



Good Working Environment as an Important Support for Service Innovation: Case Study: Daewoo Express Pakistan

Andrej Agačević, Syed Ahtsham Ali* and Xu Ming

Glorious Sun School of Business and Management
Donghua University, No. 1882 West Yan'an Road P.O. 200051 Shanghai, China

Received: November 16, 2018

Accepted: January 25, 2019

ABSTRACT

Daewoo Express Pakistan is the first and the biggest foreign investment Company with an advanced and organized transport system in Pakistan. Daewoo hasn't only introduced improved services for the customers but also company is providing better working environment for their employees. After deep study gaps it seem like, what does call a good working environment according to the specific market and culture? Each principle of NPSI (Nine Principles of Service Innovation) has its own significance and implementation but have not examined in bus service sector of Pakistan. The precise study highlights; firstly, to rise the understanding of the readers to influence of the various characteristics within a work environment on both, creative behaviors and employee engagement. Secondly, to classify the features distinctively contributes to only one result certainly not to others. The finding of present article reveals that fourth point (good working environment for service innovation) of the nine principles of service innovation is playing a supporting role in the Daewoo Express Bus Service and company is focusing on its implementation.

KEY WORDS: NPSI, Daewoo Express, Service Innovation, Working Environment

INTRODUCTION

Organizations which perform exceptionally well in changing the working environments manage to have working environments encouraging high levels of employee and working environment helping creative behaviors are not well-defined, although study refers to contributing issues, which could be relative. One of the perspectives is: relative features are directions of working environment that can influence possibly on an employee's inspiration which does not belong to the individual. Working environment has been described with context to appropriate features that has impact on the creative behaviors like features of the work, setting of the work, and colleague relationships and managers (Shalley et al., 2004).

Service Innovation (SI)

It is hard to define SI as it has many famous definitions. We took this definition from "TEKES" which is Finland's famous research agency. "Service innovation is a new or significantly improved service providing concept that is taken into practice in modern studies." SI continuously contains some significant elements which can be recognized and methodically reproduced in any other cases or business environments. These vital components can be either outcome of the services or process of the services or even a part of any of them. SI paybacks both the service providers and clients. SI also improves its provider's economical edge as well. Most probably SI is grounded on some technology or methodical technique. In most of the cases of services, it's difficult to unrelate the process of innovations to the newness of the technology itself but the SI frequently lies in the areas of non-technological. Therefore, SI can provide new solutions to the customer interface. SI can also provide new delivery methods and innovative technology applications in the service process. Another point is that due to the SI, new systems of operation can be developed with the supply chain or new ways can be introduced to establish and manage innovative services (Stanley, 2016). This idea about SI was first deliberated by Miles (1993) and developed in the past few decades. This concept is majorly used to refer numerous things, which also include SI.

Innovation in services: in service/products, new or improved service/products as well. This is often likened with innovations in technology, though innovations in services or even in products can also have technological touch. This logic of SI is thoroughly linked to the design in services and devolvement in new services.

Corresponding Author: Syed Ahtsham Ali, Glorious Sun School of Business and Management, Donghua University, No. 1882 West Yan'an Road P.O. 200051 Shanghai, China. Email: brillpak@yahoo.com

Innovation in service process: novel or better ways of service designing and delivering which can also contain innovation in delivery system.

Innovation in service firms: Service firms including organizations and industries can perform the innovations in the products, process, and the management of innovation processes, within the service organizations.

Innovation as a competitive strategy

Success in businesses depends on several strategic factors and only one of which is service innovation. Here one point comes, it is also very important to focus through an “optimal” level of innovation. If managers engage in too little innovation, they will lose market share. If managers innovate too frequently, they will have problem guaranteeing consistent quality and may lose customer loyalty. The concentrations of innovation are to compete by altering the rules and making competitors irrelevant. Successful innovation outcomes in increased customers satisfaction and strengthened customers loyalty, which interpret into increased repeat purchase, cross-selling of associated services and recommendations to others.

Firm benefits from innovation?

There are four additional benefits that an innovative firm can gain from innovations.

- I. Improve operational efficiency**
- II. Increase staff retention**
- III. Enhance staff skills**
- IV. Increase marketplace recognition**



Figure (1) is showing four additional benefits which innovation takes in a firm.

Good working environment as an important support for service innovation and NPSI

Each principle of NPSI has its own significance and implementation, which are important to bring the innovation in a service firm's BMs. (Ali, Ali, Qiyu, & Ming, 2016). Before going in detail of the concerning fourth point, here all NPSI are as following:

1. Auxiliary role of innovative management in service innovation
2. Role of customers in service innovation
3. Service innovation and quality management system
4. Good working environment for service innovation
5. Competition and service innovation
6. Top management and service innovation
7. Dependence of Innovation to the product services
8. Capability of disposing resources is related with levels of service innovation
9. Service innovation and ICT

What is good working environment

For any particular organization, a good working environment is essential to hold on to the best people. Solidarity, professional challenges and flexible working days create well-being and loyal employees. Here are some important points which are necessary to create the good working environment, which after wards lead to the people of the company to innovate creatively. Such as, attractive workplace, growth is no barrier to well-being, clear career path, solid basic values, regularly measure satisfaction, religious freedom and Social values.

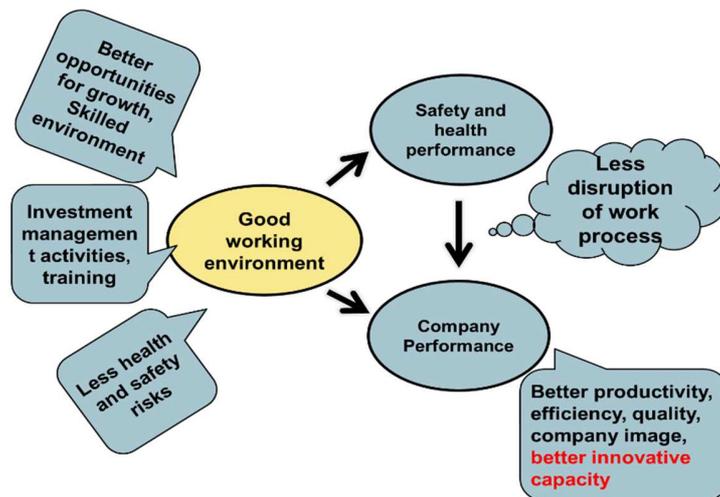


Figure (2) is showing the good working environment of an organization leads to better innovative capacity.

Good working environment leads to improved service innovation as well as good business

To be absent from the work in Canada has augmented gradually since the 1990s. The real time of work for individual excuses was 8.5 days/ employee in 2005 and the productivity lost which goes along with it's a main business cost.(Trends & Organizations, 2013). On contrary, employees who have a supportive management, malleable work places, and less job pressure, simply that good working environment report greater work-life stability. Obesity in the staff executes pressures on employers, which in turn.

Impact of good working environment on business performance

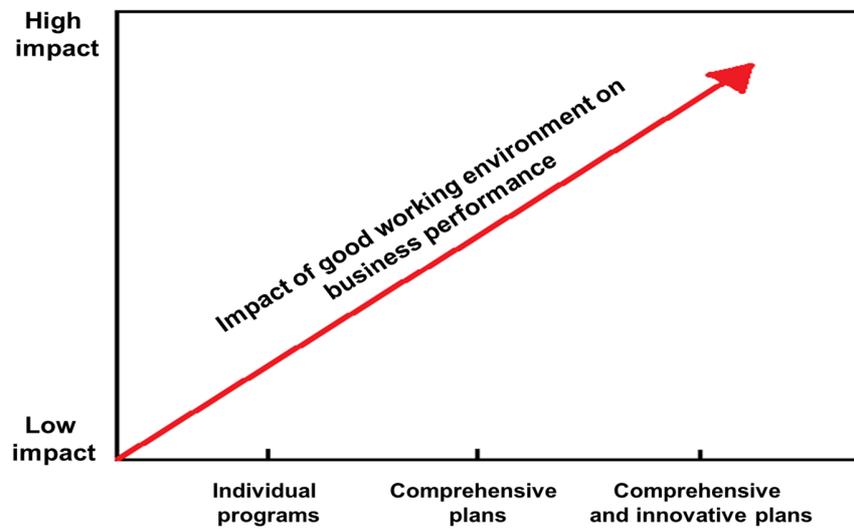


Figure (3) is showing the impact of good working environment on business performance.

In this part of article, a critical review is performed about previous studies about working environment that short-term creative behaviors and management in employee. Likewise these managerial behaviors, local work processes and team environment have been reported in earlier research. The core study finding which is being investigated is that how do characteristics within working atmosphere, foster creative behaviors and endorse employees' engagements?

The main objective of this article is to upsurge our understanding on the influence of the different characteristics within a work environment on both. From this discussion, three research questions are described as following.

1. How do the features of any working environment effect inventive behaviors?
2. How do the features of any working environment effect the engagement of employee?
3. How to describe the nature of the relationship among the features of working environments which can help to endorse the inventive behaviors and the engagement of employee?

The next session of this article describes the research methodology which is used to examine these research queries with the explanation.

The reliable term across both definitions is basically the recognition of three main constituents within the engagement associated to cognitive, emotional, and behavioral elements, as shown in figure below.

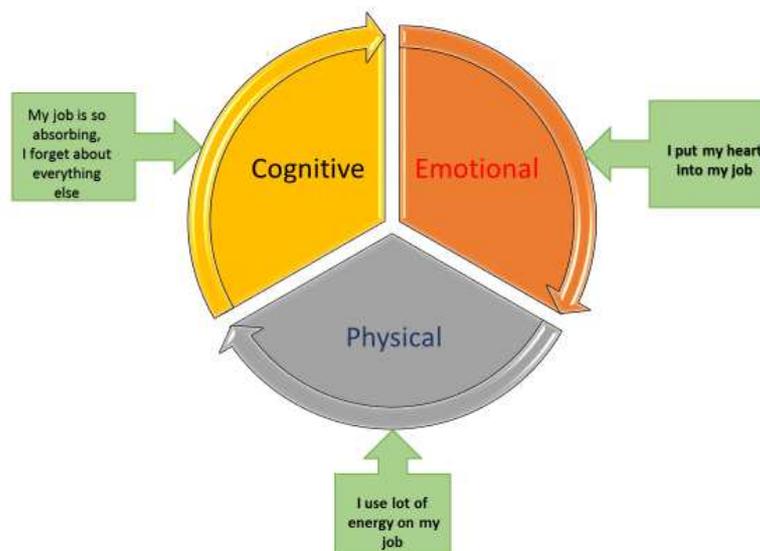


Figure 2 shows examples of cognitive, emotional, and physical components present in state of engagement of employee by May et al. (2004) and Shuck and Wollard (2010).

Daewoo Express Bus Service Pakistan a case of better working environment with innovative service

In literature authors have pointed out that an efficient bus transportation system is not only a pre-requisite for economic growth but it is also very important to achieve the objective of economic integration in the world economy. Unsatisfactory transport infrastructure results in congestion, delay in delivery time, fuel excess, pollution and accidents which built inefficiencies in the economy and costs the economy 4 to 6 % of GDP each year which can be saved by advancing in transport services sector (SIDDIQUI, R. 2007). This article case study is Daewoo Express Bus Service, Pakistan. Daewoo is considered to be the first and the biggest foreign investment Company with an advanced and organized transport system in Pakistan. This transport company have transport network with numerous international trade links all over the Pakistan. Daewoo is a transport service provider, thus it owns a large fleet of transport vehicles including buses, their workshops, bus terminals, and many training Institutes for Drivers and Mechanical Staff.



According to this principle, “Positive company culture and harmonious working environment inside the organization are ideally for promoting service innovation.”

Successful innovation needs to be nurtured, it never happens overnight in any organizations. As per Bob Rosenfeld who is an innovator at the Center for Creative Leadership, the healthier the environment, the greater the results. He has provided some strong advices for all those organizations who want to be the leader in innovation. Innovation required a decent atmosphere within the organization to grow. This is considered a cultural characteristic and it should be must be encouraged and cherished inside a company. On the other hand, innovation requires thinking out of the box. Thus, these two are so dissimilar that for an effective innovation, one should be careful to encourage and allow suitable unconventional thinking. People who have a supportive supervisor, flexible workplaces, and low job stress, in simple words good working environment report greater work-life balance. Obesity in the workforce imposes pressures on employers, which in turn reduces their efficiency towards the designing and producing of services. Daewoo is the leading and the one of the largest foreign investment company to establish an organized and innovative transport bus service in Pakistan. Daewoo has not only introduced better facilities for the customers, but has provided the better working environment for their employees also. Concurrently, it is extremely acclaimed both by the Governments of Korea and Pakistan for its steady achievements. In short, appropriate atmosphere to encourage innovation is extremely correlated to the long-term success of any company (Chandrasekar, 2011).

Example	Influence of good working environment on service innovation
Southwest Airlines culture organizations to promote innovation Case	Southwest Airlines by emphasizing the company " employees first " values, cultivate the spirit of cooperation of employees, through a set of mechanisms to implement, maintain and develop the organizational culture. These practices foster a favorable environment for the organization, allowing employees to maintain their enthusiasm and initiative, according to customer demand, adjust their services to meet customers' needs, it may in the process it has produced a service innovation. Meanwhile, the company also pay attention to the collective creativity through organizational culture, so that the spirit of innovation internalized, more conducive to service innovation happen.

Table understating of good working enjoyment with supporting case (Ali et al., 2016)

Southwest Airlines does not provide 20% of free time for employees, because for such services company, it is crucial to provide customers with timely service. While giving employees the freedom to play in space, according to the general requirements, general principles, and flexible way to provide customers with the services required, in practice, it is the highlight of Southwest's management. Google Inc. is a research-based company, to the staff of these degrees of freedom, more innovation company harvested, which is apparently the company's success.

Conclusion

Even though organization's exterior environment shows a vital part in establishing the organization. Similarly, the executives of any organization should consider properly the internal working environment which has become more and more significant as compare to the past. In order to define internal environment of a company, an organizational culture is frequently used to highlight the organization's tasks. Finally, to achieve a high performance for a company in the long time period, organizational culture must be solid, proper and adaptable at the same time.(Stanley, 2016). The finding of the case study reveals that fourth point (good working environment for service innovation) of the nine principles of service innovation is playing a supporting role in the Daewoo Express Bus Service. The organizations as an open system are organically adaptive, changes in their structures and functioning are the outcomes of transformations formed in their environments. This article has explained in details valuable understandings into an important area of research as organizations seek for ways to attain competitive advantage through their employees and has participated to the limited number of qualitative studies in the service innovation area.

REFERENCES

- Hadjibabaie, M., N. Rastkari, A.Rezaie and M. Abdollahi, 2005. The Adverse Drug Reaction in the Gastrointestinal Tract: An Overview. *Intl. J. Pharmacol.*, 1 (1): 1-8.
- Ali, S. A., Ali, S. I., Qiyu, X., & Ming, X. 2016. Directions to Explore the Principles of Service Innovation: With Various Companies' Case Study, *6(3)*, 971–978.
- Chandrasekar, K. 2011. Workplace environment and its impact on organizational performance in public sector organizations. *International Journal of Enterprise Computing and Business Systems*, 1(1), 1-19.
- May, D., Gilson, R., & Harter, L. 2004. The psychological conditions of meaningfulness, safety and availability and the engagement of the human spirit at work. *Journal of Occupational and Organizational Psychology*, 77, 11-37.
- Mayer, K. J., & Sparrowe, R. T. 2013. Integrating theories in AMJ articles. *Academy of Management Journal*, 56(4): 917-922.
- Miles, M. B., & Huberman, A. M. 1994. *Qualitative data analysis: An expanded sourcebook*: Sage.
- Shalley, C. E., Zhou, J., & Oldham, G. R. 2004. The effects of personal and contextual characteristics on creativity: Where should we go from here? *Journal of Management*, **30(6)**: 933-958.
- Shuck, B. and Wollard, K. (2010) Employee Engagement and HRD: A Seminal Review of the Foundations. *Human Resource Development Review*, 9, 89-110.
- SIDDIQUI, R. (2007). Quantifying the Impact of Development of the Transport Sector in Pakistan, (Winter), 779–801.
- Stanley, T. (2016). WORK ENVIRONMENTS, CREATIVE BEHAVIOURS, AND EMPLOYEE ENGAGEMENT. *Trends, A., & Organizations, C.* 2013. *Missing in Action.*, (September).
www.daewoo.com
www.marketingteacher.com
www.iepsac.org