The Effects of Strategic Management Practices and Risk Perception on Competitive Advantage

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The aim of this research is to examine the impact of strategic management practices and risk perception on the competitive advantage. In the research, strategic management practices and risk perception were considered as independent variables and competitive advantage as dependent variable.

The research is expected to contribute to the theoretical and practical aspects of the literature. The theoretical contribution of the research is that the effect of strategic management practices and the risk perception on ensuring competitive advantage is examined in a holistic model and filling the gap in this area. The contribution of the research in practice is that the risk perception and the effect of strategic management practices on the competitive advantage have been tested.

Keywords: Strategic Management, Risk Perception, Competitive Advantage

Introduction

The concept of strategy has become a widely used concept in the field of defense as well as being used in the field of management over time. In management science, strategy is used in the sense of an organization's means to achieve its goal. In management science, the strategies that firms or companies will follow against their competitors have led to the creation of a discipline called Strategic Planning and then Strategic Management. Today, Strategic Management is one of the most important research areas in management science.

The intensification of competition as a result of globalization results in more and more important importance of strategic management day by day. Strategic management is a management technique that reveals what an organization is doing, why it is, and what goals it wants to reach in the future (Bryson, 1988:5).

Risk Perception In terms of senior management, the perception of risk, which is the effect between situations that are expected to occur, is a very important element for managers. Upper Managers consider a job hazard that has already been discussed above compared to those not in the decision-making position. Risk taking is also a fear of failure at the top of the top management (Top, 2006:58-59).
Porter, clearly explains sustainability as a long-term concept and therefore timetable, while explaining overall competitiveness strategies that can be traced to perform above the industry average, saying long-term performance above average is sustainable competitive advantage (Porter, 1985:11).

In this study, the effects of strategic management understanding and risk perception on the sustainable competitive advantage are examined through the conceptual model and contributions to the literature and practice are presented.

**Strategic Management Approach**

The strategy is the type of decision that deals with the whole of the company taken under the conditions of partial uncertainty, unpredictable in all situations that may occur in the future (Ansoff, 1971:97-100).

In all management levels, in functional departments, in all business areas in which it operates; management skills, organizational responsibility, values, strategic and practical decision-making mechanisms of linking the administrative system, but can always be developed together with strategic management. In strategic management, strategic view and behavior populates the whole organization (Gümüş, 1995:315).

Strategic management in terms of modernist view; can be defined as the effective and efficient use of the available resources in order to sustain the life of the enterprise in the period and to provide it with sustainable competitive advantage and thus the return on average profit (Ülgen and Mirze, 2010:23-24).

Strategic management aims to create a competitive edge in the long run by bringing together all resources available in a way that will create "value" through effective and efficient use. With this competitive advantage, a higher profit rate is required compared to competitors. The success of the strategy is on the average. Under these conditions, strategic management in terms of competition; "Effective and efficient use of the resources, capabilities and resources of the firm in the long run to provide a return on sustainable competitive advantage and fairness" (Yaşlıoğlu, 2016:2-4).

Strategic management concept gives the business a certain direction in an uncertain, variable and highly risky environment. However, since strategic management, qualitative and quantitative information is organized and effective decision making is possible under uncertain conditions, these decisions lead to managerial different and intuitive ways of thinking when compared to initiative decisions. It is a fact that precepts can also bring about specific, abstract factors that need to be taken into account (Üzün, 2000:11).
Relationship Between Strategic Management and Competitive Advantage

Management and business strategy; it has the meaning to mobilize its resources in order to regulate the relationship between the business and the environment and to provide superiority to its competitors. From this point of view, the strategy is defined as determining the direction and aims of the business by analyzing the relationship between the business and the internal and external environment, determining the organizations to realize them, and allocating necessary resources by rebuilding the organization. Therefore, the aim of the strategy is to enable the operator to achieve desired results in an uncertain environment. Because the strategy allows an operator to find new opportunities in the direction of the goal (Drucker, 1999:53).

Strategic Management is the foundation of the enterprise's overall work order. If the bases are strong, they can withstand the severity of intra-organizational competition and reach sufficient size. First of all, it is necessary to decide which strategy is necessary for the organization. From a structural standpoint, business design rules and organizational critical approaches avoid ambiguity or risk in a blurred, uncertain environment (Satı and Işık, 2011:544).

Strategic management can be defined as a set of management decisions and actions that determine the long-term performance of an organization (Hunger ve Wheelen, 2007:2). Strategic management and strategic planning have emerged at a time when the effectiveness of corporate planning has been lost.

Competitive advantage by Porter; it is a positional superiority that arises from the fact that an enterprise offers lower cost or difference to its customers compared to its competitors. (Porter, 2000:16).

Competitive Power and Advantage

When examined at the individual level, the root cause of aggressive competitiveness as another dimension can be attributed to entrepreneurial business owners' liking and striving to be successful in order to be able to evaluate themselves (Altuntaş and Dönmez, 2010).

Aggressive competition can be expressed as efforts to tackle the tendency of aggressive behavior in response to the actions of its competitors in order to gain an advantage over an industry's competitors in the industry in which it operates and to maintain and improve its current market share (Lumpkin and Dess, 2001:433).

Competitiveness, to win market share in the industries in which it operates and the ability of a business to protect these shares (Noe, 2009:3).
According to Porter, business executives should determine their competitive advantage by choosing what they are doing, taking into account the narrow and broad competitive objectives they want to achieve (Porter, 1985:65).

In this context, aggressive competitiveness involves focusing on different products that can generate high added value, seeking radical solutions to the challenges of industrial leaders, analyzing the weaknesses of competitors, (Lumpkin and Dess, 1996:149).

Competition is a concept that consists of all of the circumstances and conditions that affect the activities of businesses that are directly or indirectly trying to offer products or services. Competition between businesses; price, quality, service, support, etc. is based on a number of factors and is effective in the realization of the objectives of the enterprises (Yaşlıoğlu, 2016:10).

Competition is the structure that can organize the economic life in the whole country. Every company must make a difference based on competition in order to be able to successfully compete. This will be achieved through different capabilities and approaches that are different from other firms in the eyes of the business owner (Smith, 1937:431).

It is possible for competitiveness countries to be able to present their products and services to international markets and succeed while trying to increase the real incomes of citizens under free and established market conditions (Çivi et al, 2008:1-22).

While some businesses express competition power as productivity, the amount of value added in unit production and the rate of increase, some say that buyers can persuade buyers to choose their products from all product alternatives (Gürpınar and Sandıkçı, 2008:106).

The once competitive advantage, erosion due to competition. The deceleration of competitive superiority depends on the ability of those who compete to imitate or innovate. Imitation is the most direct form of competition, and for this reason, it is imperative that barriers to antagonism are absolutely essential for sustaining competitive advantage over time. Rumelt defines the barriers that prevent their profits from being pulled down by competition (Grant and Jordan, 2014:179).

The more effective the insulator mechanisms, the longer the competitive advantage against the moves of the opponents. In many industries, the erosion of competitive advantage of industry leaders is a slow process: Profit differences for the company occur over 10 years or more. But some commentators suggest that over time, competition in many industries has intensified and this has accelerated profit erosion.

Competitive advantage in international industries depends not only on the company's internal resources and competencies but also on the environment and in particular on the availability of resources in the country in which the firm is engaged (Grant ve Jordan, 2014:372-375).
Risk Perception and Competitive Advantage

In general, risk can be expressed as the risk of loss of physical and business assets as a result of the failure of an enterprise. It can be regarded as a threat caused by the possibility of suffering a loss, not an actual loss. In terms of senior management, the risk perception, which is the effect between expected situations, is an important element for managers. Upper Managers consider a job hazard that has already been discussed above compared to those not in the decision-making position. Risk taking is also a fear of failure at the top of the top management (Top, 2006: 58-59).

One of the most frequently discussed topics in management literature is the tendency to take risks. While some of the studies that have been conducted argue that senior managers in decision-making positions are taking more risks than others, in many other studies it is emphasized that the entrepreneur assumes an excessive risk, (Erdem, 2001:44).

Risk taking and courage from the main indicators of administrative culture influence the success of the superintendence significantly. Because courage, heroism and risk-taking can be considered as one of the essential elements of a successful person's success as well as his success. In this context, every entrepreneur who takes initiative or evaluates the opportunities that go hand in hand is entering risk (Şimşek, Akgemici and Çelik, 2001:41).

In any circumstance, in an environment of increasing uncertainty as a consequence of change today, managers have to take risks at certain levels. The uncertainty leads to a loss of competitive advantage. Therefore, under uncertainty, entrepreneurs need to take appropriate risk-taking decisions ( Başı, Korkmazyürek and Tokat, 2008:123).

Risk as a risk of losing can be seen as the main feature of existing firms' aggressive or proactive movements with innovation, new business creation activities. Risk-taking refers to a style of courageous and bold action involving the quick supply of resources so that the opportunities that face anticipation can be quickly assessed (Lumpkin and Dess, 1996:135-173).

Top Management strategic management approach, uncertain and variable gain quite a risky business environment in a particular direction. However, since strategic management, qualitative and quantitative information is organized and effective decision-making is possible under uncertain conditions, these decisions lead to managerial and intuitive ways of thinking when compared to initiative decisions. Sezginin is a fact that sometimes can bring about specific, abstract factors that need to be considered (Pamuk, Erkut and Ülegin, 1997:25).

Research

The Purpose and Importance of Research

The purpose of this research is to examine the effects of strategic management practices and risk perception on the competitive advantage. In the study, strategic management practices
and risk perception are considered as independent variables, while competition superiority is considered as a dependent variable.

The research is expected to contribute to the theoretical and practical aspects of the literature. The theoretical contribution of the research is that the effect of strategic management practices and risk perception on providing competitive advantage is examined in a holistic model and filling the gap in this area. The contribution of the research in practice is that the effects of strategic management practices and risk perception on the competitive advantage are tested.

**Variables and Model of Research**

In this research, the relationship between strategic management practices and risk perception and sustainable competitive advantage will be examined and our hypotheses with variables will be explained. The dependent variable of the research is the competitive advantage. The independent variables of the study are strategic management practices and risk perception scores.

**Research Hypothesesi**

H10: There is no relationship between the strategic management score and competitive advantage score.

H1: There is a relationship between the strategic management score and competitive advantage score.

H20: There is no relationship between the risk perception score and competitive advantage score.

H2: There is a relationship between the risk perception score and competitive advantage score.
Scope of Research and Data Collection Technique

In order to explain the relationship between the independent variables of strategic management and risk perception and the competitive advantage which is a dependent variable, researches have been carried out on 110 owners and managers in a Specialized Organized Industrial Zone operating in Istanbul.

In the survey conducted by the questionnaire method, questions prepared in the subjects of strategic management practices, risk perception and competitive advantage were asked. Demographic questions were also asked. In the preparation of the questionnaire used in this study (Mairesse and Mohnon, 2007), the questionnaire was prepared in the form of 5 likert types.

Main Mass (Research Universe) and Sampling

This research also has managers and owners of 110 companies in a Specialized Organized Industrial Zone that operates in the main mass Istanbul. 15.45% of the participants in this study were women and 84.55% were male. When the age distribution of the managers is examined, it is seen that 31-40 age group takes the first place with a ratio of 41.82%. The second group is composed of 41-50 age group with 25.46%, the second group is 21-30 age group with 21.82%, the second group is 51 and the fourth group is 10.10%. 26.36% of participants were single and 73.64% were married

25.45% of the respondents have education in secondary education, 43.63% in associate degree, 29.09% in license and 0.018% in post graduate education.

When asked about how many years they have worked, 35.5% are 3-5 years, 30% are 10 years, and 24.5% are 5-10 years old and 3% year employess

Findings

Correlation Between Observed Variables

Correlation between Strategic Management and Competitive Advantage (0.797) was calculated. [R (110) = 0.797; It appears that there is a high and meaningful relationship between this ratio and the positive direction between Strategic management and competitive advantage.

Correlation between risk perception and competitive advantage (0.719) was calculated. [R (110) = 0.719; p <1]. These ratios show that there is a high and meaningful relationship between the positives.

These results are presented as evidence that the H1 and H2 hypotheses established for the direct effects of the research are validated.
Linear Regression Analysis

Strategic management and risk perception scores arguments, the competitive advantage is the dependent variable. The independent variables account for about 63.6% of the variation in the dependent variable. The regression model for the dependent variable and the independent variables is statistically significant. If we are subject to multiple regression of the factor scores obtained after factor analysis and we have a competitive advantage as our dependent variable, we can see that the calculated F value of the model is 93,512 and the p value is less than 0.000 and 0.05. Therefore, it can be said that the model as a whole is meaningful.

Factor Analysis and Reliability of Scales

Factor analysis has been applied to classify the variables associated with each other as independent and meaningful factors, and remove the multiple linear linkage from the center. First, KMO value and Bartlett globality tests were conducted to evaluate whether the data set is suitable for factor analysis. KMO value is a measure of sample adequacy. This ratio must be above 0.5 and the higher the factor analysis is, the more appropriate it is. In the Bartlett sphericity test, it is desirable to reject the unit matrix matrices zero hypothesis. In this way, it can be concluded that there are high correlations between the variables and that the data set is suitable for factor analysis (Kalaycı, 2006:321).

KMO coefficient is 0.703 and is the perfect adequacy of the sample data set was subjected to factor analysis, it is concluded that these indicators.

The Cronbach Alpha method was used to determine the reliability of the scale in the study. The alpha coefficient indicates how much the different questions on the questionnaire complement each other when measuring the same quality and take values between "0" and "1". As you approach value 1, reliability improves (Kalaycı, 2006:321). According to the result of the analysis, the risk perception reliability value is found as 0.921. This means that the scale used is fairly reliable.

Result

Strategic management argues that there is a need for organizations that can constantly control the changing environment and adapt to this change. Strategic management framework sets goals for the operational environment. This should be done by conscious, planned methods rather than by setting a reactive target. Today, although strategic management has been recognized for its widespread decision making and planning methods, sociological approaches have gained more importance in recent years.

Strategic management should be viewed as a function of the top management in the organization. Because strategic management is all about the future of the business, it develops long-lasting goals, and it ultimately leads to what needs to be done to arrive. Alnan takes into account the whole-parts relation to the effects of strategic decisions. For strategic management, the business is an open system. For this reason, the environment is a closely
monitored factor. For this reason, strategic management has a social responsibility that takes into account the interests of the community against its external environment. At the same time it makes the most effective allocation of resources for the realization of the basic objectives of the business.

Strategic management concept gives the business a certain direction in an uncertain, variable and highly risky environment. However, since strategic management, qualitative and quantitative information is organized and effective decision-making is possible under uncertain conditions, these decisions lead to managerial and intuitive ways of thinking when compared to initiative decisions.

It is necessary to develop the market, to design the future, to capture new opportunities, to create new values from these opportunities, to introduce new and well designed, mission and vision in order to gain competitive advantage with the new synergy that will be formed with the risk perception and strategic management thinking together. In order to get ahead of the competition, it is possible to get competitive advantage by factors such as being open to newness, looking critically and following the day, and it is possible to pass the dreams of appropriate strategies in this direction.

As a result, the company is engaged in strategic management practices and risk perception will have an advantage over their competitors by obtaining a competitive advantage.

The research is expected to contribute to the theoretical and practical aspects of the literature. The theoretical contribution of the research is that the effect of strategic management practices and risk perception on providing competitive advantage is examined in a holistic model and filling the gap in this area. The contribution of the research in practice is that the effects of strategic management practices and risk perception on the competitive advantage are tested.

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