The Impact of Core Competencies in Achieving Product Innovation -Case Study of Venus Laboratories Company-

أثر الكفاءات المحورية في تحقيق ابتكار المنتج -دراسة حالة شركة مخابر فينوس-

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Abstract:

This study aims to identify the impact of core competencies and its sources (human capital, collective learning, R&D) on achieving product innovation (introducing new product, improving an existing product) by studying the case of Venus Laboratories Company. In order to achieve the objective of the study, a questionnaire was designed to collect primary data from the study sample, which included all 36 managers of the company.

And through analyzing results by using the 25th version of statistical package for social science (SPSS), the study concluded that there is a significant statistical impact between core competencies and its sources and the achievement of product innovation at Venus Laboratories Company.

Keywords: Core competencies; Human capital; Collective learning; Research and development; Product innovation.

Jel Classification Codes: M10, J24, O32, A3.

ملخص:

تهدف هذه الدراسة للتعرف على أثر الكفاءات المحورية ومصادرها (رأس المال البشري، التعلم الجماعي، البحث والتطوير) في تحقيق ابتكار المنتج (تقديم منتج جديد، تحسين منتج حالي) من خلال دراسة حالة شركة مخابر فينوس، ولتحقيق هدف الدراسة تم تصميم استمارة استبيان والتي سمحت لنا بجمع البيانات الأولية من عينة الدراسة والتي شملت جميع إطارات الشركة البالغ عددهم 36 إطار، ومن خلال تحليل النتائج باستخدام البرنامج الإحصائي للعلوم الاجتماعية (SPSS) في نسخته 25، خلصت الدراسة إلى وجود

أثر ذو دلالة إحصائية بين الكفاءات المحورية ومختلف مصادرها وتحقيق ابتكار المنتج في شركة مخابر فينوس.

كلمات مفتاحية: كفاءات محورية، رأس مال بشري، تعلم جماعي، بحث وتطوير، ابتكار منتج.

تصنيف JEL: M10, J24, O32, A3.

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1. INTRODUCTION:

In today's highly competitive business environment, business organizations are exposed to severe challenges with meeting the ever-increasing market and customer needs and expectations. Therefore, firms are always striving for ways to attain a powerful sustainable competitive excellence to secure their market position, so they need to consider all kinds of resources, especially the intangible ones, in other words they need to develop strengthen, and renew core competencies and count more on them as inputs used in their various processes to maximize innovation in their products, which provides more value to customers, shareholders and communities.

On the other hand, product is considered the heart of the marketing strategy, and the concept of innovation is gaining prominent significance as a means of sustaining performance and growth. Therefore, today's firms are trying to achieve innovation in their products by offering new or improved products that are in line with the different and renewed needs and desires of customers.

1.1. Research Problem:

Like other firms, Venus Laboratories Company faces intense competition in the cosmetics industry at both the national and international level, so this paper tries to discern whether core competencies are exploited for the achievement of product innovation at Venus Laboratories Company by answering the following main question: **Do core competencies have an effect on the achievement of product innovation at Venus Laboratories Company?**

1.2. Research Hypotheses: In order to answer this question, the following hypothesis was formulated: **There is a statistically significant effect between core competencies and the achievement of product innovation at a significance level of 0.01.**

Included under this main hypothesis there is a set of sub-hypotheses formulated as follows:

- There is a statistically significant effect between human capital and the achievement of product innovation at a significance level of 0.01;
- There is a statistically significant effect between collective learning and the achievement of product innovation at a significance level of 0.01;
- There is a statistically significant effect between research and development and the achievement of product innovation at a significance level of 0.01.

1.3. Research Objectives: This research aimed to achieve the following objectives:

- Understanding the theoretical concepts relating to both core competencies and product innovation;
- Analyzing the effect of core competencies and its sources on achieving product innovation through a case study of Venus Laboratories Company;
- Providing a set of recommendations on the subject of the study.

1.4. Research Methodology and Study Tools:

The descriptive approach was used to describe the different concepts related to both core competencies and product innovation (the desktop survey was conducted in addition to viewing on theoretical and practical studies and researches). The analytical approach was used to analyze the effect between core competencies and the achievement of product innovation at Venus Laboratories Company. As for the tools used in the research, the 25th version of Statistical Package for Social Science (SPSS) was used to analyze all the data collected.

2. Theoretical Framework:

2.1. Core competencies Conception:

There is a huge variety in the literature on the labeling of core competencies, some authors call it core competencies; others call it organizational capabilities, distinctive capabilities, dynamic capabilities, best practices, complex routines, or collective skills (Schreyögg & Kliesch-Eberl, 2007, p. 914). We therefore use the term core competencies throughout this article without denying the merits of the other constructs.

2.1.1. Core competencies Definition:

Like other terminology, the emergence of the term core competencies was not coincidental. According to (Javidan, 1998, p. 62) (El-Tai, 2007, p. 114)

resources are the building blocks of core competencies, they are inputs into a firm's production process, this term was evolved into capabilities, then into competences, finally into core competencies, and with this sequence, it's getting more difficulty and more valuable.

According to (Liu, Li, & Che, 2006, p. 71) the term "Core competence" was first put forward in the year 1990, In the book «The Core Competence of the Corporation», collaborated on by famous management experts C.K. Prahalad and Gary Hamel, where they defined it as "the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies" (Prahalad & Hamel, 1990, p. 81). Later on they added "a bundle of skills and technology that enable a company to provide benefit to customers". (Nimsith, Munas, & Shibly, 2014, p. 13)

Since then core competencies have been defined from different perspectives where (Hanson, Hitt, & Ireland, 2016, p. 16) indicated that core competencies are "capabilities that serve as a source of competitive advantage for a firm over its rivals". Also it has been described as "the integration of capabilities and accumulative knowledge such as techniques, management, and so on that are significant for companies to gain their competitive advantages". (Lin, Lee, & Tai, 2012, p. 159) In the same context (Essmail, 2007, p. 14) believes that core competencies are "those unique combinations of technologies, knowledge and skills possessed by one company in the market". It has been defined also as "the vector of the irreversible assets along which the firm is uniquely advantaged and it is an asset of differentiated technological skills, complementary assets, and organizational routines and capacities". (Chou & Chang, 2004, p. 126).

Through these definitions, we conclude that core competencies must create products that are exceptionally different and hard to copy and imitate, in other words we can say that core competencies are an firms strategic strength, they are those specific, unique and integrated levels of knowledge, skills, experiences, capabilities, and technologies that the firms rely on to achieve success, growth and the highest possible level of customer satisfaction compared to competitors.

2.1.2. Core competencies Criteria:

According to Hamel and Prahalad (1994; 1990) to be considered "core" the competence must meet three criteria: (Agha, Alrubaiee, & Jamhour, 2012, p. 194)

1. **Customer Value:** A core competence must make a significant contribution to customer benefits;
2. **Competitor Differentiation**: Any competence across an industry cannot be defined as "core" unless the firm's level of competence is superior to all its competitors and should be hard and difficult to imitate;
3. **Extendibility:** The competence must be capable of being applied to new product arenas.

In the same context, (Enginoğlu & Arikan, 2016, p. 121) clarified attributes of core competencies as 1) Durability, 2) Inimitability, 3) Superiority, 4) Complexity, 5) Appropriability, 6) Non-Substitutability, 7) Invisibility.

2.1.3. Core competencies Sources:

Core competencies sources are considered as business organizations strengths that achieve a powerful competitive excellence. Writers and researchers disagreed on the identification of number and type of these sources due to their different academic background and the extent of understanding the term "Core competencies". Our study agrees with previous studies of (Kak & Sushil, 2002) (Kak, 2004) (Kawan, 2017) (Dorman & Naqshbandi, 2019) (Djoudi, 2018/2019) (Elnagar & Saleh, 2020); so it is possible to identify core competencies sources as follows:

2.1.3.1. Human capital:

Human capital is an important source of building core competencies; it is one of the most important intangible and distinct resources owned by business organization on which it relies to achieve competitive excellence. It has been defined as "a joint capability of humans in a firm to come up with solutions to business problems as well as exploitation of their intellectual Property". (Sheikh & Wepukhulu, 2019, p. 23). It has been defined also as "a collection of employee characteristics and abilities revealed in forms of knowledge, skills, experiences, education, creativity, commitment, innovation, life and business-related attitudes, and motivation,...etc". (Abazeed, 2017, p. 45)

Human capital importance lies in the following aspects: (Dorman & Naqshbandi, 2019, p. 09)

- It is a critical and unique source of outstanding performance, as an organization with rich human capital can survive, grow, develop and compete with new creations and innovations that workers will add;
- It is a rare resource that is difficult for others to imitate and emulate, and

this requires the organization to maintain, develop, take care of it and not allow its loss;

- It has a direct influence on the ability of entrepreneurs and new ideas holders to secure the financing capital needed to start new projects.

2.1.3.2. Collective learning:

Collective learning is one of the most important strengths that achieve competitive excellence of modern business organizations. (Brittle, 2015, p. 53) defined it as "The process by which efforts of group of individuals are organized, arranged and consolidated to achieve the results they desire to achieve".

Many researchers including Hamel & Prahalad stressed that core competencies are the result of collective learning. Its great importance is due to its significant role in absorbing different knowledge and transforming it creatively into distinct abilities; then to core competencies that enable the organization to achieve excellence over its competitors. (Djoudi, 2018/2019, p. 45)

2.1.3.3. Research and development:

In industries where innovation and creativity are an important phenomenon; R&D activity is considered as one of the most important sources that enable firms to acquire technologies. It has been defined as: "the creative work based on a systematic basis to increase knowledge stocks, including knowledge of human beings, culture and society, in addition to use that stock to develop new applications". (Musitefa & Murad, 2013, p. 02)

Core competencies are depend largely on R&D activity because it works on: (Ettlie, 2006, p. 147)

- Creating new knowledge;
- Generating technical ideas aimed at new and enhanced products, manufacturing processes, and services;
- Developing those ideas into working prototypes;
- Transferring these ideas as embodied in new products and services to manufacturing, distribution, and use.

2.2. Product Innovation Conception:

Many authors have regarded product innovation as a key factor for a company to survive and grow on the long term.

2.2.1. Product Innovation definition:

Product innovation is extremely important to the success, growth, and ultimate survival of firms; it is the lifeblood of most marketing organizations.

According to (OECD, 2005, p. 48), product innovation is "the introduction of good or service that is new or significantly improved with respect to its characteristics or intended uses. This includes significant improvements in technical specifications, components and materials, incorporated software, user friendliness or other functional characteristics". (Deng, Hofman, & Newman, 2013, p. 719) defined it as "the process by which a new product is invented, developed, and brought to the marketplace". (Masood, Sadia, Saqib, & Saman, 2013, p. 245) acknowledges that product innovation has the following dimensions: the product should be new to customers from the perspective of the customer, new to the firm from the perspective of the firm, product modification means making product variation in the current products of the firm.

Through these definitions, we can say that product innovation is the process of introducing new products or improving the existing ones. It is an important key that enables firms to cope with intense competition, market changes, technological advancement and shortening product life cycles in a way that achieve a higher value and benefits for customers.

2.2.2. Product innovation types:

Many writers and researchers including (OECD, 2005) (Ishioka & Yasuda, 2004) (Masood, Sadia, Saqib, & Saman, 2013) (Reghia, 2014) have classified product innovation into:

2.2.2.1. Introducing new product: Introducing new products can be defined as introducing goods and services that differ significantly in their characteristics or intended uses from products previously produced by the firm. (OECD, 2005, p. 48). When new products are introduced to the market with new technology, the products are categorized as products with radical innovation. In this case, the new technology should appear in the product parts which are related with product function, performance, and/or cost improvements. (Ishioka & Yasuda, 2004, p. 1009).

2.2.2.2. Improving an existing product: Firms seek to increase or retain their market share through improvements to their existing products. According to (Annacchino, 2006, p. 05) the improvements to existing products are simply a means to retain the market share or to slightly improve it. They are defensive in nature and in many cases are stopgap measures until a new product program can be introduced. These programs do little to generate a vitalized economy in the

long run, but can provide time and revenue to pursue the development of a replacement.

3. Present and analyze the results of the study:

3.1. Research methodology and procedures: Through this part, researchers presented the methodology of the study, by presenting the population and the sample of the study, the validity and the reliability of the study tool.

3.1.1. Population and study sample:

Venus Laboratories Company is an Algerian company specializing in manufacturing hygiene and beauty products. It was established in 1981 by Mourad Moula. The geographical location is represented in the industrial area. Location 80, rue of 17 September 1956 Oulad Yaaich Blida-Algeria-. In March 2020, it launched into the manufacturing of hydro-alcoholic gel to fight against Corona Virus pandemic in Algeria and it donated 10,000 units to hospitals in the province of Blida.

The sample of the study consists all the managers of Venus Laboratories Company, because their position in the company enables them to have all the necessary information to answer all the questionnaire's questions. A questionnaire was distributed to 36 of them, and all of forms were retrieved and became valid for analysis.

The questionnaire was designed using the five-point Likert Scale, which ranges from 1 to 5, meaning from strongly disagree to strongly agree, and it was divided into two-part, the first, includes demographic data for the study sample (gender, age, educational level, years of experience), and the second includes the variables of the study, i.e. The core competencies as independent variable includes the human capital, collective learning and R&D, whereas, the product innovation as dependent variable includes introducing new product, improving an existing product, as shown in table 1:

Table 1. The axes of the questionnaire

Questionnaire axes	Title of section	Section's axes	
		N°	Title of axis
Section 1	**Demographic Information**	04	Personal data
Section 2	**Axis 1**	14	Core competencies
	Axis 2	08	Product innovation
Total		26	

Source: Prepared by the researchers.

3.1.2. Validity of the study tool: Researchers have used the following methods:

- **Experts validity:** To ascertain the veracity of the tool, the form of survey offered to a group of 06 professors for the purpose of arbitration and to verify the authenticity of the paragraphs content, and after it has been taking proposed observations and amendments to some of the paragraphs; arbitrators approved on the form of the survey sample.
- **Tool Reliability:** The value of reliability was reached through coefficient (Cronbach's Alpha), as shown in table 2:

Table 2. Test of reliability (Coefficient of Cronbach's Alpha)

Variable name	Core competencies	Product innovation	Overall stability questionnaire
Number of items	14	08	22
Reliability coefficient (Cronbach's Alpha)	0.927	0.760	0.932

Source: prepared by researchers based on the outputs of SPSS 25.

The results in table 2 showed that the reliability coefficients for all the variables of the study were high and suitable for the purposes of the study, which indicates the consolidation of the overall concept of the content of the questionnaire and the concept of each question.

- **Internal consistency:** In order to ensure the correlation between core competencies sources and the product innovation, researchers calculated the Pearson correlation coefficient, the results as shown in table 3:

Table 3. The results of correlation analysis

	Product innovation	
	Pearson correlation	**Sig**
Human capital	0.722**	0.000
Collective learning	0.594**	0.000
Research and development	0.708**	0.000
The correlation is significant at the 0.01 level.		

Source: prepared by researchers based on the outputs of SPSS 25.

The results in table 3 showed that there is a significant correlations among independent variables (human capital, collective learning, R&D) and dependent variable (product innovation). Human capital is significantly correlates to product innovation (r =0.722, Sig. = 0.000). Collective learning is significantly related to

product innovation (r = 0.594, Sig. = 0.000). Moreover, R&D is significantly associated with product innovation (r = 0.708, Sig. = 0.000).

- **Normality distribution test**: To determine the normality distribution of the study variables being studied, researchers relied on the method of testing Kolmogorov-Smirnov, the results as are shown in table 4:

Table 4. The results of testing for normal distribution

	Kolmogorov-Smirnov			TEST RESULT
	Sig.	Df	Statistic	
Data of the sample answers on the total of all the paragraphs of the first axis: **Core competencies.**	0.200 *	36	0.113	DATA FOLLOW THE NORMALITY DISTRIBUTION
Data of the sample answers on the total of all paragraphs of the second axis: **Product innovation.**	0.165 *	36	0.125	DATA FOLLOW THE NORMALITY DISTRIBUTION
IF THE PROBABILITY VALUE IS WRONG OR (SIG SPIRITS) IS BIGGER THAN 0.01, THE DATA FOLLOWS A NORMALITY DISTRIBUTION.				

Source: prepared by researchers based on the outputs of SPSS 25.

The results of testing for normal distribution in table 4 showed that the value of Kolmogorov-Smirnov test (sig = 0.200) (0.165) were greater than (0.01) for all the paragraphs of both core competencies and the product innovation variables. This means that responses of the sample members are normally distributed, and this enables to use descriptive statistical tools to analyze the responses of the individuals and test the hypotheses under studied.

- **Regression prior assumption:** Multicollinearity Collinearity statistics, i.e., tolerance and variance inflation factor (VIF) were calculated to check the assumption of multicollinearity, the results as shown in table 5:

Table *5*. Results of Collinearity coefficients

Model		Tolerance*	VIF**
Core competencies	**Human capital**	0.203	4.933
	Collective learning	0.311	3.216
	Research and development	0.314	3.184
	* Tolerance is accepted at value > 0.1. ** VIF is accepted at value < 10.		

Source: prepared by researchers based on the outputs of SPSS 25.

The results of testing for the assumption of multicollinearity in table 5 indicated that all independent variables (human capital, collective learning, and R&D) have tolerance values greater than 0.1 and VIF value less than 10, which means that multicollinearity was not overreached.

3.2. Sample characteristics: Sample characteristics were presented, as shown in table 6:

Table 6. Sample members characteristics

	CATEGORY	FREQUENCY	RATIO
GENDER	Men	23	63.9
	Women	13	36.1
AGE	< 30 Years	12	33.3
	[30-39] years	16	44.4
	[40-50] years	05	13.9
	> 50 Years	03	8.3
EDUQUATIONAL QUALIFICATION	Secondary or less	06	16.7
	University degree	19	52.8
	Postgraduate degree	06	16.7
	Other	05	13.9
EXPERCIENCE	< 5 Years	08	22.2
	[5-9] years	14	38.9
	[10-15] years	10	27.8
	> 15 Years	04	11.1

Source: prepared by researchers based on the outputs of SPSS 25.

The results in table 6 showed that the majority of the respondents (64%) were male. As to the educational qualification, 53% had obtained a university degree, and (17%) held a postgraduate degree. 44% of the participants were aged between (30–39) years and the majority of the participants (39%) with a job experience between (5 – 9) years.

3.3. Testing for the statistical significance hypotheses:

To test and validate hypotheses, researchers used the simple linear regression statistical method, the results as shown in the following tables:

3.3.1. Testing for the statistical significance of the general hypothesis:

Which states that: "There is a statistically significant effect between core competencies and the achievement of product innovation at a significance level of 0.01".

Table 7. Results of the simple linear regression coefficient test for the effect of core competencies on achieving product innovation.

Variables	Regression equation		Test "t"		Test "F"		R	R^2
	B	Std error	T	Sig	F value	Sig		
Fixed	1.791	0.342	5.239	0.000	39.570	0.000	0.733	0.538
Core competencies	0.565	0.090	6.290	0.000				

Source: prepared by researchers based on the outputs of SPSS 25.

The results in table 7 showed that the value of regression coefficient (R^2) had reached (0.538), which means that core competencies interpret 54% of the variables in the dependent variable, while the rest of the ratio 46% of the effect is due to other factors. Also the correlation coefficient "R" between the two variables was (0.733) which indicates that there is a positive relationship between the two variables; while the regression coefficient "B" for core competencies was (0.565) and the "t" value was (6.290) at a significance level (0.000), which is less than (0.01), which indicates that there is a positive statistically significant effect between core competencies and the achievement of product innovation at a significance level of 0.01, i.e., increasing core competencies by one unit leads to an improvement in product innovation by 57%.

Accordingly we accept the validity of the main hypothesis, and an estimated model can be proposed as follows**:** $Y = 1.791 + 0.565_X$

3.3.2. Testing for the statistical significance of the sub-hypotheses:

3.3.2.1. Testing for the statistical significance of the first sub-hypothesis: which states that: "There is a statistically significant effect between human capital and the achievement of product innovation at a significance level of 0.01".

Table 8. Results of the simple linear regression coefficient test for the effect of the human capital on achieving product innovation.

Variables	Regression equation		Test "t"		Test "F"		R	R^2
	B	Std error	T	Sig	F value	Sig		
Fixed	2.209	0.286	7.731	0.000				

Human capital	0.457	0.075	6.088	0.000	37.070	0.000	0.722	0.522

Source: prepared by researchers based on the outputs of SPSS 25.

The results in table 8 showed that the value of regression coefficient (R^2) had reached (0.522), which means that the human capital interprets 52% of the variables in the dependent variable, while the rest of the ratio is 48% of the effect is due to other factors. Also the correlation coefficient "R" between the two variables was (0.722) which indicates that there is a positive relationship between the two variables; while the regression coefficient "B" for human capital was (0.457) and the "T" value was (6.088) at a significance level (0.000), which is less than (0.01), which indicates that there is a positive statistically significant effect between the human capital and the achievement of product innovation at a significance level of 0.01, i.e., increasing human capital by one unit leads to an improvement in product innovation by 46%.

Accordingly we accept the validity of the first sub-hypothesis, and an estimated model can be proposed as follows: $Y= 2.209+0.457_{X1}$

3.3.2.2. Testing for the statistical significance of the second sub-hypothesis: which states that: "There is a statistically significant effect between collective learning and the achievement of product innovation at a significance level of 0.01".

Table 9. Results of the simple linear regression coefficient test for the effect of the collective learning on achieving product innovation.

Variables	**Regression equation**		**Test "t"**		**Test "F"**		**R**	**R^2**
	B	**Std error**	**T**	**Sig**	**F value**	**Sig**		
Fixed	1.926	0.465	4.144	0.000	18.584	0.000	0.594	0.353
Collective learning	0.511	0.119	4.311	0.000				

Source: prepared by researchers based on the outputs of SPSS 25.

The results in table 9 showed that the value of regression coefficient (R^2) had reached (0.353), which means that collective learning interprets 35% of the variables in the dependent variable, while the rest of the ratio is 65% of the effect is due to other factors. Also the correlation coefficient "R" between the two variables was (0.594) which indicates that there is a positive relationship between

the two variables; while the regression coefficient "B" for human capital was (0.511) and the "T" value was (4.311) at a significance level (0.000), which is less than (0.01), which indicates that there is a positive statistically significant effect between collective learning and the achievement of product innovation at a significance level of 0.01, i.e., increasing collective learning by one unit leads to an improvement in product innovation by 51%.

Accordingly we accept the validity of the second sub-hypothesis, and an estimated model can be proposed as follows**:** $Y= 1.926+0.511_{X2}$

3.3.2.3. Testing for the statistical significance of the third sub-hypothesis: which states that: "There is a statistically significant effect between R&D and the achievement of product innovation at a significance level of 0.01".

Table 10. Results of the simple linear regression coefficient test for the effect of R&D on achieving product innovation.

Variables	Regression equation		Test "t"		Test "F"		R	R^2
	B	Std error	T	Sig	F value	Sig		
Fixed	2.119	0.312	6.784	0.000				
R&D	0.490	0.084	5.846	0.000	34.180	0.000	0.708	0.501

Source: prepared by researchers based on the outputs of SPSS 25.

The results in table 10 showed that the value of regression coefficient (R^2) had reached (0.501), which means that research and development interprets 50% of the variables in the dependent variable, while the rest of the ratio is 50% of the effect is due to other factors. Also the correlation coefficient "R" between the two variables was (0.708) which indicates that there is a positive relationship between the two variables; while the regression coefficient "B" for R&D was (0.490) and the "T" value was (5.846) at a significance level (0.000), which is less than (0.01), which indicates that there is a positive statistically significant effect between R&D and the achievement of product innovation at a significance level of 0.01, i.e., increasing R&D by one unit leads to an improvement in product innovation by 49%.

Accordingly we accept the validity of the third sub-hypothesis, and an estimated model can be proposed as follows**:** $Y= 2.119+0.490_{X3}$

4. Conclusion:

The field study emphasized the importance of core competencies through the impact of its various sources (human capital, collective learning and R&D) on achieving product innovation at Venus Laboratories Company. This led to draw the following results:

1. Human capital, collective learning, research and development are distinct intangible sources, and the integration between them leads to build strength core competencies on which the firm depends on to achieve product innovation and a powerful sustainable competitive excellence;
2. There is significant positive correlation between core competencies sources and the achievement of product innovation at a significance level of 0.01 at Venus Laboratories Company;
3. There is a positive statistically significant effect between core competencies and the achievement of product innovation at a significance level of 0.01 at Venus Laboratories Company;
4. There is a positive statistically significant effect between human capital and the achievement of product innovation at a significance level of 0.01 at Venus Laboratories Company;
5. There is a positive statistically significant effect between collective learning and the achievement of product innovation at a significance level of 0.01 at Venus Laboratories Company;
6. There is a positive statistically significant effect between R&D and the achievement of product innovation at a significance level of 0.01 at Venus Laboratories Company.

Depending on the results presented, we can propose the following recommendations:

1. Maximizing the awareness of the importance of core competencies and the role they play in building strategic plans in business organizations;
2. Pay more attention to the human capital because it is one of the most important keys that achieve product innovation in organizations, so the company management must take care of it by using human resource practices like staffing, training, motivating and involving it more in the formulation of proposals and decisions-making;
3. Work more to spread the culture of collective learning, cooperation and the training of work teams in the company, by encouraging employees to think

freely, use constructive criticism, respect the ideas of others, create brainstorming circles, hold training courses, and prepare programs that help employees to improve the process of innovation in products;

4. Rely more on research and development activity by increasing the level of cooperation and coordination with other institutions in the field of R&D, such as universities, to develop new products and improve the existing ones;
5. Provide new and improved products continuously to keep pace with developments in the environment in a way that adds value to customers, so that the company can achieve success and growth in the marketplace.

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