

# The Role of Strategic Flexibility for Achieving Sustainable Competition Advantage and Its Effect on Business Performance

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## II. THE CONCEPTUAL FRAMEWORK

### A. Sustainable Competitive Advantage

As a main rule of that today's enterprises survive in the competitive and variable world, their abilities to be able to adapt to the changes occurring in their environments are shown. However, this ability to be able to adapt is not enough alone and that they can catch a sustainable competitive advantage also becomes obligatory [3].

In the area of strategy, although the concept "sustainability" is first used by Day in 1984, the use of concept as "sustainable competitive advantage" was made by Porter in 1985. A clear definition of the concept "sustainable competitive advantage" was made by Barney in 1991. Barney defines sustainable competitive advantage as that a business applies a strategy, which is not simultaneously applied by the existing and potential competitors, and whose benefits are not copied; and which creates a value [4]. In other words, for a business to be able to obtain a sustainable competitive advantage, when a business applies a strategy of creating value, if this strategy is immediately applied by its potential competitors, and the other businesses cannot imitate the benefits of this strategy, or cannot obtain its benefits, for the organization under consideration, we can mention about sustainable competitive [5].

The main determinative of sustainable competitive advantage is the strengths of business in the internal environment, rather than opportunities in the external environment, i.e. the resources that is under control of business. Therefore, sustainable competitive advantage can be succeeded with that the resources the business has or information it produces within itself, spreading to all unites in business, makes contribution to the production of main abilities, and the abilities formed cannot be easily imitated [6].

When the literature about competitive advantage is examined, in the variable competitive environment we live in theories, which will sustain the existence of businesses, in other words, which will provide a sustainable competitive advantage, and from which can be benefitted in developing the business strategies, it is possible to divide into two. One of these theories is Industrial Organization Theory putting forward that the main element affecting competition in the businesses is non-business factors and that the resources of competitive advantage should be sought in the structure of industry; and to which Porter made important contributions.

**Abstract**—In this study, it has been studied to determine the relationship between business performance and strategic flexibility, which is defined to be the strategic choice that provides the ability of rapidly responding the changes of the dynamic environment of the companies, for having competitive advantages. In this context a field study has been conducted over 56 companies, which are active in informatics and electronics sectors in TEKNOKENT. As a result of the study it has been determined that; strategic flexibility has an effect on business performance and there is a positive and statistically significant relationship between strategic flexibility and business performance.

**Keywords**—Sustainable Competition Advantage, Strategic Flexibility, Firm Performance, TEKNOKENT.

## I. INTRODUCTION

**B**USINESS organizations intending to be successful in today's rapidly changing dynamic and competitive world need to make necessary changes both in their organizational structure and in their strategies in a quick and precise way. Factors such as rapidly changing customer demands, globalization, an increase in environmental awareness and technological innovations force organizations to adopt environmental aspects swiftly and to establish a balance open to [1]. In this respect, strategic flexibility concept have a significance, which can be defined as acting in a rapid way to switch the competition conditions and responding ability by determining an organization's aims devoted to gain and maintain competitive advantage over changes in their dynamic environment [2].

In this study the relationship between business performance and strategic flexibility concept meaning a strategic option which gives organizations the ability to quickly response to the changes in their dynamic environment in order to gain a competitive advantage will be determined. Within this scope, the research on 56 organizations operating in information and electronics business affiliated to TEKNOKENT in Konya and the results of the research will be discussed in the present study.

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Another one is Resource Based Theory pointing out that the most important factor forming competitive advantage is the idiosyncratic resources and abilities of businesses, in other words, searching the resource of competitive resources in the environment as well as in-business factors [6], [7]. In this context, Industrial Organization Theory forms the dimension of opportunity and threat in the scope of external analysis, while resource theory, the dimension of strengths and weaknesses in the scope of internal analysis. Today, business strategies carrying this integrity can provide competitive advantage [7].

In 21st century organization, the concept of strategic flexibility, expressed as the ability of a firm to respond rapidly in changing the competitive conditions that will determine the aims toward providing and sustaining competitive advantage, stands out [2]-[8].

### *B. Strategic Flexibility*

Businesses, for being able to provide, on the one hand, while maintaining their activities, on the other hand, are obliged to respond the rapid changes occurring in the environment rapidly. At the beginning of 1970s, Ansoff, famous managerial scientist, due to the rapid change in customer needs and product-process technology, emphasizing a new strategic obligation that requires businesses to be flexible and ready, introduced the concept of “strategic flexibility” to the literature of business management.

Strategic flexibility is an ability of company to respond to uncertainties with the support of the knowledge and skills it has, via continuous development their aims [1]-[9]. Sanchez [10] defines strategic flexibility as the ability of firms to respond the various demands coming from the dynamic competitive environments.

We can define strategic flexibility as that in the competitive environment, firm uses opportunities for its own interests and recognizes the threats and evaluates them and, its ability to act toward reducing them [11]. As in the definition of the concept of strategic flexibility, also in its classification, there are different viewpoints. In these classifications, developing flexibility structure of Evans, strategic flexibility model, formed by [12] and becoming a basis of this study, has become the most acceptable and applicable model in the literature. According to this model, subject matter of our study, the concept of strategic flexibility, were examined in two dimensions as strategic flexibility and reactive flexibility. In our study, since flexibility scale, developed by Karri (2001), was used, this way of classification was dealt with in detail [12].

Proactive flexibility is defined as that the business have the ability to create and catch opportunity, be ready to the uncertain environmental conditions, and also, commit the prioritized maneuvers initiating the changes in environment. In addition, proactive flexibility also includes the resources and abilities, designed for shaping the environment and creating change in the environment. Businesses having proactive flexibility view the environment as the resource of opportunities serving to provide the competitive advantage,

shape the environment, always form the new standards in the environment, take a first step, and can grow in many areas [13].

Reactive flexibility is defined as the ability of business to act after event in responding any changes in the environment. In these types of businesses, the change mostly increases in the small and staged way. The main interest of businesses having the reactive flexibility is on being able to adapt on the environmental changes. It can respond to the change in the environment, using opportunities, committing the protective activities and repairing damage. The sort of reactive flexibility is a sort of strategic flexibility that is especially suitable in the periods of economic crises. Since it is difficult to predict the scope, nature, and timing, the probability of proactive flexibility to be able to cope with the crisis is low; however, reactive sort of flexibility is more useful in this kind of situations [13].

### *C. Business Performance*

One of the most important problems faced in the business today is to determine at what measure the tasks given to the employees are realized or what their abilities to perform work are. This problem, in the organizations, led especially the concept of business performance to gain more importance [14].

There are many definitions in the literature related to the concept performance. The concept performance can be defined as determining all efforts made for realizing the aim of business. In other words, performance is “the qualitative and quantitative expression of what an individual, group, or enterprise making a work can provide toward the target aimed by that work” [15].

Business performance can be expressed as the determination of all efforts shown for realizing the aims of business. In other words, business performance can be expressed as the definition of the degree to perform the aim or duty of business according to the input or result, obtained at the end of certain period.

The measurement of business performance becomes an obligation, on the one hand, in terms of that business supervises its own efforts, on the other hand, that it reflects the customer satisfaction. In addition, performance measurement creates the decision inputs giving direction to the decisions of business managers [16], [17]. Performance measurement prevents the business from not being involved in the existing developments in and out of organization and enables it to play an active role in researching, etc. the reasons for being able to respond to such issues. There are several benefits of measuring business performance. These are that it gives a possibility to see how the organization functions; that it provides the useful information to the businesses toward identifying the resources of their problems and main reasons underlying their successes or unsuccessfulness; that it is effective in determining the performance to be able to be awarded; and, lastly, that it shows at what degree use of resource, earlier determined in the direction of plans, actualizes.

As a result, organizations use many performance criteria to determine their past activities and take strategic decisions about the future. Certainly, all of these performance dimensions have important effects on the business performance. In this study, among the dimensions under consideration, in providing sustainable competitive advantage, the effect of strategic flexibility on the business performance was examined [18].

#### *D. The Relationship between Strategic Flexibility and Business Performance*

Malone [19] concluded that there was a positive relationship between strategic flexibility and business performance. In addition, he examined the role of decision process in the relationship of business performance and strategic flexibility. If the decision process is in the general quality and in the form of summary, strategic flexibility and business performance will be at the high level.

Yongsun [20], putting forward that in the effect of strategic flexibility on the firm performance, environmental conditions are important emphasized that, in uncertain environmental conditions, strategic flexibility has a positive effect on the firm performance, in balanced/fixed environmental conditions, a negative effect.

Grewal and Tansuhaj [21] researched in the periods of crisis, the effect of strategic flexibility on firm performance and, provided that the businesses have strategic flexibility, instead of market oriented, they argued that businesses will have higher performance.

Uzkurt [22] examined the relationships of the firms being in active in 21 different industrial areas between strategic flexibility and business performances. According to the results of research, it was identified that there was positive relationship between strategic flexibility levels of firms business performance.

The study carried out by [23] was based on the definitions of Evans in strategic flexibility. Strategic flexibility was discussed in three dimensions as market flexibility, production flexibility, and competitive flexibility. The study was carried out in international business in USA and it was concluded that the relationship of three kind of flexibility to each other and the relationship of this flexibility with business performance was positive. In addition, in these international businesses, it was identified that market flexibility and production flexibility was higher compared to the competitive flexibility.

Voola and Muthaly [24] defined strategic flexibility as the ability of business to be able to proactively respond through the threats and opportunities in market against the economic and politic risks in the market. According to the study, for the businesses in the dynamic and unpredictable global business environment to be able to adapt and respond to the changes occurring their environments, organization has a renewable marketing plan. This plan is provided through the strategic flexibility of business. As a result, in the relationship between strategic flexibility of business and business performance, there is mediatory effect of market positioning and there is a

positive relationship between strategic flexibility and business performance.

Zhang [25], with the support of information technologies, examined the relationships between strategic flexibility and business performance Strategic flexibility was defined as the ability to be able to rapidly respond and to be proactive. In the study, environmental dynamics were defined as the changes occurring in the external environment of the firm and these dynamics were handled as customers, competitors, and industry. In this scope, it was reached the conclusion that environmental dynamics, with the support of information technologies, had a positive directional mediatory effect between strategic flexibility and business performance. If environmental dynamics are high, with the support of information technologies, between strategic flexibility and business performance, there is a positive relationship. As a result, in the study, it is put forward that without the support of information technology, there will not be any relationship between strategic flexibility and business performance and, if there is a support of information technologies, that there will a positive relationship between strategic flexibility and business performance.

Nadkarni and Narayanan [26] stated that the strategic plans and operation speed of computer systems businesses possess have a mediatory role in the relationship between strategic flexibility and business performance. That is, the lower operation speed of computer systems businesses have is the more negative the relationship between strategic flexibility and business performance will be. In addition, the more businesses focus on the strategic plans, the lower strategic flexibility will be. If businesses go toward the diversity in the strategic plans instead of focusing on strategic plans, strategic flexibility will be so high.

İğci [13] examined the effect of market turbulence and technological turbulence on the relationship between strategic flexibility and business performance. In the study carried out, while strategic flexibility is discussed in two dimensions as proactive flexibility and reactive flexibility, business performance, as strategic performance and financial performance. According to the results of study, it was identified that between the proactive flexibility and reactive flexibility that are sub dimensions of strategic flexibility and the strategic performance and financial performance that are sub dimensions of business performance, there was a positive directional relationship.

Nadkarni and Herrmann [27] examined, with CEO personality, the relationships between strategic flexibility and business performance, by means of model of structural equality. They defined strategic flexibility as the ability to rapidly adapt to the environmental changes and be in harmony in the strategic changes. While the studies carried out focus on the effects of strategic flexibility on the technology, resources, and network structure, this study focused on CEOs, top level managers, who have important effects on firm performance and strategic aspect of business. As a result of the study, it was determined that there was a general and positive directional relationship and, also

strategic flexibility and business performance, it was determined that there was a positive directional relationship. In addition, in the study, between CEO personality and business performance, in general, positive directional relationships were determined and, between CEO personality and business performance, it was determined that there was positive directional relationship. In addition, in the relationship between CEO personality and business performance, it emerged that strategic flexibility had a mediatory role.

Ussahawanitchakit and Sriboonlue[8], in the relationship between transformational leadership and business performance, examined the mediatory role of strategic flexibility. They determined that strategic flexibility was in a positive relationship with business performance and transformational leadership. In addition, they identified that between transformational leadership and business performance, there was a positive relationship.

### III. A SURVEY STUDY FOR DETERMINING THE EFFECT OF STRATEGIC FLEXIBILITY ON THE BUSINESS PERFORMANCE

#### A. Data Collection Method Used in the Research

In the province Konya, in order to determine the levels of strategic flexibility and business performance of the businesses depending on TEKNOKENT and examine the strategic flexibility and business performance, a field study was carried out. In the scope of study, the data obtained via based sampling were assessed by means of SPSS 16.0.

#### B. Aim and Hypothesis of the Study

The aim of the study is to determine the levels of strategic flexibility and business performance of the businesses depending on TEKNOKENT in the province Konya and examine the relationship between strategic flexibility and business performance the sample of study consists of the businesses depending on TEKNOKENT in the province Konya. It has been determined that in the province Konya, there are 108 businesses in this sector and it was reached 56 of these businesses. The hypotheses developed in the direction of this aim were determined as:

- H1. There is a significant relationship between the levels of strategic flexibility of the businesses and their levels of business performance.
- H2. There is a significant relationship between the levels of strategic flexibility of the businesses and their levels of strategic performance.
- H3. There is a significant relationship between the levels of strategic flexibility of the businesses and their levels of financial performance.

#### C. Scale Factors Used in the Research

In the study, in order to determine the levels of strategic flexibility of the businesses, "Strategic Flexibility Scale", developed by [12], and used and revised by [13], was used, in order to determine the levels of business performance, "Business Performance Scale", formed by being based on [13].

#### D. Analysis and Findings

In the scope of analyses of study, in the province Konya, in order to determine the levels of strategic flexibility and business performance of the businesses depending on TEKNOKENT, a study was administered to the business managers. The demographic information regarding the businesses participated in the study was presented in Table I.

TABLE I  
 DEMOGRAPHICAL CHARACTERISTICS OF THE SAMPLE

Characteristics	F	%	Characteristics	F	%
<b>Sector</b>					
IT	36	64,2			
Electronic	20	35,8			
<b>Number of employees</b>					
Between 1-50	42	75,0	Net Sale Revenues ≤ 1MillionTL	42	75,0
Between 50-250	14	25,0	≤ 8MillionTL	14	25,0
<b>Total</b>	<b>56</b>	<b>100</b>	<b>Total</b>	<b>56</b>	<b>100</b>

As a result of the study, it was identified that the businesses participating the study were generally in active in the IT sector (64.2%); that the number of employees were between 1-50 (75%); and that net sale revenues were less TL 1 Million (75%). When these results are taken into consideration, it can be said that the businesses depending on TEKNOKENT are generally small sized enterprises. For measuring the internal consistency of scales used in the study, internal consistencies regarding both scales were calculated and shown in Table II.

TABLE II  
 INTERNAL CONSISTENCY ANALYSIS RESULTS OF THE SCALE FACTORS

Scale Factor	Number of Statements	Cronbach's Alpha ( $\alpha$ )
Strategic Flexibility	21	0,827
Business Performance	15	0,719

It was reached the conclusion that the scale of strategic flexibility (0.827) and scale of business performance scale (0.719) were reliable at high degree ( $0.60 > \alpha > 0.80$ ). Factor analysis results regarding "Strategic Flexibility Scale" were shown in Table III.

In the study, in order to examine the structural validity of the data belonging to strategic flexibility scale, the data was subjected to the exploratory factor analysis. As a result of analysis conducted for testing the compliance of data with factor analysis, it was determined that Barlett normal distribution was significant ( $p < 0.05$ ) as a result of the test, while KMO (Kaiser-Mayer-Olkin) value was 0.838. In addition, it was identified that the items of strategic flexibility scale, used in the study, were collected under two factor loads and that these factors represented the dimensions of reactive and proactive flexibility dimensions. This structure is compatible with the structure, used in the studies of [12] and [13]. The results of factor analysis regarding "Business Performance Scale", used in the study, are presented in Table IV.

TABLE III  
EXPLORATORY FACTOR ANALYSIS RESULTS RELATED TO STRATEGIC FLEXIBILITY SCALE

Items	Reactive Flexibility	Proactive Flexibility
We adopt the concept change in our business.	0,724	
Our strategic styles put the biggest importance on flexibility	0,927	
Preparing ourselves the change in market were placed in the thought structure of top management	0,847	
Remaining flexible in long termed planning is always an important target	0,800	
We value to being able to provide advantage from the new and unexpected opportunities.	0,868	
In our sectors, we sometimes act like a change agent.	0,877	
We mostly produce strategies that cannot be predicted to the past activities.	0,928	
For creating options enabling to grow in many technological areas, we continuously make effort.	0,819	
We attempt to use technology to get the new standards accepted	0,900	
We access to market more rapid than our competitors with the new offers	0,898	
We define ourselves as an agile business	0,890	
We adopt the philosophy of "wait and see" in planning	0,465	
We mostly present the presents that are extinction of the existing products.	0,762	
We prepare precautions toward the negativities of the external environment.		0,917
We try to be prepared and to prepare against the negative developments.		0,953
While developing our strategies, we take the probabilities into consideration.		0,752
For being able to provide advantage from the unexpected opportunities, we reserve cash in high rate.		0,760
<b>Declared Variance</b>	56,987	13,489
<b>Total Declared Variance</b>	81,105	
<b>KMO Value</b>	0,838	
<b>Barlett Test</b>	<b>ChiSquare Freedom Degree</b>	2557,573
	<b>p</b>	0,000

In the study, in order to examine the structural validity of data belonging to business performance scale, the data was subjected to exploratory factor analysis. As a result of analysis conducted for testing the compliance of data with factor analysis, it was determined that Barlett normal distribution was significant ( $p < 0.05$ ) as a result of the test, while KMO (Kaiser-Mayer-Olkin) value was 0.939. In addition, it was identified that the items of business performance scale, used in the study, were collected under two factor loads and that these factors represented the dimensions of strategic and financial performance dimensions. It was concluded that this structure is compatible with the structure, used in the studies of [12].

When analysis results are evaluated, it was identified that strategic flexibility levels of businesses participating in the survey were high (3.94) and that the reactive flexibility levels of businesses (3.96) are more compared to their proactive flexibility levels.

TABLE IV  
EXPLORATORY FACTOR ANALYSIS RESULTS RELATED TO BUSINESS PERFORMANCE SCALE

Items	Strategic Performance	Financial Performance
In the last three years, in the market we are in the average annual industrial growth is more than 10%.	0,700	
The growth rates of our business, according to the sales in the last three years are more than 10%.	0,742	
The market share of our four large competitors in the industry is more than 30%.	0,882	
In the last three years our general market share is more than 10%	0,865	
Our customers recommend us to others instead of recommending competitor that substitute us	0,857	
We have less market share compared to our primary competitors.	0,933	
Our sales grow faster according to the average of last three years, compared to the old competitors.	0,722	
Compared to our competitors, we were generally more successful in the average of the three years.	0,859	
The quality of our products and services is better than our primary competitors	0,717	
Our customers were persuaded about the quality of our products and services.	0,867	
The average return rates of the assets of the last three years are more compared to the previous years.		0,853
The average return rates of the sales of the last three years are more compared to the previous years.		0,750
The average return rate of the average investments of the last three years are more compared to the previous years.		0,769
Compared to our primary competitors, we are less profitable in the average of the three years.		0,977
The rate of profit after tax is satisfactory		0,723
<b>Declared Variance</b>	51,805	6,455
<b>Total Declared Variance</b>	58,260	
<b>KMO Value</b>	0,939	
<b>Barlett Test</b>	<b>Chi Square / Freedom Degree</b>	2694,744
	<b>p</b>	0,000

TABLE V  
DESCRIPTIVE STATISTICS ON THE STRATEGIC FLEXIBILITY

Scales	Dimensions	Mean	St. Dev.	Gen. Mean	Gen. St. Dev.
Strategic Flexibility	Reactive Flexibility	3,96	0,38	3,94	0,39
	Proactive Flexibility	3,89	0,50		

Notes: (i) n=56, (ii) In the scale 1=I definitely disagree with and 5=I definitely agree with mean. (iii) According to Friedman two ways ANOVA test ( $\chi^2=39,143$ ;  $p<0,001$ ) the results are statistically significant.

TABLE VI  
DESCRIPTIVE STATISTICS ON THE BUSINESS PERFORMANCE

Scales	Dimensions	Mean	St. Dev.	Gen. Mean	Gen. St. Dev.
Business Performance	Strategic Performance	3,54	0,47	3,45	0,40
	Financial Performance	3,28	0,42		

Notes: (i) n=56, (ii) In the scale 1=I definitely disagree with and 5=I definitely agree with mean. (iii) According to Friedman two ways ANOVA test ( $\chi^2=22,154$ ;  $p<0,001$ ) the results are statistically significant.

When analysis results are evaluated, it was identified that business performance levels of businesses participating in the survey were at medium level (3.45) and that the strategic performances (3.54) of businesses are more compared to their financial performance levels (3.28).

TABLE VII  
 CORRELATION ANALYSIS STRATEGIC FLEXIBILITY AND BUSINESS PERFORMANCE

	1	2	3	4	5	6
<b>Reactive Flexibility (1)</b>	1					
<b>Proactive Flexibility (2)</b>	,755**	1				
<b>Strategic Flexibility (3)</b>	,979**	,872**	1			
<b>Strategic Performance (4)</b>	,698**	,842**	,781**	1		
<b>Financial Performance (5)</b>	,486**	,558**	,535**	,548**	1	
<b>Business Performance (6)</b>	,704**	,839**	,784**	,957**	,767**	1

Note: \*p<.05, \*\*p<.01.

In the scope of study, when the results of correlation analysis, conducted to determine the relationships between strategic flexibility and business performance and their sub-dimensions, are evaluated, it was determined that between reactive flexibility that is sub dimension of strategic flexibility and strategic performance ( $r = 0.698$ ,  $p < 0.01$ ), financial performance ( $r = 0.486$ ,  $p < 0.01$ ), and business performance ( $r = 0.704$ ,  $p < 0.01$ ), there was a positive directional and significant relationship. Between proactive flexibility that is sub dimension of strategic flexibility and strategic performance ( $r = 0.842$ ,  $p < 0.01$ ), financial performance ( $r = 0.558$ ,  $p < 0.01$ ), and business performance ( $r = 0.839$ ,  $p < 0.01$ ). It was determined that there was a positive directional and significant relationship between strategic flexibility and business performance ( $r = 0.784$ ,  $p < 0.01$ ), and strategic performance ( $r = 0.781$ ,  $p < 0.01$ ), and financial performance ( $r = 0.535$ ,  $p < 0.01$ ), that are sub-dimension of business performance.

TABLE VIII  
 THE RELATIONSHIP BETWEEN STRATEGIC FLEXIBILITY AND BUSINESS PERFORMANCE

Dependent Variable	R <sup>2</sup>	Independent Variable	B	Std. E.	t	F
<b>Business Performance</b>	0,716	Constant		0,313	1,672	
		Reactive Flexibility	0,164	0,120	1,468	66,821**
		Proactive Flexibility	0,552	0,090	6,411	

Note: \*p<.05, \*\*p<.01.

When the results of regression analysis were evaluated, it was concluded that reactive and proactive flexibility, handled the sub dimensions of strategic flexibility had an effect on business performance and that the reactive and proactive flexibility, handled the sub dimensions of strategic flexibility accounted for the variance on business performance in the rate of 71.6%. In addition, it was reached the conclusion that the model put forward was statistically significant ( $p < 0.05$ ) and that reactive and proactive flexibility, handled the sub dimensions of strategic flexibility affected business performance in positive direction ( $R^2 = 0.716$ ). In this direction, H1 hypothesis, developed in the form of "H1:

There is a significant relationship between the levels of strategic flexibility of the businesses and their levels of business performance" was accepted.

TABLE IX  
 THE RELATIONSHIP BETWEEN STRATEGIC FLEXIBILITY AND STRATEGIC PERFORMANCE

Dependent Variable	R <sup>2</sup>	Independent Variable	B	Std. E	t	F
<b>Strategic Performance</b>	0,718	Constant		0,359	0,553	
		Reactive Flexibility	0,146	0,138	1,309	67,556**
		Proactive Flexibility	0,572	0,103	6,586	

Note: \*p<.05, \*\*p<.01.

When the results of regression analysis were evaluated, it was concluded that reactive and proactive flexibility, handled the sub dimensions of strategic flexibility had an effect on strategic performance that is sub dimension of business performance and that reactive and proactive flexibility, handled the sub dimensions of strategic flexibility accounted for the variance on strategic performance in the rate of 71.8%. In addition, it was reached the conclusion that the model put forward was statistically significant ( $p < 0.05$ ) and that reactive and proactive flexibility, handled the sub dimensions of strategic flexibility affected strategic performance in positive direction ( $R^2 = 0.718$ ). In this direction, H2 hypothesis, developed in the form of "H2: There is a significant relationship between the levels of strategic flexibility of the businesses and their levels of strategic performance." was accepted.

When the results of regression analysis were evaluated, it was concluded that reactive and proactive flexibility, handled the sub dimensions of strategic flexibility had an effect on financial performance that is sub dimension of business performance and that reactive and proactive flexibility, handled the sub dimensions of strategic flexibility accounted for the variance on financial performance in the rate of 32.1%. In addition, it was reached the conclusion that the model put forward was statistically significant ( $p < 0.05$ ) and that reactive and proactive flexibility, handled the sub dimensions of strategic flexibility affected financial performance in positive direction ( $R^2 = 0.321$ ). In this direction, H3 hypothesis, developed in the form of "H3: There is a significant relationship between the levels of strategic flexibility of the businesses and their levels of financial performance." was accepted.

TABLE X  
 THE RELATIONSHIP BETWEEN STRATEGIC FLEXIBILITY AND FINANCIAL PERFORMANCE

Dependent Variable	R <sup>2</sup>	Independent Variable	B	Std. E	t	F
<b>Financial Performance</b>	0,321	Constant		0,503	2,332	
		Reactive Flexibility	0,151	0,193	0,874	12,531**
		Proactive Flexibility	0,170	0,144	2,573	

Note: \*p<.05, \*\*p<.01.

#### IV. CONCLUSION

In this study, in the province Konya, in the businesses depending on TEKNOKENT, it is determined the levels of strategic flexibility and business performance and the relationship between strategic flexibility and business performance. As a result of study the study, it was determined that the levels of strategic flexibility of the businesses depending on TEKNOKENT were at the high level and business performance was at the medium level. In addition, in the study, between strategic flexibility, handled as proactive and reactive flexibility, and business performance, and strategic performance and financial performance, its sub dimension, it was determined that there were positive directional and statistically significant relationships. In the results of analysis toward determining the relationship between strategic flexibility and business performance, it was identified that the proactive and reactive flexibility that are sub dimensions of strategic flexibility had an effect on strategic performance and, in this relationship, proactive flexibility had more effect on the business performance compared to reactive flexibility. The proactive and reactive flexibility that are sub-dimensions of strategic flexibility had an effect on financial performance and, in this relationship, proactive flexibility had more effect on the business performance compared to reactive flexibility.

As stated in many studies, strategic flexibility enables, in the rapidly changing and becoming uncertain environmental conditions, businesses to provide on their competitors and obtain high performance, catching competitive advantage.

There are some limitations of study results from some aspects. Since this study was carried out in only the province Konya, when the questions, whose answers are searched, and hypothesis put forward are taken into consideration, it can be said that realizing a transitory study will be more appropriate approach as the method of data collecting.

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