Research Journal of Business and Management
Year: 2015 Volume:2 Issue: 2

MULTI-DIMENSIONAL MEASURE OF STRATEGY DEVELOPMENT PROCESS FROM A DIFFERENT CONTEXT: AN EMPIRICAL RESEARCH ON TURKISH MANAGERS

DOI: 10.17261/Pressacademia.2015211502

Zafer Ozleblebici

Turkish Army War College. zozleblebici@gmail.com

Keywords
Strategy, strategy development, strategy mode, multidimensional process, strategic management.

JEL Classification
M12,M14

ABSTRACT
The purpose of this paper is to provide another explanation of strategy development process from a different context. Even though several studies exploring different approaches to strategy development process have been employed, most of them have examined organizations in similar samplings, more specifically Anglo-Saxon cultures/countries. Therefore, in order to explore the strategy development approaches from a different context, the paper aims to expose and describe the strategy development modes followed within organisations from a developing/emerging country based on the perceptions of managers. Towards that end, the paper reveals another multi-dimensional framework of strategy development to more clearly understand the process by which strategy develops within another context. By using factor analysis the study identifies and moreover categorizes six different modes of strategy among organisations.

1. INTRODUCTION

Different explanatory theories aiming to explain the nature of the strategy development process have been proposed within strategy literature. In the early days of traditional strategy literature, the strategy development process followed by organizations was often explained as a rational, analytical, systematic and deliberate process of planning and intent (e.g. Ansoff, 1965; Andrews, 1971; Hofer and Schendel, 1978; Steiner, 1979). Nevertheless, in the following period, strategy development process was also explained in other ways. In this context, several authors have proposed different approaches to the process of making strategies and sought to build up models to integrate the variety of viewpoints in the literature. Consequently, numerous typological approaches have been occured. Typology based works are important to comprehend what let to the existent strategy of the organisations. Moreover the typological explanation of the strategy development process, a concern for how strategies are developed and implemented rose, as well as the multi-dimensional explanations to organisations and strategies. As a result of these trend, the strategy literature finally provides us miscellaneous explanations, theories and approaches in order to identify the attitudes, patterns and tendencies within strategy development process (e.g. Miles and Snow, 1978; Bourgeois and Brodwin, 1984; Grandori, 1984; Mintzberg and Waters, 1985; Chaffee, 1985; Mintzberg, 1987; Ansoff, 1987; Hart, 1992; Idenburg, 1993; Whittington, 1993; McKiernan, 1996; Mintzberg et al.,

1998; Bailey et al., 2000; Haberberg and Rieple, 2001; Jelenc, 2004), resulting in a "model proliferation" (Hart, 1992, p.27). As a result of this proliferation, there are, then, various typologies and methodologies on the explanation of strategy development processes.

Applicability of management theories and practices has historically been a major concern of researchers dealing with developing country situations (Hoskisson et al., 2000). Even though several studies exploring different approaches to strategy development process have been employed, most of them have examined and sampled organizations in similar samplings, more specifically Anglo-Saxon cultures/countries. For example, Parnell (2003) expresses his concern regarding the concentration of strategy development research on a specific sampling from similar or the same region/country. Although many elements of the existing consensus developed from the current studies of strategic management may be directly appropriate to developing/emerging countries (Parnell, 2003), we aim to reveal strategy development approaches of one of the developing/emerging countries, more specificly the nature of strategy development process in Turkish business organisations.

Therefore, in order to explore the strategy development approach from a different context, we intend to describe the strategy development modes followed within Turkish business organisations, as a sample of developing/emerging countries based on the perceptions of their managers. This perspective enables us to look at strategy development process from a non-traditional angle which may provide a different picture of reality.

2. LITERATURE REVIEW – STRATEGY DEVELOPMENT PROCESS AND SCHOOLS OF THOUGHT

The use of the strategy concept in relation to organisations, and the application of the subject of strategic management, most typically to business firms and corporations has only occurred since the twentieth century, more specifically since 1960s (Bracker, 1980; Segal-Horn, 1998; Brannback and Nasi, 2001). During the 1960s the concept of strategy came into the business arena with a superb dominance. As concluded by Brannback and Nasi (2001, p.3) "hardly any other business concept has during the past decades become such a conceptual commodity. What other field within business can portray as many textbooks, courses, consultancy firms or top management meetings than that of strategy?".

The word strategy was introduced into the business field by several pioneers including Alfred D. Chandler, Igor Ansoff, Philip Selznick, and Peter Drucker between the late 1950s and early 1960s (Kay, 1995; McKiernan, 1996; Segal-Horn, 1998). Since then, the concept has evolved into a variety of different thoughts, perceptions, debates, and adaptations by many researchers, scholars, and also practitioners. The term strategy has many aspects and consequently various authors have attempted to split strategy literature into meaningful categories, most probably under the inspiration of their own academic disciplines.

These early pioneers developed many important concepts related to business strategy and those concepts are influential even in the current business world. More specifically, Chandler developed the famous concept 'structure follows strategy' (Chandler, 1962), Ansoff established 'gap analysis' (Ansoff, 1965), Selznick presented the idea of matching

the organisation's internal factors with external environmental conditions famous so-called 'SWOT analysis' (Selznick, 1957), and Drucker formed the concept of 'management by objective' (Drucker, 1954). However, as these concepts indicate, these early scholars associated business strategy to corporate planning under the given industrial structure (Kim, 2011).

After these early pioneers, research on the strategic management has evolved in several ways by interconnecting with different disciplines. Accordingly, research on the strategic management has evolved in several ways by interconnecting with different disciplines. Indeed, the view on the strategic management by a certain group of people is often shaped by the group's own functional heritage and disciplinary legacy (McKiernan, 1996). Considering this, several authors have proposed different approaches to the process of making strategies and sought to build up models to integrate the variety of viewpoints in the literature. As a result of these efforts, the strategy literature finally provides us different schools of thought, in other word different approaches to the strategy development process. A school of thought "is understood to be the range of thought of a specific group of researchers, which has crystallized within the field of strategic management. In other words, a school of thought can be seen as an institutionalized paradigm" (Volberda and Elfring, 2001, p.1).

In Table 1, a short overview and depiction of the schools of thought proposed in the strategic management literature is presented.

From the very first classifications proposed there was a clear conclusion that the process of strategy development cannot be placed within the context of only one paradigm. The analogy is that there is no unique recipe for being successful. And strategy is only the tool of putting these different success recipes into practice. Therefore, strategy development has been inevitably identified as a multi-paradigmatic discipline, requiring varied theoretical perspectives and methodologies (Hoskisson et al., 1999). Mintzberg et al. (1998) also state that organizations having multiple approaches to strategy development process have higher performance to those having unidimensional or more limited approaches to strategy development process.

Table 1: Overview of the Schools of Thought

(Jelenc and Raguz, 2010:218-219)

Author	Year	Criteria	Classification	Comment
Mintzberg	1973	Distinct groupings or "modes" of strategy making	Entrepreneurial Planning Adaptive	An organization will find some combination of the three that reflects its own needs (to fit the situation) mixing them in different stages of development, function or parent/subunit
Miles, Snow	1978	Different strategies arise from the way firms decide to address three fundamental problems (entrepreneurial, engineering, and administrative).	Prospectors Analysers Defenders Reactors	No single strategic orientation is the best, there should be simply establishing and maintaining a systematic strategy that takes into account a company's environment, technology, and structure.
Bourgeois, Brodwin	1984	Approaches that CEO can employ when dealing with the company, the classification is sorted by the increasing level of engaging employees in the process of strategic management.	Commander Change Collaborative Cultural Crescive	None of these approaches is correct for all firms. It depends on the; degree of diversification, rate of growth, change and existing culture.
Grandori	1984	Various properties of decisions models depending on two factors; uncertainty and conflict of interest, comparing different organizational decision strategies	Optimizing Satisfying Incremental Cybernetic Random	The methodology proposed here is prescriptive by nature. It represents the grading of a decision under the different levels of uncertainty and conflict.
Mintzberg, Waters	1985	Exploring the relationship between the leadership plans and intentions and what the organizations actually did.	Entrepreneurial Planned Ideological Umbrella Process Consensus Unconnected Imposed	More elaborated types of strategy between the deliberate- emergent strategies along the continuum.
Chaffee	1985	Depending on the way actions have been taken, the content of strategy and the process by which actions are decided and implemented	Linear Adaptive Interpretative	Primary focus on the three distinguishable mental models and each organization should start at the lower level (linear) and progress (adaptive) toward the complexity level (interpretative) of dealing with the strategy implementation.
Mintzberg	1987	When the strategy is decided and the way it is decided upon	Plan Position Ploy Perspective Pattern	Five definitions of strategy which actually represent the five ways of approaching process of strategic management. They mutually compete and complement.

Author	Year	Criteria	Classification	Comment
Ansoff	1987	Problem dimension, process dimension, rationality dimensions	Systematic Ad hoc Reactive Organic	Strategic behaviour is based on validity of the several domains; scientific-optic, decision process, power, culture, and environmental pressure.
Hart	1992	Varying roles of top managers and organizational members playing in the strategy-making process	Command Rational Symbolic Transactive Generative	Strategy making is an organization wide phenomenon.
Idenburg	1993	Goal orientation (what) and process orientation (how)	Rational planning, Logical incrementalism, Guided learning, Emergent	All four views of the strategy development process should be taught and developed in the firms on the equal level.
Whittington	1993	Generic approaches; the outcomes of strategy and the processes by which is it made.	Classical, Evolutionary, Processual, Systemic	Different views about the human capacity to think rationally and act effectively.
McKiernan	1996	Distinctive and clear way of identifying strategy past and future.	Planning and Practice school, Learning, Positioning, Resource-based	Modern contributions in strategy, not excluded but interwoven.
Henry Mintzberg; Henry Mintzberg, Bruce Ahlstrand, Joseph Lampel	1990 1998	First three prescriptive in nature (should be), next six describing how (actually do), the last is combination of all others	Design, Planning, Positioning, Entrepreneurial, Cognitive, Learning, Power, Cultural, Environmental, Configuration	Schools of strategy formation in publications and in practice, the review of the evolution as well as the current state of the field.
Haberberg, Rieple	2001	General overview on the process of strategic management including option of organizational anarchy	Planning, Process, Decision preference, Organizational anarchy, Ecological, Political, Visionary	The views are only perspectives that could be combined together to form a more realistic approach of top manager toward the process of strategic management. Authors include organizational anarchy which other authors do not take into account.
Jelenc	2004	Active or passive role of top manager and historical or future trends	Classical, Environmental, Competitive, Contemporary	Tested only among the large companies in the Republic of Croatia.

3. DATA AND METHODOLOGY

3.1. Research Instrument - the survey questionnaire

The questionnaire used for the collection of data titled "Strategy Perception Questionnaire" aimed to reveal and categorize the managerial perceptions on strategy development process. The 34 items of the scale were constructed from the premises of Mintzberg et al. (1998)'s Ten Schools of Thought in strategic management. We decided to use Mintzberg's ten schools of thought as an item pool for the questionnaire development, since it covers almost all developments in strategic management (Tsoukas and Knudsen, 2002), coalesces strategic thinking from 1960s into 10 broad schools of thought (Shekhar, 2009), and also clarifies on the most detailed level each school's specific contribution to the strategy field (Volberda and Elfring, 2001). The header question in this scale was framed as follows: 'Consider the below aspects of strategy in your mind and select the one choice in each line, which you feel best indicates your opinion to the relevant statement.' Below this header question were presented the items as statements. The 7 point Likert-type scale was used so that a respondent could choose one of the seven points for each item. For each statement, respondents had to point out the degree to which they agree or disagree with its content on a seven-point scale The scale points were anchored as 1-Strongly disagree and 7- Strongly agree in order to assist a respondent to perceive to what extent each of the items did form in his/her mind. Section D consisting of questions related to the selected situational characteristics of the respondents.

3.2. Sample

A purposive sampling was utilized to define the sample, which means that the sample was "deliberately selected to sample a specific group with a specific purpose in mind" (Burns and Burns 2008, p.206). The decision to use purposive sampling was driven by the fact that no single list was available in which all the managers with adequate strategy knowledge/background are listed. This method enabled us to use our judgement to select cases that will best enable us to answer the research questions and to meet our research objectives.

The sampling frame for business managers was made up of the Top 500 Industrial Enterprises in Turkey specified by the Istanbul Chamber of Industry (ICI) for the year 2013. It provides sufficient information about a business such as its name, address, telephone number, fax number, email address (not in all cases), web site address (not in all cases), products and services, names of executives, annual sales, number of employees, export destinations and so on. We focused on that Top 500 Industrial Enterprises for the reason that we believe this approach was the most adequate for the purposes of this research because, generally, it is the largest companies that invest more resources (time, money, and intellectual capital) in acquiring, implementing, and using strategy and strategic management.

The key informant approach has been employed for respondent selection. This approach is very common in strategic management research in order to obtain quantitative data (Huber and Power, 1985). Phillips and Bagozzi (1986, p.313) describe the method as "a technique of collecting information within a selected number of participants. The

informants are chosen not on a random basis but because they possess special qualifications such as particular status, specialized knowledge, or accessibility to the researcher". However, Huber and Power (1985) advise that its usage needs careful consideration of certain concerns to decrease potential measurement error. Therefore we followed the guidelines provided by Huber and Power (1985) in the research to demonstrate that as far as possible the data was free from informant-specific measurement error. Additionally, if only one informant per organisation is to be questioned, and then the researcher should try to find the most knowledgeable person on the research topic (Huber and Power, 1985; Phillips and Bagozzi, 1986). To ensure managers were sampled who had adequate knowledge on strategy and strategy development process, each organisation was requested to determine the respondent among the managers who had a good awareness and knowledge on strategy as well as strategy development process.

3.3. Data Collection

In this research, the data collection techniques were the web-based online method and the telephone questionnaire method depending on the particular circumstances of the participants and the participating organisations.

The questionnaire link was addressed to either the chief executive officer or the managing director of the 500 firms identified from the Top 500 Industrial Enterprises. The chief executive officer or the managing director was requested to respond the questionnaire and also address it a 'key respondent', who has wide-range knowledge on strategy and strategy development process. At the end of the process, we reached 184 returned questionnaires. 8 questionnaires were assessed as undeliverable. Thus, the data collection process resulted in 176 usable responses in total with a 35.2 % response rate. Hart (1987) states that the response rates in business surveys vary from 17 % to 60 % with an average of 36 %, and Nulty (2008) reports that the overall response rate for online surveys diverge from 20 % to 47 % with an average of 33 %. Therefore, the response rate of 35.2 % was found to be quite a high response rate above the average in terms of both business and online survey perspective and also assessed very acceptable for the research.

As far as the sample size is concerned, it was limited by the research time duration even though the authors recognizes that more responds would be better. As suggested by Saunders et al. (2003), the size of the sample must be large enough to satisfy the needs of the investigation being undertaken. The decision of the adequate sample size is dependent on several factors, such as the purpose of the study, the population size, the types of statistical analysis to be undertaken, and the risk the researcher is willing to accept (Saunders et al., 2003). Since we aim to employ factor analysis in order to reveal mode of strategy among business and military managers, we think that assessing the sample size needs for conducting a factor analysis would be a good criteria to decide the adequate sample size. Among several rules of thumb regarding adequate sample size for a factor analysis Cliff (1987) recommends a sample size of 150 cases when there are 40 variables, whereas Hair et al. (2006) argue that sample size should be 100 or greater. Since, "Approach to Strategy" scale of the research questionnaire has 34 item statements a sample size around 150-200 for both samples was decided as minimum required sample

size. As a result, we believe that the number of collected questionnaire is appropriate to achieve the objectives of this research.

4. EMPIRICAL FINDINGS

In this section, the procedure for factor analysis followed in this study as well as the factor analysis results of Section C (Approach to Strategy) of the questionnaire are discussed, respectively.

An exploratory factor analysis (Principal Component Analysis with Direct Oblimin rotation) was conducted on the data collected from the 34-item "Approach to Strategy" scale to reveail the strategy modes among sample. Principal Component Analysis (PCA) and Principal Axis Factoring (PAF) have been used most commonly in the published literature (Williams et al., 2010). The decision whether to use PCA and PAF is fiercely debated among researchers. However, Gorsuch (1983) recommends utilizing PCA when no priori theory or model exists; Pett et al. (2003) suggest using PCA in establishing preliminary solutions in Exploratory Factor Analysis; furthermore Tabachnick and Fidell (2007) propose that if a researcher is interested in an empirical summary rather than a theoretical solution PCA is a better choice. Since these three recommendations being the case in this study, PCA method was used for factor extraction.

As far as the rotation method is concerned, we employed oblique factor rotation with direct oblimin method. The statistical software SPSS for Windows provides the following orthogonal factor rotation methods: (1) Varimax, (2) Quartimax, and (3) Equamax, and the following oblique factor rotation methods: (1) Direct Oblimin, and (2) Promax. The SPSS default is set to Varimax rotation method, which classifies items into components in such a way that the resultant components are orthogonal to each other (i.e., no correlations among components). According to Laher (2010) this option has at least three problems: (1) in almost all fields of social science, any factor/construct is to some extent related to other factors, and thus, arbitrarily forcing the components to be orthogonal may distort the findings; (2) even if the dimensions or sub-factors of the construct under study are indeed uncorrelated, such patterns should emerge naturally (not as an artefact of the researcher's choice) out of the promax rotation anyhow; and (3) although orthogonally rotated solutions are considered less susceptible to sampling error and hence more replicable, utilizing a large sample should address the concern of replicability. Moreover, Beavers et al. (2013) argues that oblique rotation often is more appropriate within social science research. Therefore, we decided to employ Direct Oblimin method.

Other than above mentioned justification, in order to come with the most suitable rotation method we also took into consideration the recommendation provided by Williams et al. (2010:9): "Regardless of which rotation method is used, the main objectives are to provide easier interpretation of results, and produce a solution that is more parsimonious".

In order to run a principal components analysis, multiple variables in continuous (interval) scale are required (Field, 2000; Burns and Burns, 2008). However, the existing literature

also provides quite a few studies, in which principal component analysis was employed with ordinal data based on a Likert type scale questionnaire (e.g. Ginter and Rucks, 1985; Kotha et al., 1995; Bailey et al., 2000; Parnell, 2003; Parnell and Lester, 2003; Collier et al., 2004). Therefore, we also decided to employ a principal component analysis based on the 7 point Likert type ordinal scale.

4.1. Revealing the Strategy Modes – Factor Analysis

In the first round of exploratory factor analysis, the 34 items on Approach to Strategy scale were intercorrelated and rotated to form a simple structure by means of the oblimin rotation. To determine which variables to keep; strength of relationships between variables, the factor loadings, the cross-loading of items on more than one factor, and the reliability and importance of a variable were taken into consideration before deleting certain items. In the analysis, lowest factor loading to be considered significant is ±0.40. For the purposes of the factor analysis items did not have a Cronbach's Alpha coefficient of at least ±0.40 were excluded.

Once the weak items have been removed, the data should be factored again without the presence of that item for a more refined solution (Field, 2000; Williams et al., 2010; Beavers et al., 2013). After excluding 13 items according to abovementioned criteria, another factor analysis was performed. All the values in the correlation matrix had at least one correlation with another variable greater than the 0.3 ($r > 0.3$) and there is no correlation between any variables greater than the 0.8 ($r < 0.8$). The Kaiser- Meyer-Olkin (KMO) measure of sampling adequacy was 0.842. Since this value was more than the recommended minimum of 0.5, it was indicating that the data was factorable in "metorius" level (Kaiser, 1974). Bartlett's test of sphericity (Bartlett, 1950) gave the value of approximate $\chi 2$ (Chi-square) as 1333,337, with 210 degrees of freedom. Bartlett's test rejected the hypothesis (at $p<0.05$) that the correlation matrix is an identity matrix, without significant correlations between variables. Since the p-value was less than 0.05, the approimate $\chi 2$ was considered as significant. This result also indicated that the data was suitable for factor extraction (Table 2).

Table 2: KMO Measure and Bartlett's Test Results

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,842
Bartlett's Test of Sphericity	Approx. Chi-Square	1333,337
	df	210
	Sig.	,000

Therefore, both diagnostic tests confirmed that the data are suitable for factor analysis.

According to the eigenvalues in Table 3, six factors had eigenvalues greater than 1.0, which is a common criterion for a factor to be useful. These six factors explain 64.648 % of the total variance, which is greater than the acceptable level of 50% (Field, 2000; Beavers et al., 2013).

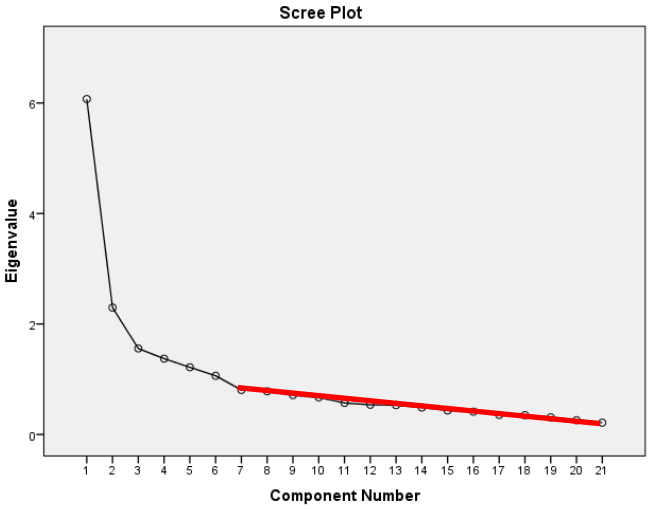
Visual examination of the scree plot (Figure 1) obtained in the Cattell's Scree test also revealed that six factors are located above the elbow of the curve and supported a six factor solution. Therefore, six factors were extracted.

Table 3: Eigenvalues and Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	6,072	28,916	28,916	6,072	28,916	28,916	5,081
2	2,297	10,937	39,853	2,297	10,937	39,853	1,749
3	1,556	7,409	47,262	1,556	7,409	47,262	3,433
4	1,373	6,536	53,798	1,373	6,536	53,798	2,826
5	1,216	5,791	59,589	1,216	5,791	59,589	2,044
6	1,062	5,059	64,648	1,062	5,059	64,648	1,626
7	,806	3,837	68,485				
8	,782	3,722	72,207				
9	,712	3,390	75,597				
10	,671	3,197	78,794				
11	,571	2,720	81,513				
12	,538	2,560	84,074				
13	,529	2,521	86,595				
14	,486	2,316	88,911				
15	,434	2,067	90,978				
16	,411	1,959	92,936				
17	,353	1,681	94,617				
18	,349	1,663	96,280				
19	,310	1,474	97,754				
20	,259	1,232	98,987				
21	,213	1,013	100,000				

Extraction Method: Principal Component Analysis.

Fig. 1: Scree Plot



As is typically the case with a factor analysis, the individual items (approach to strategy items) loaded with differing strengths onto several factors. The factor loadings were examined and interpreted using the criteria and recommendations outlined earlier in order to obtain a simple structure of factors. The factor analysis finally resulted in the identification of six meaningful factors based on the Cronbach alpha coefficient scores. The variables (item statements) that clustered under each of the six factors are shown below pattern matrix. The six factors were named tentatively as Factor 1-6.

Factor 1 has eight variables, Factor 2 has two variables, Factor 3 has four variables, Factor 4 has three variables, Factor 5 has two variables, and finally Factor 6 has two variables with significant loadings. Negative loadings on the Factor 5 and Factor 6 are an artefact of using an oblique rotation. Note that all loadings are in the same direction.

The Cronbach's alpha values for the factors are 0.872, 0.551, 0.759, 0.656, 0.684, and 0.597 respectively. Frequently used rules of thumb for acceptable alpha range from 0.50 (Kaiser, 1974; Caplan et al., 1984) to 0.60 (Robinson et al., 1991) and to 0.70 (Nunnally, 1979). Taking into consideration abovementioned rules of thumb, we decided to retain the Factor2 and 6, whose Cronbach alpha values 0.551 and 0.597 respectively, since the alpha values are still above 0.50 and very close to 0.70 thresholds. However, we defined them as "factors with marginal internal reliability" (Bailey et al., 2000; Collier et al., 2004). Moreover, since this is an exploratory study in nature, Cronbach alpha needs only to be greater than 0.50 (Nunnally, 1979), thus, these two factors still have a significant implication for future research in this area. Therefore, the overall Cronbach alpha coefficients indicated that the factors were reliable in relation to internal consistency, which means that the variables in a factor would measure the same concept.

4.2. Naming the Factors

This subsection discusses the names given to the above factors and the explanations for why they were named as such. The characteristics of these six factors and cited studies examining each of the factors will be explained in the upcoming sub section of the study.

The final factors and related items based on the factor analyses results are presented in Table 4.

Table 4: Factors and Related Items

Experience Based Leadership (28.9 %)	• Personalized leadership based on strategic vision is the key to successful strategies. • The vision of the leader has the main effect to strategy. • The role played by managerial values is the most important in the process of strategy making. • The pattern in past decisions has the main role in strategy. • Strategies are generic, specifically common, identifiable positions in the competitive environment. • Strategy exists in the mind of the leader as perspective. • Strategy is not a formulation, instead it emerges out over a period of time as a pattern based on trial and error. • Strategy is a compromise, which accommodates the conflicting interests of powerful groups and individuals.
Planning (10.9 %)	• Strategy should result from a controlled, conscious process of formal planning. • Strategies should be developed after careful deliberation.
Participation (5.8%)	• Strategy is based on negotiation process among all the key players. • Strategy formation is a product of not a single architect but of a homogenous strategy team.
External Environment (5%)	• Structure of the competitive environment derives strategies. • The environment as a set of external forces is the central actor for strategy.
Learning (6.5%)	• Strategies should tend to emerge as the organization learns from its experiences. • Strategy emerges of actions from the pattern in past decisions. • There must be only one strategist, and that must the manager who sits at the apex of the organizational pyramid (rather than consulting the top management team).
Top Management Oriented (7.4%)	• The top management should determine the strategy. • The top-management holds the responsibility for the formulation of the overall process, only the execution rests with the staff planners. • Strategy has a close association with leadership so that setting strategy is responsibility of leaders. • Primarily autonomous or individual behaviour should be preferred in strategy development.

Factor 1 includes items stressing the importance of leadership and learning from the past decisions in strategy development process. Therefore, “Experience Based Leadership” seems an appropriate title, which denotes the perceptions of respondents tested with the related items. Factor 2 reasonably appears including items related to deliberate, formal

and conscious nature of strategy development process. Since the underlying concept in these variables was recognised as planning related, these two factors were named as "Planning". The variables clustering under Factor 3 were recognised to stress the dominant role of top management level in strategy development. Accordingly, the factor was assigned the name of "Top Management Oriented". The item statements or variables grouped under Factor 4 were found to relate to learning from past decisions and experiences, therefore, the factors were given the name of the underlying concept, which is the "Learning". The variables in Factor 5 were found to refer to importance of the participation in strategy development process, and it was decided to name the factors as "Participation". The clustering of variables under Factor 6 suggested a general emphasis on competitive environment and external forces, therefore underlying theme and the name seemed to be "External Environment".

4.3. Interpretation

Factor analysis suggested a six-factor solution was appropriate for the sample (i.e., eigenvalues > 1). A number of conclusions can be drawn from the results of the empirical study relating to the mode of strategy among managers.

The factor analysis not only proved the construct validity and the reliability of the survey instrument, but also specified the critical constructs or themes arising from the questionnaire based on the responses. Each factor describes a distinct theme within the construct of mode. Factors also proved to have satisfactory Cronbach's Alpha coefficients which prove reliability. Together the six factors explain the construct of strategy modes among managers. To help interpret the factors obtained from the sample, we sought help from the works of some leading scholars explaining different modes of strategy development and implementation. Therefore the characteristics of these six modes, and cited studies examining each of the modes are summarized below.

Mode 1: Experience Based Leadership. This mode, mainly based on the premises of the Entrepreneurial School and the Learning School of Mintzberg et al. (1998) stresses both the importance of leadership and learning from the experiences in strategy development process. The leadership dimension of that mode emphasizes the importance of a clear vision of the future, probably promoted by a single-minded or even obsessional leader. The process of strategy development is semi-conscious at best and that strategy exists in the mind of the leader, but with the effect of the past decisions and experiences, which forms the learning dimension of this mode (Mintzberg et al. 1998). In a nutshell, this strategy mode suggests a management or leadership approach with willingness to learn from feedback and maybe criticisms.

Mode 2: Planning. Having analysed the items clustered in the Planning factor, it was realized that the factor is basically composed of a mixture of premises of the Design School and the Planning School of Mintzberg et al. (1998). In general, the Planning mode suggests that the strategy mode is an intentional process involving a logical, sequential, analytic, and deliberate set of procedures. The organization and its environment are systematically analysed (e.g. SWOT model). Strategic options are generated and systematically evaluated. Based on this assessment, the option is chosen that is judged to

maximize the value of outcomes in relation to organizational goals. The selected option is subsequently detailed in the form of precise implementation plans, and systems for monitoring and controlling the strategy are determined (Mintzberg et al., 1998; Bailey et al., 2000). In a nutshell, in this mode strategy driven by formal structure and planning systems. Usually, this process is institutionalized through a formal strategic planning; involving written strategic and operating plans based on a systematic process (Hart, 1992). This strategy mode has been conceptualized by the models of leading scholars, such as Linear Strategy (Chaffe, 1985), Systematic (Ansoff, 1987), Rational (Hart, 1992), Classical (Whittington, 1993), Rational Planning (Idenburg, 1993), Planning and Practice (McKiernan, 1996), Design and Planning (Mintzberg et al., 1998), Planning (Bailey et al., 2000; Haberberg and Rieple, 2001), and Planners (Parnell and Lester, 2003).

Mode 3: Participation. The Participation mode is associated with both the Power School and the Cultural School of Mintzberg et al. (1998), even a combination of those schools. The essence of the Participation mode is strategy making based on interaction and collaboration rather than the execution of a predetermined plan. In that mode, strategy is perceived as a group dynamic and accordingly driven by internal process and mutual adjustment, and developed based upon an ongoing dialogue with key stake holders such as employees, suppliers, customers, governments, and regulators. Cross-functional communication among organisational members is central to this mode (Hart, 1992). The Participation mode has been theorised by different scholars as Collaborative (Bourgeois and Brodwin, 1984), Interpretive (Chaffe, 1985), Transactive (Hart, 1992), Power and Cultural (Mintzberg et al., 1998), Participants (Parnell and Lester, 2003), Internal Politics (Collier et al., 2004) forms of strategy development in the extant literature.

Mode 4: Learning. The items gathered in this mode of strategy, obviously are the premises of the Learning School of Mintzberg et al. (1998). The Learning mode takes the view that the complex and unpredictable nature of the environment prevents deliberate control so that strategy must take the form of learning, which only occurs as a result of action. The learning mode thus recognizes the importance of emerging as opposed to deliberate strategy. Strategy formation cannot therefore be neatly separated from strategy implementation. The results of an effective strategy may be an adaptive organization as much as it is a plan of action (Mintzberg et al., 1998; Macmillan and Tampoe, 2000). In that mode, an iterative approach based on feedback and learning is at in the centre of strategy development. Pattern (Mintzberg, 1987), Transactive (Hart, 1992), Guided Learning (Idenburg, 1993), Learning (McKiernan, 1996; Mintzberg et al., 1998) are some principal strategy making forms defined by leading scholars in the extant literature.

Mode 5: External Environment. The External Environment mode was found to be composed of the main premises of both the Positioning and the Environmental Schools of Mintzberg et al. (1998). Factors in the external environment encourage the adoption of organizational choice structures and activities which best fit that environment. These external constraints may take the form of regulative coercion, competitive or economic pressures or normative pressures as to what constitutes legitimate organizational action. These pressures limit the role of organizational members playing in the choice of strategy.

So the strategies an organization can follow tend to be common to organizations within their industrial sector or organizational field; with changes coming about through variations in organizations' processes and systems which may occur unintentionally or through imperfect imitation of successful structures, systems or processes (Bailey et al., 2000). This mode was also identified by other important studies in the existing literature as Interpretive (Chaffe, 1985), Systemic (Whittington, 1993), Positioning (McKiernan, 1996; Mintzberg et al., 1998), Ecological (Haberberg and Rieple, 2001).

Mode 6: Top Management Oriented. This mode having premises from the Entrepreneurial School of Mintzberg et al. (1998) contains items emphasising the autonomous/individual behaviour and the role of leader as well as top management in the strategy development process. This mode basically stresses the dominant role of top management and/or the leader and the need for strong top management control in strategy development process. In that mode, a particular individual is seen to have a high degree of control over the strategy followed; for example the chief executive or a similar figure with institutionalized authority. Less commonly, such influence may relate to the power of a small group of individuals at the top of the organization. Control and influence may be exercised in different ways, for example through personality, the rigid enactment of rules or through expertise. Alternatively, strategic aspirations and strategy may emerge from a vision associated with the powerful individual(s), which represents the desired future state of the organization (Bailey et al., 2000). Briefly, a strong individual leader or a few top managers exercise total control over the strategy making process, which is a conscious, controlled process that is centralized at the very top of the organization (Hart, 1992). Commander (Bourgeois and Brodwin, 1984), Managerial Autocracy (Shrivastava and Grant, 1985), Command (Hart, 1992; Bailey et al., 2000), Entrepreneurial School (Mintzberg et al., 1998), Controllers (Parnell and Lester, 2003) forms are some of the principal forms in the extant literature stressing the dominant role of the top management in the strategy development process.

5. CONCLUSION, LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

The purpose of the paper was to seek to understand and provide another explanation of strategy development process from a different context. Pettigrew (1987) has emphasized the importance of seeking to understand strategy development processes within context because context will influence the way in which strategies develop. The empirical methodology employed within the research has provided the opportunity for a comparative work across different models within a different context. More specifically, the results have revealed six different aspects relating to Turkish understanding of strategy development process. The findings also suggest that the approach on the nature of strategy development process within Turkish context (as compared to the literature) is not entirely different than the other conventional ones.

Other than abovementioned contribution to the existing literature from a different context, taking all findings into account we consider the paper has proved that the use of such kind of research can be used as a tool to investigate the strategy modes of organisations as well. As suggested by Keeton and Mengistu (1992) organizations need to analyse their subcultures and varying perceptions. Through this we believe that it is

important to discover the strategy mode within organisations at the very beginning of strategy development process. We would therefore like to suggest that organisations themselves can employ this or a similar methodology to develop an understanding of their own strategy and modes, and act accordingly.

As with all the research studies, this study also has its limitations. Despite the fact that the research was conducted in the best manner possible, with due consideration to the ideal research design and methodology to address the appropriate research objectives, certain limitations must be noted. The first limitation is generalizability of the research findings. The sample of business organisations is obtained from a sample frame, namely the Top 500 Industrial Enterprises list provided by the Istanbul Chamber of Industry (ICI) for the year 2011. This database cannot be considered as containing the exhaustive list of businesses of all the sizes and from different sectors. Therefore, any generalisations with regard to Turkish firms that are made in the study are limited to the population of businesses provided in the electronic database. Secondly, although we reflected the advices of Huber and Power (1985) to the research in order to mitigate single respondent bias, further research might consider the use of multiple respondents located in different positions in the organisation.

We also would like to raise some suggestions that we believe appropriate to advance the topic further. To begin with, similar studies can be conducted in other countries to further confirm the research findings. More studies are required to reveal and highlight the different approaches that managers of different countries use to both rationalise and guide their organisations' strategy development process. Secondly, a more geographically diverse sample of individuals and organizations should be included in following studies. The use of a non-probability purposive sample helped initial theory-building purposes, on the other hand a broader geographic range of organizations and respondents would be preferred. Thirdly, the scale used in the survey questionnaire can be improved by adding some other premises or aspects from other leading scholars' models for strategy and strategy development process.

REFERENCES

Andrews, K.R. (1971) The Concept of Corporate Strategy, Dow-Jones Irwin, Homewood, IL.

Ansoff, H.I. (1965) Corporate Strategy, McGraw Hill, New York.

Ansoff, H.I. (1987) 'The emerging paradigm of strategic behaviour', Strategic Management Journal, Vol. 8, No. 6, pp.501-515.

Bailey, A., Johnson, G. and Daniels, K. (2000) 'Validation of a multi-dimensional measure of strategy development processes', British Journal of Management, Vol.11, No. 2, pp.151-162.

Bartlett, F.C. (1932) Remembering: A Study in Experimental and Social Psychology, Cambridge University Press, Cambridge.

Beavers, A.S., Lounsbury, J.W., Richards, J.K., Huck S.W., Skolits, G.J. and Esquivel, S.L. (2013) 'Practical considerations for using exploratory factor analysis in educational research', Practical Assessment, Research & Evaluation, Vol.18, No.6, pp.1-13.

Bracker, J. (1980) 'The historical development of the strategic management concept', The Academy of Management Review, Vol.5, No.2, pp.219-224.

Brannback, M. and Nasi, J. (2001) 'Logic concepts in strategic thinking', Innomarket Technical Reports, Vol.9, pp.1-18.

Bourgeois, L.J. and Brodwin, D. (1984) 'Strategic implementation: Five approaches to an elusive phenomenon', Strategic Management Journal, Vol.5, No.3, pp.241-264.

Burns, R.B. and Burns, R.A. (2008), Business Research Methods and Statistics Using SPSS, Sage, London.

Caplan, R.D., Naidu, R.K. and Tripathi, R.C. (1984), 'Coping and defense: Constellations vs. Components', Journal of Health and Social Behaviour, No.25, pp. 303–320.

Chaffee, E. (1985) 'Three models of strategy', Academy of Management Review, Vol.10, No.1, pp. 89-98.

Chandler, A.D. (1962), Strategy and Structure: Chapters in the History of the Industrial Enterprise, The M.I.T. Press, Cambridge.

Cliff, N. (1987), Analyzing Multivariate Data, Harcourt Brace Jovanovich, San Diego.

Collier, N., Fishwick, F. and Floyd, S.W. (2004) 'Managerial involvement and perceptions of strategy process', Long Range Planning, Vol.37, No.1, pp.67-83.

Cooper, D.R. and Schindler, P.S. (2006), Business Research Methods, McGraw-Hill, Irwin.

Cortina, J.M. (1993) 'What is coefficient alpha? An examination of theory and applications', Journal of Applied Psychology, No.78, pp. 98–104.

Cronbach, L.J. (1951) 'Coefficient alpha and the internal structure of tests', Psychometrika, Vol.16, No.3, pp. 297–334.

Drucker, P. (1954), The Practice of Management, Harper & Brother, New York..

Field, A. (2000), Discovering Statistics Using IBM SPSS Statistics, Sage, London.

Grandori, A. (1984), 'A prescriptive contingency view of organizational decision making', Administrative Science Quarterly, No.29, pp. 192-206.

Ginter, P. and Rucks, A. (1985), 'Planners' perceptions of the strategic management process', Journal of Management Studies, Vol.22, No.6, pp. 581-596.

Gorsuch, R. L. (1983), Factor analysis, Lawrence Erlbaum Associates, Hillsdale New Jersey.

Haberberg, A. and Rieple, A. (2001), The Strategic Management of Organizations, Prentice Hall, Arlow.

Hair, J.F., Black, W.C., Babin, B.J., Anderson, R.E. and Tatham, R.L.(2006), Multivariate Data Analysis, Pearson Prentice Hall, New Jersey.

Hart, S. (1987) 'The use of the survey in industrial marketing research', Journal of Marketing Management, No.3, pp. 25-38.

Hart, S. (1992) 'An integrative framework for strategy-making processes', Academy of Management Review, Vol.17, No.2, pp. 327-351.

Hofer, C.W. and Schendel, D. (1978), Strategy Formulation: Analytic Concepts, St.Paul, West.

Hoskisson, R.E., Hitt, M.A., Wan, W.P. and Yu, D. (1999) 'Theory and research in strategic management: Swings of a pendulum', Journal of Management, Vol.25, No.3, pp.417–456.

Hoskisson, R.E., Eden, L., Ming Lau, C. and Wright, M. (2000) 'Strategy in emerging economies', Academy of Management Journal, Vol.43, No.3, pp. 249-267.

Huber, G.P. and Power, D.J. (1985) 'Retrospective reports of strategic-level managers: Guidelines for increasing their accuracy', Strategic Management Journal, No.6, pp.564-577.

Idenburg, P.J. (1993) 'Four styles of strategy development', Long Range Planning, Vol.26, No.6, pp. 132-137.

Jelenc, L. (2004) Škole strateškog menadžmenta koje najviše utječu na praksu srednjih i velikih poduzeća Primorsko-goranske županije, Unpublished Master Thesis, University of Ljubljana.

Jelenc, L. and Raguz, V. (2010) 'Developing propositions for empirical testing of the schools of strategic management; pattern and remarks', Ekonomski Pregled, Vol.61, No.3-4, pp. 215-237.

Kaiser, H.F. (1974) 'An index of factorial simplicity', Psychometrika, No.39, pp. 31-36.

Kay, J. (1995), Foundations of Corporate Success: How Business Strategies Add Value, Oxford, London.

Keeton, K.B. and Mengistu, B. (1992) 'The Perception of organizational culture by management level: Implications for training and development', Public Productivity & Management Review, Vol.16, No.2, pp. 205-213.

Kim, S. (2011), Is Your Strategy Working Out Now? Strategic Inquiry as Leadership. Master of Sciences Thesis, The MIT Sloan School of Management, Massachusetts Institute of Technology (MIT).

Kotha, S., Dunbar, R.L.M. and Bird, A. (1995) 'Strategic action generation: a comparison of emphasis placed on generic competitive methods by U.S. and Japanese managers', Strategic Management Journal, Vol.16, No.3, pp. 195-220.

Laher, S. (2010). 'Using exploratory factor analysis in personality research: Best-practice recommendations', SA Journal of Industrial Psychology, Vol.36, No.1, Art.#873, 7 pages.

McKiernan, P. (1996), Historical Evolution of Strategic Management, Aldershot, I.Dartmouth.

Miles, R.E. and Snow, C.C. (1978), Organizational Strategy, Structure, and Process, McGraw-Hill, New York.

Mintzberg, H. and Waters, J.A. (1978) 'Patterns in strategy formation', Management Science, No. 24, pp. 934–948.

Mintzberg, H. (1987), 'Crafting Strategy', Harvard Business Review, Vol. 65, No.4, pp. 66-75.

Mintzberg, H., Ahlstrand, B. and Lampel, J. (1998), Strategy Safari: The Complete Guide through the Wilds of Strategic Management, Financial Times, London.

Nulty, D.D. (2008) 'The adequacy of response rates to online and paper surveys: what can be done?', Assessment & Evaluation in Higher Education, Vol.33, No.3, pp. 301–314.

Parnell, J.A. (2003) 'Variations in strategic philosophy among American and Mexican managers', Journal of Business Ethics, Vol.50, No.3, pp. 267-278.

Parnell, J.A., Lester, D.L. (2003) 'Towards a philosophy of strategy: reassessing five critical dilemmas in strategy formulation and change', Strategic Change, Vol.12, No.6, pp. 291-303.

Pett, M.A., Lackey, N.R. and Sullivan, J.J. (2003), Making Sense of Factor Analysis: The use of factor analysis for instrument development in health care research, Sage, California.

Pettigrew, A.M. (1987), 'Context and action in the transformation of the firm', Journal of Management Studies, Vol.24, No.6, pp. 649-699.

Phillips, L.W. and Bagozzi, R.P. (1986) 'On measuring organizational properties of distributional channels: methodology issues in the use of key informants', Research in Marketing, No.8, pp. 313-369.

Robinson, J.P., Shaver, P.R. and Wrightsman, L.S. (1991) 'Criteria for scale selection and evaluation', in Robinson, J.P., Shaver, P.R. and Wrightsman, L.S. (Eds.), Measures of Personality and Social Psychological Attitudes, Academic Press, San Diego.

Saunders, M., Lewis, P. and Thornhill, A. (2003), Research Methods for Business Students, FT Prentice Hall, London.

Segal-Horn, S. (1998), The Strategy Reader, The Open University, Blackwell Publishers Ltd, Oxford.

Selznick, P. (1957), Leadership in Administration: A Sociological Interpretation, Harper and Row, New York..

Shekhar, V. (2009) 'Perspectives in strategic management a critique of strategy safari: the complete guide through the wilds of strategic management', The Icfai University Journal of Business Strategy, Vol. VI, No.2, pp. 43-55.

Shrivastava, P. and Grant, J. (1985) 'Empirically derived models of strategic decision-making processes', Strategic Management Journal, No.6, pp. 97-113.

Steiner, G.A. and Miner, J.B. (1977), Text, Readings, and Cases, Macmillan, New York.

Tabachnick, B.G. and L.S. Fidell (2007), Using multivariate statistics. Boston: Pearson Education Inc.

Tsoukas, H. and Knudsen, C. (2002), 'The conduct of strategy research', in De Oliveira, B.J.(2008), Strategy Tools' Use in The Largest Companies in Portugal, Unpublished Master Thesis, Instituto Superior das Ciências do Trabalho e da Empresa (ISCTE), Lisbon.

Volberda, H.W. and Elfring, T. (2001), Rethinking Strategy, Sage, London.

Whittington, R. (1993), What is Strategy – and Does It Matter?. Routledge, London.

Williams, B., Brown, T. and Onsman, A. (2010) 'Exploratory factor analysis: A five-step guide for novices', Australasian Journal of Paramedicine, Vol.8, No.3, Vol. 1-13.

Appendix 1: Rotated Factor Loadings / Pattern Matrix[a]

	Component					
	1	2	3	4	5	6
Personalized leadership based on strategic vision is the key to successful strategies.	**,803**	-,008	,080	-,045	-,119	-,088
The vision of the leader has the main effect to strategy.	**,764**	,123	,236	-,091	,032	,024
The role played by managerial values is the most important in the process of strategy making.	**,703**	-,081	,225	-,098	,006	,070
The pattern in past decisions has the main role in strategy.	**,668**	-,119	,050	,147	-,103	-,264
Strategies are generic, specifically common, identifiable positions in the competitive environment.	**,643**	,037	-,102	,217	,023	-,066
Strategy exists in the mind of the leader as perspective.	**,588**	,308	,064	,272	,189	,140
Strategy is not a formulation, instead it emerges out over a period of time as a pattern based on trial and error.	**,575**	-,216	,115	,161	,098	-,050
Strategy is a compromise, which accommodates the conflicting interests of powerful groups and individuals.	**,477**	,192	,073	,006	-,347	,272
Strategy should result from a controlled, conscious process of formal planning.	,039	**,794**	,035	-,137	,018	-,014
Strategies should be developed after careful deliberation.	-,071	**,768**	-,105	,099	-,115	-,111
The top management should determine the strategy.	,014	-,052	**,850**	-,071	-,097	-,015
The top-management holds the responsibility for the formulation of the overall process, only the execution rests with the staff planners.	,057	-,006	**,696**	,041	-,090	-,011
Strategy has a close association with leadership so that setting strategy is responsibility of leaders.	,244	,089	**,653**	,018	,010	-,063
Primarily autonomous or individual behavior should be preferred in strategy development.	,071	-,051	**,574**	,170	,057	,058
Strategies should tend to emerge as the organization learns from its experiences.	,133	,030	-,033	**,768**	-,016	-,037
Strategy emerges of actions from the pattern in past decisions.	,186	-,049	-,097	**,702**	-,209	,091
There must be only one strategist, and that must the manager who sits at the apex of the organizational pyramid (rather than consulting the top management team).	-,195	-,054	,281	**,684**	,053	-,028
Strategy is based on negotiation process among all the key players.	,039	-,022	,027	,102	**-,870**	,092
Strategy formation is a product of not a single architect but of a homogenous strategy team.	-,162	,114	,122	-,010	**-,786**	-,222
Structure of the competitive environment derives strategies.	,300	-,021	-,168	-,048	-,185	**-,803**
The environment as a set of external forces is the central actor for strategy.	-,137	,269	,243	,038	,109	**-,745**
Cronbach α	.872	.551	.759	.656	.684	.597
Eigenvalue	6.07	2.29	1.55	1.37	1.21	1.06
% of variance	28.9	10.9	7.4	6.5	5.8	5

Extraction Method: Principal Component Analysis.
Rotation Method: Oblimin with Kaiser Normalization.
a. Rotation converged in 12 iterations.