

MANAGEMENT'S INVESTMENT DECISION MAKING IN TURKISH AUTOMOTIVE INDUSTRY

Dr.Öğr.Üyesi Seray Toksöz

To identify the management' decision making criterions in Turkish automotive industry was the main objective of this study. In serving the needs of this aim, qualitative research methods were followed. Accordingly, this research was designed in the form of exploratory case study. Therefore, this study first utilised theories and models on investment decision making and factors effecting investing decisions by conducting secondary data research. Following to this, telephone interviews were conducted with the bureaucrats as well as the managers of some of the foreign automobile and autopart companies that were invested in Turkey. The population of this study comprised all the foreign automobile and autoparts firms that were invested in Turkey and all the bureaucrats who work in the Ministry of Trade in Turkey. However, only several number of the units that were in the population included into this study due to difficulty of reaching all the foreign companies in that particular industry and interviewing all the bureaucrats that specialise in this issue. Therefore, three foreign companies were selected which are Toyota, Ford and Pirelli among the companies' side of the population and two bureaucrats were persuaded to contribute in this study. Analysis showed that, geographical position; its comparatively cheaper cost of labour; the prosperous domestic economy and the growing demand for automotive products in Turkey were stated as the ultimate objective behind investing decision to Turkey; being in or close to major cities (therefore close to customers), being close to large supplier base (for better quality and lower price), and being located near major ports for export purposes were identified as the ultimate reasons behind investing in particular city; comparatively cheaper yet well-educated labour force and the country's convenient location to several large auto markets were identified as the key factors for automotive industry. From the government side, it has been identified that Turkish Government has started to lift former restrictions on its policies especially from when Turkey joined Custom Union in 1996. The government also had issued laws and regulations to protect foreign investors' rights while doing business in the Turkish market.

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Dr. Öğr. Üyesi Seray TOKSÖZ