefore, the evidence on innovation and performance suggests a positive effect on productivity and growth. There is evidence suggesting that external links, in particular with the customers, have a positive impact on innovation (Tether, 2005; Leiponen, 2005; Soosay & Hyland, 2005) and other evidence showing that innovation positively affects performance.

In addition, some authors found that innovation has a positive effect on the sales growth but not on productivity (Mansury and Love, 2008). However, this finding is in contradiction with the result found by Mairesse and Mohnen (2003) who found that there is a positive relationship between the level of productivity and innovation. Organizational innovation significantly contributes to the performance, productivity and improvement of new goods and services and hence competitiveness and growth (Mayor, 2003; Damanpour & Wiliam, 1984).
Although it is generally accepted that innovation has contributed to the business performance, companies must adopt some types of innovation over time that enable them to achieve a competitive advantage and enhance their performance (Damanpour, 1991; Hénard and Szymnsk, 2001; Porter, 1990; Zaied, Louati, & Affes, 2015; Walker, Damanpour, & Devece, 2010).

The organizations that have greater innovation will achieve a better response from the environment, find it easier to improve organizational performance capabilities and consolidate a sustainable competitive advantage (Calantone et al., 2002; Hurley and Hult, 1998; Zaltman et al, 1973). Innovation has a direct impact on organizational performance (Hudges and Morgan, 2007; Zahra et al, 2000).

A study’s results demonstrated that technological innovation (product and process innovation) has significant and positive impact on firm performance, but no evidence was found for a significant and positive relationship between nontechnological innovation (organizational and marketing innovation) and firm performance (Atalay, Anafarta, & Sarvan, 2013).

Altuntaş and Dönmez (2010), investigated the relationship between hotel innovation and customer performance, employee performance and financial performance, and found a statistically positive relationship between innovativeness and employee performance only. Yavuz (2010) also pointed out that in his study, organizational innovation acted on other types of innovation, creating an integrated effect and positively affecting organizational performance.

Looking at the above studies, the research question is; “Innovation activities have a positive effect on business performance”

METHODOLOGY

Method, Nature and Examples

In this study, we made research to designate the reasons of why hotel businesses that have residential service make innovation, which methods they care most for innovation and what kind of an effect these innovations have in the performance of a business. A question form compiled from Erdem et al., (2011)’s research has been formed. This question form has been applied to hotel businesses that have residential service face by face. Answering of the questions has been made according to 5 point Likert scale.

Innovation measurement criteria; 1 (I never agree), 2 (I don’t agree), 3 (I partially agree), 4 (I agree), 5 (I certainly agree). Performance measurement criteria; 1 (We are far worse than our competitors), 2 (we are worse than our competitors), 3 (Partly better than our competitors), 4 (we are better than our opponents), 5 (We are very good than our competitors). The universe of the research is composed of five star hotel enterprises in Istanbul province. There are 123 five star hotel management in Istanbul province. A 10% error rate for representation of the universe is sufficient for 48 samples at 90% confidence level (Ural and Kılıç, 2013). Business amount that have been reached is 48. Data were transferred to the SPSS program and analyzed with frequency analysis, percentage analysis and simple linear regression analysis, etc. The result of reliability analysis, which was conducted to measure the reliability of the questionnaire form, was 0.93 (Cronbach Alpha).

Structural Equation Model (SEM) to test the validity of all scalles using confirmatory factor analysis (CFA) made and internal consistency were evaluated. CFA results are acceptable levels of goodness of fit values are obtained. (Innovation; ∆χ²=11,956, df=11, ∆χ²/df=1,087, RMSEA=0,043, CFI=0,99, IFI=0,99, GFI=.93, NFI=.95; Performance; ∆χ²=35,969, df=11, ∆χ²/df=1,160, RMSEA=0,058, CFI=0,98, IFI=0,98, GFI=.87, NFI=.90)

FINDINGS

The demographic information of the managers involved in the study can be summarized as follows: Almost all of the participants (95%) consisted of top managers in businesses that were constantly open. While the vast majority of the 48 businesses’ (80%) participating in the survey operate as independent businesses, chain businesses (20%) are fewer. The distribution of the managers according to their positions is as follows: 35.4 percent with the assistant general manager (17 people), 16.6 percent with the general manager (8 people) and 48 percent with the department managers (23 people). It has been determined that the majority of the administrators (66 percent) are university graduates, while the other managers (20.8 percent) hold a master's degree. When
demographic information was analyzed in terms of age distribution, it was determined that 3 persons (6.3%) between 25-35 years, 21 persons (43.7%) between 35-45 years, 18 persons (37.5%) between 45-55 years and 6 persons over 55 years. The 35-45 age range has been determined to be the majority of managers. Finally, when the distributions of managers according to their genders are examined, the ratio of male directors is determined as 93.75%. However, 95.8% of the managers responded "yes" to the question "do you have education in tourism?"

The results of innovation reasons of the businesses in the research are shown. 35% of the businesses that participated in the research have answered as to provide competition advantage, 45% have said to increase good and service quality, 8% have said to decrease labor costs and 10% have said to increase the variety of goods and services (Table 1).

While businesses indicate that they are innovating to increase the quality of products and services with the highest rate of 45.8%, the least preferred reason with the 8.3% ratio is seen to be the reducing of the labor costs.

<table>
<thead>
<tr>
<th>Reasons for Innovation</th>
<th>Number of Enterprises</th>
<th>Percent Distribution%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing Competitive Edge</td>
<td>17</td>
<td>35,4</td>
</tr>
<tr>
<td>Increasing Product and Service Quality</td>
<td>22</td>
<td>45,8</td>
</tr>
<tr>
<td>Reduce Labor Costs</td>
<td>4</td>
<td>8,3</td>
</tr>
<tr>
<td>Increasing Product and Service Types</td>
<td>5</td>
<td>10,4</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Innovation measurement criteria</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>The search for new methods</td>
<td>1</td>
<td>1</td>
<td>19</td>
<td>23</td>
<td>4</td>
<td>3,58</td>
</tr>
<tr>
<td>creativity in innovation</td>
<td>1</td>
<td>11</td>
<td>24</td>
<td>10</td>
<td>2</td>
<td>3,02</td>
</tr>
<tr>
<td>irresistible innovation</td>
<td>1</td>
<td>0</td>
<td>11</td>
<td>29</td>
<td>7</td>
<td>3,85</td>
</tr>
<tr>
<td>to market before competitors</td>
<td>1</td>
<td>4</td>
<td>27</td>
<td>12</td>
<td>4</td>
<td>3,29</td>
</tr>
<tr>
<td>placing on the market has increased the last 5 years</td>
<td>1</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>5</td>
<td>3,21</td>
</tr>
<tr>
<td>The number of projects and ideas is high</td>
<td>0</td>
<td>24</td>
<td>19</td>
<td>5</td>
<td>0</td>
<td>2,6</td>
</tr>
<tr>
<td>It is allocated sufficient budget</td>
<td>1</td>
<td>8</td>
<td>24</td>
<td>14</td>
<td>1</td>
<td>3,13</td>
</tr>
<tr>
<td>innovation leader</td>
<td>1</td>
<td>10</td>
<td>23</td>
<td>13</td>
<td>1</td>
<td>3,06</td>
</tr>
<tr>
<td>Encourages innovation efforts</td>
<td>1</td>
<td>3</td>
<td>29</td>
<td>13</td>
<td>2</td>
<td>3,25</td>
</tr>
<tr>
<td>Reward innovation efforts</td>
<td>6</td>
<td>20</td>
<td>19</td>
<td>2</td>
<td>1</td>
<td>2,42</td>
</tr>
</tbody>
</table>

In Table 2, averages are shown. In the examinations, the least average is seen as awarding innovation efforts with 2.42. The highest average is seen as that innovation is not resisted and not seen risky with 3.85. The total average of the given answers is 3.14. With these results, it is seen that businesses tend to do innovations, it is not done effectively enough but they do innovative works.
Table: 3 Performance Measurement Criteria

<table>
<thead>
<tr>
<th>Performance measurement criteria</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product and service quality</td>
<td>0</td>
<td>0</td>
<td>14</td>
<td>26</td>
<td>8</td>
<td>3.88</td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>0</td>
<td>1</td>
<td>6</td>
<td>23</td>
<td>18</td>
<td>4.21</td>
</tr>
<tr>
<td>Sales of the company</td>
<td>0</td>
<td>2</td>
<td>21</td>
<td>9</td>
<td>16</td>
<td>3.81</td>
</tr>
<tr>
<td>Productivity of the business</td>
<td>0</td>
<td>2</td>
<td>18</td>
<td>18</td>
<td>10</td>
<td>3.75</td>
</tr>
<tr>
<td>The market share of the company</td>
<td>0</td>
<td>9</td>
<td>15</td>
<td>18</td>
<td>6</td>
<td>3.44</td>
</tr>
<tr>
<td>Reaching the goal of the company</td>
<td>0</td>
<td>4</td>
<td>23</td>
<td>16</td>
<td>5</td>
<td>3.46</td>
</tr>
<tr>
<td>Profitability of the business</td>
<td>0</td>
<td>4</td>
<td>23</td>
<td>13</td>
<td>8</td>
<td>3.52</td>
</tr>
</tbody>
</table>

In Table 3, it is seen that averages are high in general. It is seen that innovation activities affect the performance. It is seen that by innovations businesses have increased customer satisfaction by 4.21 average. In the analyses, it is seen that businesses have some trouble with market share and achieving the goals with 3.44 and 3.26 averages. Innovation works are lacking in this area.

Table: 4 The Relationship Between Innovation and Performance (Regression Analysis)

<table>
<thead>
<tr>
<th>Dependent Variable: Performance</th>
<th>Standard Beta Number of floors (ß)</th>
<th>Significance (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Variable: Innovation</td>
<td>.696</td>
<td>.000</td>
</tr>
</tbody>
</table>

R² = .484  Adjusted R² = .473  F = 43.234  p = 0.000  p < 0.05

In the results in Table 4, p value seems meaningful since it is .000 (p<0.5). R², which is the determinant and defining coefficient, is found .484. Though the model is meaningful, it is seen that business performance is not totally affected by innovation. Because, this model is not able to meet 52% of business performance. Thought it is not able to meet business performance in full capacity, it is seen that it is able to meet %48 of it and therefore, how innovation is effective. There is a meaningful relation between our dependent and independent variables innovation and business performance (p<0.5). We can say that innovation affects business performance.

CONCLUSION

In global markets that develop and constantly renew, competition continues in an intense way. Businesses are tending towards innovative activities to have competitive advantage and be superior in the rivalry. According to the analyses, it is seen that innovation activities affect business performance.

While innovation activities contribute business’ development and renewal, it is also seen that it contributes performance elements in the questionnaire. Competition conditions of the hotel managements are more intense. As the given services are the basic needs of the user and as they request the best conditions, little issues do not affect the customers. In this sector where the competition is in a quite thin line, customer satisfaction is given so much importance with innovative activities. The analysis of our data also focused on customer satisfaction with a ratio of 3.81.

Innovation should not only be seen as providing customer satisfaction by making reformations. Innovation is also made to provide new goods and services and gaining new customers. It is concluded that the innovation with the ratio of 3.81 increased the business sales. It is seen that the innovation with the rate of 3.75 also has an effect on the productivity of the business.

When the results are examined, the factors that innovation affects less that other factors are seen as market share and businesses achieving their goals. It is seen that innovation is less effective than other factors against these factors. As it is seen in the results of regression analysis, innovation activities meet 48% of it to measure the performance.
While businesses head to innovation activities, they give priority not to resist innovation, and to be open to innovation ideas. Innovation is always a necessity for businesses to keep pace with the market and to be permanent in the market.

Factors that businesses do not focus on while maintaining innovative activities are the lack of projects and ideas and the not rewarding of ideas. As a result of the previous analysis, it is mentioned that the businesses are open to innovation, but as a result of this analysis, the insufficient ideas of innovation and not-rewarding those innovations are conflicting with each other. The only way out of this conflict is thought to be exceeded with the adoption of the business by the employees without any interest.

If we look at the results of the reasons why businesses make innovations, businesses state by 46% rate, that they make innovations to increase the quality of goods and services. Checking its effects on the performance, it is seen that it affects the sales of the business, productivity and customer satisfaction.

As a result, in order to ensure the continuity of businesses in intense competition conditions, it is important to emphasize innovative activities to keep pace with the market. It is seen in the direction of the data obtained from the businesses we have reached that the innovation activities of the businesses affect the performance.

DISCUSSION

In this section, the differences and similarities are studied by comparing the results of our work with those of the studies in the literature.

It is seen in the researches of Altuntaş and Dönmez (2010) that entrepreneurship affects financial performance. There is a meaningful relation between entrepreneurship and financial performance. The emphasis an entrepreneur place on innovation activities not only increase financial activities but also affect employee and customer satisfaction positively in regards to non-financial indicators. In our study, it is seen that innovative activities have a positive effect on business performance and contribute positively to factors like sales and customer satisfaction.

In the study of Yavuz (2010), while he argues that businesses make innovation to be competitive, he also mentions that innovative activities increase financial performance of businesses. In case innovations fail, there could be serious consequences such as the destruction of the business. In our study, the main reason of businesses that we gathered data from to make innovations is stated as to increase the quality of goods and services. The second most important issue is stated as to have competitive advantage. Likewise, it seen that innovation increase the financial performance of a business.

In Erdem et. al. (2011) study, it is argued that innovation activities have a positive contribution on business’ performance. Moreover, it is stated that top management of businesses should support innovation activities more and innovation perception should settle properly. In our study, it is concluded that top management do not support innovation activities enough. Though there is a search of new methods, this subject is not studied enough. In the analyses, it is seen that in generating novelty, creativity is a bit weak and innovative activities are not awarded. Moreover, innovation ideas and projects are a few in number. Top managements of businesses care about innovation. However, they have troubles in spreading this care to the base. It is seen that top management have its own innovation path.

According to the study of Çalışkan, et al. (2011), it is mentioned that increasing the intra-organizational communication will be more robust and permanent with the innovation. It is emphasized that innovative activities carried out in an organizational sense will ensure the permanency of the business. It is foreseen that increasing the motivation of the business will bring about material and spiritual developments. According to the results obtained from our work, it has been determined that the operator's internal peace of mind is making the organization structure even stronger. The emphasis on the fact that employees are in the hands of laborers who are willing to operate the most basic building block of increased productivity, have been processed in our previous issues.

If we look at the result we have taken from our work, it is no longer optional, but obligatory, for companies to turn to innovation activities. Innovation has been found to have positive contributions to businesses. The perception that innovative activities that contribute to increased organizational performance are only in financial
improvement is added with the perception that it is also possible in intra-organizational improvements. The fact that peaceful businesses offer peace to their customers should not be overlooked. For this reason, innovation is necessary at every stage of the business.
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