

Chapter 6

Examining the Effects of Strategies, Competition Intelligence, and Risk Culture on Business Performance in International Enterprises

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ABSTRACT

The top management of the organizations attach importance to both the cultural structure and performance by paying attention to the risk level of the decisions taken in order to be successful in the competitive environment. With the success of the organization performance, the organization of employees with different cultural characteristics of the same common value comes to the fore. Therefore, human resources and corporate culture of institutions attach importance to the management of the interaction of people from different segments in their management policies. How risks are understood and managed by employees in an organization is examined within the scope of risk culture, which depends on internal and external factors in the organization. As a result of cultural differences, both the advantages of orientation are recognized and explained and the problems that need to be managed continue to arise. This chapter sets out the existing cultural framework in organizations, and supports a bridge function and a systemic understanding of cultural differences.

INTRODUCTION

In today's ever-changing conditions, especially the ability of companies operating in international markets to maintain their continuity and gain competitive advantage over other enterprises depends on their reactions to these changes. New administrative priorities have emerged in the economic environment in

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which the borders have lost importance during the globalization process and enterprises can easily invest in different countries with some incentives. One of them is the management of cultural differences among people working in international organizations. Today, even in local businesses, considering the environments where people from different identities and cultures work together, this situation has become one of the main axes of both the necessity and functioning of the international enterprises. Businesses that incorporate different cultural structures must pay attention to these variables when creating organizational cultures. In addition, the environmental conditions of the companies operating in international areas are composed of very different structures. The laws of the regions in which they operate have different educational levels, social skills and status and economic conditions. Even in some of these regions, these conditions may also vary continuously. While the laws and economic conditions may change rapidly in the newly developing regions, there may be a calm market in the developing countries. Nevertheless, the inclusion of different cultures into an organization can turn into an element that international businesses can turn to advantage. Businesses that incorporate different cultural structures can become enterprises that learn to look at the problems they face or the strategies they want to identify from different angles.

With a strategic performance management, companies are able to provide continuous training to their employees and obtain competitive advantages from their individual differences (Grant, 1991). However, performance appraisal is extremely important in terms of achieving the objectives of the organizations and determining the level of personal contribution of the employees within the organization to this process (Garcia-Zamor, 2003). The survival of enterprises in an environment where competition is rapidly increasing and technology is constantly changing is closely related to the effectiveness of employee satisfaction. For this reason, it is now the subject of more sanctions on qualitative elements in the agenda of company leaders. The qualitative element refers to the management of subjects, such as culture, which can be subjective, which may vary from person to person and from organization to organization, by melting in a pot. For a successful management approach, managers have important roles in shaping change, employee contribution to this process, talent management and improving intercultural communication. In addition to this, it is a necessity for managers to develop solutions, action and alternative plans for the problems arising from cultural differences. Instead of reacting to the problems stemming from cultural elements in the organization, managers should have alternative plans to shape this process. In today's economic system, the managers who have won this culture and brought it to their institution are taking their companies one step ahead in the competition (Murphy, 2016). Internationalization, although it provides many advantages and opportunities to businesses, it poses a great risk for enterprises due to the dynamic, uncertain and multi-factor structure of foreign markets. Therefore, enterprises have to establish a strong risk culture structure within their own structure in order to minimize the possible risks that may arise as a result of their activities in foreign markets. In enterprises with a strong risk culture, people in decision-making positions within the organization stay away from the negativities such as excessive or insufficient risk taking; take risks within the framework of beliefs, values and norms formed within the organization (Bozeman & Kingsley, 1998).

With the increasing globalization, the competitiveness of nations in the international market comes to the forefront as a determinant of economic welfare and economic growth depends on the performance of international transactions (Hitt et al., 2012). In the process of rapid change and development, the adoption of digital technologies continues to progress rapidly and companies are trying to transform rapidly. In the realization of digital transformation; factors such as developments in the internet, information technologies, transition to smart devices, increasing importance of data, limitation of internet through wireless connections, and development of new technologies are justified. In this process where

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