

The Management Strategy of Network Competitiveness by Korean Enterprises in local Turkey

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Abstract

This paper is framed for analyzing what the most significant factors are in Turkey, where the Korean investing enterprises should overcome and accommodate to the various barriers of management, especially in terms of network construction. The main purpose of this research is to test empirically some connections of between the managing strategy of network competitiveness by Korean enterprises and the management performances of Korean ones in Turkey while this is composed of two stages. First, the study model is planned by discussing relevant theories, previous studies and the current investment circumstances in local Turkey. Second, the survey of Korean enterprises participated in investment activities in there is practiced by gathering questionnaires. The strategic method of structural equation modeling is implemented to testing some hypotheses. Summing up partially, to maximize profits growth, Korean enterprises have been making application of the internal worker controlling as the means of network competitive advantages.

Key Word: Turkey, Foreign Direct Investment, Network Competitiveness, Local Management Strategies, Management Performances

I. Prefatory Remarks

Korea, who had commended in 1970s the economic expansion resulted from the export drive policies based on the comparative advantage theories-related, was faced with the getting more serious of international competitiveness due to the sudden raise of wages since the middle of 1980s. Korean enterprises started to make decisions on the course of management action that is the move of domestic production facilities into foreign countries after that time, and since 1990s they have been operating for the purpose of some entirely world-wide markets with global management strategies and diversification of export markets because of the getting stronger of their own competitive advantages originated by foreign direct investment. The local management of Korean enterprises from China to America, etc. can be said to no more a passing phase in the field of management. But almost all of enterprise who should try to go into the global market thru local management have to research thoroughly the factors of environment about the local countries. Providing a preceded research about local environment is not completely and systematically designed and implemented, A firm might withdraw from a local country without covering invested capital as well as might be experienced in various obstacles of management such as raising costs unexpected and reducing profits, etc. It cannot be considered that the history of management in foreign countries by Korean enterprises is as long as that of foreign enterprises which belong to some advanced countries, therefore the preceded studies on the local environmental factors and the strategies against them are not many and the attempts of the studies must be at least in difficulties. Accordingly, not only empirical studies but also case and theoretical studies about the actual conditions of local management of Koran enterprises are obviously needed for giving them some scientific and logical information to let them manage successfully and consistently at there. On the ground of this critical mind, the objective region of this paper is limited as the country Turkey whom Korean enterprises have been entering since 1990s and who is anticipated one of countries that Korean enterprises are going to manage at there in future. Explaining in full about Turkey, it is one of the countries who is representative of the geographically key position between European continent and Asian one traditionally and becomes into the stability of social and political environment and become to the good territory for foreign capital to be invested. So many Korean competitive enterprises have been entering there

and Turkey is recognized as a country who has a big sized domestic market with latent purchasing power and a potentiality to economic prosperity. In Turkey, Korean enterprises can utilize the labor power with good quality and inexpensive relatively as well as simultaneously they can activate the abundant natural resources with moderate prices.

Precisely, Turkey is one of the best territories where the value of study can be estimated very high because the government has taken the policies of reformation and opening while Turkey can be said to the country who has stable social and political environment recently. And only the factor of network competitiveness among primarily competitive power causes in Turkey is included as the study scope for maximizing the efficiency of study progress and the explanation of empirical analysis results. Exactly, what kinds of influence positively or negatively do the variables of network competitiveness give to Korean enterprises at there?¹⁾ That granted, what management strategies do Korean enterprises implement to overcome the negative influences at there? In addition, this paper expects to give some strategic principles of local Turkey management to Korean enterprises to be possible to operate at local Turkish market successfully. Finally, this paper is for as follow: by what some certain factors among local network competitiveness variables are the Korean enterprises being influenced positively to make the maximization of their own management performances? What strategic methods are being designed and fulfilled by Korean enterprises?

II. Theories-related

The theoretical frame on this paper is designed for finding out the relationship of cause and effect with the network competitive advantages and the management performances of Korean enterprises managing in local Turkey.

1) Kim, K. H., "The effects of Corporate's Relationship Orientation on Corporate's Relational Equity and Performance," Korean Corporation Management Review, Vol. 17, No. 3, 2010, p.54.

1. Network Competitive Advantages

Some mainly prior researchers on the network competitive advantages can be mentioned as follow: Ballantyne, Crosby and Mohanbir & Zabin, etc. At first, there is the paper written by Ballantyne²⁾ who wants to discover what the elements of network competitive advantages of multinational enterprises managing in local countries are. He maintained his opinion that the network competitive advantages means the composition of management strategies, while he classified it as the 6 types, which are consumers, suppliers, distributors, internal workers, and financiers. Exactly, he insisted on that the network competitive advantages of a firm must be created and developed by the basic of intangible resources sustained by the firm. In succession, Crosby³⁾ studied that the factors of the network competitive advantages of a firm are composed of intangible resources as the follow: suppliers, distributors and internal workers except for consumers. He studied to focus the side of enterprises or producers concerned. And there are supplier assets, distributor assets, internal worker assets, and consumer assets among network competitiveness based on the paper of Mohanbir and Zabin,⁴⁾ who are activating the concept of assets. They explained that the theses factors of the network competitiveness will be more significant especially under the internet business circumstance. Finally as a national paper, there is a classically and typically famous paper written by Kim⁵⁾. She studied that the factors of network competitive advantages which multinational enterprises must maintain and develop are as the follow. Firstly, the capability of marketing for building network forcefully. It consists of market development and penetration, name value of a firm, distribution network, service management, etc. Secondly, the advantages of technologies relatively as compared with any other competitors. It means the factors of developing and improving processes of new network construction. Thirdly, the capability of market research and analysis with collecting and analyzing information about segmented network construction. As explained above, this paper is for finding out the relationship of trial and effect about the network competitive advantages and management

2) Ballantyne, D., "Improving the Quality of Services Marketing: Service (Re)design is the Critical Link," *Journal of Marketing Management*, Jan-Apr, 11(1-3), 1995, pp.7-24.

3) Crosby, L. A., "Relationship Quality in Services Selling," *Journal of Marketing*, 54(3), 1990, pp.68-81.

4) Morhabir, S. and Z. Zabin, "Managing and Measuring Relational Equity in the Network Economy," *Journal of Academy of Marketing Science*, 30(4), 2002, pp.313-332.

5) Kim, K. H., op. cit.

performances of Korean enterprises managing since in the middle of 1990s in local Turkey. Therefore, this paper is logically and theoretically designed by the variables from the studies of Kim as well as Mohanbir and Zabin, especially activating the factors of independence.

2. Management Performance

There are not many empirical studies on the management performances and the necessity of developing and improving the competitive advantages by enterprises which have been managing in local countries. The management performances are generally classified with the follow of three things, which mean that firstly, the degree of sales expansion⁶⁾ meaning 'the market share'⁷⁾ in a local country, secondly, the extent of profits growth⁸⁾ meaning 'the profitability'⁹⁾ and thirdly, the level of the management satisfaction¹⁰⁾ meaning 'the prospect' that is a sort of the possibilities of market share and profit in future, judged and evaluated by staffs of decision makers. And furthermore, fortunately, there is a national paper written by Shin¹¹⁾ who designs an object of a study as a certain region and a country, especially Korean enterprises managing in Vietnam and the relationship of cause and effect to the variables of competitive advantages and management performance which consists of market share, profits, and management satisfaction. This study is therefore, on the basis of Kim's study as a logic frame, especially for the variables of dependence like sales, profits and management satisfaction.

6) Johnson, H., The Efficiency and Welfare Implications of the International Corporation, in C. P. Kindleberger ed., *The International Corporation*, MIT Press, Cambridge, Mass., 1970, p.78

7) Porter, Michael E., *Competitive Advantage*, New York: The Press, 1985, p.216.

8) Kindleberger, C. P., *"American Business Abroad,"* New Haven: Yale University Press, 1969, pp.11-13.

9) Hymer, S., "The International Operations of National Firms: A Study of Direct Investment," *Doctoral Dissertation*, MIT Press, 1960, p.45

10) McManus, J. C., The Theory of International Form, in G. Paguet ed., *The Multinational firm and The National State*, Macmillan, 1972, p.57.

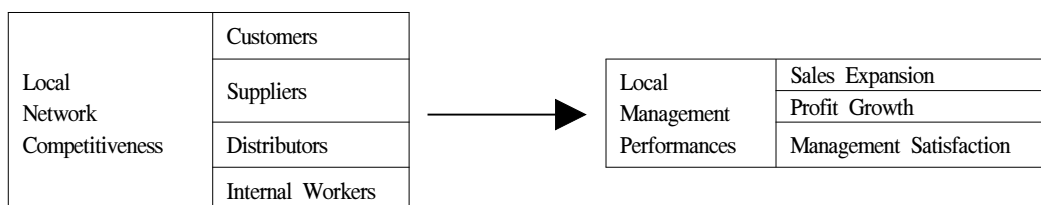
11) Shin, K. H., "A Statistical Study on the Competitive Advantages and Management Performances of Korean Firms in Vietnam," International Association of Area Study, Korea, *International Area Study Review*, Vol. 12. No. 1, 2008, pp.273-294.

Ⅲ. Research Design

1. Research Model

As illustrated above, this paper is for analyzing that what extent some network competitiveness factors in Turkey may influence the Korean firm's management strategy at there. First of all, the factors of network competitiveness in Turkey have to be examined, which can affect the local management strategies of Korean enterprises and then, the relationship of these variables have to be evaluated and analyzed through an empirical research. The factors of network competitiveness are divided by 4 things based on Kim's paper and Mohanbir and Zabin explained above. The 4 groups are as follow: Group 1: the consumer characteristics, Group 2: the supplier characteristics, Group 3: the distributor characteristics and Group 4 the internal worker characteristics. The characteristics of group 1 is originated from the general customer characteristics of local Turkish market, while the ones of group 2, 3 and can be said to be caused from external environment of Korean enterprises who should adapt for building network and group 4 is from internal environment of Korean ones who should control. This paper has the purposes of analyzing an extent that these factors of local network competitiveness classified as 4 types might affect the management activities of Korean enterprises and grasping the point of Korean enterprises' coping management plans called the management strategy of network competitiveness generally in some academic societies. That is, the content of local management strategy implemented by the Korean enterprises in Turkey means Korean enterprises' internal management performances which are able to be implemented and accomplished, and which are sorted by the 3 things named as sales expansion, profit growth, and management satisfaction of CEO based on the previous studies.

(Figure 1) Hypothesized Relationships among Research Constructs



2. Alternative Hypotheses and Variables

1) Hypotheses of local Network Competitiveness

The alternative hypotheses based on the study model are as follow, because this paper is for analyzing the relationship between competitiveness of network and Korean enterprises' management performances. As mentioned earlier, this paper has one hypothesis although the factors of competitiveness of network are divided by four sets which are called customers from the general characteristic of local consumer, and suppliers, distributors, and internal workers from the characteristic of local producers. Therefore, the alternative hypothesis is simply constructed as the follow on this paper, combining all these factors of independent and dependent.

The Alternative hypothesis: The factors of network competitiveness by Korean enterprises managing in Turkey will affect their own management performances like sales expansion, profit growth and management satisfaction. 1

2) Variables

(1) Independent variables

The some items of independent variables meaning network competitiveness are taken generally from the earlier studies including Kim's and the others are additionally chosen by the Turkey secondary data provided from Korea Trade Investment Promotion Agency which has public confidence in the field of trade and international management. In addition, the sum of items is 30, explaining in detail, they are composed of 2 groups with consumer characteristics and producer ones including 4 sets which mean consumers, suppliers, distributors and internal workers. The factor of consumers consists of 8 items, suppliers 7, distributors 8 and internal workers 7. Theses items are measured by five-point semantic differential scale. They are indicated on [Table 1] .

[Table 1] Variables of Network Competitiveness

Concept	Variables	items
Consumer Characteristics	Consumers	1. maintaining current consumers 2. financial contribution from consumers

(Very low: 1, Very high: 5)		<ul style="list-style-type: none"> 3. low cost of acquiring new consumers 4. high obtaining of switching consumers 5. high satisfaction from consumers 6. high level of cooperation with consumers 7. versatile interaction with consumers 8. positive brand image from consumers
Producer Characteristics (Very Low: 1, Very high: 5)	Suppliers	<ul style="list-style-type: none"> 9. raw materials and parts presented cheaply 10. delivery of supplies on time 11. low level of poor quality to supplies presented 12. high level of best quality to supplies presented 13. high level of production capacity to supplies presented 14. high transaction satisfaction of suppliers 15. persistent transaction of suppliers
	Distributors	<ul style="list-style-type: none"> 16. fairly deal with transaction 17. fulfillment of contracts 18. marketing cooperation with distributors 19. high contribution from distributors 20. efficient business capacity as distributors 21. high comprehension of distributors to consumers and markets 22. high transaction reliability of distributors 23. persistent transaction of suppliers
	Internal Workers	<ul style="list-style-type: none"> 24. high satisfaction to operation of workers 25. low leaving jobs of workers 26. high productivity of workers 27. longer working time/period 28. high leveled authority of higher office 29. high skilled of workers 30. high training/reeducation to workers

(2) Dependent variables

The dependent variables classified by the three sets. That is, the sales expansion, profits growth, and management satisfaction. These are the Korean enterprises' management performances which might be affected by the independent ones which are called the network competitive advantages of Korean ones managing with FDI in local Turkey. Total 3 items cited principally from Kim's are measured by the form of 5-point scales to ensure maximal respondent specificity while additionally these 3 ones are chosen from the earlier studies and some documentary materials published by KOTRA, which suggests enterprises' general management strategies. [Table 2] indicates the 3 items.

[Table 2] Variables of Management Performance

Variable	Items
Management Performances (Very low: 1, Very high: 5)	31. sales expansion 32. profit growth 33. management satisfaction

3. Empirical Analysis

1) Sample and Data Collection

This paper is designed for finding out all factors of local cultural environment which Korean enterprises are facing, who are managing as entering thru foreign direct investment and for analyzing an extent that how these factors can affect Korean management strategy. Therefore, the restriction of sampling and collecting data on this paper is the Korean enterprises managing directly in local Turkey. For convenience of this study, 44 Korean enterprises managing in there are sampled as nominated on web site of Korean investing names supervised by Korea Trade Investment Promotion Agency. The period of collecting questionnaires is from Jun. 1. in 2010 to Jul. 31. 2010 with the program as arranged. The main way of collecting questionnaires is e-mail accounts which are regarded as the most suitable for heightening the efficiency of this study.

2) Processing

As has been mentioned earlier, all questions are suggested in the form of 5 point scales to ensure maximal respondent specificity. To extract the dimensions of local network competitive advantages and management performances noted previously, this paper applies the exploratory factor analysis to the full construct scale while the resulting factors are derived from the principle components analysis and varimax rotation and then the calculated factors are determined by the examining eigen values with over 1.00 as a standard statistic. The items with poor substantial cross-factor loadings are eliminated. To assess the construction of reliability and validity of this study's scale, all item measures are tested and refined using the tests of Cronbach's alpha and confirmatory factor analysis and finally the analysis of structural equation modeling is implemented in SPSS 11.0 for window version.

IV. Statistical Results

1. Collecting

[Table 3] indicates the collected questionnaires. Among total forty four samples, fifteen samples are collected thru e-mail accounts and collecting percent is recorded as thirty four. Fifteen samples can be classified by two places which one is from local Turkey and the other is from home Korea. The 2 enterprises in Turkey wanted us to send the questionnaires to their headquarters in Korea. Therefore we could get them from the headquarters in Korea but this is not showed on [Table 3] because it is a minor frequency.

[Table 3] Status of Samples

Total Samples	Units	Collecting Percent	Analyzed Samples
44	15	34	15

And [Table 4] introduces the categories of business. The business items are classified as follow: automobiles related, electronics & communication, construction, electricity & machinery clothing, food services and energy, and air services. Almost all of them belong to advanced high technology & heavy industries.

[Table 4] Types of Business from Samples

Category	Frequency	Percent
Automobiles	2	13
Electronics & Communication	4	26
Construction	1	6
Electricity & Machinery	2	13
Food Service	1	6
International Trade	1	6
Energy	1	6
Air Service	1	6
Transportation	1	6
Banking	1	6
Total	15	94

[Table 5] explains the satisfaction of local management performances of fifteen samples. Four Korean enterprises are 'satisfaction', and eight ones are 'normal'. Twelve are mentioned as more than 'average'. But three are shown as less than 'unsatisfaction'. It is proved that there is a little difference of management satisfaction in Turkey. The reason why table 3 shows is that since 1990s, because Korean enterprises have been steadily investing to Turkey, individual Korean enterprises might regard that the local management performances are not important as the evaluation standard criteria. They have a short history which is less than 15 years to foreign investment and local management in Turkey relatively.

<Table 5> Satisfaction of Local Management

very unsatisfied	unsatisfied	no unsatisfied and no satisfied	satisfied	very satisfied
0	3	8	4	0

2. Reliability

The coefficient of Cronbach's alpha is applied for evaluating the reliability of all variables selected on this paper.

1) Network Competitiveness

The result of reliability analysis to variables of local network competitiveness is suggested in Table 6 below. All variables are proved to have the values of Cronbach's alpha which are more than 0.600 due to the reliability coefficients with 15 samples totally. There are 8 items as 0.682 of consumers from the consumer characteristics while 7 items as 0.723 of suppliers with 8 items as 0.739 of distributors and 7 items recorded as 0.722 of internal workers from the producer characteristics each.

〈Table 6〉 Reliability Analysis of Network Competitive Advantages

Variables		Items	Coefficient
Consumer Characteristics	Consumers	1. maintaining current consumers 2. financial contribution from consumers 3. low cost of acquiring new consumers 4. high obtaining of switching consumers 5. high satisfaction from consumers 6. high level of cooperation with consumers 7. versatile interaction with consumers 8. positive brand image from consumers	.682
Producer Characteristics	Suppliers	9. raw materials and parts presented cheaply 10. delivery of supplies on time 11. low level of poor quality to supplies presented 12. high level of best quality to supplies presented 13. high level of production capacity to supplies presented 14. high transaction satisfaction of suppliers 15. persistent transaction of suppliers	.723
	Distributors	16. fairly deal with transaction 17. fulfillment of contracts 18. marketing cooperation with distributors 19. high contribution from distributors 20. efficient business capacity as distributors 21. high comprehension of distributors to consumers and markets 22. high transaction reliability of distributors 23. persistent transaction of suppliers	.739
	Internal Workers	24. high satisfaction to operation of workers 25. low leaving jobs of workers 26. high productivity of workers 27. longer working time/period 28. high leveled authority of higher office 29. high skilled of workers 30. high training/reeducation to workers	.722

2) Management Performances

The result of reliability analysis to variables of local management performances is regarded in [Table 7] below. All variables of management performances are proved to get over 0.600 of Cronbach's alpha value based on the reliability of coefficients with 15 samples. There are 3 items as 0.799 recorded of sales expansion, profit growth and management satisfaction. Therefore it can be explained that all dependent variables are passed successfully on the reliable test

<Table 7> Reliability Analysis of Management Performances

Variables	Items	Coefficient Alpha
Management Performances	31. Sales Expansion 32. Profits Growth 33. Management Satisfaction	.799

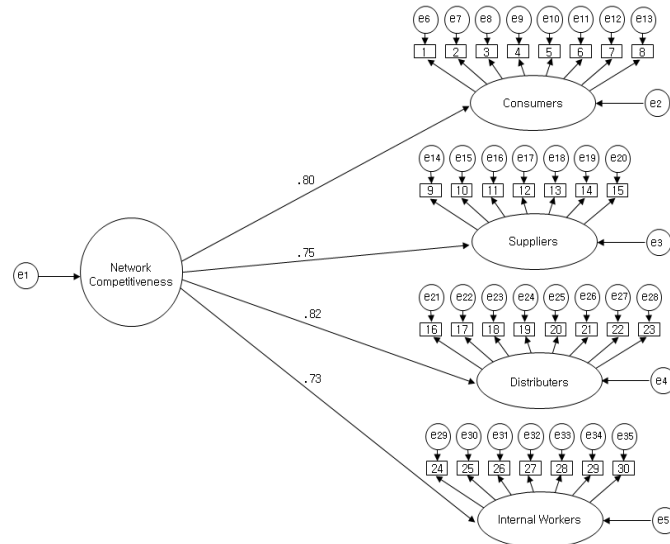
3. Validity

The validity test of all the variables passed thru the reliability tests is operated using the principal component analysis. Factors with Eigen value of more than 1.0 result from the validity test.

1) Factor Analysis to Network Competitiveness

The result of confirmatory factor analysis to the variables of network competitiveness is indicated in [Table 8] . The component loadage of each item is recorded as over 0.5 and it holds the range of the path coefficients calculated which is from 0.73 to 0.82. As is known, values more than 0.5 of path coefficients in the analysis of factor in structural equation modeling are recognized as eigen values over 0.1 in factor analysis of regression analysis, which mean a very high leveled fitness, while there can be four factors the same as original research design resulted from the validity test. Each factor is composed of several items individually in the reference of [Table 1] . All independent variables are passed successfully on the validity test. That is the similarity as the result of the original variables planned on the study model introduced on the chapter III above. Explaining in detail, the significant values of the 4 latent variables, which mean consumers, suppliers, distributors and internal workers are recorded as follows: $\chi^2=4.449$, $P=0.4261$, $Q=1.213$, $GFI=0.967$ $AGFI=0.953$, $NFI=0.948$ and $RMR=0.024$. Therefore, finally the computed values explained above can be considered to be verified as containing validity.

[Table 8] Factor Analysis of Network Competitiveness



χ^2	P	Q	GFI	AGFI	NFI	RMR
4.449	.4261	1.213	.967	.953	.948	.024

Notel): 1. maintaining current consumers, 2. financial contribution from consumers, 3. low cost of acquiring new consumers, 4. high obtaining of switching consumers, 5. high satisfaction from consumers, 6. high level of cooperation with consumers, 7. versatile interaction with consumers, 8. positive brand image from consumers, 9. raw materials and parts presented cheaply, 10. delivery of supplies on time, 11. low level of poor quality to supplies presented, 12. high level of best quality to supplies presented, 13. high level of production capacity to supplies presented, 14. high transaction satisfaction of suppliers, 15. persistent transaction of suppliers, 16. fairly deal with transaction, 17. fulfillment of contracts, 18. marketing cooperation with distributors, 19. high contribution from distributors, 20. efficient business capacity as distributors, 21. high comprehension of distributors to consumers and markets, 22. high transaction reliability of distributors, 23. persistent transaction of suppliers, 24. high satisfaction to operation of workers, 25. low leaving jobs of workers, 26. high productivity of workers, 27. longer working time/period, 28. high leveled authority of higher office, 29. high skilled of workers, 30. high training/reeducation to workers

2) Factor Analysis to Local Management Performances

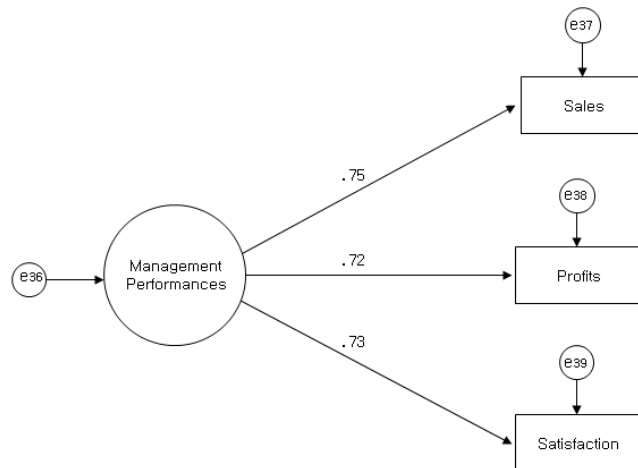
The result of factor analysis to the variables of management performances including sales, profits and management satisfaction is introduced in [Table 9] . The component loadage of each

item is recorded as over 0.5, with the scope of the path coefficients estimated which is from 0.72 to 0.75. Therefore, there can be said that two factors resulted from the validity test are the same as the original research design.

Explaining at large, other values are as follows: 0.945 of GFI, 0.961 of AGFI, 0.950 of NFI, 0.027 of RMR and 4.459 of chi-square. These can be said to be the statistical identity as the eigen value is over 0.1 which has the standard leveled fitness. There are three factors implying as the unobserved variables: sales, profits and management satisfaction proved as containing validity with fit index. Each factor constituted of some items in the reference of [Table 2] .

Precisely, it is said that the concept of sales and profits must be a scientific and reasonable management performances to evaluate some business activities by Korean enterprises, managing/investigating continuously and making the precise decision process and programs with market investigation and adapting of local environments in Turkey. Additionally, simultaneously management satisfaction can be considered as the necessary variable of external and internal index to appraise the management performance in local Turkey based on the result of confirmatory factor analysis shown from [Table 9] below.

[Table 9] Factor Analysis of Management Performances



χ^2	P	Q	GFI	AGFI	NFI	RMR
4.459	.511	1.485	.945	.961	.950	.027

Note1): 31. Sales Expansion, 32. Profits Growth, 33. Management Satisfaction

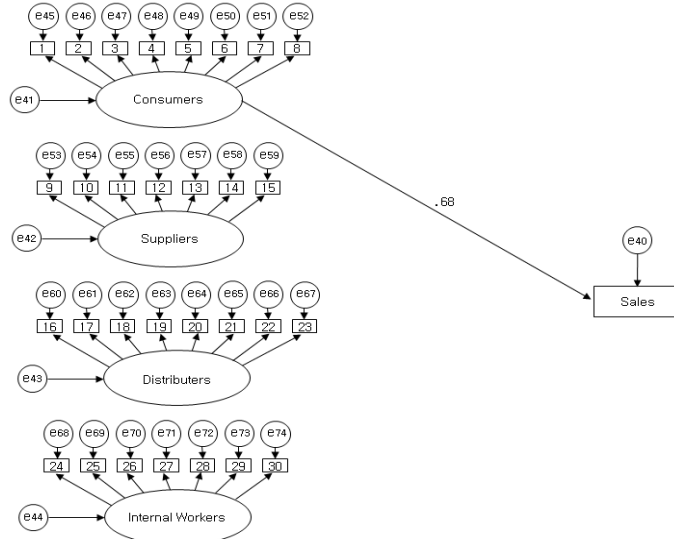
4. Hypotheses Testing

1) Structural Equation Modeling to Sales Expansion

[Table of 10] shows the one of statistical results for Structural Equation Modeling. It is resolved by the path analysis that the actual relationship between the 4 factors representing consumers from the consumer market side characteristics while suppliers, distributor and internal workers from the producer side ones as independent variables which are the characteristics of network competitiveness in local Turkey. The first factor named to sales expansion as a dependent variable which means one of the Korean enterprises' management performances to accomplish a management purpose in the heterogeneous business environment creating cost push and productivity down.

Firstly, as shown in [Table 10], the empirical result of the concept of sales expansion is measured as the following one latent variable of consumers is proved in the statistically significant effect, showing the value of path coefficient(β) with 0.68. Otherwise, it is verified that the other three ones: suppliers, distributors and internal workers are not measured in the statistically significant effect on the ground of value of path coefficient value(β) recorded as below 0.5 like 0.042, 0.045 and 0.037 each. These values are not shown on the table IV-8 due to very low ones. Namely, the first observed variable of sales expansion is positively related to the one independent factor called consumers mentioned above which can be explained to the major factor of the best management strategies or network competitiveness of Korean enterprises responding the local Turkish business environment in order to possibly improve and create better management performances especially as sales. Therefore, it can be considered that Korean enterprises have been implementing some strategic mix of network competitiveness called consumers to overcome the bottleneck of business environment and to accomplish their own management performances of sales in development and improvement in local Turkey. On the contrary, it can be mentioned that Korean ones have not been maintaining the following management strategy of network competitiveness representing the totally management of suppliers, distributors and internal workers, at least to get over the management troubles originated from strange or no familiar business environment in local Turkey.

[Table 10] Structural Equation Modeling to Fairy Management



χ^2	P	Q	GFI	AGFI	NFI	RMR
42.156	.088	1.871	.964	.966	.972	.023

2) Structural Equation Modeling to Profit Growth

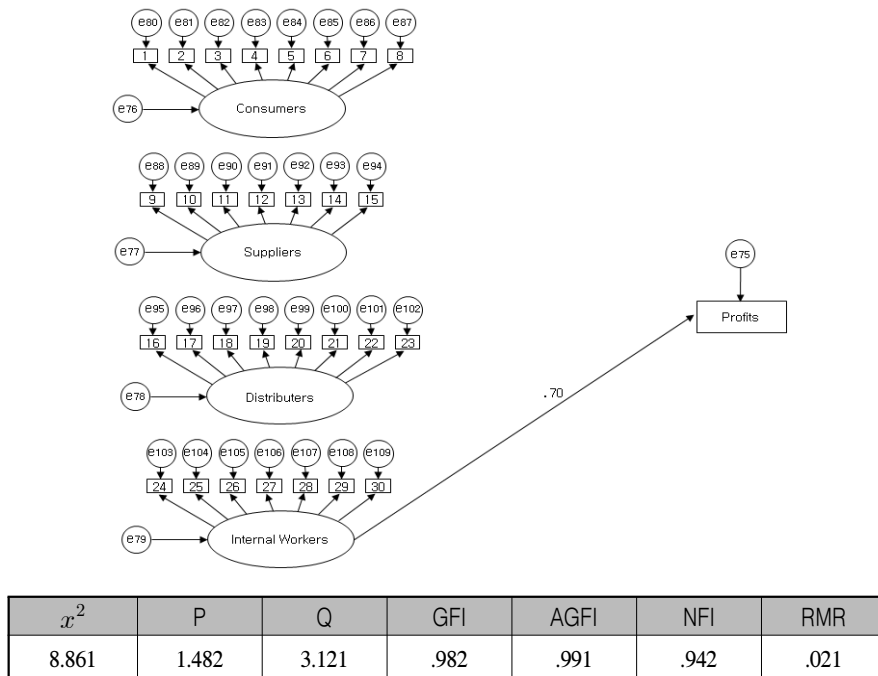
Secondly, [Table 11] indicates the statistical result as below. The empirical result of the second observed variable called profit growth is proved that one unobserved variable of internal workers' characteristics created from the producer characteristics in Turkish business environment measured as the statistically significant effect with 0.70 of the path coefficient value(β).

That is, the second observed variable of profit growth is positively related to one independent factor called internal workers as especially meaning patterns of behavior and a way of thinking which can be considered to the affecting management performance called creating profits. While other remained three independent variables: consumers, suppliers and distributors as some of the local business environment factors are proved not to be verified as the statistically significant effect, due to the very low values recorded. Therefore, it is proved that the Korean enterprises managing in local Turkey have been activating positively the mix of network competitiveness representing internal worker set in order to overcome the troubles of local business environment.

On the contrary, it can be regarded that Korean enterprises have not been implementing a mix

of reasonable network competitive powers with the factors of consumers, suppliers and distributors which are the other characteristics of Turkish network competitiveness. Obviously it can be said that Korean enterprises have been trying to use the reasonable internal worker set as some network competitiveness responding local business environment in Turkey. Summing up the result explained above, one independent factor of internal workers are turned out affecting the management performances with increasing profits positively by Korean enterprises in Turkey.

[Table 11] Structural Equation Modeling to Profit Growth



3) Structural Equation Modeling to Management Satisfaction

Finally, [Table 12] introduces the statistical result as follow. The empirical result of the third observed variable: management satisfaction is proved that two unobserved variables called: consumers and internal workers are in the statistically significant effect, showing the values of the path coefficient(β)=0.75 and 0.72 each.

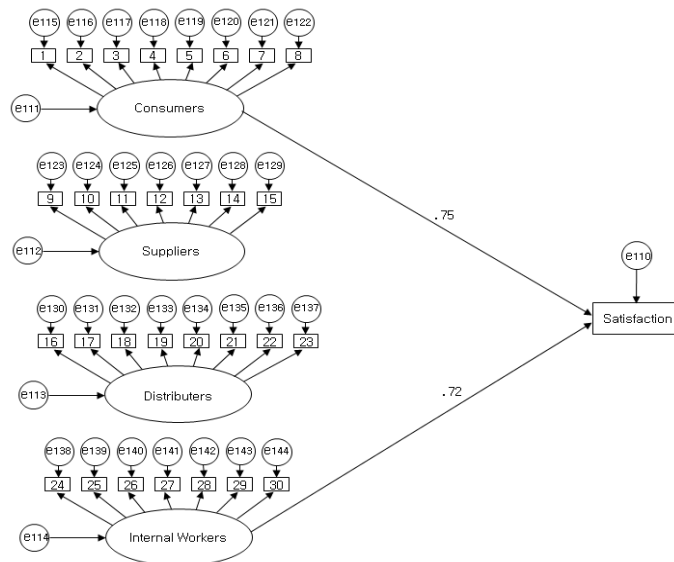
Namely, the last observed variable of management satisfaction is positively related to two independent factors called the characteristics of consumers and internal workers which can be

considered to the affecting management satisfaction in positive, while other remained two independent variables: suppliers and distributors of Turkish network competitiveness characteristics are not verified as the statistically significant effect, due to the very low values calculated.

It is certified that the Korean enterprises managing in local Turkey have been regarding and thinking the ways of adapting and overcoming the factors of local business environment, at least on the basis of the network competitiveness construction representing the set of consumers and internal workers in local Turkey. Therefore, it can be mentioned that Korean enterprises have been implementing a sort of network competitiveness called the constructing of consumer and internal workers management to maximize the management satisfaction of chief executive officers working in Korean enterprises in local Turkey. Additionally, it is proved that Korean enterprises have been making efforts to contain the good scientific and scientifically network competitive powers for activating the mixture of management of consumers and internal workers which mean the sustaining and developing fairly and standardized measuring management skills.

Summing up the result explained above, two independent factors of suppliers and distributors are proved out no affecting the management strategies of network competitiveness to overcome the local business environment and to lead management satisfaction at all.

[Table 12] Structural Equation Modeling to Management Satisfaction



x^2	P	Q	GFI	AGFI	NFI	RMR
12.825	.354	4.289	.949	.975	.961	.023

V. Concluding Remarks

At present, Turkey is one of the countries maintaining the basically developing economic policy based on the open market economy mechanism which is for example, foreign investment incentive, freely management activities of foreign enterprises, guarantying the simplifying of the formalities of foreign incorporation and fairly and clear treatment between domestic enterprises and foreign ones such as several countries who want eagerly the economic growth, China, India and Brazil, etc. The Turkish government has been trying to make some positively economic and political circumstances for foreign enterprises. But it is some real facts that there have been stronger competition with Turkish national enterprises and worldwide multinational enterprises in local Turkish markets, in addition where there have obviously been the major political or cultural bottlenecks to let Korean enterprises higher in cost push which can allow the price raised up and productivity down in the local management operations. In the results of empirically statistical analysis on this paper, it is proved that Korean enterprises have been developing and maintaining very much the 2 factors of consumer management and internal worker control as the network competitive advantages in local Turkey. Explaining again, Korean enterprises have been winning and gaining some management performances of sales expansion, profits growth, and management satisfaction with activating some of the network competitive advantages consisting of 2 factors above mentioned.

In case of the sales expansion, Korean enterprises managing in local Turkey are proved to activate the network competitive advantage called consumer management rather than other 3 factors of suppliers, distributors and internal workers.

And to maximize profits growth, they have been making application the one factor of internal worker controlling as the means of network competitive advantages.

Finally it can be mentioned that for management satisfaction of Korean chief executive officers,

they have been doing practical use of the two factors network competitive advantages of consumer management and internal worker controlling.

On the ground of the result of this paper as well as the previous ones, it could be said "the economical significance of Turkish market," that Turkey has the best geographical location at the point of in the center of entry to Europe continent and South Asia. Moreover Turkey has big sized potential consumers having purchasing power in near future and excellent cheap workers with high productivity introduced with comparative advantage in manufacturing industries. Therefore, Korean enterprises have been evaluating one of good host markets which has higher value in foreign investment especially for localization. Turkey would be an excellent local market which Korean enterprises can sell in volume and an excellent local production base which they can manufacture cheaply with high quality if Korean enterprises knew and prepared the fact that there must have activating a network competitive advantage called consumer management for sales expansion, internal worker control for profits growth and these two factors for management satisfaction as previously mentioned.

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국 문 초 록

터키 현지 진출 한국 기업의 네트워크 경쟁 전략

배경원* · 박명찬**

본 논문은 터키 현지에 진출하여 직접 경영활동을 수행하고 있는 한국기업들의 네트워크 경쟁우위요인이 무엇인가를 규명하고 이들 요인이 기업의 경영성과에 어떠한 긍정적인 영향력을 행사하고 있는가를 실증적으로 연구하기 위하여 집필되었다. 현지에 진출한 기업의 경영활동에 영향을 미치는 경쟁우위요인 중에서 네트워크 경쟁력- 소비자, 공급업자, 유통업자, 내부 종업원-을 연구의 대상으로 제한하였는데 그 이유는 네트워크 구축 경쟁력 요인의 중요성이 증가하고 있음에도 이에 대한 국내외 실증연구가 부족한 실정이라는 지적이 있기 때문이다. 독점우위요인을 대표로 하는 전통적인 경쟁우위요인과 경영성과에 관한 연구가 대부분을 차지하고 있다고 판단하였다. 또한 연구의 지리적 범위는 터키로 한정하였는데, 현지로의 진출이 늘어나고 있는 현상을 보이고 있으며, 현지 생산/판매는 물론 지역거점 지역으로도 매우 중요한 역할을 수행할 지역 중의 한곳이라는 평가가 있어서 이다. 본 논문은 선행연구를 통해 문헌분석을 실행하였고 이를 토대로 연구가설을 설립한 후 이를 검증하기 위한 실증분석을 실시하였다. 추리통계를 위해서는 신뢰성, 타당성, 다중회귀분석 그리고 구조방정식 모델링 기법을 활용하였다. 결론 내용을 부분적으로 설명하면, 매출증대를 위해서는 소비자 요인을 주로 활용하고 있는 것으로 확인되었고, 이윤증대는 내부 종업원요인 그리고 경영만족도는 소비자 요인과 내부 종업원이 영향을 미치고 있는 것으로 분석되었다.

주제어 : 터키, 해외직접투자, 네트워크 경쟁력, 현지 경영전략, 경영성과

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