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Strategic Capabilities of Retail Market Managers: A Field Research in Karabuk

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Abstract

Strategic management deals with overall performance and efficient resource use. Strategic efforts focus on internal and external environment. Companies build their competitiveness on their strengths attempting to benefit from opportunities. Managers play a very important role not only in strategic analysis and choice efforts but also as part of decision-making process in strategy implementation. In fierce competition organizations seek their managers to be strategists.

This research aims to examine strategic management capabilities of the managers working in supermarkets in Karabuk. The research was performed using face to face survey. The questionnaire was adapted from Hinterhuber and Popp (1992). Datas gathered were analyzed with 'One Sample T Test'. The target universe was composed of 42 stores registered in Karabuk. Reliability analysis revealed a 0,856 Cronbach's Alpha Value. Analysis results showed that managers are future oriented and entrepreneurial-minded. They emphasize competitiveness and have a clear vision. It may be advised to encourage medium level managers to contribute effectively to strategic management process.

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Introduction

Strategic management is seen as a function of top management teams in organizations. Strategic management activities may be grouped under three main distinctive elements: strategic analysis, which means efforts aims to understand the strategic position of the organisation; strategic choice, which is the main cores that guides to strategic direction and decisions; and strategy implementation concerned with translating strategy (Jasper and Crossan, 2012:841). Managers should play an important role in all stages of strategic management process in order to contribute to their companies' strategic management activities.

1.Strategic Management

People form organizations by coming together to achieve a common goal which they can't attain alone. Managers' function is to lead people to accomplish specific objectives. Managing evolved to a professional occupation. Increased numbers of people managed in organizations also increase the management levels. Meanwhile the decisions taken by managers becomes more important for the future of the company. Strategic management is performed by future oriented managers and is focused on environment, competitiveness and organizational sustainability.

1.1. Definition and Scope of Strategic Management

The role of the management is often to get individuals working together, to ensure that all employees' roles and responsibilities are aligned with overall strategy (O'Boyle, 2013:369). The management is defined as the process of using organization's resources effectively and efficiently with the purpose of accomplishing organizational goals. Management functions are listed as planning, organizing, executing and controlling (Ülgen and Mirze,2013:23). Managers add his or her personal view and interpretation about their roles in organizations. Managers use owners' resources effectively to fulfil given tasks and to achieve the firm's goals. Professional managers should have intrinsic motives to allocate resources in most efficient way and to pursue the organisations goals over self-interest (Hiebl, 2013:150-151). Managers in organizations play and fulfill the roles related with 'Interpersonal Relations', 'Information Gathering and Dissemination' and 'Decision-Making (Koçel,2014:127).

Strategic management focuses on overall performance and efficient use of resources. This approach is very sensitive on internal and external environment of the firms. Strategic management deals with the major intended and emergent initiatives taken by managers on behalf of owners. These initiatives involve effective resource utilization to enhance the performance of firms among their rivals (Harrington, R. J., & Ottenbacher, 2011:441). Strategic management aims organizational survival and continuity in the long run by gaining competitive advantage among competitors. Strategic management can be interpreted as a set of managerial decisions and actions of an organisation that can be used to facilitate competitive advantage and long-run superior performance over other organisations (Jasper and Crossan,2012:842).

Strategic management is usually the function of top management team but requires organizational participation. Strategic management efforts become ineffective and unsuccessful without top management teams' support. Strategic management is future oriented, perceives the firm as a system and ensures coordination. Strategic management leads managers towards strategic goals (Dinçer,2007:38).

The most important aspect of driving a company's success is organizational balance. A successful company is not necessarily the one with the best strategy. If the organization doesn't have the skills to execute that strategy, success will be hard to be achieved (Kwon et al, 2007: 36).

1.2. Strategist manager

Strategy is about choice and the heart of a company's strategy is what it chooses to do and not to do. Strategic thinking quality which determines such choices is a key driver of the success of a company's strategy (Gavetti and Rivkin, 2005:1).

The job of the strategist is to understand and cope with competition. Competition for profits goes beyond established industry and includes four other competitive aspects too: customers, suppliers, potential entrants, and substitute

products (Porter, 2008:79). Understanding the forces that shape industry competition is the starting point for strategy development (Porter, 2008:88)

Managers, as business strategists may bring a multifunctional perspective to the questions of where and how to compete as a firm. McGrath points out especially for brand managers to become accomplished business strategists.

Managers need to cope with issues in key functional areas and have to broaden their perspectives. On the other end their companies have to make changes to promote this broader perspective. In considering the challenge of organizational change and competitiveness today business strategy approach should include three important factors. These are 'shared values, broad strategies on competition and new organizational skills'. Managers have to conduct broadly based strategic analyses, and be aware of competitors' philosophy and key strategies (McGrath, 1983:3).

Top managers are often counselled to involve themselves in strategic planning. Yet, outside the early phases of the planning process, they don't usually have that opportunities effectively. Top managers can contribute importantly by orchestrating the strategy development by enabling planners and operating managers to contribute to the process substantively. That is why the managers must be stimulated to look at the business in new ways and to surface strategic problems and opportunities. In other terms managers should contribute more to their companies by being motivated to act as strategists (Hunsicker, 1980:79).

In their research Rouleau and Balogun (2011) emphasizes the importance of the middle managers' discursive competence capability to contribute to their firms strategically. Managers' strategic asset is their ability to relate and engage in a way meaningful to those they seek to influence and lead (Rouleau and Balogun, 2011:977).

According to Mintzberg strategic thinking is different than strategic planning. Strategic planning is an analytical process aimed at programming already identified strategies. Strategic thinking, on the other hand, is a synthesizing process, utilizing intuition and creativity (Liedtka,1998:121).

A strategist manager is a strategic thinker. A strategic thinker develops a a mental model of complete system of value creation, and understands the interdependencies within that system. Strategist has a competitively unique point of view about the future. Strategic intent provides the focus to synergy and concentration to the achievement of a goal. Strategists don't loose the sight of alternative strategies better responds to a changing environment while trying to use very well organized strategy. Strategic thinking ability includes efficient hypothesis testing under pressure. Firms who succeed at strategic thinking throughout their organizations are able to create a powerful source of competitive advantage (Liedtka, 1998:128).

Today the environments place particular demands on being strategic with respect to interpreting the environment, crafting strategy, and building an organization that thrives in such contexts. Environments have increasingly been described as fast-changing and disruptive, demanding novel approaches to strategy that involve less planning and control, and more flexibility, learning and improvisation (Crossan et al, 2008:571).

In business strategy, firms frequently may know with considerable accuracy and certainty that they need a change but may not even try to act in that direction. The reason of this type of reaction is usually top management's lack of foresight (Schoenberger, 1994:438). Strategic contributions of the managers at all levels may effect the top management team to act in time and in right direction.

2. A Field Research Among Retail Market Managers in Karabuk

The purpose of this research is to investigate the strategic capabilities of managers working in supermarkets in Karabuk. The managers' professional contribution to their companies' strategic management efforts and the companies' attitudes towards their employees' management activities have been searched by a questionnaire which includes 30 statements.

2.1. The Scope of the Research

This research was performed among the top and middle managers of the supermarkets in Karabuk, Turkey. For the purpose of the study supermarkets with sub-departments which had more than 3 employees except managers were chosen. Those supermarkets were either branches of retail chain store companies or local supermarket stores at least same size. The statistical universe was defined according to Karabuk Chamber of Commerce March 2016 datas.

2.2. Data Collection

In this research, questionnaire was used as the primary means of data collection. The questionnaire was adapted from Hinterhuber and Popp (Hinterhuber and Popp, 1992:111) and five point Likert Scale was used changing from 'Strongly Agree to Strongly Disagree'.

The questionnaire was composed of mainly two parts. In the first part demographic information (gender, educational background, experience, position and company's total time in business) related to participants and companies were investigated. In the second part there were statements related to managers' strategic capabilities. The total of thirty statements were organized under ten different dimensions and directed to managers to be answered. These dimensions were namely;

1. Entrepreneurial Vision (3 statements),
2. Corporate Philosophy (3 statements),
3. Competitive Advantages (3 statements),
4. Ability to Act Freely in the Interest of Company (6 statements),
5. Vision and Organizational Structure (2 statements),
6. Line Managers' Involvement in Strategic Planning (3 statements),
7. Harmony Between the Corporate Culture and the Strategies (2 statements),
8. Directions and New Approaches (4 statements),
9. The Role of the Luck (2 statements),
10. Contribution to the Development of Society and Self (2 statements).

In data collection face to face survey method was used. The contact and adress information were obtained from Karabuk Chamber of Commerce data sources. Then by visiting stores, the store managers were surveyed face to face.

2.3. The Model of the Research

The model of the research is shown in Figure 1 below.

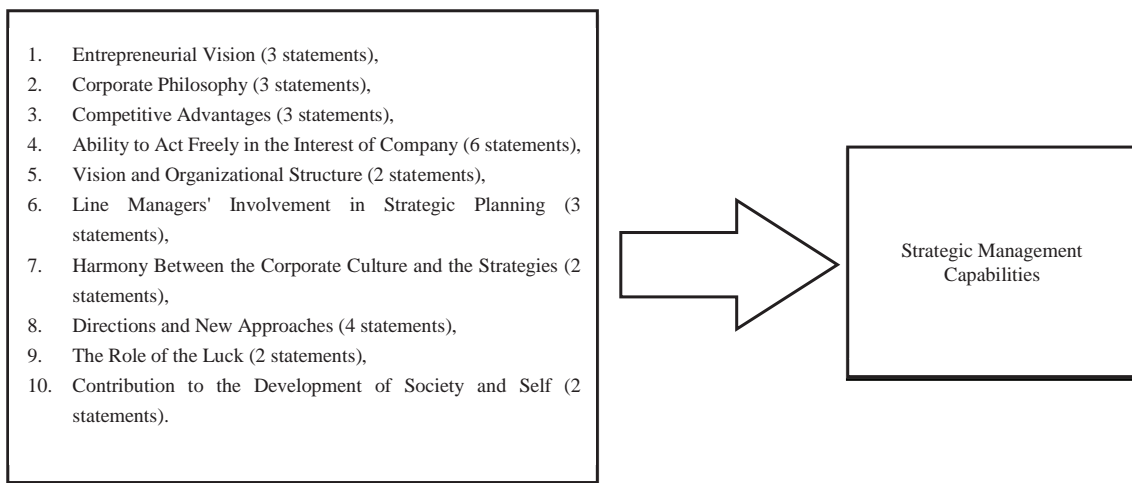


Figure 1: Research Model

2.4. The Purpose of the Research

This research aims to determine the strategic management capabilities of the managers of supermarkets operating in Karabuk.. In this context, it was statistically measured how and to what extent the independent variables shown in the model affect and explain the dependent variable 'Strategic Management Capabilities'.

2.5. Research Method

The universe was composed of 42 supermarkets where all of them were reached pursuant to this research. In 7 stores managers rejected participation in the survey. This research was fulfilled with 35 store managers or assistant store managers. The target universe of the research was composed of supermarket managers of the stores registered in Karabuk Chamber of Commerce. By using 'Full Count Technique' all members of the universe have been reached but 35 of them participated in the survey where 7 of them rejected participation (Balçı et al., 2012: 55).

Datas gathered by the questionnaire were analysed using 'One Sample T Test'. The hypothesis of the research were composed of 30 statements grouped as 10 independent variables to measure strategic management capabilities. Each statement represents a hypothesis pair and is shown in Table 1 below.

2.6. Findings and Evaluation

Reliability analysis shows Cronbach's Alpha Value as '0,856'. Datas related to demographic information were analyzed as frequency and percentages while functional variables were analyzed using 'One Samle T Test' technique.

Table 1. Demographic Information

Specifications	Categories	N	%
Gender	Female	7	20
	Male	28	80
Educational Background	High School Graduate and Lower	21	60
	Bachelor's Degree	9	25,7
	Master's Degree and Upper	5	14,3
Experience	5 Years or Less	13	37,1
	Between 6-10 Years	9	25,7
	More than 10 Years	13	37,1
Position	Store Manager	21	60
	Assistant Store Manager	12	34,3
	Other	2	5,7
Company's Total Time in Business	5 Years or Less	10	28,6
	Between 5-10 Years	2	5,7
	More than 10 Years	23	65,7
Total		35	100

As may be observed at Table 1 %20 of managers participated were female where %80 of them male. Educational Background information shows that of the managers participated %60 High School Graduate or less, %25,7 have Bachelor Degree and %14,3 have Master's Degree or an upper degree. Interestingly most of the store managers (%60) were High School Graduates. Experience information points out that of the managers %37,1 have 5 years or less, %25,7 have 6-10 years, and %37,1 have more than 10 years work experience. Table shows that %60 of participated managers were store managers while %34,3 of them were assistant store managers. %5,7 of the participants were in charge of other management positions. The number of the store managers participated were more than any other position holders. Data related to Company's Time in Business shows that %28,6 of them stays in business for 5 or less years, %5,7 of them for between 6 to 10 years and %65,7 more than 10 years. Most of the stores participated in survey have been in business more than 10 years (%65,7).

Table 2 below shows hypothesis and findings related to strategic management capabilities and the result of 'One Sample T Test' applied:

Table 2. Hypothesis and Findings Related to Strategic Management Capabilities

Hypothesis	Statements	T	Results	P *
H₁ Entrepreneurial Vision				
H _{1a}	Our company vision is loud and clear.	6,685	,000	P<0,001***
H _{1b}	Our company vision is internalized by employees.	2,526	,016	P<0,05*
H _{1c}	Our company vision is realistic and motivates employees.	4,877	,000	P<0,001***
H₂ Corporate Philosophy				
H _{2a}	We are also curious about our competitors' corporate philosophy.	2,668	,012	P<0,05*
H _{2b}	We have established procedures about work processes.	5,056	,000	P<0,001***
H _{2c}	Our employees participates in decision making process.	-,782	,440	P>0,05 ^{ns}
H₃ Competitive Advantages				
H _{3a}	Our customers prefer us, because we have a difference compared to our competitors.	3,917	,000	P<0,001***
H _{3b}	We have have a sustainable competitive advantage.	8,082	,000	P<0,001***
H _{3c}	We may always consider developing new strategic partnerships with others to maintain competitive advantages.	-,831	,412	P>0,05 ^{ns}
H₄ Ability to Act Freely in the Interest of Company				
H _{4a}	Our department managers are entrepreneurial-minded managers.	3,370	,002	P<0,01**
H _{4b}	Employees' ideas about work processes are valued and considered by the company.	1,247	,221	P>0,05 ^{ns}
H _{4c}	Our managers at all levels are willing to take responsibility.	4,460	,000	P<0,001***
H _{4d}	Our managers are creative in decision-making in their area of responsibility.	3,266	,002	P<0,01**
H _{4e}	Managers are clearly conscios of their units' targets.	4,698	,000	P<0,001***
H _{4f}	Managers are clearly conscios of company vision, philosophy and directives.	4,877	,000	P<0,001***
H₅ Vision and Organizational Structure				
H _{5a}	Our managers are entrepreneurial-minded and have entrepreneurial capabilities.	4,038	,000	P<0,001***
H _{5b}	Our managers' duties, authority and responsibilities enable them to develop and implement strategies.	4,596	,000	P<0,001***
H₆ Line Managers' Involvement in Strategic Planning				
H _{6a}	Our department managers participate in strategic planning activities.	-,354	,726	P>0,05 ^{ns}
H _{6b}	Department managers are trained in strategic planning.	3,083	,004	P<0,01**
H _{6c}	Department managers are clearly informed about company's strategic aims and objectives.	1,972	,057	P>0,05 ^{ns}
H₇ Harmony Between the Corporate Culture and the Strategies				
H _{7a}	Our strategies are in harmony with our corporate culture.	4,108	,000	P<0,001***
H _{7b}	Our corporate culture motivates our employees towards creative thinking.	2,795	,008	P<0,01**
H₈ Directions and New Approaches				
H _{8a}	We develop new approaches to problems.	4,913	,000	P<0,001***
H _{8b}	Our strategy formulation team is a professional team.	1,213	,234	P>0,05 ^{ns}
H _{8c}	Our managers are future-oriented.	2,705	,011	P<0,05*
H _{8d}	Our managers have a quierer attitude and approach about our strategies.	,397	,694	P>0,05 ^{ns}
H₉ The Role of the Luck				
H _{9a}	We appreciate to use the opportunities generated by luck.	-,792	,434	P>0,05 ^{ns}
H _{9b}	The luck factor has a positive effect on the successfull outcome of our strategies.	-4,909	,000	P<0,001***
H₁₀ Contribution to the Development of Society and Self				
H _{10a}	Our company's existance makes a contribution to the social life in Karabuk.	12,207	,000	P<0,001***
H _{10b}	The job itself makes a contribution to our managers' personal development.	6,195	,000	P<0,001***
*P<0.001*** Extremely significant				
P<0.01** Very significant				
P<0.05* Significant				
P>0.05 ^{ns} Not significant				

Table 2 shows the statistical T test results about independent variables which affects strategic management capabilities. According to the results, store managers have entrepreneurial vision. Since P values for 3 statements are found significant, it may be said that company visions are clear, internalized by employees and motivate them. Since all statements have been found significant H_{1a}, H_{1b}, and H_{1c} were accepted.

The results for the second group shows that managers are partly curious about competitors' corporate strategy and their company have established work procedures. Because of the P values for the first two statements are significant, H_{2a} and H_{2b} were accepted. According to the results, it may be said that employees don't participate in decision-making process ($P>0.05^{ns}$), and with this result H_{2c} was rejected.

With respect to competitive advantages, managers think that customers prefer them, because they see a difference at their company comparing to competitors. Managers also think that their company has sustainable competitive advantages. But managers don't think their company may consider developing new strategic partnerships with others to maintain competitive advantages. As a result H_{3a} ve H_{3b} hypothesis were accepted but H_{3c} was rejected, ($P>0.05^{ns}$).

Analysis results about 'Ability to Act Freely in the Interest of Company', point out that managers are entrepreneurial-minded, willing to take responsibility, creative in decision-making in their area of responsibility, clearly conscious of their units' targets and clearly conscious of company vision, philosophy and directives but employees' ideas about work processes aren't valued and considered by the company ($P>0.05^{ns}$). In pursuant of obtained P values related to H_4 statements, all hypothesis except H_{4b} were accepted.

Analysis about statements on 'Vision and Organizational Structure' reflect that managers are entrepreneurial-minded, have entrepreneurial capabilities and their duties, authority and responsibilities enable them to develop and implement strategies. As a conclusion H_{5a} and H_{5b} hypothesis were both accepted.

Concerning 'Line Managers' Involvement in Strategic Planning', it may be commented as department managers are trained in strategic planning, but aren't clearly informed about company's strategic aims and objectives and don't participate in strategic planning activities. So, hypothesis H_{6b} was accepted but H_{6a} and H_{6c} were rejected ($P>0.05^{ns}$).

Analysis results regarding 'Harmony Between the Corporate Culture and the Strategies' indicates that company strategies are in harmony with their corporate culture and that culture motivate employees towards creative thinking. Since the statements were found significant both hypothesis H_{7a} and H_{7b} were accepted.

According to the responds to the statements about 'Directions and New Approaches', participated company managers develop new approaches to problems and their managers are future-oriented but managers believe their company's strategy formulation team is not a professional team and managers don't have a quier attitude and approach about strategies. Since the P values non-significant ($P>0.05^{ns}$), hypothesis H_{8b} and H_{8d} were rejected while H_{8a} and H_{8c} were accepted.

Examining the results about 'The Role of the Luck' for the company management shows that companies don't appreciate to use the opportunities generated by luck but managers believe the luck factor has a positive effect on the successfull outcome of their strategies. P values proved that H_{9a} was rejected ($P>0.05^{ns}$) but H_{9b} was accepted.

T test results about 'Contribution to the Development of Society and Self' indicate that the managers believe their company's existance makes a contribution to the social life in Karabuk and the job itself makes a contribution to the managers' personal development. Because of both statements were found extremely significant ($P<0,001^{***}$), hypothesis H_{10a} and H_{10b} were accepted.

Conclusion

In this research the hypothesis groups of H_1 , H_5 , H_7 and H_{10} related to 'Entrepreneurial Vision', 'Vision and Organizational Structure', 'Harmony Between the Corporate Culture and the Strategies' and 'Contribution to the Development of Society and Self' were fully accepted and found significant. Out of 30 statements about strategic capabilities of supermarket managers, 8 statements were found non-significant and hypothesis H_{2c} H_{3c} H_{4b} H_{6a} H_{6c} H_{8b} H_{8d} and H_{9a} were rejected. Other than these 8 hypothesis all statements were found significant and hypothesis related to them were accepted.

Overall analysis results indicates managers have entrepreneurial vision, are eager to learn competitors' corporate philosophy, aware of the importance of strategic competitiveness, consider self motivated management is important, are creative in decision-making, clearly conscious about vision and their duty and responsibilities, entrepreneurial-minded, trained in strategic planning, believe their strategies are in harmony with the corporate culture and motivate employees, are good at finding new solutions to problems, future oriented and think that their company and job contribute to social life in Karabuk and to their personal development.

Besides, results show that employees don't participate in decision-making process, companies are not willing to strategic partnerships to maintain competitive advantages, employees ideas about work processes aren't valued and considered, the department managers don't participate in strategic planning activities and aren't clearly informed about company's strategic aims and objectives, managers don't think they have a professional strategy formulation team, don't have a querier attitude about their company's strategies and companies don't appreciate the opportunities generated by luck factor.

It may be advised the companies motivate their employees to internalize company vision. To achieve this goal job satisfaction, salary improvement, job related capability progress tools can be used. Employees should be able to make positive correlation between their personal goals and benefits and company's vision. If the managers believe their ideas won't be considered about strategic management anyway about planning activities they will certainly stop contributing to planning and strategic management processes. When the market conditions are in companies' favor and demand is high strategic partnerships may be ignored but if the conditions become reversed, it's recommended for any company to be open to strategic partnerships to survive or not to lose competitive advantage.

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