

**COMPETITIVE STRATEGIES AND COMPANY PERFORMANCE:
A STUDY OF TAIWANESE FIRMS FOLLOWING U.S., JAPANESE, AND
TAIWANESE TYPE COMPETITIVE STRATEGIES**

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ABSTRACT

Competitive strategy is an important determinant of firm survival and success. The strategy that a firm employs reflects the specific competitive methods that its managers emphasize as well as the broad pattern showing how these methods are combined for use in the firm. In an extensive study of companies from the U.S. and Japan, Kotha, Dunbar and Bird (1995) found that U.S. and Japanese companies use different competitive strategies to achieve their success. Since both of these countries have extensive economic dealings with Taiwan, and both are leading economic powers, it seems likely that many Taiwanese companies would emulate their' competitive strategies.

This paper investigates the competitive strategy parameters of a large sample of Taiwanese companies, matched to Kotha et al.'s sample firms in being distributed across a wide range of industries. It finds that a majority of these companies emulate the U.S. companies' strategies, though there also are many that emulate the Japanese. Many do not follow either model, but instead carve out a niche for themselves by developing what might be called unique Taiwanese strategies. An Analysis of Variance indicates that of the sample firms, those that follow a more Eastern directive (Japanese or Taiwanese) have better performance as defined by growth rate of sales and employee morale, job satisfaction and commitment.