

## **Defining the Determinants of Organizational Performance in Turkish Manufacturing Sees**

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**Abstract:** *This study aims to define the determinants of organizational performance in Turkish manufacturing SMEs context. To do so, a literature review is conducted and the factors mentioned in previous studies are reviewed. A questionnaire is adopted from Wang et al. (2015: 23) and this is applied to 174 SMEs. The data is analyzed via the use of SPSS 16.0, and descriptive statistics, reliability, validity and factor analyses are carried out. Besides these, the hypotheses derived from the literature are tested by correlations analysis. The results obtained depicts that most of the dimensions mentioned by Wang et al. (2015: 23) are validated in this context. The study has some implications for both academics and practitioners.*

**Keywords:** *Organizational performance, Turkish manufacturing SMEs,*

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### **I. Introduction**

Within the harsh conditions of rivalry, enterprises should pay attention to the organizational issues for obtaining better results (McGovern and Tvorik, 1997: 420). To do so, empowering the organizational factors affecting the performance should be defined (Wang et al., 2015: 26). Moving here the present study aims to define the factors determining the organizational performance (OP). Thus, initially a literature review is carried out and former studies are analyzed in terms of topic, context, methodology and findings. By using the contributive data obtained from the review, the present study adopted the measure developed by Wang et al. (2015: 23) and made analyses to find out the determinants of OP. Consequently, the results of this study showed that most of the dimensions asserted by Wang et al. (2015: 23) are valid in the Turkish manufacturing SMEs. This study also includes implications for future research.

### **II. Literature Review**

Former studies on Organizational Performance (OP) can be categorized into some groups. The first one focuses on determining the dimensions of OP. The second deals with the types of leaderships' effects on the topic. The last one has a scope of effects of some organizational applications (HRM, TQM... etc.) on OP. The present study includes a detailed literature review of these attempts and examines the former studies in terms of topic, methodology and findings. Also implications for future research and contributive parts to the current research are analyzed. The findings are as follows.

First of all, McGovern and Tvorik, (1997: 417) studied the determinants of OP. They summarized these determinants as organizational alignment, organizational capabilities, industry structure, organizational resources and leadership. A questionnaire is applied to a sample of 97 and descriptive statistics, ANOVA and regression analysis is conducted in the analysis of the obtained data. They conclude that all of the determinants mentioned in their study are affective in defining the OP. The study includes useful information about the OP. Besides, the research design can be used in the present study. Also, the eventual findings of the present work can be compared.

Secondly, Ree, (2002: 357) investigated the added value of office accommodation on OP. The author uses organizational effectiveness, organizational productivity, organizational efficiency, organizational flexibility and organizational creativity as determinants of OP. This works doesn't include an empirical study. He asserts that these determinants are affective in OP. The determinants mentioned in the study can be used in building the theory of the present work.

Next, Chand and Katou, (2007: 576) focused on the impact of HRM on OP in Indian hotel industry context. They applied a questionnaire to a sample of 439 and used ANOVA and factor analyses. They measured OP in five dimensions, namely sales growth, productivity, profitability, goal achievement and good service quality. They found that better HRM practices can result better OP. The analyses used in this works can be

adopted in the present study. Besides these, the determinants used in this research can also be used in building the theory of the present work.

Besides these, Lewis, (1994: 41) conducted a research on organizational change and focused on the relationships between reactions, behavior and OP. She used using governmental funds, statistical concerns and being aware of the organizational goals as determinants of OP. She concludes that OP is a concept which changes rapidly due to the changes in time. This finding can be used in justification of the present work. However, the determinants mentioned in this study seemed to be frustrating as they cannot measure the OP directly.

Furthermore, Iselin et al. (2008: 76) made a research on goal setting, performance reporting and OP. They applied structured interviews with 50 CEOs of Australian companies. The determinants of OP are accepted to be financials (profit, cash flow), market share, employee satisfaction, social responsibility, innovation products, innovation R&D/markets. They assert that OP is decisive in defining the goals and also reporting the performance. The items mentioned in this study for determining the OP can be used in theory building.

Similarly, Yeo, (2003: 199) focused on the tangibles and intangibles of OP. He compares the financial and non-financial outcomes and gives the idea of concerning with the social aspects. The author also emphasizes the importance of organizational learning. He comes up to the idea that focusing on the only tangibles can belie the decision makers as the organizational aspects are changing in time. Just like Lewis, (1994: 41), this study also implies that OP is an issue that has to be handled continuously. This finding can be used in pointing out implications for further research.

Moreover, Zack et al. (2009: 392) studied on the knowledge management and OP. They made a literature review on knowledge management and derived some implications on OP. Their most featured finding is that knowledge management, OP and financial performance are related to each other. The study includes useful information on building the theory of the present work.

On the other hand, De Waal, (2010: 79) conducted a research on the performance-driven behavior in improving the OP. The author applied 577 questionnaires from 2002 to 2006. The study doesn't directly cover the determinants of OP. However, the issues mentioned in this work are directly related to OP. It covers accountability, management style, action orientation and communication. The author asserts that OP is defined by the tendency of the employees on performing performance-driven behavior. The determinants mentioned in this study can be used in supporting the issues related to the theory. The same author has another study concerning the relationship between investing and OP (De Waal, 2016: 665). This study is a comprehensive literature review on the topic and make contribution to the theory of the present work.

Once more, Antony and Bhattacharyya (2010: 3) and Antony and Bhattacharyya (2010: 42) attempted to measure the OP in SMEs context. Their study has two parts. The study covers organizational innovativeness, organizational creativeness, organizational competitiveness, organizational effectiveness, organizational efficiency and organizational profitability as determinants of OP. Correlation analyses are conducted in the study's empirical part. All of the hypotheses derived in the study are validated and OP determinants are found to be related to the organizational excellence. The research design can be adopted to the present work. Also, the determinants used in this work are making contribution to the theory of the current study.

In addition to all of these, Watkins (2006: 76) brought a spatial consideration to OP. This is a conceptual study concerning on Lefebvrian spatial analysis. The paper implies that there are some missing parts in determining the OP. This finding can be used in justification of the present work.

By the same token, Fantazy et al. (2016: 1264) made a research on the openness of supply chains and its impact on OP. Similar to Zack et al. (2009: 392), this study is constituted as a literature review. The study asserts that the social issues in supply chains are decisive in determining OP. This study includes useful information about the theory of the present one.

Along with others, Gilbert et al. (2015: 356) focused on the national context of OP and made a comparative study on three sectors. The study deploys correlation, factor and MANCOVA analyses. The findings of this research revealed that the developed countries are performing better in OP. The study mentions some determinants of OP and these can be used in building the theory of the present study.

Too, Katou (2015: 329) handled the relationship between transformational leadership and OP. The researcher gathered information via questionnaires and obtained 1250 responses from 133 Greek organizations. Structural Equation Modelling (SEM) is employed in data analysis. The research proved that transformational leadership has a positive effect on OP. The items used for measuring OP can be adopted in scale development phase of the present study. Also, the research design can also be adopted.

What's more, Obeidat et al. (2016: 578) investigated the link between high performance work and OP. A questionnaire is applied to 118 Jordanian firms. The findings indicate that high performance work has a positive effect on OP. This study can be deployed in theory building.

Similarly, Umar et al. (2016: 321) made a research on political connections and OP. They collected data from 250 non-financial organizations in Pakistan. Regression analysis is employed in the data analysis.

They conclude that political connections negatively affect the OP. The research design can be adopted in the present study.

Likewise, Hossam et al. (2016: 773) just like Chand and Katou, (2007: 576), investigated the HRM practices and its effects on OP. A sample of 168 from bank managers are asked to fill in a questionnaire. The hypotheses are tested by the use of SEM. The findings of the study implicate that better HRM affects OP positively. Just like the previous study, the research design can be adopted in the present work.

Similarly, Habtoor (2016: 460) conducted a research on the effects of human factors on OP. He collected data from 261 managers from 87 different firms. The analysis of the data included correlation, descriptive statistics, reliability and factor analysis. Also the hypotheses are tested by SEM. The study revealed that human factors have a positive effect on OP. The items used in this study are adopted in the measure development part of the present attempt. Also, the methodology used in the analyses are used in the analysis phase.

Almatrooshi et al. (2016: 844) also focused on the determinants of OP. This study is constituted as a literature review of the former works. They proposed that a cognitive, emotional and social perspective should be in the focal point of OP studies. The study has some implications on further empirical research on the OP. So, this information can be used in justification part.

Additionally, Mehralian et al. (2017: 111) used a balanced score card approach to study TQM and OP. 933 responses are gathered for data collection. They tested their hypotheses via SEM. The findings of the study imply that the TQM implementation affects OP positively. Some determinants of OP are used in the theory of this work. These can be used in theory building.

Besides these, Mohammad et al. (2013: 188) investigated the organizational change capacity and OP. They used 130 questionnaire forms and utilized some statistical analyses. They found that organizational change capacity is positively related to OP. The study includes the items used in the appendix and these can be adopted in the measure development.

Moreover, Pinho et al. (2014: 374) made a research on the effects of market orientation, organizational commitment and corporate culture on OP. They used SEM in the analysis. The study gave the finding that organizational culture has an effect on OP. This work includes validity tests and the methodology can be adopted in the present study.

Likewise, Castelli, (2016: 217) similar to Katou (2015: 329), studied the reflective leadership and OP. The study is constituted as a conceptual paper. It implies that reflective leadership can boost OP. The theory of the present study can be supported by this work.

Last but not the least, Mastrangelo et al. (2014: 590) also made a similar research on enduring leadership and OP. Different from others, this one includes an empirical survey. The obtained data is analyzed via correlation and t-tests. They found that enduring leadership affects OP positively. This can also be used in supporting the theory of the present work.

Lastly, Wang et al. (2015: 23) examines the qualitative determinants of OP. They applied a questionnaire to a sample of 405 managers. This study covers the all other factors included in former literature in four dimensions. So, the theory of the present work is constituted by adopting these dimensions. The measurement items used in this study are also adopted in the present attempt.

To sum all up, former literature includes useful information about the determinants of OP. As mentioned before they can provide contributive information for all of the processes of the present work.

### **III. Determinants of Organizational Performance**

The literature review revealed that there had been many attempts for determining the dimensions of OP. These include organizational alignment (McGivern and Tvorik, 1997: 417; De Waal, 2010: 79; Gilbert et al. 2015: 356), organizational capabilities (McGivern and Tvorik, 1997: 417; De Waal, 2010: 79), industry structure (McGivern and Tvorik, 1997: 417), organizational resources (McGivern and Tvorik, 1997: 417), leadership (Gilbert et al. 2015: 356; McGivern and Tvorik, 1997: 417; De Waal, 2010: 79), organizational effectiveness (Gilbert et al. 2015: 356; Ree, 2002: 357; De Waal, 2010: 79; Antony and Bhattacharyya 2010: 3; Katou , 2015: 329), organizational productivity (Ree, 2002: 357; Mehralian et al. 2017: 111; Chand and Katou, 2007: 576; Gilbert et al. 2015: 356), organizational efficiency (Ree, 2002: 357; Gilbert et al. 2015: 356; Katou , 2015: 329; Antony and Bhattacharyya 2010: 3), organizational flexibility (Ree, 2002: 357), organizational creativity (Gilbert et al. 2015: 356; Ree, 2002: 357), sales growth (Chand and Katou, 2007: 576; Iselin et al. 2008: 76; Katou , 2015: 329), profitability (Chand and Katou, 2007: 576; Katou , 2015: 329; Iselin et al. 2008: 76; Antony and Bhattacharyya 2010: 3), goal achievement (Gilbert et al. 2015: 356; Chand and Katou, 2007: 576; Lewis, 1994: 41; De Waal, 2010: 79), good service quality (Mehralian et al. 2017: 111; Chand and Katou, 2007: 576; Katou , 2015: 329), using governmental funds (Lewis, 1994: 41), statistical measures (Lewis, 1994: 41), market share (Mehralian et al. 2017: 111; Iselin et al. 2008: 76), employee satisfaction (Iselin et al. 2008: 76; Katou , 2015: 329; Gilbert et al. 2015: 356; Mehralian et al. 2017: 111), social responsibility (Iselin et al.

2008: 76), innovation products (Iselin et al. 2008: 76; Katou , 2015: 329), innovation R&D/markets (Iselin et al. 2008: 76), organizational competitiveness (Gilbert et al. 2015: 356; Antony and Bhattacharyya 2010: 3). As all of these dimensions are hard to follow in text, Table 1 is constituted.

**Table 3.1. Determinants of Organizational Performance**

	McGivern and Tvorik, (1997: 417)	Ree, (2002: 357)	Chand and Katou, (2007: 576)	Lewis, (1994: 41)	Iselin et al. (2008: 76)	De Waal, (2010: 79)	Antony and Bhattacharyya (2010: 3)	Gilbert et al. (2015: 356)	Katou , (2015: 329)	Mehralian et al. (2017: 111)
Organizational Alignment	✓					✓		✓		
Organizational Capabilities	✓					✓				
Industry Structure	✓									
Organizational Resources	✓									
Leadership	✓					✓		✓		
Organizational Effectiveness		✓				✓	✓	✓	✓	
Organizational Productivity		✓	✓					✓		✓
Organizational Efficiency		✓					✓	✓	✓	
Organizational Flexibility		✓								
Organizational Creativity		✓						✓		
Sales Growth			✓		✓				✓	
Profitability			✓		✓		✓		✓	
Goal Achievement			✓	✓		✓		✓		
Good Service Quality			✓						✓	✓
Using Governmental Funds				✓						
Statistical Measures				✓						
Market Share					✓					✓
Employee Satisfaction					✓			✓	✓	✓
Social Responsibility					✓					
Innovation Products					✓				✓	
Innovation R&D/Markets					✓					
Organizational Competitiveness							✓	✓		

Dealing with all 22 dimensions are too hard to collect data and make analyses. So, the authors decided to select a comprehensive method to focus on and Wang et al. (2015: 23)'s methodology is applied. The methodology focuses on the qualitative determinants in terms of five perspectives.

### 3.1. Financial and customer perspective

The organizations performance on keeping the financial status in a reasonable degree will help the managers to sustain policies to develop the organizational culture (Zack et al., 2009: 397; Antony and Bhattacharyya (2010: 4). Also the satisfaction perceived by the customers will carry on the loyalty (Lewis, 1994: 45; Fantazy et al., 2016: 1273). The financial issues are handled in sales growth (Chand and Katou, 2007: 576; Iselin et al., 2008: 76; Katou , 2015: 329), profitability (Chand and Katou, 2007: 576; Katou , 2015: 329; Iselin et al. 2008: 76; Antony and Bhattacharyya 2010: 3), statistical measures (Lewis, 1994: 41), industry structure (McGivern and Tvorik, 1997: 417) and market share (Mehralian et al. 2017: 111; Iselin et al. 2008: 76). The customer related issues are summarized in terms of providing good service quality (Mehralian et al. 2017: 111; Chand and Katou, 2007: 576; Katou , 2015: 329).

Moving here the financial and customer perspective is supposed to be related to the other dimensions of OP. Thus, the following hypotheses are derived;

- H1: Financial and customer perspective is related to internal business perspective
- H2: Financial and customer perspective is related to work satisfaction perspective
- H3: Financial and customer perspective is related to pay and benefits perspective
- H4: Financial and customer perspective is related to innovation and technological perspective

### **3.2. Internal business perspective**

The atmosphere that the employee feels has an effect on his/her performance (Pinho et al., 2014: 392). So, the internal business perspective is another essential issue to be handled for obtaining better performance. Former studies included this dimension in different sub-factors. Namely, leadership (Gilbert et al. 2015: 356; McGivern and Tvorik, 1997: 417; De Waal, 2010: 79), organizational effectiveness (Gilbert et al. 2015: 356; Ree, 2002: 357; De Waal, 2010: 79; Antony and Bhattacharyya 2010: 3; Katou , 2015: 329), organizational productivity (Ree, 2002: 357; Mehralian et al. 2017: 111; Chand and Katou, 2007: 576; Gilbert et al. 2015: 356), organizational efficiency (Ree, 2002: 357; Gilbert et al. 2015: 356; Katou , 2015: 329; Antony and Bhattacharyya 2010: 3), organizational flexibility (Ree, 2002: 357), organizational creativity (Gilbert et al. 2015: 356; Ree, 2002: 357), organizational alignment (McGivern and Tvorik, 1997: 417; De Waal, 2010: 79; Gilbert et al. 2015: 356) and organizational capabilities (McGivern and Tvorik, 1997: 417; De Waal, 2010: 79) are accepted as the determinants of internal business perspective. By using all of these items, one can assert that this dimension should be related to the others. So, the following hypotheses are introduced;

H5: Internal business perspective related to work satisfaction perspective.

H6: Internal business perspective is related to pay and benefits perspective.

H7: Internal business perspective is related to innovation and technological perspective.

### **3.3. Work satisfaction perspective**

The employees' perception on the satisfaction is crucial for obtaining better performance (Wang et al., 2015: 23). The OP is a consequence of this perception and business managers should pay attention to the organizational needs (De Waal, 2010: 86). Former studies tackles with this perspective in terms of employee satisfaction (Iselin et al. 2008: 76; Katou , 2015: 329; Gilbert et al. 2015: 356; Mehralian et al. 2017: 111) and organizational resources (McGivern and Tvorik, 1997: 417).

Accordingly one can claim that this dimension should be related to the other dimensions. Thus, the hypotheses below are generated;

H8: Work satisfaction perspective is related to pay and benefits perspective.

H9: Work satisfaction perspective is related to innovation and technological perspective.

### **3.4. Pay and benefits perspective**

The member of any organization keeps performing according to the organizations' goals as long as his/her specific goals are parallel to the organizations' (Chand and Katou, 2007: 583). Gilbert et al. (2015: 356) asserts that pay and benefits perspective is a determinant of OP. Former studies handles with this perspective as follows; social responsibility (Iselin et al. 2008: 76), organizational competitiveness (Gilbert et al. 2015: 356; Antony and Bhattacharyya 2010: 3) and goal achievement Gilbert et al. 2015: 356; Chand and Katou, 2007: 576; Lewis, 1994: 41; De Waal, 2010: 79).

Thence it can be assumed that this dimension should be related to the others. So, the following hypothesis is derived;

H10: Pay and benefits perspective is related to innovation and technological perspective.

### **3.5. Innovation and technological perspective**

The last dimension that Wang et al. (2015: 23) propose is the innovation and technological perspective. The use of technology is becoming wider in satisfying the continuously changing needs of the costumers (Gilbert et al. 2015: 361). This perspective is approached in terms of innovation products (Iselin et al. 2008: 76; Katou , 2015: 329) and innovation R&D/markets (Iselin et al. 2008: 76). The future of business enterprises are being evaluated by not only the financial issues and organizational concerns are becoming widely being issued (Mastrangelo et al., 2014: 601). Moving here, one can propose that this dimension is also related to the other dimensions of OP.

## **IV. Methodology**

This study aims to define the factors and their relations reflectively. To do so, a questionnaire is adopted from the former studies. In this respect; Habtoor (2016: 460) and Mohammad et al. (2013: 188) are analyzed and the scale that is developed by Wang et al. (2015: 23) is adopted. The measure used 5 point Likert scale (1= Completely Disagree, 2=Disagree, 3= Neutral, 4= Agree and 5= Completely Agree) (Chand and Katou, 2007: 581). Then, the questionnaire is applied to a randomly defined sample consists of manufacturing SMEs in Turkey. Totally, 500 questionnaires are distributed and 174 of these were useable. Then, the authors consisted a data set and analyzed via descriptive statistics, reliability, ANOVA, factor and correlation analysis.

**Table 4.1. Demographic Features of the sample**

		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	female	30	17,2	17,2	17,2
	male	144	82,8	82,8	100,0
Position	employer	133	76,4	76,4	76,4
	employee	41	23,6	23,6	100,0
Seniority	low	125	71,8	71,8	71,8
	high	49	28,2	28,2	100,0
Age	min. to 28	45	25,9	25,9	25,9
	29 to 33	43	24,7	24,7	50,6
	34 to 39	47	27,0	27,0	77,6
	40 to highest	39	22,4	22,4	100,0
Income	Min. to 1900	45	25,9	25,9	25,9
	1901 to 3500	43	24,7	24,7	50,6
	3501 to 5000	47	27,0	27,0	77,6
	5001 to highest	39	22,4	22,4	100,0

As depicted in Table 1, the majority of the sample consists of males (%82,8). Similarly the majority of them are employers (%76,4). Most of them have lower seniority and the ages and the incomes are grouped in order to manage the data more effectively.

**Table 4.2. Descriptive Statistics and Reliability**

	Item	Mean	Std. Deviation	Cronbach's Alpha
Financial and customer perspective	Fin1	4,11	,940	0.853
	Fin2	4,24	1,001	
	Fin3	3,74	1,001	
	Fin4	3,97	,940	
	Fin5	3,47	1,079	
Internal business perspective	Int1	3,17	1,099	0.834
	Int2	3,23	1,125	
	Int3	3,18	1,081	
	Int4	3,10	1,143	
Work satisfaction perspective	WSat1	3,52	1,147	0.690
	WSat2	3,92	1,039	
	WSat3	3,65	1,106	
Pay and benefits perspective	Pay1	3,46	1,292	0.833
	Pay2	3,56	1,279	
	Pay3	3,57	1,242	
	Pay4	3,38	1,247	
	Pay5	3,14	1,234	
Innovation and technological perspective	Inno1	4,22	1,021	0.930
	Inno2	4,25	,998	
	Inno3	4,00	1,020	
	Inno4	4,25	,976	
	Inno5	4,06	,923	
	Inno6	4,32	,985	
	Inno7	4,18	,996	

Table 2 demonstrates the descriptive statistics and reliability. The results indicate that the items used for measuring the work satisfaction perspective are problematic. In the next stage, ANOVA test are applied in terms of age, gender, income, position and seniority. This test is applied in order to see whether the demography affects the responses significantly (De Waal, 2010: 89). The results of this test revealed that males and females have different perceptions in pay and benefits perspective. The sample reported statistically significant differences among income groups on internal business perspective. This test also showed that the employers and employees have a statistically significant perception on pay and benefits, internal business and work satisfaction issues. Moreover, the study showed that the seniority is decisive in pay and benefits perspective.

The items in the questionnaire showed different variance and the items used for measuring work satisfaction depicted lower reliability. So, an Exploratory Factor Analysis (EFA) is applied (Mehralian et al., 2017: 118). The KMO value was 0,897 which shows that the size of the sample is efficient for factor analysis (Habtoor, 2016: 466). The Total Variance Explained (TVE) was %71,658 for five factors. The initial Eigenvalue for the fifth factor was lower than 1 and this means that a Confirmatory Factor Analysis (CFA) is needed (Chand and Katou, 2007: 582; De Waal, 2010: 86) and the results are depicted in Table 3.

Table 4.3. Total Variance Explained									
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9,692	40,385	40,385	9,692	40,385	40,385	6,424	26,766	26,766
2	3,119	12,997	53,382	3,119	12,997	53,382	3,818	15,906	42,673
3	2,290	9,543	62,925	2,290	9,543	62,925	3,280	13,667	56,340
4	1,169	4,872	67,797	1,169	4,872	67,797	2,069	8,621	64,961
5	,927	3,861	71,658	,927	3,861	71,658	1,607	6,697	71,658

As demonstrated in Table 4.4, some of the items are listed in other factors and some reported two factors. So, a CFA is conducted and Figure 1 shows the measurement model.

Table 4.4. Rotated Component Matrix					
	Component				
	1	2	3	4	5
Fin1	,554			,605	
Fin2	,676			,571	
Fin3				,730	
Fin4	,624				
Fin5					
Int1			,888		
Int2			,832		
Int3			,764		
Int4			,652		
WSat1					,675
WSat2	,508				,554
WSat3					,615
Pay1		,558			
Pay2		,866			
Pay3		,872			
Pay4		,823			
Pay5		,806			
Inno1	,836				
Inno2	,896				
Inno3	,700				
Inno4	,790				
Inno5	,761				
Inno6	,848				
Inno7	,733				

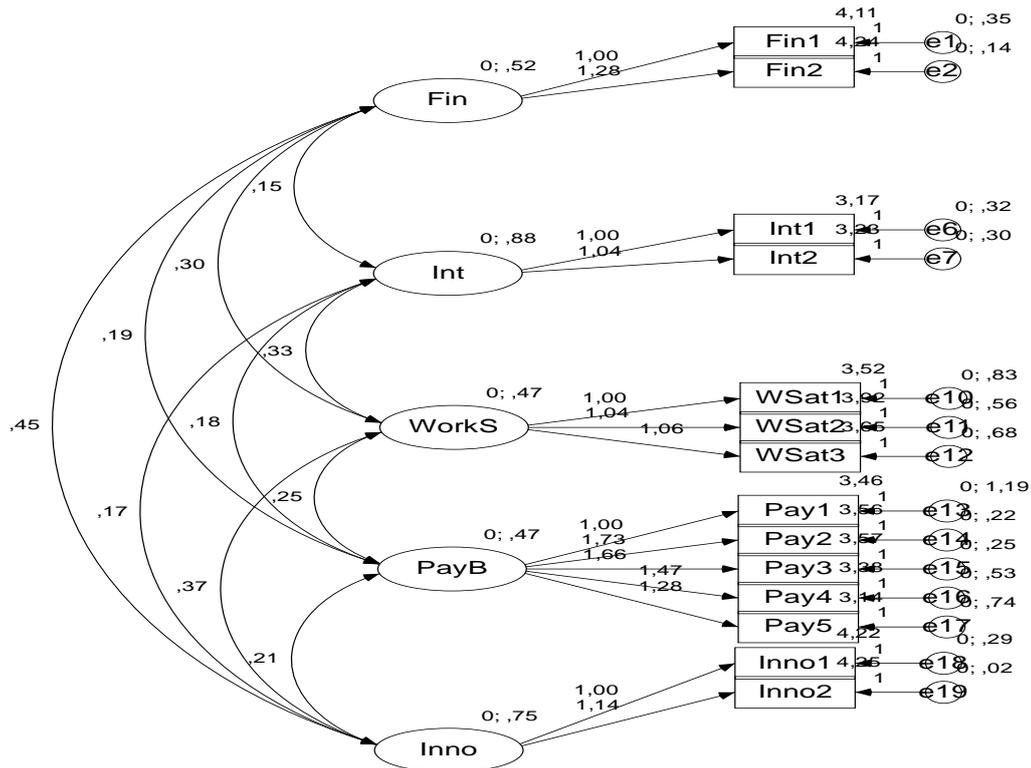


Figure 1. CFA Measurement Model

The initial model that includes all of the items didn't fit with the data. So, some of the items are excluded from the model and this model fitted the data (CMIN/df=2,657; NFI=,833; RFI=,817; IFI=,924; TLI=,877, CFI=922 and RMSEA=,098) (Gilbert et al., 2015: 365; Habtoor, 2016: 470). Deletion of some items raised concerns on the discriminant and convergent validity (Mehralian et al., 2017: 118; Pinho et al, 2014: 388).

	CR	AVE	MSV	ASV	Inno	Fin	Int	WorkS	PayB
<b>Inno</b>	0.919	0.851	0.521	0.065	<b>0.923</b>				
<b>Fin</b>	0.841	0.728	0.521	0.157	,722	<b>0.853</b>			
<b>Int</b>	0.854	0.745	0.269	0.187	,213	,221	<b>0.863</b>		
<b>WorkS</b>	0.689	0.425	0.375	0.186	,612	,593	,519	<b>0.652</b>	
<b>PayB</b>	0.892	0.632	0.278	0.239	,349	,376	,280	,527	<b>0.795</b>

The CR for work satisfaction perspective was lower than 0,70 and the Average Variance Extracted (AVE) for the same perspective was less than 0,50. This means that this dimension failed to have discriminant and convergent validity. But the rest of the model is validated and correlations can be calculated in order to test the hypotheses.

	Finance	Internal	WorkSat	PayBen
<b>Internal</b>	,407**			
<b>WorkSat</b>	,561**	,472**		
<b>PayBen</b>	,458**	,345**	,466**	
<b>InnoTech</b>	,747**	,259**	,567**	,386**

\*\* . Correlation is significant at the 0.01 level.

The results of the correlation analysis revealed that all of the dimensions are related to each other. This means that all of the hypotheses tested are supported.

<b>Table 4.7. Hypotheses Testing Results</b>	
<b>Hypotheses</b>	<b>Support</b>
H1: Financial and customer perspective is related to internal business perspective	Yes
H2: Financial and customer perspective is related to work satisfaction perspective	Yes
H3: Financial and customer perspective is related to pay and benefits perspective	Yes
H4: Financial and customer perspective is related to innovation and technological perspective	Yes
H5: Internal business perspective related to work satisfaction perspective.	Yes
H6: Internal business perspective is related to pay and benefits perspective.	Yes
H7: Internal business perspective is related to innovation and technological perspective.	Yes
H8: Work satisfaction perspective is related to pay and benefits perspective.	Yes
H9: Work satisfaction perspective is related to innovation and technological perspective.	Yes
H10: Pay and benefits perspective is related to innovation and technological perspective.	Yes

Even though all of them are supported, the items for work satisfaction are needed to be re-examined for further research. Having these kinds of limitations, the present study showed that the perspectives asserted by Wang et al. (2015: 23) are mostly valid in Turkish manufacturing SMEs context.

### V. Conclusions, Limitations and Ideas for Future Research

Enterprises pay special attention to the organizational performance in the current globalizing world trade conjecture. They are continuously adapting new ways of manufacturing in order to cope with the changing needs of the customers. In this respect, having strong organizational resources carry these enterprises in front of the rivalry.

Moving here, the present study aimed to define the factors affecting organizational performance. Initially, a detailed literature review is conducted in terms of topic, methodology and findings. This attempt revealed many useful information for the present work. The theory of this research is based on the former studies. Moreover, the justification of this work is being done by the implications mentioned in the literature. Secondly, a questionnaire is adopted from Wang et al. (2015: 23) and applied to 174 Turkish manufacturing SMEs. The data obtained is analyzed via descriptive statistics, reliability, ANOVA, EFA and CFA. The hypotheses derived from the literature are tested by the use of correlations. The results of this study showed that the perspectives mentioned by Wang et al. (2015: 23) are mostly supported in the Turkish context.

Besides all of these contributions the present study has some limitations. First of all it is applied to a comparably small sample and the results cannot be generalized into the universe. So, further research is needed with greater sample sizes. Secondly, the items used for measuring work satisfaction perspective failed to have convergent and discriminant validity. Further research can be done with different items. Lastly, the SMEs were reluctant to fill in the questionnaire and the response rate was low. Special precautions may do well for volunteering these enterprises to fill in the questionnaire forms.

To sum all up, the present study includes empirical evidence for researchers and contributive implications for practitioners. The research design can be adopted in further studies. Moreover, the relations of these factors with other organizational issues may be a subject to study.

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