

ABSTRACT

VINNI DESTIANA

1401020006

THE IMPACT OF INNOVATION ON ORGANIZATIONAL PERFORMANCE AT PT ALLIANZ LIFE INDONESIA IN MEDAN

(xv+68pages; 8 figures; 28 tables; 8 appendixes)

Nowadays, business quality based on innovations becomes imperative and necessary precondition for corporations to keep and improve their market position. In order to survive in a turbulent environment, it is necessary to work constantly on innovations. The objective of this study is to know whether there is the impact of innovation on organizational performance at PT Allianz Life Indonesia.

Innovation is the planned action of bringing about new ideas, processes, products and services and organizational performance is an indicator of the level of achievement that can be achieved and reflects the success of managers and entrepreneurs

The methods used by the writer in this research is descriptive quantitative, descriptive method and causal method. Data used in this research are primary data and secondary data. Data analysis methods used in this research are descriptive statistic, validity test, reliability test, normality test, coefficient of correlation, coefficient of determination, linear regression analysis and Z test

Based on research result, Zcount (6.56) is higher than Ztable (1.96). Coefficient of correlation is 0.802. It means that there is strong and positive relationship between innovation and organization performance in PT Allianz Life Indonesia. Coefficient of determination is 64.3%. It means that 64.3% of organization performance can be explained by innovation while the remaining in 35.7% is explained by by other factors. The linear regression equation is $Y = 3.638 + 0.818 X$. It shows that increasing of 1 unit innovation can make increasing of organization performance in 0.818 unit.

The conclusion of this research is that there is impact of innovation on organization performance in PT Allianz Life Indonesia

Key Words: Innovation, Organization Performance, Business Quality

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