

**A COMPARISON OF COMPETITIVE STRATEGY AND ORGANIZATIONAL
PERFORMANCE IN TURKEY AND THE UNITED STATES**

JOHN A. PARNELL, PH.D.

William Henry Belk Professor of Management
School of Business Administration
University of North Carolina at Pembroke
Pembroke, NC 28372
(910) 521-6465
john.parnell@uncp.edu

MEHMET ALI KOSEOGLU

Menderes EDAS
Mugla, Turkey
Phone: (90) 538 655 37 67
Fax: (90) 252 214 33 34
trmaliktr@yahoo.com

John Parnell is the William Henry Belk Distinguished Professor in Management at the University of North Carolina at Pembroke. He is the author of over 200 basic and applied research articles, published presentations, and cases in strategic management and related areas. He earned the Ed.D. degree from Campbell University, and the Ph.D. degree in Strategic Management from The University of Memphis. Dr. Parnell was the recipient of a Fulbright research award in Egypt and has also lectured in a number of countries, including extensive recent activity in China and Mexico. His current research focuses on business strategy, crisis management, and related topics.

Mehmet Ali Koseoglu earned the PhD in Business Administration at Afyon Kocatepe University, Afyonkarahisar, Turkey, in 2007. He is currently a civil servant at Menderes Elektrik Dagitim A.S. Mugla Il Mudurlugu, Mugla, Turkey. His research areas include strategic management, knowledge management, business ethics, organization behavior, family business. He has published more than twenty papers in management and related areas in academic journals and refereed conference proceedings.

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ABSTRACT

The literature is replete with tests of the competitive strategy-performance relationship. However, most published work has been in the developed world, most notably the United States. This paper compares and contrasts the nature of competitive strategy and its link to firm performance in Turkey and the United States. Turkish respondents reported higher levels of both innovation and cost-oriented strategies than did their American counterparts, but both strategies were positively associated with performance satisfaction in both nations, reinforcing previous research in both Turkey and the United States.

INTRODUCTION

The strategy-performance relationship has been a popular research topic over the past three decades. However, most published tests of the business strategy-performance relationship have considered firms in the United States and other developed nations. This paper compares and contrasts the nature of this link in Turkey and the United States. Specifically, this paper examines the extent to which differences in the strategy-performance relationships exist between the two nations, with a keen interest on the role played by management level.

Turkey is an intriguing nation to evaluate for several reasons. Since the early 1980s, government policies have focused on developing a free market economy and have encouraged an outward-oriented export-led development strategy. Significant progress has been made in the liberalization of trade and investment policies and the pursuit of macroeconomic stability and economic growth. This policy stance has also contributed to a substantial increase in inward foreign direct investment to the nation. Due to its high economic growth and rapidly growing population, the U.S. Department of Commerce placed Turkey among the ten largest emerging markets (Aygün, Arslan, Güney, 2008; Dincer, Tatoglu, & Glaister, 2006). Following a discussion of strategic management practice and trends in Turkey, methods for the present study are outlined. Findings and conclusions follow.

REVIEW OF THE LITERATURE

Historical Development Of Business Strategy Theory

Building a case for reconceptualizing our perspective on competitive strategies requires an understanding of how the current view has evolved. At its core, business strategy research is concerned with the link between the competitive strategy adopted by an organization and its

performance. Within traditional industrial organization (IO) economics, industry-level factors have the greatest influence on this relationship. Because individual firms tend to have little or no influence over industry structure, IO logic suggests that firms should adapt to the industry structure in order to maximize prospects for success. This view is built on Bain (1956) and Mason's (1939) IO framework of industry behavior and served as a foundation for many of the early contributions to the field. Although the I/O framework contributes to our understanding competitive strategies, a number of limitations for direct applications have become apparent. As a result, the strategic group level of analysis was proposed as a compromise between IO's deterministic, industry level of analysis and the organization level of analysis inherent to the strategic management discipline (Hergert, 1983; Porter, 1981).

Strategic groups describe apparent clusters of firms that exhibit similar or homogeneous behavior within a somewhat heterogeneous industry environment (Fiegenbaum, McGee, & Thomas, 1988). This perspective maintained a focus on groups of organizations, but acknowledged the existence of multiple groups within a single industry due to differences in factors such as organizational goals, strategies, and collections of resources. As strategic group assessments identified clusters of businesses employing similar strategies, researchers began to categorize similarities within the strategic groups across studies. Business strategy typologies—also referred to as *gestalts*, frameworks, and archetypes—identified several generic strategic approaches and were developed and utilized as a theoretical basis for identifying strategic groups in industries. Conceptually speaking, generic strategy typologies are logical extensions of strategic group research and at least historically represent a single broad perspective on the strategy-performance relationship, namely the notion that firm performance is a function of strategic factors that are common across some—but not necessarily all—rivals in a given

industry (Blankson & Kalafatis, 2004; Devaraj, Hollingsworth, & Shroeder, 2001; Wong & Merrilees, 2005).

Porter's (1985) generic strategy typology is most notable. According to Porter, a business can maximize performance either by striving to be the *low cost* producer in an industry or by *differentiating* its line of products or services from those of other businesses; either of these two approaches can be accompanied by a *focus* of organizational efforts on a given segment of the market. Further, a business attempting to combine emphases on low costs and differentiation invariably will end up "stuck in the middle" (Porter, 1980, p. 41), a claim challenged by a number of strategic group scholars (Parnell, 1997, Wright, 1987).

Proponents of the combination strategy approach based their arguments not only on broad economic relationships but also on anecdotal evidence demonstrating how individual firms have identified such relationships unique to one or a small group of firms in an industry. As such, the combination strategy debate shifted the focus from the content of a limited number of practicable strategies to firm-specific strategy execution. Successful implementation of a combination strategy often created greater research challenges than are typically associated with "pure" strategies. Hence, this debate seems to have fueled the momentum for heightened interest in the role played in performance by organizational factors.

Dissatisfaction with the limited emphasis placed on the role of organization-specific factors in strategic group analysis and typology extensions may have been the primary impetus for a renewed interest in firm resources, not strategic group membership, as the foundation for a firm's competitive strategy (Barney, 1986, 1991; Mahoney & Pandian, 1992; O'Regan & Ghobadian, 2004). The resulting paradigm, resource-based theory, drew from the earlier work of Penrose (1959) and Wernerfelt (1984) and emphasizes unique firm capabilities, competencies,

and resources in strategy formulation, implementation, and performance (Dutta, Narasimhan, & Rajiv, 2005; Kor & Mahoney, 2005). A growing body of empirical literature supports link between organization-specific resources and firm performance (Ray, Barney, & Muhanna, 2004).

The rise of the digital age appears to have played a role in the renewed interest in firm resources. As physical boundaries declined in importance and transaction speed increased, the ability to delineate clear industry and strategic group lines as a basis for strategy formulation became more of a challenge. Sustaining competitive advantage became a key concern in an environment where competitive and customer information seemed to be freely available. Hence, a focus on organizational resources that would enable a firm to establish and sustain competitive advantage in a faster, more complex environment becomes germane.

Much of our understanding of competitive strategy can be traced to Porter's (1985) seminal low-cost-differentiation-focus framework. His work has received considerable support in the literature and marked a key transition in the field by beginning to integrate organization-specific factors into a model of firm performance dominated by the industrial organization perspective. Recently, however, there have been two key developments—one in the literature and one in the business environment.

First, much of the prominent work in the business strategy literature has shifted from a typology orientation to a heightened role of organization-specific factors as characterized by the resource-based perspective (Foss & Knudsen, 2003; Ray, Barney, & Muhanna, 2004). This focus on firm resources has further defined the nature and complexities associated with variations across organizations (Barney, 2001; Barney, Wright & Ketchen, 2001; Priem & Butler, 2001a, 2001b). The emphasis on resources combined with the accompanying decline in typology testing and refinement papers, however, suggests a growing view in the field that the low-cost-

differentiation framework is incomplete and may not be completely compatible with the present resource-based view (RBV) of the firm (Kim, Nam, & Stimpert, 2004). However, this assertion does not necessarily suggest that typologies are no longer useful or that integration of competing perspectives is not possible (Leiblein, 2003; Kimura & Mourdoukoutas, 2000; Pitelis & Pseiridis, 1999).

Second, the pace and intensity of change in the global business environment have become much more pronounced during the past two decades. As a result, speed—response time to competitors and customers—has become more valuable as a competitive weapon. In addition, the Internet has minimized the importance of physical boundaries and distance. In many instances, it can be leveraged to enable firms to serve larger markets more efficiently (Kim, Nam, & Stimpert, 2004).

In the 2000s, organizational economics—integrating perspectives such as agency theory, incentives, transaction cost theory, and even property rights theory—experienced a resurgence in the literature (Fulghieri & Hodrick, 2006; K. Foss & N. Foss, 2005; Gibbons, 2003; Whinston, 2003). Scholars in the organizational economics school integrate the tools and theories originally established for the industry level of analysis with new insights and approaches more appropriate for the firm level (Sheehan & Foss, 2007). This interest is not limited to issues with strong traditional ties to the economics field, however. Challenges associated with managing managers, for example, are strategic to human resource management concerns. The organizational economics perspective sheds new light on the issue by viewing senior management as a key resource that to be attracted, developed, and harvested. By incorporating transaction costs, agency theory, and other corporate governance concerns into the analysis, scholars are expanding the boundaries of the competitive strategy field (Boxall & Gilbert, 2007). Organizational

economics therefore provides the potential for an integrative, comprehensive framework for understanding strategies in organizations (Kim & Mahoney, 2005).

Strategic Management In Turkey

Strategic planning was not a common practice in Turkey prior to the 1960, and only gained acceptance in the 1980s (Akgemici, 2007; Dinçer, 2003). Today, strategy concepts are widespread in Turkish organizations, with a significant number of organizations planning for horizons of five years or greater (Dinçer & Tatoğlu, 2002; Dincer, Tatoğlu, & Glaister 2006; Eren, Aren, & Alpkan, 1997, 2000). Moreover, instead of preparing strategic plan at certain intervals, some Turkish organizations have adopted a continuous approach to the process (Barca, Karayormuk, & Köseoğlu, 2006). Others have departments dedicated to strategic planning (Eren et al., 2000).

Strategic decision making in Turkey remains largely centralized, formal, relatively standardized, and based on business intelligence (Dinçer & Tatoğlu, 2002; Dincer, et. al, 2006). Dinçer and Tatoğlu (2003) and Glaister and associates (2008) found a strong correlation between formal strategic planning levels in large organizations and firm performance. Glaister and associates' results also suggest moderating roles played by environmental turbulence, organizational structure and firm size on the strategic planning-performance link.

Increases in strategic planning have also affected the speed at which strategic decisions are made in Turkey (Zehir & Özşahin, 2005). Factors such as participation, autonomy, formation, and innovation influence the strategic-decision making process as well. Organizations established with foreign capital typically employ such techniques as the SWOT analysis and scenario planning, while domestic organizations tend to assess environmental conditions through economic prediction models (Barca et al., 2006; Erdil & Kitapçı, 2004). Hence, domestic

companies do not use modern techniques as commonly as foreign companies, and some are not even aware of such techniques (Dinçer & Tatoğlu, 2002; Dincer, et. al., 2006). Small and medium sized enterprises (SMEs) sometimes use economic models but rarely employ other techniques (Şimşek, et. al., 2006).

Dinçer & Tatoğlu (2002) and Dincer, et. al. (2006) found a predominant emphasis on relative strengths and weaknesses of the organization when Turkish firms participate in strategic planning. Hence, strategic activities are primarily viewed as setting the (mostly quantitative) goals and business targets of an organization (Alpkan, et. al., 2005; Baraz, 2008). Members of public organizations tend to adhere strictly to these goals. Hence, domestic organizations operating in Turkey follow more reactive and current-state strategies, while organizations established with foreign capital are more proactive.

Diversification is also a common theme in many Turkish firms. A study conducted among 43 SMEs suggested that firms classified as future-oriented are more likely to employ diversification and quality/image strategies. Specifically, future-oriented firms tended to be more proactive and less risk averse (Aricı, et. al, 2006). Ağca, and associates' (2007) assessment of medium and large exporters revealed a positive correlation between organizational goal clarity and strategic planning emphasis. The nature of this relationship was moderated by the competitive strategy selected by the firm.

The link between goals and strategy in Turkey is an interesting one. Eren and associates (1997, 2000) found a preference for strategic objectives in Turkish organizations to include growth, increasing market share, improving efficiency, enhancing the prestige in the market, innovation, and market diversification (see also Tutar et al., 2007). However, profitability, decreasing production costs with external factors, technologic innovation, and increasing

competitive power are not as commonly included as strategic objectives. Participating organizations viewed inflation, devaluation, interest targets, and taxes as important threats, while emphasizing international relations, competition, prospective imports and exports, economic growth, and saving rates as important opportunities. Barca and associates (2006) found that top management adapt the following as strategic goals in the following order: focusing on activities that enhance competitive advantage, exploiting differences in resources and capabilities, being innovative, defending current competitive positions, and maximizing profit.

Analytic techniques are gaining popularity, however, even among SMEs. Kök's (2004) assessment of SMEs found the greatest preference for analytic approaches to strategic management, followed by a future-orientation and defensive risk avoidance behaviors. Çelik ve Karadal's (2007) study of SMEs found that the problems of developing marketing strategies and pricing of services and goods usually influence firm performance.

Kısacık's (2005) study of 104 SMEs found that most of the organizations emphasize a low cost approach, perceiving a link between low costs and growth. More than half of the respondents also employed differentiation approaches, however. Some incorporate elements of a focus strategy as well, while mimicking the strategic moves of rivals—especially in terms of pricing—is common. Gürpınar and Barca (2007) also found strong support for an overarching low cost approach among Turkish firms. Demirbag and Tatoglu (2008) studied 79 large industrial organizations, revealing a different set of strategic priorities, including product standardization, access to efficient process technologies, concentric diversification, extending product lines and technology sharing. Nonetheless, in Turkey, cost leadership is most prominent. Innovation is not seen as being as important (İrmiş & Akça, 2003).

Information technology has also played an important role in competitive strategies in Turkish organizations (Yıldız, 2008). SMEs leverage information technologies primarily to enhance product quality. Aslan and Özata's (2007) study of SMEs in the automotive industry found a positive correlation between the use of information technologies by organizations and innovation, competitive power and marketing capacity. The findings indicate that marketing capacity and innovation have positive and significant influences on entrepreneurial capacity. The use of information technologies is also a function of organizational size, export activity, and knowledge levels of the firm's top managers. However, Soysal and associates (2006) found that while SMEs in the textile industry see information technologies as important means of catching up with large competitors, they do not make full use of them. Turunç & Polat (2007) revealed only a moderate link between the use of information technologies and organizational performance among SMEs (see also Bakan & Taşlıyan, 2002; Erdil & Kitapçı, 2005).

HYPOTHESES

The previous sections highlight similarities and differences between American and Turkish perspectives on the concept of business strategy and the strategic planning process. Specifically, a general preference for an innovative approach—a form of differentiation—has been found in American organizations, whereas their Turkish counterparts have favored a low cost approach (Gürpınar & Barca (2007; İrmış & Akça, 2003; Kısacık, 2005; Ray, Barney & Muhanna, 2004). Hence, this tendency is tested in the present study through the first two-part hypothesis:

H1a: American managers perceive a greater strategic emphasis on innovation than do Turkish managers.

H1b: Turkish managers perceive a greater strategic emphasis on low costs than so American managers.

Previous research also supports the notion that managers in executive positions are more likely to favor innovative strategic approaches than are those in lower levels (Parnell, 2007; Parnell & Menefee, 2007). Tests of this assertion in emerging economies like Turkey are lacking, however. Nonetheless, it is hypothesized that this relationship will hold true in both American and Turkish samples, as tested in the second two-part hypothesis:

H2a: The perceived strategic emphasis on innovation will be greater in higher management levels than in lower management levels.

H2b: The perceived strategic emphasis on low costs will be less in higher management levels than in lower management levels.

METHODS

The instrument utilized in this study contained Pelham and Wilson's (1996) innovation strategy and low cost strategy scales, and Parnell, Lester, and Menefee's (2000) performance satisfaction scale. Both scales were selected because of their previous validations and their Likert orientation. Demographic and personal items were also included, such as age, gender, management and organizational experience, and position in the firm.

A total of 595 responses were completed, 261 in Turkey and 335 in the United States. Data were collected from managerial personnel in 190 firms located in Turkey. Turkish respondents were randomly selected from a group of 1000 firms listed at the business database at representing a variety of manufacturing and service enterprises derived from Google's business database (www.google.com.tr). The sample included small and large organizations, domestic and global enterprises, and manufacturing and service firms. Surveys were mailed to executives in these firms, with a second mailing a week later. In the end, 274 surveys were returned from 190 firms. Thirteen were not usable because of missing sections or other errors, leaving 261 for

analysis, a response rate of 26.1 percent. Given the challenges associated with data collection in Turkey, this rate is considered typical for mail surveys.

American respondents were selected from the membership of a Chamber of Commerce in a mid-size city in the Southeastern United States. A total of 977 surveys were distributed to the membership. The response rate was 34.2 percent, with 335 surveys returned. As with the Turkish sample, this response rate is customary for U.S. mail surveys.

Females outnumbered males in the American sample 57.2 to 42.5 percent. Males outnumbered females in the Turkish sample, however, 69.3 to 30.7 percent. The large percentage of Turkish males in the sample is not problematic, however, given their strong representation in the work force. Respondents were dispersed across management levels in both samples, with lower and middle middles comprising the largest groups. The average age for the composite sample was 36.7 years, with respondents reporting 7.8 years of management experience and 7.3 years of experience with the present organization. Age and experience differences were not significantly different across samples. A summary of key sample data is presented in table 1. An explanation of the scale items is presented in table 2.

Insert tables 1 & 2 about here

FINDINGS

Factor analysis results lend strong support to each of the scales (see table 3). Factor loadings and coefficient alphas were in excess of .600 for all three scales across both samples individually and as a composite.

Insert table 3 about here

The first hypothesis was partially supported. The U.S. and Turkish samples were compared along the lines of strategy emphasis and performance satisfaction. The Turkish sample reported significantly higher scores for the strategic dimensions of *both* innovation and cost strategy. No significant differences were found along performance satisfaction (see table 4). In the U.S. sample, the correlations between cost strategy emphasis and performance satisfaction was .256 (significance=.000), and between innovation strategy emphasis and performance satisfaction was .259 (significance=.000). In the Turkish sample, correlations were .129 (significance=.038) and .125 (significance=.044) respectively. Hence, both strategies were positively associated with performance satisfaction in both nations, although the links were stronger in the United States.

Insert table 4 about here

The second hypothesis was partially supported, as the perceived strategic emphasis on innovation varied by management level (see table 5). Considering both samples together, there was a clear and significant increase in emphasis in innovation associated with an increase in management level. When the samples were tested individually, a similar relationship was found only with the U.S. sample, with the most notable difference being the fact that top managers reported a much greater emphasis on innovation than did managers at lower levels. No significant differences were found with the Turkey sample or with the cost strategy factor, although a significance level of .10 when testing the low cost strategy suggests that a different *might* be found with a larger sample size.

Insert table 5 about here

DISCUSSION AND CONCLUSIONS

This paper compares and contrasts the nature of competitive strategy and its link to firm performance in Turkey and the United States. Turkish respondents reported higher levels of both innovation and cost-oriented strategies than did their American counterparts. Both strategies were positively linked to performance in both samples. These findings reinforce previous research in both Turkey and the United States.

Although there is strong evidence that participation in the strategic planning process tends to improve performance (Greenley, 1994), there is still much to be learned about the nature of the strategy-performance linkage. This is especially true in developing countries like Turkey. The present study suggests that both innovation and cost leadership strategies are emphasized in Turkish firms, more so than in their American counterparts. In addition, there is some evidence that the strategy-performance relationship is influenced by management level, although such a link was found to be significant only when innovation strategies were considered in the American sample. There are several possible explanations for these findings.

First, the Turkish economy has experienced significant change in recent years. Direct investment from developed nations has increased markedly, most notably from the United States and the European Union. The resulting competitive environment emerging in the country has resulted in more effective use of strategic management tools by Turkish managers. In this environment, priority is given to the techniques that foster innovative strategies built on monitoring and adapting to shifts in the global environment.

Second, Turkish firms are under greater pressure to comply with Western norms as they become more involved in the global economy. This has led to the fast adaptation of strategic planning techniques and tools by managers into applications and has produced a strategy

development process similar to that of the foreign firms (Dinçer et al., 2006). Hence, Turkish managers may pursue innovation and cost leadership strategies with greater intensity because of their heightened achievement orientation (Arslan, 2001).

Along these lines, the Turkish government has introduced a number of incentives for firms to improve global competitiveness. These incentives decrease costs for investments both inside and outside of the country, and foster research and development efforts. Hence, one might argue that the government is playing a key role in supporting both low cost and innovation strategies.

Third, compared to the business environment in the United States, the environment in Turkey can be characterized as highly ambiguous. Political and economic crises have been common in recent years, a phenomenon that has encouraged organizations to rely more heavily on short-term plans. Because cost containment has greater short term payoffs, many firms have concentrated their efforts primarily on costs. Such firms prefer to imitate the successes of firms in other countries as rapidly as possible—and with minimal expenses—thereby ensuring the maximum measure of success in the short term. This, however, does not explain the emphasis on innovation found among Turkish firms in the present study.

Fourth, growth strategies and integration are very important for Turkish organizations, with a specific emphasis on product line extensions, standardization, and technology sharing. Action programs implemented by Turkish manufacturers focus on information integration within manufacturing and across other business functions. The emphasis on quality is notable (Demirbag & Tatoglu, 2008).

Turkish managers at top and middle levels have begun to employ more sophisticated strategic planning tools in recent years. As a result, they have become more committed to the

strategies that emerge from the development process (Dinçer et al 2006). The strategy literature emphasizes the importance of both innovation and cost leadership approaches. Indeed, both factors have received considerable attention from Turkish firms in the formulation stage, although many have experienced problems executing such strategic approaches (Glaister et al., 2008).

Fifth, Turkish firms have begun to place a greater emphasis on innovation (Bello et al., 2004). This has been problematic, however, because of limited contacts between firms and research universities. More research and development collaboration could spur innovation, particularly in Turkey's petroleum, cement, glass, textiles and iron and steel industries. Turkey's globally competitive construction industry would benefit from research support on new materials and building methods (Rufo, 1996).

Sixth, the impact of supply chain management practices is notable. In Turkey the most important criterion for supplier selection in the machinery and equipment industry tends to be (low) cost. Hence, many Turkish firms do not commit to single suppliers in order to negotiate the lowest possible costs (Leny Koh, et al. 2007, Ulusoy, 2002).

Finally, organization structure affects relationships between formal strategic planning and firm performance (Glaister et al. 2008). Because of environmental changes, many organizations in Turkey have shifted from mechanistic to organic structures in recent years. Changes in structure often facilitate changes in strategy as well.

Several realistic avenues for future research have been identified. First, replications of the present study in other emerging nations may identify factors that are common to developing nations. Increased investment and trade between Turkey and the rest of the world will inevitably

broaden the impact of crises that occur. Without such research, the generalizability of these findings to other emerging economies is tenuous.

Second, although sound research encourages one to maintain methodological consistency, problems invariably exist when constructs and surveys are modified or translated to suit samples in other cultures. Such changes invariably present judgmental decisions that must be made by the researcher. Punnett and Shenkar (1994) warned against interviews, experiments and observational approaches where great religious differences exist between the researcher's home culture and that being studied. In addition, survey research is feasible when any language barriers are overcome, but less reliable when educational differences are also highly pronounced. Further, one's values can influence item interpretation and create response bias.

Following this logic, since many management constructs developed in advanced Western nations may be inappropriate in emerging economies, new constructs may more accurately explain management behavior. There is also a need for modified research approaches to compare and contrast practices among widely divergent cultures without forcing one culture into the construct definition appropriate in another. Researchers must seek applications of management concepts so that existing theory can be applied to developing countries while at the same time allowing for substantial theoretical modifications when findings cannot be readily explained by prevailing models.

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TABLE 1
THE SAMPLE

	Composite Data (n=595)	U.S. Only (n=334)	Turkey Only (n=261)
<u>Frequencies</u>			
<u>Gender*</u>			
Males	323 54.3%	142 42.5%	181 69.3%
Females	271 45.5%	191 57.2%	80 30.7%
<u>Management Level</u>			
Non-managers	109 18.3%	73 21.9%	36 13.8%
Lower Managers	149 25.0%	113 33.8%	36 13.8%
Middle Managers	214 36.0%	99 29.6%	115 44.1%
Top Managers	123 20.7%	49 14.7%	74 28.4%
<u>Descriptive Data (Mean & Standard Deviation)</u>			
Age	36.69 sd=10.08	36.47 sd=10.67	36.97 sd=9.28
Management Experience	7.82 sd=8.09	7.02 sd=7.96	8.84 sd=8.16
Experience with Organization	7.34 sd=7.26	6.89 sd=7.40	7.90 sd=7.05

*One U.S. respondent did not select a gender.

TABLE 2**EXPLANATION OF SURVEY ITEMS**

Item	Concern
STRATINN1	New product development
STRATINN2	Strict product quality control procedures
STRATINN3	Developing new products and refining existing ones
STRATINN4	Innovation in the manufacturing process
STRATINN5	Developing products for higher priced markets
STRATCOST1	Pricing below competitors
STRATCOST2	Continuous, overriding concern for lowest cost per unit of production
STRATCOST3	Production in lower priced market segments
PERSAT1	Satisfaction with operating profits
PERSAT2	Satisfaction with profit to sales ratio
PERSAT3	Satisfaction with cash flows from operations
PERSAT4	Satisfaction with return on investment
PERSAT5	Satisfaction with return on assets

TABLE 3**FACTOR ANALYSIS OF THE STRATEGY INNOVATION, COST LEADERSHIP, AND PERFORMANCE SATISFACTION SCALES**

	Factor Loading Composite	Factor Loading U.S. Only	Factor Loading Turkey Only
<u>Strategy Innovation</u>			
STRATINN1	.844	.824	.816
STRATINN2	.820	.824	.785
STRATINN3	.821	.835	.786
STRATINN4	.829	.772	.863
STRATINN5	.719	.709	.652
<i>Alpha</i>	.865	.852	.837
<i>Variance explained</i>	65.3%	63.1%	61.4%
<u>Strategy Cost Leadership</u>			
STRATCOST1	.813	.814	.794
STRATCOST2	.828	.867	.752
STRATCOST3	.825	.861	.788
<i>Alpha</i>	.760	.803	.673
<i>Variance explained</i>	67.6%	71.8%	60.5%
<u>Performance Satisfaction</u>			
PERSAT1	.806	.838	.778
PERSAT2	.834	.843	.831
PERSAT3	.827	.834	.819
PERSAT4	.861	.894	.832
PERSAT5	.805	.877	.736
<i>Alpha</i>	.909	.909	.858
<i>Variance explained</i>	68.4%	73.5%	64.0%

TABLE 4**U.S. VS. TURKEY COMPARISONS**

Variable	U.S.	Turkey	F-value	Significance
Strategy-innovation	-.324	.408	89.935	.000
Strategy-cost	-.195	.245	29.389	.000
Performance satisfaction	.002	-.002	.002	.966

TABLE 5**STRATEGIC EMPHASIS COMPARISONS BY MANAGEMENT LEVEL**

	Composite Data (n=595)	U.S. Only (n=334)	Turkey Only (n=261)
<u>Strategy-Innovation</u>			
Non-managerial	-.169	-.511	.486
Lower management	-.158	-.335	.398
Middle management	.004	-.367	.316
Upper management	.329	.044	.518
Total	1.000	-.325	.408
F-statistic	6.886	3.081	1.024
Significance	.000	.028	.383
<u>Strategy-Cost</u>			
Non-managerial	-.141	-.256	.090
Lower management	.014	-.156	.535
Middle management	.068	-.188	.285
Upper management	-.010	-.203	.115
Total	1.000	-.195	.244
F-statistic	1.050	.141	2.102
Significance	.370	.935	.100
