

## **The Effect of Competitive Intelligence on Organizational Performance Through Orientation (Case Study: Insurance Companies Sanandaj)**

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**Abstract:** In recent years as one of the most important concepts of performance evaluation has become and has been associated with leading organizations in the promotion of a culture of accountability, the goals and programs of each organization specifies. Market orientation and its impact on business performance including the important and central issues in the management of market and customer. Today, organizations in the competitive environment will be the winner of the scope of its activities and its deeper understanding and assessment, provide greater competitive advantage. To help gain competitive intelligence on your competitors superior organization and will earn a special place in the competition. This study, based on the purpose of applied research in terms of the nature and causal research approach, the collected data is descriptive research component and the data type is too small. The study population includes managers, experts and employees of the insurance supervision and Sanandaj in Kordestan Province which data was collected using a questionnaire. In this study, four primary and four secondary hypotheses was introduced hypothesis is that the three main hypotheses, using structural equation modeling techniques were tested and the remaining five hypotheses were tested using regression analysis.

**Key words:** Competitive intelligence, organizational performance, market orientation, insurance, environment

### **INTRODUCTION**

Today, organizations with rapid and extensive changes in the political environment, cultural, social, economic and technological are facing. Successful organizations are in a very dynamic atmosphere and varied reactions depend on their ability to provide relevant information and to find appropriate solutions to the problems that they are face. Institutions and organizations and administrative units with the mission, goals and perspectives that are finally on a national and international scope to act and to respond to customers, clients and stakeholders to company profitability and customer satisfaction is the goal and an organization that aims to provide complete and accurate implementation of the legal obligations and contribute to the research and development objectives of the country elite, be held accountable. Therefore, performance results, a process seen as strategically important. Condition for the survival of any organization lies in trying to improve their performance in terms of growth and profitability (Antoncic and Hisrich, 2000). To this end, organizations benefit from several mechanisms to improve their performance. One of the factors affecting the

performance of organizations, internal marketing. Numerous studies show that the use of internal marketing useful tool in enabling the organization to respond effectively to customers and improve the performance of the organization (Ahmed *et al.*, 2003). According to Narver and Slater orientation is the heart of modern marketing and business management and strategy to increase its market orientation, market performance will improve. Achieving great performance for an organization depends on the creation of sustainable competitive advantage and deliver superior value to customers is sustainable. Competitive intelligence as a strategic management tool and one of the fastest growing areas of the business world is. As well as competitive intelligence, one of the most important techniques in the creation of competitive advantage. The main question in this research is whether the competitive intelligence through market-oriented organizational performance, in the city of Sanandaj affect insurance companies?.

### **Theoretical principles**

**Organizational performance:** Batz and Haltn define their performance, "the performance of a multi-dimensional structure of the variables it depends on several factors.

They also suggest that goal setting, evaluation, assessment and behavior of performance results is much more important". Organizational performance has several dimensions: customer (levels and trends in customer satisfaction, customer retention, positive production and service performance parameters that are important to customers), financial (ROI, profitability, liquidity, market share, growth and business), human resources (staff satisfaction, staff development, job rotation, organizational learning and working arrangement) and organizational effectiveness (operational performance indicators for the design, production, delivery and business support processes such as productivity, cycle time, supplier performance and other indicators of organizational strategy).

**Competitive intelligence:** Competitive intelligence is a rich sense of history that can trace the history of 5000 years it was China. Many texts and articles to its competitive intelligence, research suggests that the Sun Joe, about 2500 years ago a book titled "The Art of War" to be Written. This book is a detailed description of how to develop competitive intelligence provided for military applications. Professional association of competitive intelligence, competitive intelligence official definition states: a moral and a systematic competitive intelligence are due to collect, analyze, analyze and manage information outside the organization, can be found on the decisions and programs the company influence (Gatsoris, 2012). Franco *et al.* (2011) definition of competitive intelligence expressed fairly complete, competitive intelligence as a strategic management information activities aimed at allowing decision-makers to move ahead of market trends and competitors, identifying and assessing threats opportunities in the business environment, determine the action for attack or defense, which is more suitable for the development strategy of the organization will be considered. Kahner believes that competitive intelligence, integrated process consists of four stages: planning, data collection, analysis and dissemination. Different models have been proposed for competitive intelligence including competitive intelligence cycle models and models to define different aspects of competitive intelligence cited. Ashton and Stacy Business Intelligence Model, the 4C, CIPP Model and the School of Management France are among the most important model. "Deschamps and Nyack" competitive intelligence identifies three types of limitations including:

**Market intelligence:** With this intelligence can be a guide and map for the current situation and future needs and

preferences of customers, new markets and create innovative opportunities (Rouach and Santi, 2001) divisions market and changes made for marketing processes.

**Competitor intelligence:** Competitive strategy evolution during the time by observing changes in the structure of competition, new products and new entrants to the industry substitution, representation and focused on issues such as pricing policies, substitute products and competitor's development policies.

**Technological intelligence:** New and existing technologies to assess and predict future technological leaps and the basic and applied research, patent rights and other deals. Intelligence technology enables us to use the technologies and technologies that can be used in the future, distinguish.

According to another view, strategic intelligence and competitive intelligence will be added to a variety of community. Strategic and social intelligence including legislation, taxation and finance, economic and political dimensions and human resources issues.

**Orientation:** Orientation is an aspect of organizational culture in which staff of the highest value to profitability and customer retention through superior value, respectively. Market orientation is a normal behavior that has spread throughout the organization and through innovation, current and future market and customer needs.

**Customer orientation:** Narver and Slater define customer orientation as follows: corporate culture that is effective and efficient behaviors necessary to establish a higher value makes the buyers and so continuous high performance for business and trade. For some companies, loyal customers the best for survival are. Maintenance customers can be certain positive effect on the company's profitability.

**Competitor orientation:** Competitor orientation means that a vendor strengths and weaknesses of short-term and long-term capabilities and strategies of the major competitors of the current and potential know.

**Coordination between task:** Coordination of the coordinated use of company resources to create superior

value for customers. So, everyone in the company can potentially contribute in creating value for the buyer. The integration of business resources, in line with customer orientation and competitor orientation is carefully coordinated. Using the information produced in two parts, customer orientation and competitor orientation and dissemination of information throughout the fabric of the organization, the coordination of corporate resources is possible.

**MATERIALS AND METHODS**

The research objective is applied and the type of data is quantitative and it is considered among descriptive-survey studies. Statistical population, staff, administrators and expert’s insurance supervision is the city of Sanandaj. The data were collected using questionnaire and Smart-PLS Software was used for data analysis.

**Research hypotheses**

**The main hypothesis:**

- H<sub>1</sub>: competitive intelligence affects organizational performance
- H<sub>2</sub>: competitive intelligence effects orientation
- H<sub>3</sub>: orientation effects competitive intelligence
- H<sub>4</sub>: competitive intelligence through orientation affects on organizational pserformance

**Secondary hypothesis:**

- Competitive intelligence through orientation effects on the financial performance and market
- Competitive intelligence through orientation effects on the customer satisfaction
- Competitive intelligence through orientation effects on the organizational effectiveness
- Competitive intelligence through orientation effects on the employee satisfaction

**RESULTS AND DISCUSSION**

**Data analysis:** In order to test hypotheses and determine relationships between variables of the conceptual model, Structural Equation Modeling (SME) have been used and Statistical Smart-PLS Software is used for this purpose (Fig. 1, 2 and Table 1-3).

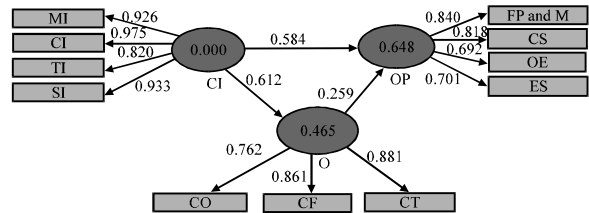


Fig. 1: Standard solution

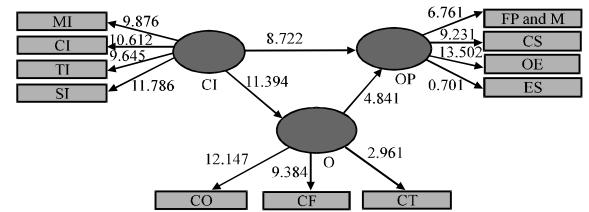


Fig. 2: The t-values

Table 1: The result main hypothesis

Main hypothesis	t-values	Variables	Results
1	8.72	Competitive intelligence affects organizational performance	Confirm
2	11.39	competitive intelligence effects orientation	Confirm
3	4.84	Orientation effects competitive intelligence	Confirm

Table 2: Examines the role of mediator orientation

Main hypothesis	Values	Results
<b>Competitive intelligence through orientation affects on organizational performance</b>		
Direct effect	0.58	Confirm
Indirect effect	0.61 (0.25)*	
Total effect	0.732	
Orientation affects organizational performance	0.25	
Competitive intelligence effects orientation	0.61	

Table 3: The result of secondary hypothesis

Secondary hypothesis	Direct effects	Indirect effects	Total effects	Orientation effects on the financial performance and market	Competitive intelligence effects orientation	Results
Competitive intelligence through orientation effects on the financial performance and market	0.47	0.56 (0.48)*	0.738	0.48	0.56	Confirm
Competitive intelligence through orientation effects on the customer satisfaction	0.44	0.56 (0.53)*	0.736	0.53	0.56	Confirm
Competitive intelligence through orientation effects on the organizational effectiveness	0.52	0.56 (0.51)*	0.805	0.51	0.56	Confirm
Competitive intelligence through orientation effects on the employee satisfaction	0.48	0.56 (0.54)*	0.782	0.54	0.56	Confirm

## **CONCLUSION**

The results showed a positive and significant effect of competitive intelligence on organizational performance. Also, orientation has a positive impact on organizational Performance and positive role of mediator is responsible organizational performance and competitive intelligence.

## **SUGGESTIONS**

According to the results of the study, it is suggested that: information on customers and suppliers, buyers and distributors gathered and analyzed to use this information to improve organizational performance and identify customer needs and drew their consent.

Evaluation of the competitive strategy of the organization to change the competition structure, product replacement and financing practices of competitors, diversify their products and services, provide competitive practices, income, competition and competitor intelligence system, the strengths and weaknesses of competitors to identify and to improve services and reduce the performance of weaknesses and their strengths optimally make use.

Obtaining permanent customer feedback, customer confidence in the services, day services offered to customers of providing customer service, value for money that customers pay for services their organization, employees are treated well, the physical characteristics of the units and offices and the number of complaints customers would eliminate all weaknesses and strengths and make more strong ahead of the competitors and the competitive intelligence. Monitoring customer satisfaction and put the needs of customers in the company's priority strategies.

It is recommended, since the use of competitive intelligence in the products, processes, organizational structure and culture is effective, the insurance industry designing their efforts by forming special units to provide competitive intelligence to improve business competitiveness step by step. According to information received from the external environment on the competitive position of the business has been affected since the information is the main cause of power, designing organizations using information system technologies to meet simple processes and procedures administrative go to enjoy a competitive advantage over other organizations.

Collecting information about competitors's strengths and weaknesses and strategies and to respond to their actions. Cohesion for all units to provide better customer service.

Company strategies via participation of all sectors. In order to improve overall performance, a comprehensive understanding of the organization and understanding of customers and their needs is the need to work on marketing research to understand the needs and demands of customers, competitors's strengths and weaknesses and optimize marketing activities and sales them.

In order to improve relationships with customers, understanding their wants and needs and try to match competencies with environmental opportunities to increase their sales volume and market share.

To improve the performance of client insurance companies have to innovate and develop services, improved distribution channels, pricing is better than your competitors and the ability of financial and human resources work.

To improve financial performance, should be based on knowledge of the environment to take advantage of opportunities to profitably work they must also strengthen ties with customers to identify their needs and demands. Insurance companies must differentiate the brand, customer complaints, market segmentation, increase their customer service efforts.

The weakness of the insurance companies should communicate with customers and distribution channels through the opinions, closer partnership and commitment and confidence in them solve of the company.

Insurance by training their employee can be more friendly social relations established between insurance customers and a deeper understanding of the real needs of consumers and customers to create a more intimate atmosphere.

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