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**The Influence of Individual Values on Managerial Practices:  
Implications for the Turkish Business Context**

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## Abstract

The study aims to develop a map of values held by members of regional businessmen's associations in Turkey and to test the relationship of values to business network dimensions and to organizational practices in enterprises represented by these members. Organizational practices are also analyzed for their possible associations with firm-level characteristics and occupational descriptors conceptualized in an earlier phase of the study. The value dimensions specified for analyses are paternalism, conservatism, achievement, individualism, materialism, confrontation, risk taking, and novelty seeking. Values are measured through a 37-item Likert-type scale. Business network dimensions are derived after a three-step factor analysis of fourteen business contacts and eighteen managerial routines. Organizational practices are measured through a 26-item scale measuring six bipolar orientations, results-process orientation, job-employee orientation, professionalism-parochialism, closed-open system, tight-loose control, and pragmatic-normative orientation. Values used in the study can be collapsed into four major dimensions. Low levels of confrontation, low individualism, and high paternalism observed among mean scores for values verify the collectivistic characteristic of the Turkish culture. As expected, paternalism is associated with conservatism and these orientations tend to decrease with education. Findings suggest that six practice dimensions are too robust to explain organizational practices in the firms sampled. Collectively, however, practices strongly predict regional differences in socioeconomic development. Firms in underdeveloped regions are characterized with closed-system, job orientation, and pragmatism. Integration with a local network, on the other hand, signifies conservatism and materialism.

## Özet

Çalışma, şehir temelli sanayici ve işadamları dernekleri üyelerinin bireysel değer yönelimlerini modellemeyi ve bu yönelimlerin üyelerin işle ilgili bağlantı mekanizmalarına ve temsil ettikleri firmaların iş yapma alışkanlıklarına etkilerini sınamayı amaçlamaktadır. İş yapma alışkanlıkları ayrıca firma özellikleri ve bir ön çalışmada kavramlaştırılan mesleki tanımlarla da ilişkilendirilmiştir. Analizler için belirlenen değer yönelimleri paternalizm (pederşahilik), muhafazakarlık, başarı güdüsü, bireycilik, materyalizm, karşı çıkma eğilimi, risk alma ve yenilik arayışı olarak belirlenmiştir. Bu yönelimler Likert tipi 37 soruyla ölçülmüştür. Bağlantı mekanizmaları yerel ve ulusal kurumlarla ilişkileri gösteren ondört sorunun ve yönetim fonksiyonlarının sıklığını ölçen onsekiz sorunun üç adımlık faktör analizi ile tanımlanmıştır. İş alışkanlıkları sonuç-süreç odağı, iş-çalışan odağı, profesyonellik-yerel aidiyet, kapalı-açık sistem, sıkı-gevşek kontrol, pragmatik-normatif odak olarak adlandırılan iki kutuplu altı boyutta, 26 soruyla ölçülmüştür. Değer yönelimlerinin faktör analizi dört ana eğilim göstermektedir. Karşı çıkma eğilimi ve bireycilikteki düşük, paternalizmdeki yüksek ortalama skorlar Türk kültürünün toplulukçu yapısını onaylar niteliktedir. Beklendiği üzere, paternalizm muhafazakarlıkla ilişkili bulunmuştur ve bu eğilimler eğitimle birlikte azalmaktadır. Bulgular altı boyutlu iş alışkanlıkları ölçümünün bu çalışmadaki işletmelerin yapısını tanımlamaya fazla geldiğini göstermektedir. Ancak, iş yapma alışkanlıkları toplu olarak il sosyoekonomik gelişmişlik boyutundaki dağılımı önemli derecede açıklamaktadır. Görece az gelişmiş bölgelerdeki işletmeler daha kapalı sistemlere sahip olup, iş odaklı ve pragmatizm odaklı gözükümlerindedirler. Öte yandan, yerel iş çevresiyle ilişki sıklığı muhafazakarlık ve materyalizmin göstergesidir.

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## List of Abbreviations

Ach	Achievement orientation
Cond	Family socioeconomic conditions
Conf	Confrontation
Cons	Conservatism
Edu	Educational level
HC	Horizontal collectivism
HI	Horizontal individualism
Ind	Individualism
INDSCAL	Individual differences scaling
KİT	Kamu İktisadi Teşekkülü (State Economic Enterprise)
KOBİ	Küçük-Orta Boy İşletme (Small- to Medium-Sized Enterprises)
Mat	Materialism
MDS	Multidimensional scaling
MÜSİAD	Müstakil Sanayici ve İşadamları Derneği (Association of Independent Industrialists and Businessmen)
Nov	Novelty Seeking
Pat	Paternalism
Prag	Pragmatic orientation

Prof	Professionalism
Risk	Risk-taking
SES	Socioeconomic status
SİAD	Sanayici ve İşadamları Derneği (Industrialists' and Businessmen's Association)
SME(s)	Small- to medium- sized enterprise(s)
Soc	Socialization environment
TESK	Türkiye Esnaf ve Sanatkarları Konfederasyonu (The Confederation of Turkish Tradesmen and Craftsmen)
TİSK	Türkiye İşveren Sendikaları Konfederasyonu (Confederation of Employer Unions of Turkey)
TOBB	Türkiye Odalar ve Borsalar Birliği (The Union of Chambers of Commerce, Industry, Maritime Trade, and Commodity Exchanges of Turkey)
TÜSİBAK	Türkiye Sanayici ve İşadamları Dernekleri Başkanlar Konseyi (Presidential Council of Turkish Industrialists' and Businessmen's Associations)
TÜSİAD	Türk Sanayici ve İşadamları Derneği (Association of Turkish Industrialists and Businessmen)
VC	Vertical collectivism
VI	Vertical individualism

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## 1. Introduction

The present study is inspired by the history and scope of values research, focusing mainly on mapping relationships among values at the individual level. The sample in question is defined as members of business associations located in cities in Turkey, known generally as SİADs (acronym for Sanayici ve İşadamları Derneği). Despite the focus on individuals, however, the study extends beyond a purely psychological outlook and strives to relate the emerging model to aspects of the Turkish business context. The relationship of values to organizational practices, managerial routines, and business networks are vigorously tackled. Values are also utilized to explain differences in occupational categories employed to describe various segments of the business circles.

Culture and values are often used as interchangeable terms. However, culture is a notion deep-seated in values but it is also broader than values. As such, the present study ignores an extensive theoretical discussion of culture. The literature review starts with a summary of definitions on the subject of culture and values. Next, methodological issues in the study of culture and values are presented. The discussion here is extended to issues deemed important in cross-cultural research. Although this study is not comparative at a macro level, implications of the macro issues are nevertheless seen important for understanding possible differences in perceptions of the respondents in the sample. These are followed by a section on universal values, both general and managerial, and then by an extended section on the Turkish context.

Values research appears to be left to the domain of social psychology, more specifically to cross-cultural psychology. While the exchange between management studies and cross-cultural psychology has been a familiar phenomenon for many years, further and more creative collaboration between the extant literature on social psychology and organization studies, business history, and political economy is needed. The study is expected to contribute to the vast knowledge on individual values and their implications for business, management and entrepreneurship. The general outlook of the study oscillates between the data-driven and theory-driven approaches and between the exploratory and the confirmatory.



## 2. A Literature Survey on Culture and Values Research

Efforts to use culture to explain diversity in human thought and behavior are not new. Even the founders of psychology like Wilhelm Wundt could be a pioneer in this area because of its interest in *Volkerpsychologie* (Kashima, 2000). The early examples of study of culture belonged to the specialization of anthropologists. However, these attempts were unsystematic and there was no coherent program of research until the advent of cross-cultural psychology in late sixties (Adamopoulos and Lonner, 2001). The anthropological studies of culture were mostly limited to accounts of biographies and life histories. However, following World War II, a group of American anthropologists and psychoanalysts started to delineate more profoundly upon cultures, especially, of enemies of the United States at the wartime (Inkeles, 1997). In most part of the century, the conceptualization of culture remained a Western academic affair characterized by logical positivism, in the spirit of 18<sup>th</sup> century Enlightenment hailing rationality and progress as two pillars of human achievement (Kashima, 2000). Today, a definition of culture based on an ideal of rationality is perceived to be narrow and ill-defined. Psychological theories of this sort, for example, have been criticized for representing the *first world* of psychology (Moghaddam, 1987). Values research have typically been concerned with alternative answers different cultures give to common human problems such as character of innate human nature and relationship of man to his environment. The pioneering work by Parsons and Shils (1951) and Kluckhohn and Strodtbeck (1961) are such examples. Values have been a central issue in specific topics as well. Examples range from achievement orientation (McClelland, 1961) to modernization (Lerner, 1958) and work (MOW, 1987).



Culture conceived as values and beliefs has increasingly been significant for organizational analysis. Smircich (1983) summarizes at least five themes in organization and management research which might be annexed by the notion of culture. For example, the notion of shared symbolic action (Geertz, 1993) is the nucleus for symbolic organization theory which assumes that organizations are patterns of symbolic discourse and language. Smircich (1983) also notes that the concept of corporate culture enjoys significance both as a critical variable which bridges micro-level organizational behavior and macro-level strategic management issues and as a root metaphor (e.g., theaters and prisons) for comparing organizations to other social phenomena. In management literature, the notion of culture falls into a group of perspectives which have been called the normative rhetorics (Barley and Kunda 1992; Abrahamson 1997). The key assumption underlying the normative rhetorics is that management can make employees become more productive by shaping their thoughts. The so-called rational rhetorics, on the other hand, assume that work processes can be rationalized and formalized to optimize productivity. These two rhetorics are shown to replace each other in almost regular intervals. Abrahamson (1997) calls this a pendulum swing and notes that the emergence of rational rhetorics coincides with macroeconomic downturns. Broadly speaking, this is explained by an assumption that economic downturns increase the necessity for commercially viable innovations which require engineering-type approaches. However, in a comparison of management fashions emerged over the last past five decades, Carson et al. (2000) conclude that management fashions and economic variables are not related. In fact, Barley, Meyer and Gash (1998) show that the 1980s notion of culture has increasingly become a product of what has then grown to be fashionable in practice-oriented business communities. In that sense, the alternative

conclusion that management rhetorics reflect the ideological thrust of business interests rather than the scientific concerns of the academia is equally viable.

## 2.1. Defining Culture and Values

The word *culture* derives from the early German word *kultur* but its modern anthropological meaning in English has been established only in late 19th century (Kroeber and Kluckhohn, 1952). Alvesson and Berg (1995) note that culture has been equated with “civilization” in the 18th century but came be understood as an inner process of artistic and intellectual pursuit in later periods. The word civilization goes back to versions of Latin *civis* which had a political meaning; that is, citizenship in an organized state as against membership in a tribal community. Kroeber and Kluckhohn (1952) argue that German philosophy tried to make a distinction between culture and civilization. While culture was described as the sum of activities materialized in technology and economy, civilization was treated at the more abstract, spiritual level, and as an enrichment process that is cumulative and irreversible. Nevertheless, the two words have mostly been used interchangeably to denote betterment and improvement.

There exists a significant gap between the original meaning and the current use of the word culture itself. Parker (2000:81) argues that authentic meaning of culture is similar to the agricultural term “cultivation” and, therefore, it is referring to a developmental process, a “becoming-ness.” Modern day use of culture, however, is used to define a stable “entity”, or a structure, but not to describe an ongoing process. Earlier, Kroeber and Kluckhohn (1952) have classified 164 definitions of culture

under six, interrelated categories; these were labeled descriptive, historical, normative, psychological, structural, and genetic. In this analysis, each category is presented with its unique features and also limitations.

The historical definition of culture, for example, is argued to emphasize tradition and heritage, or the history of the group in general, and to treat members as carriers of culture. This definition, however, is criticized for attaching a too passive role to humans and excluding learning. While learning is emphasized it is not considered sufficient in itself for a complete definition either, especially because cultureless animals too have the capacity for learning. The psychological definition, on the other hand, is argued to treat culture as a problem-solving device. Here, the emphasis is made on one's adjustment to his/her surrounding and needs. Yet, as culture is seen as something that creates needs as well as something that develops the tools to fulfill those needs, the psychological definition too is found to be incomplete.

Speculating on such different definitions, Kroeber and Kluckhohn (1952) have outlined the general features of culture. In summary, the authors argue that there is agreement that every culture possesses a degree of integration of both form and content. In this analysis, culture is described as having both explicit and implicit aspects. This conclusion is based on the assumption that human endeavor is directed toward ends but those ends are shaped by the values which are not static or tangible. Here, an analogy from organic chemistry is made. That is, the possibility that same elements constituting either a medicine or a poison. Thus, the authors argue that an analysis of culture without referencing to its values has to become unstructured and meaningless, a mere "laundry list." While the relativistic nature of culture is thus acknowledged, cultures are not taken to be incomparable. The authors argue that all

cultures possess distinct answers to essentially the same questions posed by human biology and human situation.

Spates (1983) notes that although values had been of concern to social scientists as early as 1930s, it is the main conceptual shift provided by Talcott Parsons that created the pivot around which most of values research were developed. Early usages of value as a term were basically referring to commodities or objects of activity such as an instrument or labor. The Parsonian definition of values differs from earlier writings in that it treats values as cultural, shaped by socialization and normative agreements. As such, the Parsonian definition of values refers to ideas representing conceptions of the desirable that influence choice and shape collective action. The Parsonian theory of action differentiates a cultural system from personality and social system. A personality system is a system comprising interconnections of the actions of an individual actor whereas a social system involves interaction between two or more actors whose behaviors are concerted toward consensual goals. A cultural system, on the other hand, is not built on organization of actions. Rather, being a pattern of symbols it represents a kind of abstraction from personality and social system. When institutionalized in social systems and internalized in personality systems, the value standards of a cultural system guide the actors towards specific actions. One of the important criticisms for the Parsonian definition of culture is directed at its emphasis on consistency. Schmid (1992) argues that Parsonian definition of culture implies that social order will immediately occur if the symbols are shared by all actors. Here, the argument is that logical consistency of a code does not negate the possibility of divergent cultural interpretations that may arise from the same set of symbols. In fact, it is suggested that actors would be unable to express their deviant opinions without a unified consensual code. Thus, Schmid notes that a

symbolic “code” is different from a “program” and asserts that Parsonian definition of culture is confusing the two.

The notion of culture has entered management literature as early as 1950s. Albeit in a different level today, the debates on its definition and status as an explanatory variable still continue to attract attention. In a survey of early comparative management literature, Ajiferuke and Boddewyn (1970) note that among a group of twenty-two studies providing sociocultural explanations only two offer an explicit definition of culture. In majority of the cases, the definition is left to the reader; the authors argue that there are almost as many meanings of culture as people using the term. Occasionally, culture has been used to denote the sum of sociocultural, political, economic, legal, and educational characteristics in a given society. This approach is strictly criticized of being too broad to be meaningful. In a general sense, culture is the domain of shared meaning (Kashima, 2000) and it is about understanding what is governing social action, but not the behavior itself (Alvesson and Berg, 1995). Culture has been defined as “a shared set of commonly-held general beliefs and values” (Kluckhohn and Strodtbeck, 1961), “values, beliefs, and expectations that members come to share” (Van Maanen and Schein, 1979), “people’s way of life” (Ronen, 1986) or “the collective mental programming of the people in an environment” (Hofstede, 1980/2001). Hofstede (1980/2001) argues that his definition for mental programming resembles the notion of *habitus* by Bourdieu (1980/1990). Habitus constitutes “systems of durable, transposable dispositions... predisposed to function as... principles which generate and organize practices and representations... that can be collectively orchestrated without being the product of the organizing action of a conductor.” (p: 53)

In the literature on culture, a distinction is made between implicit and explicit culture. Hofstede (1980/2001) notes that culture manifests itself not only in values, but in more superficial ways, that is in heroes, rituals, and symbols. Heroes are persons, real or imaginary, alive or dead, who serve as role models for attributes prized in a culture. Rituals are technically unnecessary but they are considered socially essential; ways of greeting, for example, are part of rituals. Symbols, on the other hand, change often but they nevertheless carry complex meanings shared only by members of a culture. Turner (1990) defines early usage of the word symbol:

The word symbol originally meant a token of remembrance. A host would break an object in two and present one half to his guest who could use it to secure readmission to host's house in years to come, for himself or for his descendants, if the two halves of the token could be shown to fit together.

Current-day usage of the term is, obviously, much more encompassing. In a very simple definition, things and actions become symbols when they are not viewed in their instrumental sense. For example, in offices a large desk is a signifier of power. Schultz (1995) divides symbols into three categories: physical symbols, behavioral symbols, and verbal symbols. Physical symbols comprise architecture, members' physical placement, attire and logos. Verbal symbols are detected in myths, stories, jokes, metaphors, jokes, slogans and jargon. Finally, Schultz (1995) includes rituals and ceremonies under examples of behavioral symbols. This partly contradicts with Hofstede (1980/2001) for whom rituals are a deeper-level manifestation of culture in comparison to symbols.

The definition of value itself is another complex issue. An important distinction is the dichotomy between instrumental and terminal values (Rokeach, 1979). Briefly, instrumental values refer to desirable modes of behavior while terminal values define end states. For example, “behaving honestly or responsibly” is an instrumental value; “happiness” or “wisdom” is terminal. Expressed more in economic terminology, values may also be identified as instrumental versus immanent (Hechter, 1993). People can act on the basis of instrumental values to increase their resources for exchange (economic or social). Immanent values, on the other hand, are goods and ends desired purely for their own sake. Instrumental values are shared at the societal level; however, immanent values help us individualize ourselves against others.

There have also been many attempts to differentiate values from other widely-used notions. The theoretical isolation of values from norms in the aforementioned Parsonian approach, for example, is an important contribution that is still valid today. In this typology, values are defined to be neither situation-specific nor function-specific; rather they reflect general, abstract notions alluding to thought and action. In contrast, norms specify positive and negative behaviors in different situations. For example, a given society may value achievement as a desirable end; how to achieve or what to achieve is defined by norms. Traces of the Parsonian school are evident in now classic books such as *Understanding Human Values: Individual and Societal* (Rokeach, 1979). In this work, Rokeach represents both norms and values as normative orientations. However, they are differentiated on certain characteristics. Briefly, norms are obligatory demands or rules. Values exemplify criteria of desirability and refer to desires, likes, and pleasures as evidenced in dichotomies such as good versus bad, beautiful and ugly (Rezsóhazy, 2001).

Apart from its distinction from norms, values are also differentiated from other terminology such as attitudes and beliefs. Attitudes may be described as reflections of how one feels about a situation (Hofstede, 1998). Beliefs are specific and tied to a context and they are only applicable to range of situations and actors they refer to (Leung, Bond, and Reimel de Carresquel, 2002). While attitude and beliefs may change upon new information, values are rather resistant to change. Values may be seen as intervening between beliefs and attitudes. For example, a belief that TÜBİTAK (Türkiye Bilimsel ve Teknik Araştırma Kurumu) is the most prestigious research institution of Turkey may lead to a favorable attitude to TÜBİTAK by someone who values advanced knowledge. Leung et al. (2002) make a further distinction between values and social axioms. In this typology, social axioms are represented as statements about how the world functions, in the form of "A leads to B" while values are, as mentioned above, normative statements such as "A is good." In a study with twenty Dutch and Danish companies Hofstede et al. (1990) shows that "general beliefs" (or values) are different from "organizational practices." It is revealed that while variables such as nationality, education, age and seniority strongly affect the answers on questions dealing with values, such demographic influences are not evident for practices. Thus, Hofstede and coauthors here claim that organizational practices need to be understood from an industry or an occupational culture perspective rather than national culture alone. The authors suggest that even a simpler analysis of the relationship of work orientation (results- versus process-orientation) to basic organizational measures like centralization, specialization, and formalization may prove useful. In more detail, Rokeach asserts that (page 20):



A value system is an organized set of preferential standards that are used in making selections of objects and actions, resolving conflicts, invoking social sanctions, and coping with needs or claims for social and psychological defenses of choices made or proposed. Values are components in the guidance of anticipatory and goal-directed behavior but they are also backward looking in their frequent service to justify or "explain" past conduct.

A recent definition by Schwartz and Bilsky (1987) provides a multi-faceted summary of value (page 553):

A value is an individual's concept of a trans-situational goal (terminal versus instrumental) that expresses interests (individualistic, collectivistic, both) concerned with a motivational domain (enjoyment...power) and evaluated on a range of importance (very important to unimportant) as a guiding principle in his/her life.

Hofstede (1980/2001) also notes that a distinction should be made between values as the desired and values as the desirable. The former refers to what people actually desire and the latter to what people think they ought to desire. Hofstede is critical (1980/2001) of the tendency in most of the sociological and psychological literature to treat social desirability as measurement fallacy. The author argues that responses emerging out of social desirability should not be discarded as noise in data but instead be taken as implications for values as the desirable. While values as the desired correspond to more pragmatic issues and is a statistical norm indicating values actually held by the majority, values as the desirable relates to absolute norms and ideology. As such, a value as the desirable becomes significant in understanding implicit culture.

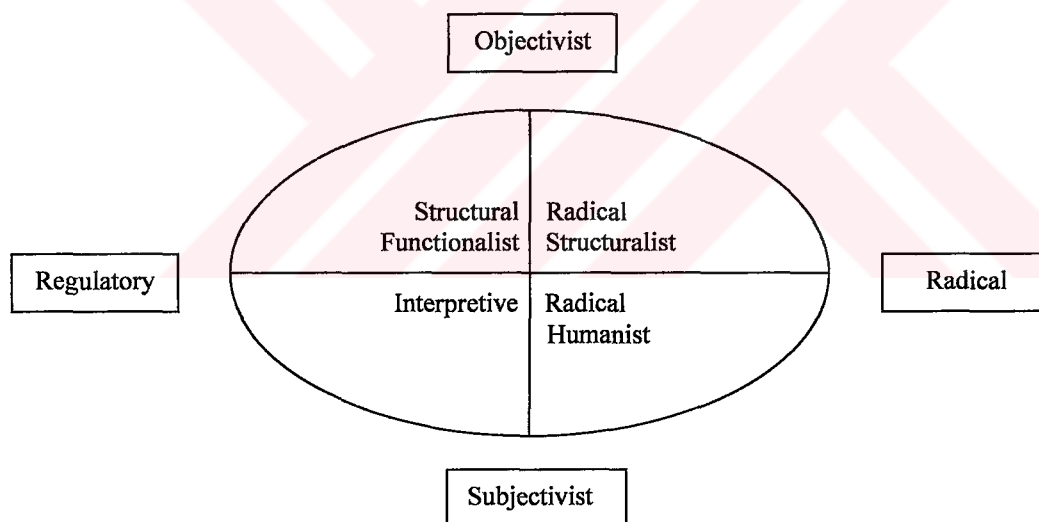
## 2.2. Perspectives on Culture

In summarizing ways to research organizations and organizational culture, Schein (1992) utilizes a six-category typology, based on two levels of researcher involvement, low to high, and a three levels of subject involvement, minimal, partial, and maximal. A low level of researcher involvement is attained more by quantitative methods whereas high levels are closer to qualitative techniques of inquiry. When both researcher involvement and subject involvement are minimal, for example, the study is measurement of distal variables such as demographics. When both are at the highest, on the other hand, the effort becomes a form of clinical research. Widely used techniques, questionnaires and scales, lie in between where both researcher involvement and subject involvement are partial.

The classic typology by Burrell and Morgan (1979/2001) is fundamental to understanding such classifications. Using two dimensions, labeled as objectivist versus subjectivist and radical versus regulatory, Burrell and Morgan have defined four broad paradigms in sociology in particular, and social science in general. Apart from being concerned with ontological questions, these classifications concern differences in practices. That is to say, concerns for what type of technique, tools, or methodology is needed to be formulated necessarily follows the mode of thinking one endorses. Briefly, objectivism treats phenomena as something “out there” in the world, external to the researcher, and suitable for distant observation and measurement. As such, culture may be treated as a real thing that can be studied using appropriate methods; within this positivist stance, culture is collapsed down to a collection of operationally defined regularities. Subjectivism, on the other hand, rejects the standpoint of the observer and asserts that social world is essentially

relativistic. That is to say, phenomena can only be understood from the viewpoint of the individuals who are directly involved in activities which are to be studied. The second dimension, regulation versus radical change, concerns how one views society. For those who think that society is an integrated structure of elements, understanding order and cohesiveness is essential. Answering the basic question why society tends to hold together rather than fall apart is the main concern for those theorists. Radical change, on the other hand, strives for the explanation of contradictions within society and the ways divergences act as sources of conflict. In relation, themes on domination proliferate in this paradigm.

Figure 2.1. Paradigms in social science (Burrell and Morgan, 1979/2001).



Moving on from these two dimensions, Burrell and Morgan have offered four paradigms (see Figure 1). Although a detailed discussion of this typology is not relevant to this research, the assumptions structural functionalist and interpretive paradigms define for studies on culture are presented here in an exemplary fashion.

From a structural functionalist perspective, culture is a fairly homogeneous, unified entity of normative systems. What sort of culture will prevail is determined by various components such as historical conditions, characteristics of group members, and immediate environment. As such, structural functionalism tends to illustrate various contingencies, which are labeled a host of names such as “power culture” or “role culture.” Furthermore, this line of research assumes that it is possible to distill and implement norms and values in order to overcome problems enduring in a certain group.

Yet, this is exactly where structural functionalism receives criticisms of being excessively preoccupied with social engineering. A recent example of such criticisms comes from Parker (2000) who believes that “managerial culturalism” has arisen mostly from the American way of thinking obsessed with what he calls “manager-heroes”, or “mental engineering” in general. Briefly, Parker divides trends in culture writing into two distinct domains, a managerial interest in cultural manipulation and an academic approach that is not primarily concerned with intervention. Following, in great part, the path of Barley and Kunda (1992), Parker argues that culture thesis is a new wave of managerial control, a new form of bureaucracy. “Culturalism is a reflection of the need to gain control while disguising it and hence being able to solicit the responsible autonomy of the workforce,” says Parker (2000:23), pointing to managerial efforts for creating a “false consciousness”, a make-believe of no control is being exercised in the organization. Partly in relation to this, disproportionate consideration spared for issues such as gender segregation, labor intensification, or anti-unionism is degraded.

It should be noted here that Chan and Clegg (2001) assert that the notion of “social engineering” is not specific to 20th century American management ideology. The

authors argue that in the 18th century “cultivation” was being transferred to human mind or character, the sense of tending of the natural growth of crops and plants being extended to the sense of a process of human development (ibid: 15). This transformation is explained by the spirit of Age of Enlightenment when social thinkers and philosophers fostered a social order (grounded in the power of “absolutist state”, or the ruling elites) of control, discipline, and surveillance of the “master-less” people. As such, this “revolutionary” period is considered to function as a precursor to the zeitgeist of “advancement and progress” of more recent times. Thus, the implications of structural functionalist school for practice may be rooted much deeper than Parker claims.

In opposition to structural functionalist tradition, interpretive line treats culture as ongoing social constructions, not a mere reflection of a stable structure. Schultz (1995) asserts that people act as active creators of their own reality and she also argues that people interpret and/or define each other’s actions instead of simply reacting to them. Social construction is equated with language and, therefore, emphasis is put on stories, slang, jargon, metaphors, or narration in general. Thus, the interpretivist paradigm underrates the strictly positivist attitude toward questionnaires and tools similar to these; instead, a distinctive concentration cultural experiences is fostered through qualitative analyses of life stories and texts.

The rise of the interpretivist paradigm is attributable to many interconnected factors of postmodernism (see Boje, Gephart, and Thatchenkery, 1996; Kilduff and Mehra, 1997). The limited and biased scope of the managerialist perspective (mentioned above) in explaining phenomena, a perceived decline in the utility of positivist measurement techniques, and relative increase in contributions from non-American sources. However, it would be unrealistic to equate interpretivism with a

paradigmatic “shift” in the field. Even if interpretivist paradigm’s existence strictly remarks an attitude “in opposition”, this has not shaken the field to the exclusion of the so-called modernist approaches. This is partially because proponents of interpretivism or symbolism are more united by what they already have than by what they seek (Turner, 1990).

The interpretivist line puts special emphasis on behavioral and verbal symbols in that deconstructing ceremonies, stories, or texts will reveal hidden, deeper values. For example, Watson (1997) argues that modernist language does not simply communicate thoughts but it also shapes our thoughts. The author shows how governmental bodies in the US use “language of bureaucracy”; for example, in official public discourse taxes become “revenue enhancements” or “user fees.” Watson argues that misuse of language in organizations, that is distortions of the meaning of a word and framing discussions of phenomena favorably for the organization are not merely reality constructing, but harshly reality-imposing.

Similarly, Mumby (1988) asserts that narratives incorporate a moral imperative, the plot of a story providing “a sense of a complete and fully articulated reality” (ibid: 110). The force of stories derives from the fact that the symbolic content can be told more than once to the same audience, strengthening the cultural distinction of the group or organization in question. Mumby (1988) deconstructs a story that has thrived in IBM and shows how this story is utilized in support of the dominant ideology in this organization. The story is about a female supervisor not authenticating the chairman of the board for entrance to a security area she was responsible from. The supervisor stops the chairman at the entrance since he did not wear the correct identification tag. Some men accompanying the chairman intervene into the situation confronting the supervisor’s attitude. However, the chairman raises

his hand for silence and one of his assistants immediately walks away to return with the appropriate badge.

According to Mumby, in the original article the moral or the message of this story is coined as “rules apply to all members of the corporation regardless of the place they occupy on the hierarchical ladder.” In deconstructing the story, Mumby directly challenges this conclusion and tries to reveal the contradictions the story conveys. Mumby thinks that the story would have little significance if the chairman were subject to corporate rules in the same way other employees are (page 120), pointing to the hidden saga-like quality in the story. In other words, while the chairman appears as an ordinary, humble person in the story, he is also presented as a heroic figure in the way he handles the situation. The story based fact that he does not talk, but just raises his hand is a signifier of the chairman’s power over people surrounding him. Mumby’s position is as follows (page 121):

The story tells us that position on the corporate ladder means little when it comes to following rules, but at the same time the reader/listener must appreciate the chairman as a highly charismatic figure who commands the respect of everyone.

Where does this paradigm diversity lead to? In an evaluation of functionalism and interpretivism, Schultz and Hatch (1996) note that these two approaches have been portrayed either in terms of incommensurability or integration. They offer paradigm interplay as a third alternative. The implication of paradigm interplay is that researcher recognizes contrasts and connections between paradigms, shifting between and then withdrawing an equal distance from paradigms. As such, interplay strategy insists on the preservation of intellectual tension while acknowledging

interdependence. Three types of interplay are defined for the study of culture, labeled generality-contextuality, clarity-ambiguity, and stability-instability. The generality-contextuality distinction refers to the predefined and emergent patterns of culture. As such, it acknowledges the interplay between shared meanings, or general framework of culture, and ongoing sensemaking that takes place in subcultures and specific contexts. Clarity-ambiguity refers to a discussion on the essence of culture. Functionalist perspective on culture looks out for consistent patterns in culture. Interpretivist perspective criticizes functionalist perspective for ignoring ambiguity in the concept of culture, or what remains unclear and disorderly. Schultz and Hatch (1996), on the other hand, argue that ambiguity and clarity can be recognized only as a position within each other. For example, clarity is achieved in moments, it is not a permanent condition and ambiguity helps researcher understand how long clarity lasts. Final dichotomy refers to stability-instability. The argument is that instability can be recognized only from a position of stability and vice versa. As with other dichotomies, interplay is seen superior to incommensurability and integration. The emphasis is reserved for the espoused simultaneous research of convergent and divergent processes of culture.

### **2.3. Challenges in Values Research**

Values research faces two fundamental challenges. The first derives from the question whether values concern universality of definitions across multiple contexts. The second challenge covers two dimensions which are to certain extent interrelated; a classification problem of value types and a question of transferability of findings at



different levels of analysis. These challenges are explained in detail in the following paragraphs.

The first challenge is that certain constructs might have totally different meanings in different settings. For example, in her work on upper-middle classes in France and the US, Lamont (1992) reveals how the term “social status” is configured differently in the two countries. For Americans in general, high level of income does not simply determine social rank; more than that, it is a powerful signal of moral status, an indicator of moral purity. The Puritan ethic equates high levels of morality with hard work; and hard work with monetary success. Being poor is degraded because it is a consequence of having not worked enough, or showing low moral purity. The French are less likely to envision a direct link between socioeconomic status based on income and moral status; in comparison to Americans, they are less likely to feel inferior to persons with wealth. In the French context, personal worth is not directly read from success; it is more than anything else a matter of intellectual background, or being “cultured” or “refined.” Emphasis on social class and occupational differences dominate this “aristocratic” view.

A significant part of fallacies in definitions of values has been attributed to researchers in certain regions of the world for being biased toward values fostered in their host cultures and consequently failing to tap cultural variation around the globe. In their article addressed to Academy of Management Review readers, Boyacıgiller and Adler (1991) subscribe to the position that theorizing has not been value-free and posit that the sociocultural context of the U.S. has major influence on how theories are developed. For example, American culture nurtures the belief that individuals can affect their circumstances and can determine their future. Some other cultures, however, put as much emphasis on factors such as God, fate, luck etc. as individuals’

free will. In environments like the American culture, greater value is attached to spoken words in communication and greater trust to written documentation in agreements. In so called high-context cultures, on the other hand, important part of the communication comes from the setting of the communication, facial expressions or even subtlety, or face-to-face personal agreement is valued over written legal documents.

Boyacıgiller and Adler (1991) argue that major journals in academic management flourished in a distinctly American context, in the post-World War II period. In this period, the value attached to scientific knowledge found its way into management research along with the hopes that such knowledge could provide the basis for improved managerial decision-making and better business performance. As researchers in the so-called periphery chose (perhaps unconsciously) to mimic or adopt issues American researchers have deemed significant (for example, theories on leadership) organization studies has increasingly become Americanized. The diffusion of management knowledge from U.S. to other regions of the world was, unquestionably, bolstered by American dominance in economic and political realms in this period. The belief that American managerial know-how preceded the United States economic success was not challenged until late 1970s when Japanese companies have started to gain significant competitive advantage over U.S. companies and claim dominance in the world markets. With the rise of the culture paradigm partially following Japanese success, the possible relationships among economic success, culture, macro- and micro-level institutional processes came to be pronounced and questioned much more frequently. However, Boyacıgiller and Adler (1991) argue that the American stream is still focused mainly on domestic issues (contextual parochialism) and bound to develop a more globally oriented agenda that

will consider alternative voices carefully. The authors argue that citations in major American journals denote, to a great extent, an affirmation of group memberships fostered through domestic networks more than they represent concerns for scientific rigor. In fact, Collin et al. (1996) show, in a great extent, that research networks has become a global phenomenon, but usually in favor U. S. researchers, as entry barriers and geographical incentive schemes promoted the segmentation of the scientific publications, in terms approach, data collection, and citations. Building their conclusive remarks on arguments outlined above, Boyacıgiller and Adler (1991) express the hope that academic journals, especially ones that have impact on the field, will include a diversity of articles. That is to say, conceptual and empirical pieces dealing with universally applicable theories, regiocentric theories, intercultural theories, and intracultural theories. In his article on types of cultural studies in psychology, Triandis (2000) discriminates between three main approaches, indigenous, cultural, and cross-cultural psychology, and assumes that the way researcher deals with culture will determine the way information is sampled. Although psychology certainly has its own specific methodological issues, especially when the unit of analysis is set at the individuals level, cultural and cross-cultural studies are not necessarily limited to this field and therefore the insight provided by Triandis (2000) may be reviewed with a general outlook, especially in light of discussions outlined above.

Indigenous psychologists who usually study their own culture focus on keywords or concepts prevalent in the culture and search for clues that make the culture unique. Studying and documenting one's own culture is called *emic* analysis while theory building through generalizations across cultures is called *etic* analysis. The terms come from notions used in linguistics, from phonemic analysis for documenting

meaningful sounds in any one language and phonetic analysis for developing a system for meaningful sounds in all languages. Cultural psychologists treat culture as an independent variable and may take either a distant, non-intrusive approach that is conventionally based on analysis of cross-sectional data obtained through surveys or carry out a cultural investigation in an ethnographical manner. More towards the *etic* analysis end is cross-cultural psychology that also treats culture as an independent variable; however, cross-cultural research differs from cultural psychology in the sense that it is centered on a comparison of multiple cultures usually through a collaboration of researchers from different cultures (nations or regions).

Each approach has certain advantages and disadvantages. Indigenous psychology allows the researcher to go deep into the roots of the culture thanks to his/her familiarity with local understandings and meanings. Perhaps the term “researcher” does not suit the indigenous psychologist since the definition of researcher implies a separation between the object and the subject. Knowledge created through indigenous psychology is also valuable in the sense that it bears the possibility of challenging universality claims fostered by general theories that enjoy taken-for-grantedness and escape tests of replication. A disadvantage of indigenous psychology, however, is that different observers may come up with different conclusions about a certain phenomenon in question, thus creating a pool of subjectivities which are all valuable in themselves but inconsistent or contradictory from a broader perspective. Additionally, the variety in methods and tools utilized in different cultural settings makes it difficult to standardize the data (or findings) and generate overarching theories.

Triandis (2000) claims that cultural psychology shares, to a large extent, the advantages of indigenous psychology. The difference between the two is that the

former is applied when the researcher is not a native member of the culture being studied. Although indigenous psychology too requires heavy study of cultural elements, cultural psychology is a distinct challenge in that it compels the researcher to assume the role of an outsider immersed in exploring a foreign culture. Yet, the cultural distance between the researcher and members of the culture being studied is practically never to be diminished. However, the issue of cultural distance is not necessarily limited to cultural psychology. Triandis (2000) argues that concepts, tools, questions, metaphors etc. used in conventional research does not readily convey the message intended by the researchers to the audience, or the respondents to use the familiar term, even when both groups are from the same culture. Usually, illiterate or unschooled samples are not familiar with the methods used by the researchers; for example, respondents who were not trained under a similar educational environment with the researcher may not easily understand the purpose behind a questionnaire. Therefore, an atypical (personal, informal, contextual) communication needs to be established between the researcher(s) and the culturally distant sample(s) to assume that conclusions derived are based on genuine answers to the questions intended.

The disadvantages of indigenous and cultural psychology may be turned into advantages when at least two researchers work in cohesion to integrate local expertise and benefits of an outsider look. Additionally, developing methods to transform qualitative data obtained through ethnographic research into standardized data is required before any quantitative comparison between findings from different sites can be made. An approach that approximates this ideal is cross-cultural psychology, a field that has become increasingly popular during the rise of the culture paradigm in the 1970s. Cross-cultural psychology delves heavily into

generating comparative knowledge with a dual aim of understanding both the universally applicable phenomenon (*etic*) and culture-specific aspects of sociocultural variables (*emic*). However, the major drawback, if not a constraint, of cross-cultural research originates from concerns about samples; that is to say, a difficulty in obtaining equivalent samples from several sites or reaching enough samples to realize tests for hypotheses regarding universality versus culture-specificity. It can be argued that number of researchers with capacity and wish to carry on (or contribute to) massive cross-cultural projects is more than agreeable; today, experts from different nationalities work in different parts of world's major higher education network. The difficulty with cross-cultural sampling lies not with the availability of human resources, but rather with financial concerns and budget constraints, especially for researchers in countries where resources allocated for academic work is comparatively limited. Still, some of the better measures used in psychology and organization studies have been developed by high-quality cross-cultural research and these measures excel in terms of reliability and validity. For example, measurement of sociocultural variables such as individualism-collectivism has been confronted as a special research issue by various researchers around the globe and it may be argued that cross-cultural research remains among the healthiest areas where discussions on theory and method are persistent.

The classification of value types is another significant issue that deserves attention, in part in relation to the issue of levels of analysis. Roe and Ester (1999) acknowledge that differences exist between general values, work values and work activities and that research on values should be sensitive to at least three levels of analysis, namely country, groups, and individuals. In a similar vein, Haller (2002) concludes that values can be categorized at different levels of generality and assumes

that values will be closely related to concrete situations and circumstances when level of observation is lowered. He offers three kinds of values; namely, universal values, societal values or value orientations, and situational value orientations and norms, guidelines, and prescriptions. Universal values are very basic human values that are known to any literate civilization, values like equality and freedom. These values exist in the objective sense being preserved in books and other written material. Societal values are valid in a specific context and held by certain groups or populations. Situational value orientations, on the other hand, refer to concrete application of values. For example, quota systems are action-oriented measures for overcoming gender inequality in specific situations.

Implications of these classifications have been verified empirically. In a study with Indian managers, for example, Chatterjee and Pearson (2000) investigated whether managerial values were directly linked to social perceptions. Since Indian culture is known to possess collectivistic orientations traditional power relations were expected to dominate the work environment. In a similar vein, seniority, status, stability and cohesion were expected to enjoy stronger importance. However, Chatterjee and Pearson reveal that Indian managers rank work quality as the most valued item. Following are organizational learning, personal integrity, interesting/creative work, role/task variety, teamwork, and customer service, most of which diverge from traditional notions. "The collectivism in the Indian context refers mostly to family and kinship groups. It does not extend to work organizations automatically" (page: 652) is the conclusion by these authors. Hofstede (1980/2001) discriminates organizational practices from values and shows that practices explain more variance at the organizational level while values are better predictors at the individual level. Organizational practices which refer to notions such as professionalism, employee-

versus job-orientation are shown to be meaningful in comparing organizational cultures and sub-cultures.





### **3. Universal Values**

While decades of research have shown that individuals and groups may be differentiated along several dimensions, the debate on universal values is not easy to terminate. In fact, the debate is now more profound as more and more research with untypical approaches or findings make it to academic publications. The mainstream literature on universal values may be compartmentalized in four indistinct areas: research on individual values, national values and socioeconomic change, managerial values and work values. This section describes and summarizes work in each of these areas. In the first part, a special attention is given to individualism-collectivism and achievement orientation, two constructs that have been widely utilized in most research on values. Next, two major works on socioeconomic change are presented. Third part covers the classic work on managerial values with a few additions from more recent studies. The section closes with work values, a topic that has many connections to all other categories just mentioned above.

#### **3.1. In Search of Value Dimensions**

The search for universal values has primarily been a concern of psychology but the management literature too hosts contributions in this topic. In fact, the two fields now share a common knowledge in organizational behavior and cross-cultural research. In psychology, early attention given to values research has usually been connected to theorizing on personality and human development; Maslow's hierarchy of needs theory (1954/1970) and Erikson's (1950) identification of eight stages of the

life cycle may be seen as the forerunners of conceptualizations on how values develop in relation to universalities of the human condition. Although these and similar theories have been challenged extensively theoretically and cross-culturally, ideas generated by these influential works still possess the potential to shape values research. In their review of eight cluster studies dealing with work and organizational values, for example, Ronen and Shenkar (1985) argue that scales administered in these studies are actually modifications of Maslow's list of categories.

Parsons and Shils (1951) were among the first to attempt a description of universal values from a social relations perspective. The authors maintain five dichotomous choice alternatives, or pattern variables as called in the original text, one is believed to decide upon before any situation will have a meaning. The dichotomies are named affectivity versus affective neutrality, self orientation versus collectivity orientation, universalism versus particularism, ascription versus achievement, and specificity versus diffuseness. These value orientations are explained at each level of the Parsonian theory of action; namely, the personality aspect, social system aspect, and cultural aspect. Affectivity versus affective neutrality represents the dilemma of gratification versus discipline; that is to say, it is a decision regarding if impulses pressing for gratification will be released or restrained. The dilemma of self orientation versus collectivity orientation appears when there is incongruence between private interests and collective goals. Universalism versus particularism, on the other hand, is a question of whether an object is to be treated in accordance with a generalized norm or a value standard; here, universalism represents adherence to such norms while particularism signifies differential treatment. The fourth value dichotomy, ascription versus achievement relates to the distinction between attributes and actions of an object of attention; for example, the preference between family

status versus capabilities or skills of a person falls under this category. Finally, specificity versus diffuseness is defined as actor's choice among various possible responses to the object. Diffuseness is a normative pattern which prescribes that in a given situation the orientation of an actor should contain no prior specification of interest.

In a recent attempt at describing the universal structure of human values, Schwartz and Bilsky (1987) build their theory on three types of basic human requirements, biological needs, interactional requirements for interpersonal coordination and societal demands for group welfare. Through socialization individuals are taught to use the culturally relevant terms to express these needs; for example, requirements for coordinating resource exchange may be transformed into values for equality and honesty. The contribution by Schwartz and Bilsky mirrors the conceptualization developed by Maslow in many aspects; however, the stepwise development from basic needs to higher needs such as self-actualization in the hierarchy of needs model is not present in Schwartz and Bilsky's model. Additionally, the hierarchy of needs model makes a Freudian assumption, though a hidden one, that the individual will face certain psychological problems if his/her passage from one level of needs to the other has not been completed or achieved in a full manner. In that sense, it may be argued that the model by Schwartz and Bilsky is not developmental.

Referring to the literature on needs, Schwartz and Bilsky define seven motivational domains of values. These are labeled enjoyment, security, achievement, self-direction, restrictive-conformity, prosocial, social power, and maturity. Enjoyment domain emphasizes the pleasure principle that every organism will strive for comfortable life and happiness. Security domain refers to individuals' need for physical and mental integrity, which also get reflected at the group level in values

such as family security or national security. Achievement is a basic need to develop and use skills and it is expressed in values such as competence and success and it is assumed that achievement may derive from all three universal requirements. While Schwartz and Bilsky acknowledge the fact that meaning of achievement may vary across cultures, they claim that all definitions of achievement are based on fundamental human motives of social recognition and admiration. Self-direction domain represents the human desire to rely on one's independent capacities for decision-making and action and it is reflected in values such as autonomy. Values in the restrictive-conformity domain are markers for social expectations and moral obligations and emphasize group harmony. Partially neighboring the restrictive-conformity domain, prosocial domain reflects active concern for the welfare of others and it is expressed in values as altruism and benevolence. Social power domain describes values such as status differentiation, need for dominance, and influence. Finally, maturity domain is defined as a collection of values individuals deem important to attain and protect.

In the study by Schwartz and Bilsky (1987), each motivational domain is operationalized using Rokeach's list of values. The theory is tested with respondents from Israel and Germany. First, results show that respondents distinguish values according to the theorized instrumental versus terminal values dichotomy (except for a single value, obedience, in the German sample), verifying Rokeach's approach. Second, seven theoretically derived motivational domains are replicated with a 96% percent overlap in the Israeli sample and an 86% overlap in the German sample. The dichotomous relationships between self-direction versus restrictive conformity and achievement versus prosocial are strongly confirmed while achievement versus security and enjoyment versus prosocial dimensions find less support due to

discrepancies in the two samples. These findings were replicated to a great extent in a cross-cultural study (Schwartz and Bilsky, 1990) with data from earlier samples (Germany and Israel) and from five other countries (Australia, Finland, Hong Kong, Spain, and the United States).

In another recent study, Fiske (1991) defines four elements of human relations which, by claim, integrate aspects of large number of social theories, Weberian, Piagetian, and Polanyian to name a few. These elements are labeled communal sharing, authority ranking, equality matching, and market pricing, and they are utilized to describe various features of social thought, emotions, and moral judgment. The essence of communal sharing is building relationships based on duties and sentiments leading to generosity among people of the same kin or kind. In communal sharing individualities become undifferentiated under the superordinate needs of the group; what gets emphasized instead are the notions of solidarity, unity, belonging and identification with collectivity. Authority ranking defines asymmetrical relationship of inequality; people in such a relationship perceive each other as differing in importance or status. Those in higher rank control more people and resources and followers expect protection and support in exchange for their loyalty and obedience. People in the equality matching relationship, on the other hand, value individuals' rights, duties, or actions as distinct, but also conceive these as balancing each other. Equality matching is based on reciprocity and, in a sense, it is a form of turn taking where it does not matter who gets or gives which share and when. In conflict, on the other hand, this relationship takes the form of eye-for-an-eye retaliation. In a market pricing relationship, the last of the four elements, actions, services, and products are valued according to the rates at which they can be exchanged for others. As such, market pricing is used to denote abstract, rational

principles based on a utilitarian criterion of greatest good for the greatest number. Fiske notes that people engaging in market pricing are not necessarily individualistic, selfish, materialistic or competitive, as implied elsewhere in the literature. For example, a person may seek a high benefit to cost ratio without trying to outdo others or may compare expected return of alternative courses of action without taking into account whether he does better or worse than others. Fiske also remarks that it is rare to find a pure interaction type, governed by only one of the four elements. Personal relationships, social roles, organizations and institutions, and societies are all regulated by combinations and composites of these elements; furthermore, at times a specific behavior may become overdetermined by restrictions imposed by all four elements.

While the idea of universality of values is not new for the management literature, two studies (Hofstede, 1980/2001; Trompenaars and Hampden-Turner, 1998) stand out for the iconic status they are bestowed with in academic circles and popular writing alike. Morden (1999) divides popular management studies on culture into three categories; single dimension models, multiple dimension studies, and historical-social models. Among single dimension studies, the well-known distinction between high versus low context cultures (Hall, 1976) and between low versus high trust cultures (Fukuyama, 1995/2000) are listed. Historical-social models, on the other hand, are studies delineating upon relationships among values, religious and social ideals, institutional development, and modernization. Morden (1999) lists Hofstede (1980/2001) and Trompenaars and Hampden-Turner (1998) under multiple dimension models for the reason that these studies employ more than one dimension in describing values and classifying cultures. More meticulous look at Hofstede (1980/2001) study, however, reveals that the author is trying to justify the

universality of the dimensions emerging in the study by referencing to their social and historical roots; therefore, the Hofstede study may be considered as a historical-social model, much so in comparison to Trompenaars' work.

The Hofstede (1980/2001) study is based on a large project into differences among matched samples of IBM employees in more than 50 countries. Together with follow-up studies on other samples, the work has identified five dimensions; power distance, uncertainty avoidance, individualism versus collectivism, masculinity versus femininity, and long-term versus short-term orientation. The basic issue involved in power distance is human inequality. Hofstede argues that inequality in society, being one of the oldest concerns of human thinking from Homer to the French Revolution, can occur in physical and mental characteristics, social status, wealth and prestige, and laws and rights. Here, Hofstede quotes cases such as the old caste system in India, nobility and serfdom in feudal Europe, and Marxian analysis of classes in modern societies. In reference to earlier work in the literature, Hofstede presents various hypotheses related to power distance. It is basically assumed that mere exercise of power will give satisfaction, and that the more powerful ones will try to maintain and increase the distance while less powerful ones will try to reduce it. It is also argued that strongest tendency for power distance reduction will be seen when power striving is partly satisfied. In definition, on the other hand, power distance is presented as follows:

Power distance between a boss B and a subordinate S in a hierarchy is the difference between the extent to which B can determine the behavior of S and the extent to which S can determine the behavior of B.

In the Hofstede (1980/2001) study, country scores of power distance are measured as means of individuals' mean scores over three items; as such, the findings suggest that Malaysia is the country to rank highest and Austria to rank the lowest. What is more intriguing, however, is the analysis of the effect of occupation and education on power distance. Very briefly, it is revealed that more authoritarian values are observed for less-educated, lower status employees regardless of country of origin and also for respondents in high power distance countries regardless of education. Low power distance scores occur only for highly educated occupations in small power distance countries. For example, India scores high on power distance and this is true for Indian respondents from all occupational categories. Great Britain, on the other hand, scores low on power distance but this is only true for high-status engineers; clerks and unskilled plant workers score medium to high on power distance. Thus, it may be concluded that power distance may exist in two different modes; as a family background differentiation as in India and under an expertise-based class formation as in Great Britain.

The second concept, uncertainty avoidance, tackles the question of what type of responses cultures have developed against the pressure inherent in an uncertain future. Hofstede argues that extreme uncertainty creates anxiety and that cultures have devised three main tools, namely, technology, law, and religion, to cope with it. Here, it is strictly emphasized that uncertainty avoidance is not the same thing as risk avoidance; while risk is focused on an event such as dangers of driving a car uncertainty is taken as something more diffuse. As such, it is assumed that people may be ready to accept familiar risks even under uncertainty avoidance; people in cultures with weaker uncertainty avoidance, on the other hand, may be ready to accept unfamiliar risks as well. According to findings, the correlation between power



distance and uncertainty avoidance remains low on a worldwide level; yet, it is suggested that the effects of power distance and uncertainty avoidance differences are difficult to separate in European samples where the two are positively associated. Additionally, it is found that uncertainty avoidance has no relationship to occupational differences, unlike power distance. In relation to other general values, on the other hand, high levels of uncertainty avoidance appear to be related to low trust and values fostering harmony.

The third factor is individualism-collectivism. Conventionally, the interdependence of the collectivist is contrasted with the independent self-concept of the individualist. In terms of social behavior, the collectivist is assumed to be driven by duty and obligations in contrast to the individualist who is motivated more by internalized attitudes. Collectivists focus on hierarchy and status, want to be with close others and do not hesitate to change self according to context more than the individualists do. On the other hand, individualists are more inclined to value privacy, freedom, and self-sufficiency in comparison to the collectivists. According to Hofstede, individualism-collectivism is associated with value dichotomies such as universalism versus particularism, guilt versus shame, and typologies such as low- versus high-context cultures (Hall, 1976). Among the four original dimensions individualism-collectivism (I/C) is probably the most frequently utilized and debated one. It is not surprising to see books devoted to this single subject in the line of, for example, Kim et al. (1994) or Triandis (1995). I/C has been identified as one of the major themes in the cross-cultural values research (Kağıtçıbaşı and Berry, 1989) and it was shown to be the only universal value dimension with noteworthy replication in significant occasions in different nations (Smith, Dugan, and Trompenaars, 1996). Additionally, Schwartz and Bilsky (1987) acknowledged that their acclaimed model of

motivational domains might be organized into a map of dichotomies, on a main axis of individualism-collectivism. While, of course, the predictive ability of a single construct to represent global diversity may be questioned, individualism-collectivism remains stronger than other dimensions such as uncertainty avoidance which find less support to qualify for a cross-cultural standing, empirically or in terms of attention devoted by researchers.

Oyserman, Coon, and Kemmelmeier (2002) noted that the notion of individualism versus collectivism has long existed in the Western thought. According to authors, Durkheim's distinction between organic versus mechanic solidarity or Tönnies' conceptualization of *gemeinschaft* versus *gesellschaft* are early examples. More recently, collectivism has been defined as "the subordination of individual goals to the goals of a collective, a sense of harmony, interdependence and concern for others" (Hui and Triandis, 1986; pp. 244-245). I/C has been linked to many behavioral and organizational measurements such cooperative and competitive behavior in group negotiations (Gelfand and Realo, 1999), empowerment (Robert et al., 2000) or decision styles (Ali and Taqi, 1997) and enjoyed significant presence in applied psychology and organizational behavior. At the theoretical level, however, the construct has been challenged and received modifications. Numerous works (Kağıtçıbaşı, 1994; İmamoğlu, 1998; Markus and Kitayama, 1991; Sinha et al., 2001) focus on the plausible explanation that these two dimensions may be independently construed at the individual level. Triandis (1995) has tried to redefine individualism-collectivism using a multidimensional model where individualism-collectivism was juxtaposed with another continuum, persistence of vertical versus horizontal relationships in society. Simply, this model suggests four basic categories, vertical individualism (VI), horizontal individualism (HI), vertical collectivism (VC),

and horizontal collectivism (HC). By definition, a vertical individualist is concerned with comparisons with others, being the best, and being distinguished. Horizontal individualists, too, are concerned with being unique but they do not necessarily compare themselves with others or aspire for getting distinguished. In vertical collectivism hierarchy is emphasized and those low in the hierarchy are expected to be willing to sacrifice their needs for the in-group in most circumstances. While horizontal collectivists accord with prevalent norms as vertical collectivists they do not feel superior or inferior to the group.

Basically, Triandis' conceptualization does not offer an original theme as it resembles, to a great extent, a combination of two Hofstede dimensions, individualism-collectivism and power distance. Also, it can be argued that definitions of VI, HI, VC, and HC orientations are nothing but reflections of available constructs such as achievement orientation, egalitarianism, paternalism, and sociability, though stated in a different manner. Yet, a new version of this multidimensional model offers a practical measurement method with insight into problems inherent in Likert-type scales, such as unfamiliarity of unschooled respondents with multi-item questionnaires. Triandis, Chen, and Chan (1998) devised scenarios to measure VI, HI, VC, and HC orientations. In this technique, respondents are asked to read sixteen short stories depicting daily situations such as paying the bill at a restaurant and decision-making situations on intellectual, aesthetic and political issues. Each scenario has four answers that separately reflect one of the four orientations and, for every scenario; respondents are asked to pick their first and second preferences from the four options available. Later, frequencies for VI, HI, VC, and HC answers are calculated for respondents individually and/or at the group level. Triandis et al. utilized this method in a sample of students in Illinois and Hong Kong and showed

that HI orientation was most frequent in the former sample, followed by HC, VI, and VC answers. In the Hong Kong sample, the order was HC, HI, VI, and VC. Percentages were similar in each category except for least important aspect that came out to be VC orientation in both samples and horizontal themes were prioritized over vertical answers. The authors concluded that crucial difference was in the relative importance of two horizontal constructs in two cultures.

In a comparison of two countries known to possess individualistic characteristics, Denmark and the United States, Nelson and Shavitt (2002) utilized Triandis' model and part of the model developed by Schwartz, self-enhancement and self-transcendence aspects specifically, for extended analyses. Findings in the first phase of the study suggested that vertical aspects were emphasized to a greater extent in the U. S. than the Danish sample with no significant difference in horizontal aspects. More specifically, VI was found to stand out as a discriminating aspect. In an effort to explain these differences, authors referred to historical and contextual factors in these countries. For the United States, the frontier spirit and equal opportunity reflected in tax system and resource allocation are deemed exemplary. In the Danish case, on the other hand, an unwritten social modesty code, the Jante Law, and high taxes are mentioned as evidence to desire and preference for equality established within a welfare system. In the following phase of the study the researchers were able to show that self-enhancement was correlated positively with VI and negatively with HC and VC and that self-transcendence was correlated positively with HC and negatively with VI. While no gender differences were found for achievement values, women tended to rate HC values higher and VI aspect lower than men do. In the final analysis, authors concluded in favor the significance of the horizontal versus vertical

distinction within individualism-collectivism as it proved useful, although not completely, for discriminating variances at the group or individual level.

In their analysis of 15 empirical studies that compared two countries in opposite ends of this dimension, Japan on the collectivist end and U. S. on the individualistic end, Takano and Osaka (1999) conclude that the common definition of individualism-collectivism is not fully demonstrated in 14 of these studies. According to the authors, the only study that verifies the assumed difference between Japan and U. S. is the original Hofstede (1980/2001) study where the dimension was first developed. However, the authors criticize the findings by Hofstede arguing that that individualism-collectivism is a misnomer. Providing the list of items loading on the individualism-collectivism factor, Takano and Osaka (1999) argue that questions with high positive loadings relate to personal satisfaction concerning occupation (rather than individualism) and they question the presumed association of the item on good physical conditions (ventilation, lighting) to a global construct like individualism-collectivism. Consequently, the authors offer the label “personal satisfaction versus workplace satisfaction in occupation” for this factor reminding that the original study was, in fact, designed to reveal work-related values not macro-level dimensions. The authors briefly mention two alternatives, a “student specificity hypothesis” that younger Japanese are as individualistic as American college students whereas Japanese adults are more collectivistic than American adults and a “dispositional change hypothesis” that younger Japanese have become increasingly more individualistic. While both of these hypotheses are attached a degree of plausibility, the authors’ inclination is to integrate these hypotheses into their “situational explanation” regarding why Japan has conventionally been categorized as a collectivistic society. The authors argue that Westernized idea of the Japanese

culture have been predominantly developed between the formation of Meiji government in 1868 and the Japanese defeat in the Pacific War in 1945, a period when the Japanese were acting in a collectivistic manner, especially in political and economic realms, primarily as a response to outside threats.

A fourth concept, masculinity versus femininity, derives from dominant gender roles; these roles equate males with ego motives such as assertiveness, challenge, and recognition and females with social motives such as nurturance and care. Hofstede reminds that these roles do not refer to fundamental traits but only to learned styles of interpersonal interactions perceived to be socially appropriate in most contexts. Among sampled countries, Japan scores top in masculinity followed by German-speaking countries; the extreme feminine pole is occupied by Nordic countries. This dimension differentiates well between occupations; that is to say, some occupations are perceived more feminine or masculine in comparison to other job categories. Another interesting note is the finding that males show a higher variety in masculinity scores in comparison to females; this partly derives from the fact that differences between males and females are much more accentuated in high masculinity scoring countries. However, it is also shown that the gap between the two genders tends to become smaller in higher age groups, all becoming less ego oriented.

The final dimension, long-term orientation, does not originate from the early IBM studies. The inclusion of long-term orientation owes to an analysis of relationships between original Hofstede dimensions and the findings for the Chinese Culture Connection (1987), the study known for its attempt at creating a values survey in challenge to possible biases of the dominant literature published in the West. Three dimensions are common to both studies; values regarding juniors/seniors (power

distance or moral discipline), values regarding the group (individualism-collectivism or integration), and values regarding gender roles (masculinity-femininity or human-heartedness). However, the Chinese survey offers a new dimension which is unrelated to any of these or the remaining Hofstede dimension, uncertainty avoidance. Hofstede names this fifth dimension long-term orientation (instead of the original label, Confucian dynamism) which is composed of values for perseverance, thrift, sense of shame at the long-term orientation end.

The work by Trompenaars and Hampden-Turner (1998) currently boasts a database of over 30,000 participants. The authors have developed their seven-dimensional typology upon three universal problems; relationships with other people, passage of time, and perceptions of the environment. The first five dimensions derive from the first problematic and they collectively compose an extension of the ideas by Parsons and Shils (1951); these dimensions are labeled universalism versus particularism, individualism versus communitarianism, objectivity versus emotionality, specificity versus diffuseness, and achievement versus ascription. Among the two remaining dimensions, attitudes to time concern emphasis on past versus future accomplishments; here the classism of the French is contrasted with performance emphasis of the Americans. The final dimension concerns attitudes to the environment; the basic question dealt with here is their dilemma between prioritization of intervention versus the power of the environment. These two dimensions, on the other hand, are reminiscent of an earlier work by Kluckhohn and Strodtbeck (1961) where five value orientations are distinguished; human nature (good versus bad), human position toward nature (subjugation versus mastery), time (past versus future), activity (being versus doing), and relational (linearity versus individualism).

Among these seven dimensions the final one deserves further explanation as it is comparatively less speculated upon. The authors contrast this dimension with internal versus external locus of control developed by Rotter (1966) and argue that the belief that one can have control or mastery over environmental conditions by imposing will is an equivalent of internal locus of control. Such arguments are supported by various examples; observed high levels of internal locus of control in American samples are taken to reflect the psyche entrenched in a history of turning wilderness into a new nation. The notion of mastery over environment is argued to lie also behind the Renaissance ideal of deciphering laws of universe and preoccupation with measurement and quantification in modern sciences. At first glance, the opposite of mastery and will appear to exclude achievement and competition; however, the authors emphasize that other-directedness in other cultures such as Japan does not necessarily negate rivalry. For example, the Eastern sports are highlighted for their strategy of turning opponent power or technique into an effective competitive force, in contrast to a more inner-directed motive of zero-sum game.

The notion of achievement is another construct that has attracted significant attention in the universal values literature. Achievement has been implied in almost all Weberian-type analyses; however, it has been highlighted with the publishing of *The Achieving Society* by McClelland (1961). In this book, McClelland has tried to show the relationship between entrepreneurship and economic growth departing from a psychological theory of motivation. Through experimentation (based on story writing and picture drawing) McClelland shows that people will show more references to standards of excellence and to doing well when the condition contains stimuli arousing themes of leadership or intelligence (versus a control group). However, if



someone is consistently using achievement-related ideas even when the condition does not necessarily elicit an achievement then this person is taken to be someone with a concern or need for achievement. In that sense, McClelland argues that need for achievement is a function of one's personal standards rather than his/her behavior under criteria triggered extrinsically. In explaining where personal standards of excellence may derive from McClelland refers to socialization in families noting that mothers of the sons with high achievement motivation were found to set higher standards for their sons and expect them to be self-reliant at an earlier age. McClelland uses such social psychological evidence to support the Weberian conclusion that Protestantism fostered the spirit of modern capitalism. The claim is that ethical position of Protestantism not simply asked individuals to be orderly or rigid but it rather desired continued striving to do one's best and improve one's self. Thus, McClelland assumes that Protestantism nurtured child-rearing practices valuing high achievement motivation that lies, presumably, at the heart of modern capitalism.

Following McClelland, achievement motivation has typically been defined in connection with individualism and notions such as independence (of the individual from family or close ties), internal locus of control (belief that one can determine his/her course of life), and self-enhancement (striving for a maximization of individual returns). However, this definition has been criticized of being culturally biased (that is, reflecting so-called Western ideals) and overemphasized. In their review of value hierarchies across cultures, Schwartz and Bardi (2001) show that achievement values are attributed moderate importance pan-culturally; in this hierarchy, benevolence remains persistently the top important value. Benevolence is a value orientation toward positive, cooperative relations, helpfulness and honesty

and, as such, seems to reflect one of the basic, universal requirements of human existence. Phalet and Schönflug (2001) argue that social survival value of achievement values is not clear since what levels of self-enhancement will foster or destroy group life is ambiguous.

Alternative conceptualizations of achievement values originating from cross-cultural research have recently been available. In contradiction to a position that portrays achievement values alongside individualism, it has been asserted that in socio-cultural contexts where community obligations and in-group are prioritized individual achievement may, in fact, support the adaptive process between individuals and the collectivity. In a sample of Anglo-Australians and Sri Lankans Niles (1998) revealed that both achievement goals (that people commonly desire in life) and achievement means (important ways in which one gets what one wants in life) can be oriented toward the group as well as the individual. In the pilot study of the project, participants from representative samples in both countries were asked to nominate at least ten achievement goals and achievement means to minimize cultural bias in questionnaire design. Repeated factor analyses of items in the finalized version of the questionnaire revealed four types of achievement goals; family life and responsibility, material/financial prosperity, personal fulfillment, and personal development (which explaining 44.7% of the total variance). Family life and responsibility is a collectivism oriented factor while the remaining three factors concern individualistic goals. Interestingly, however, the single difference between the Australian and Sri Lankan participants was found in the first factor, family life and responsibility where Sri Lankans scored significantly higher than Australians.

In a study where managers and MBA students from India and Canada were compared on sociocultural environment, work culture and human resource

management (HRM) practices, Aycan, Kanungo, and Sinha (1999) report that Indian respondents were found to score higher than Canadian respondents on the self-reliance dimension (a reflection of individualism). Given the collectivistic character of the Indian society, this finding is accepted as highly controversial. However, the authors argue that self-reliance might have a considerably different meaning in collectivistic societies that are presumably characterized by poverty and resource scarcity. Where the resources are scarce being self-sufficient is especially important, almost an obligation, so as to guarantee that members of the in-group are not pulled into extra burden. It should be noted here that the hypothesized relationship between collectivism and poverty is not fully validated in theory. Therefore, a modified hypothesis that solidarity and in-group obligations may lose their significance in contexts where individuals have better access to/access to better social opportunities and welfare arrangements seems more plausible. Such findings suggest that the interplay between cultural and institutional aspects of a given society needs careful attention before any conclusions are derived.

### **3.2. Values and Socioeconomic Change**

The interplay between institutional and cultural factors has long been acknowledged in modernization theories that deal with value change and rest upon input from anthropology, sociology, social psychology, and political science. Spates (1983) argues that this stream has been remarkable in the United States where research on societal changes are traditionally believed to provide fertile ground for developing key governmental policies and social projects. However, it should be noted that the

background of earlier theories on value change has at times been criticized for their naïve realism or ethnocentrism. These criticisms typically pinpoint that value change has conventionally been operationalized under a limited and biased definition of modernization.

A major effort on understanding how values change is a series of work by Inkeles and colleagues (Inkeles and Smith, 1974/1999; Inkeles, 1997). In *Becoming Modern*, a landmark book by Inkeles and Smith (1974/1999), the authors have tried to outline the causes and dynamics of individual modernity using evidence from six developing countries. In this work, a distinction is made between modernity of institutions and modernity as a state of mind. It is noted here that certain nations have been pulled into the contemporary era thanks to their more modern institutions; however, the authors emphasize that modernity as a state of mind surpasses mere existence of these institutions. In looking for an answer to how modernity should be defined, the authors claim that such a definition cannot be purely value-free but they also express their concern that Western standards of value should not be imposed upon developing nations.

Additionally, recognizing that boundaries of social and cultural systems are hard to define, the authors turn to the notion of factory as an institution which they claim to have no nationality. This claim is justified on the ground that factory is the symbol of industrialization, the essential element of modernization. Personal qualities that are assumed to define modern men are defined as follows: openness to new experience, readiness for social change, awareness of and flexibility toward different opinion and attitudes, need for acquiring information, future orientation, efficacy or confidence in one's ability to organize personal life, belief in long-term planning, calculability or trust, valuing of technical skill, educational and occupational aspirations, respect for

dignity of others, and understanding production. In the study, these value orientations are measured in a mixed sample of industrial workers, non-industrial workers, rural farm workers and other comparison groups controlling for variables such as level of urbanization in locations for factories, individual work experience, and place of origin. Findings from six countries in the study, Argentina, Chile, East Pakistan, India, Israel, and Nigeria, suggest that modernity increases most with increased formal education, exposure to mass media and occupational experience; the contributions of family environment and school modernity are found to be inconsistent. While education possesses, on the average, the highest weight in strengthening modernity, it comes close to being replaced by mass media exposure for those with a rural origin. In China, Nigeria, and East Pakistan, on the other hand, respondents' modernity scores seem to be explained as much strongly by occupational experience which is defined as familiarity with large-scale bureaucratic enterprises such as the factory, as education itself. Overall, the effect of factory experience is much more striking for those with no or lower education.

Among more recent studies devoted to the relationship between value orientations and economic and sociopolitical change Inglehart's collection of writings titled *Culture Shift in Advanced Industrial Society* is among the frequently cited ones. The significance of this work derives from the fact that Inglehart has been collecting data from various countries around the world in a coherent manner under a collaborative project named World Values Survey. In the project, Inglehart tries show how societies undergo change. Changes sometimes emerge in a rather drastic manner, following a crisis, say a trauma such as war, significant economic depression or natural disaster; some others come by a comparably slower process, with minor, but deep-ingrained alterations from generation to generation. Inglehart is concerned with

the latter assuming that individuals and, in relation, societies pass through certain stages parallel to economic growth and changes in technological factors. To explain how this path is shaped, Inglehart deals with religious values, gender roles and indexes of materialism versus post-materialism and left versus right materialist value orientations. According to Inglehart (1990), materialism is an economic orientation to life giving precedence to worldly possessions over values such as freedom, civil power, aesthetics, and friendship and he assumes that economic development will foster the rise of post-materialist values.

Here, Scarbrough (1998) argues that post-materialist theory is mainly built on Maslow's famous hierarchy of needs model. The model is built on two other fundamental premises. First, scarcity hypothesis is that one would place greatest subjective value on those things that are in relatively short supply. On the other hand, in socialization hypothesis it is stipulated that one's basic values would reflect the conditions that prevailed during one's pre-adult years. Part of the hypotheses concerning development and value change has been verified in the original and follow-up studies. Variance of inflation rate in sampled countries, for example, is shown to account for about 65% of the variance in materialism-postmaterialism index, a finding that convincingly supports the idea that economic conditions affect people's desires and value systems.

However, Inglehart's typology did not escape criticisms of being over simplified and ill-stated. Haller (2002), for example, provides a detailed critique of post-materialism theory. First, he argues that relevance of material goods and services have increased in the so-called 'consumer' society contrary to the hypothesis regarding change from materialist to post-materialist values. Second, he argues that value change is not a simple phenomenon to be explained in a linear-historical fashion; even if so, the

alternative causal route from values to economic change, as in Weberian theory, should also be plausible. Additionally, it is argued that traditionality or religiosity cannot directly be connected with level of development as there are examples of traditional and secular societies both in the developed and developing countries. Rise of popular religions in certain group of developed countries is a stark example. Finally, it is suggested that survey methodology needs to be supported with interpretations of official documentations such as government programs or constitutional texts before conclusive remarks are made on a global issue like national values.

In summary, then, postmaterialism thesis is criticized of being static, insensitive to contextual factors and over-ambitious in terms of methodological underpinnings. Such criticisms are not unique to Haller or specific to Inglehart. Various conceptual and empirical works were devoted to improvements in methods or refinements in conceptualizations. Part of these efforts was able to show that work values are embedded in social institutions and that national or regional differences are not necessarily cultural. In a critical review, Child (1981) notes that definition of boundaries of a cultural unit and identification of cultural variables are problematic in most studies and suggests that cultural explanations need to be complemented by other perspectives that consist of analyses on ownership of the means to production, technological complexity, and political situation in a given case. For example, long-term planning or decentralization in a given country may have been discouraged by uncertain political situation or governmental controls over import of raw materials.

### 3.3. Management Styles and Ideologies

Although values research stream has since long identified managerial values as one of its topics, studies on managers have typically occupied a distinct place in the literature. One reason is the specificity of the managerial role, that its function is strictly tied to organizational contexts. Another reason is that managerial values cannot always be isolated from the ideas and practices fostered, coercively or normatively, by the state, governing institutions, or other similarly influential actors. When this political economy perspective is attained, the purpose extends naturally into an analysis of management ideology prevalent in a given national context.

The current section covers three overlapping themes: the effect of values on organizational practices, country comparisons on management styles, and a brief discussion of cultural determinism. It should be noted that the number of published work on managerial values is now numerous. Works such as McClelland (1961) have already been introduced in the earlier chapters. This section outlines other exemplary works not mentioned elsewhere in the paper. The issue of management ideologies, on the other hand, covers various topics in sociology and business history, such as industrial relations, class formation, and diffusion of management knowledge. While these are beyond the scope of this study, recent major works are presented in order to provide insight into possible contextual factors that shape, foster or limit managerial practices.

In a conceptual piece, Hambrick and Brandon (1988) discuss how executive values link to managerial actions. Launching from earlier studies including Hofstede (1980/2001), the authors define six value dimensions and five domains of



organizational actions and possible associations among these. The value dimensions selected are collectivism, rationality, novelty, materialism, power, and sense of duty, illustrated in relation to strategy, structure, decision processes, rewards, and personnel policies. Collectivism is argued to foster a flat structure, a reward scheme tied to overall firm performance, and a policy of lifetime employment. Duty is expected to relate to long-term vertical relationships between suppliers and customers, well developed audit systems and long tenures. Rationality is defined as a precursor to a highly formalized structure, a highly formalized pay system, and a routinized personnel practice immersed in selection and evaluation. Novelty, on the other hand, is associated with frequent reorganizations, decision-making outside formal channels and large incentives for innovation. Materialism is assumed to lead to small staffs, extraordinary executive pays, and opportunistic hiring and firing. Finally, power motive is expected to lead to centralized structure, tight control, and subjective criteria for awarding.

The early empirical work by Haire, Ghiselli, and Porter (1966) has provided insight into the effect of values on managerial practices. This large project conducted with 3,641 managers from 14 countries focuses on three main themes: leadership, concept of manager's role, and motivation. The authors treat managerial values with importance as they argue that assumptions and beliefs of managers are likely to determine how organizations are operated. The claim is that "(t)he crucial point is not what abilities and traits the employees actually have, but rather what their capabilities are as seen by their immediate and higher-level superiors" (page 17). Interestingly, however, findings have revealed that managers have low opinion of the capabilities of the average person but that they endorse democratic-type supervision. The authors argue that managers are giving lip service to ideas popularized by

consultancies and that they are trying to decrease opposing forces from within by valuing newly emerging practices. Among managerial roles listed for analysis, on the other hand, directing is found to have a more positive value and much greater prestige than persuading. This partly stems from the fact that these two functions are defined quite differently in different regions. Managers in Germany, for example, are found to separate these two roles. The authors suggest that this is a reflection of emphasis given to authority in German management. In terms of managerial motivations which are defined within the Maslowian tradition, self-actualization and autonomy needs are found to be most important. These motivations, however, are the least satisfied at the same time and they are comparatively more salient in developing countries. It is suggested that low satisfaction levels observed for managers in developing countries is the result of higher expectations bred in low resource environments. In their final evaluation, Haire, Ghiselli, and Porter (1966) has grouped countries included in their study into five distinct clusters: Nordic, Latin European, Anglo-American, developing countries (in this case, Argentina, Chile, and India), and Japan as a unique case.

In a compilation of research from various countries (Boddewyn, 1971), the characteristics of industrial managers in Western versus Eastern Europe were compared. These studies deal mainly with managers' values, expectations, and problems in partial relation to contextual factor in each country. Education system, political system, and regional differences in economic development may be listed among these contextual factors. For example, the role of familism is emphasized for Spain (Linz and de Miguel, 1971). It is argued, however, that familism is more marked in smaller, traditional family businesses which are found to be more common in semi-industrialized regions of the country. The role of higher education in

facilitating access to top positions appears to be important in Portugal (Makler, 1971), Belgium (Beckers and Frere, 1971), and especially France (Monjardet, 1971; Savage, 1971).

In France, formal ties between public service and industry and the role of prestigious schools named *grandes écoles* are crucial. Rojot (1993) notes that the system of elite formation is more institutionalized in France than in most other countries. A selective number of graduates of these elite schools are given access to top enterprises of the state which, depending on an established tenure, later permits shift to the private sector. Rojot (1993) ties the emergence of the French notion of managerial elites back to 1920s when engineering was rising as a profession: "with the growing influence of Taylorism, many engineers came to believe that they were the sole owners of technical knowledge" (p: 70). These technocrats has been so powerful in the French corporatist model that they were allowed specific retirement plans in 1960s which inevitably accelerated the class formation. Granick (1971) blames this formation for its negative consequences, namely a managerial weakness responsible from low productivity in the period following World War II. The argument is that in France middle and lower-level management has not been as aggressive as top management because careers have been heavily predetermined.

In a study with 817 managers from nine European countries and the US, Laurent (1983) has utilized four organizational variables for country comparisons: perceptions of power and structure, perceptions of authority, the extent of role formalization, and the extent of hierarchical relations. Findings suggest that Danish and British managers express a significantly lower political orientation both within and outside the organization and a clearer notion of the organizational structure compared to those in France and Italy. Managers in Latin countries, Belgium, Italy,

and France report a more personal and social concept of authority whereas those in the US, Switzerland, and Germany have a more instrumental view of authority that regulates tasks and functions. In terms of the third dimension, on the other hand, Sweden, the US, and the Netherlands appear as a distinct cluster with lower need for formalization. Finally, perceptions of hierarchy are found to be most different between Italy and Sweden, managers in the former attributing more value to hierarchy.

More recently, Zander (1997) has investigated leadership preferences in 18 countries. The study rests on ideas from Laurent (1983) above and major works (Hofstede, 1980/2001; Schwartz, 1994; Trompenaars and Hampden-Turner, 1998). In the final evaluation, two dimensions of leadership are identified: focus and intensity. Focus refers to coaching versus directing and intensity refers to the level of empowerment expected from a leader. It is argued that need for coaching increases with individualism, empowerment with achievement orientation and universalism, supervision with uncertainty avoidance and particularism. Such cultural differences regarding participative management is found elsewhere, the comparison of American versus Egyptian managers (Parnell and Hatem, 1999) being an example. Zander (1997) notes that the managerial type defined as high empowerment-coaching is a strictly Nordic preference, typical of Norway, Denmark, Sweden and Finland. UK and USA cluster within the low empowerment-coaching type, next to Canada, Australia, and the Netherlands. France and Belgium cluster in a rather crowded group also including Japan, Germany, Switzerland, and the Philippines. This cluster is a high empowerment-directing group. Part of these verify some of the earlier findings by Laurent (1983) who has shown that managers from Latin countries, France, Italy and Belgium, value personal authority and power and that managers

from Sweden are comfortable with lower levels of formalization and matrix organization design.

It can be argued that these and other values research provide some basic patterns that readily differentiate country clusters. Zander (1997) notes that, the literature suggests five country clusters: The Germanic/Nordic cluster, the Latin European cluster, the Anglo-American cluster, the Latin American cluster and a group of independent countries such as Japan, India, Brazil and Israel. Needless to say, the borders of the clusters are not always fully clear. For example, Lenartowicz and Johnson (2002) argue that it is a mistake to treat Latin American countries as a homogenous set and go up to seven subclusters for twelve countries in this specific region.

Current wisdom tells that the basic difference in Europe is a North/West-South/East split, verified in studies such as GLOBE (see Koopman, Den Hartog, and Konrad, 1998) and Ronen and Shenkar (1985). Further information comes from Grendstad (1999) who devised a political cultural map of Europe using four dimensions, fatalism, hierarchy, individualism, and egalitarianism. In fatalism individuals are constrained in their relations with others due to social stratification and they have fewer social resources to share and receive. In hierarchy individuals are separated from each other by strong rules but everybody is ascribed a role which securely defined and stratified. In individualism roles are defined as little as possible and persons are motivated by self-regulation. Finally, in egalitarianism emphasis is on collective benefits and individuals are encouraged to participate in the group which is symbolically segregated from the outside world. Grendstad (1999) argues that the South-North split is a Roman Catholic-Protestant differentiation, adding that egalitarianism and individualism should be higher in the North and that fatalism and hierarchy higher in the South. The findings reveal that Nordic countries, West

Germany, and the Netherlands are high on egalitarianism, France, Italy, and Spain on fatalism, and Ireland and Belgium on hierarchy, verifying to a great extent the expected results.

The paper by Smith (1997) suggests that the North-South divide based on autonomy and hierarchy is historically rooted in the centralized power of the Roman Empire. However, it is also argued that the legacy of the Soviet Empire should be as much important. This latter premise is derived on findings from an earlier study where inclusion of data from the former Soviet bloc nations steers differences toward an East-West split. The collection by Boddewyn (1971) mentioned above is also an early account of the consequences of the socialist regime. In Poland, for example, managers are found to value stability of position over advancement and to strive for recognition for the enterprise they represent (Najduchowska, 1971). This and similar findings are taken to suggest that the fulfillment of social mission has been more critical in the socialist regime than any other managerial motivation. Today, socialism no longer exists but the remnants of the regime remain. In an investigation of changes in an industrial city in Russia, Holt, Ralston, and Terpstra (1994) show that transformation to liberal economy is a slow and mostly unsuccessful process. It is shown that security, power, and conformity are still among the most important values of Russian managers, which are assumed to act as barriers to transformation.

A single conclusion derives from the above examples. Cultural theory of management should not be independent from other equally viable concerns, analysis of task contingencies and the political economy perspective being the two. Tayeb (1988), for example, has tested these alternative conclusions. The study is a comparison of two disparate countries, India with England. Both countries are socially stratified but they are culturally different, India being more collectivistic.

The English economy is based on a capitalistic mode of production with a welfare state whereas in India government exerts direct and indirect control over the economy. Findings reveal that different organizational practices are determined by different factors. Briefly, it is found that extent of centralization and specialization is derivative of task-environmental factors such as size and technology, supporting the contingency approach. Control strategies and reward policies are associated with political economic factors such as history of class conflict and industrial relations. Formalization and communication, on the other hand are best explained by cultural elements. Further insight may be found in Locke (1996) who compared historical roots of American, German, and Japanese management styles within a framework defying universalism of American managerialism. The work emphasizes cultural factors but also considers contextual restrictions. For example, it is argued that strict control systems that eventually led to birth of Taylorism was partly a necessity for the successful management of a heterogeneous, largely immigrant workforce of the US industrial boom spanning 1880-1929. It is noted, on the other hand, that co-determination characterizing German management cannot be understood unless reformation in the university education system is taken into account. The early generation of employee representatives in Germany is among those who benefited from new opportunities for higher education from 1960s onwards. It is argued that co-determination is a response to the elevated needs of this educated labor force.

Locke (1996) presents Japan as another case of economic and social realities interacting with cultural contingencies. Culturally, the Japanese management model derives from the Shintoist tradition of groupism fostered by sense of indebtedness to ancestors and it is conventionally argued that loyalty to the corporation is a modern version of loyalty to the feudal lords. The author, however, perceives non-cultural

factors to be equally important and outlines the consequences of modernization initiated during the Meiji era (1868-1912). The Japanese modernization has started as a form of rapid Westernization in organizational structures such as the postal system and later extended into management through diffusion of Taylorist ideas into Japanese firms. Contrary to the US, however, Japanese version of Taylorism has neither ended in a rigid separation between planning and tasks nor fostered social fragmentation in management-labor relations. In fact, the process has turned into a prime example of high dependency human resource management. Here, Locke (1996) ignores a fully cultural explanation and suggests that high dependency had to do also with the need of engineers to train workers for Taylorist skills necessary on the shopfloor.

In summary again, managerial values and ideologies need to be put into context. Insight on contextual factors is readily available in discussions of forms of capitalism (Fligstein, 2001), business systems (Whitley, 2000), and country development patterns (Guillén, 2001). Further ideas on the dissemination of management knowledge may be derived from research on specific actors such as consultancies (Kipping, 1998) and specific changes such as globalization (Yasin, Alavi, and Zimmerer, 2002).

### **3.4. Work Values**

Work plays a key role in social life as a primary base for income, status, and social participation and, consequently, attracts relatively more attention than other life domains such as leisure or religion (Roe and Ester, 1999) and becomes a central



topic for social research (Hult and Svallfors, 2002). In pre-industrial societies work could not be separated from other aspects of life since it was governed by daily necessities of living or cycles in nature such as seasonal changes. In other words, work was not tied to specific tasks except for a comparatively small group of people of craftsmen and soldiers. During the Industrial Revolution work gradually became separated from other spheres of life as temporal and spatial localization in the factories and division of labor increased. As industrial societies developed work came to be equated almost solely with organizations, its definition transforming into “job” and then to “career.” Today, paid work does not merely act as a vital economic organ but also as a central institution; so that physical and human environment in the modern workplace has become a precursor to self-identity and individual well-being (Gill, 2000).

References to early theoretical writings regarding work point, initially, to Weber’s sociological analysis of the Protestant ethic. In social sciences, Weber was among the first to acknowledge that action was motivated by values, affect, and tradition (Hechter, 1993) and, in retrospect, his sociological analysis of the Protestant ethic may be considered one of the early theoretical writings on work values. In his analysis of the relationship between religious values and capitalism Weber asserts that the rise of Protestant ethic has set the context for a new sense of duty and a new understanding of work in parts of the now-called Western societies. Put very briefly, Protestant ethic implies a shift from an ascetic sense of obedience to isolated personal effort and a highly motivated individual (Jones, 1997). While this so-called reformation does not undermine the traditional religious character of work it is significant in taking the definition and sense of worship into the secular world where material wealth is attached value for symbolizing accomplishment of duty.

Protestant ethic pictures moral person as an inner-directed individual with responsibility, honesty, commitment to work and care in use of time. For example, usury, leisure activities and idle talk are highly disgraced. Deprivation is nothing but a person's own fault since it signifies irresponsibility of the person while he/she is able to work. On the other hand, those with a character and will to ascribe their lives to the moral values are blessed with wealth, according to the discipline. Although wealth is the signifier of ethical disposition and success of the individual, it loses its significance when used for personal gains and luxury. Having satisfied the modest conditions for self and the family, wealth needs to be reinvested in work. However, a specific way of doing things should not be given a special treatment since it means worshipping the creation rather than the Creator. Therefore, wealth and savings need to be reinvested in new and improved means of production. In that sense, Protestant ethic emphasizes innovativeness, perhaps the fundamental motive behind the rise and expansion of capitalism.

Jones (1997) argues in his review of the empirical literature on Protestant ethic which tends to be based mostly on British or U.S. samples of adults and students, that while majority of the findings support the Weberian thesis evidence is not conclusive to claim a scientific truth. In a similar vein, Furnham et al. (1993) maintain that substance and exclusivity of the term Protestant ethic is questionable since reliability of scales designed to measure the concept vary significantly, some being highly unacceptable, and also because certain studies reveal that respondents in non-Western samples such as Japan and India score higher than various Western (Christian) samples on this attribute. These conclusions are perhaps not surprising when it is already acknowledged that Weber recognized that nonreligious elements such as legal systems, labor conditions, and amateur science played a part in the

development of a new work ethic in the West (Turner, 1987) and that material conditions in historic cultures of China, India or ancient Judea or Islam were suitable for the appearance of modern economic order (Arslan, 2001; Jones, 1997). Thus, the blame with reductionism inherent in the conclusion that change in individual work values fostered economic development in the West is not Weber's it seems.

Buchholz (1977) offered five distinct belief systems about the nature of work; namely work ethic, organizational belief system, Marxist-related beliefs, humanistic belief system and the leisure ethic. In the work ethic category work is defined as something good in itself and people showing hard work are defined as useful members of the society. Also, material wealth is taken as a measure of how much effort one spent, much in the Weberian configuration of the Protestant ethic. In the organizational belief system work is not much an end in itself but it is valued for how it serves the person's success in the organization, success being defined as one's ability to adapt to group norms and roles. In the Marxist-related belief system, work is considered basic to being human. However, the way work is designed in the modern world is criticized for serving only the interests of managerial classes and devalued for alienating workers from their productive activity. The humanistic belief system is based on the premise that work is a meaningful way to fulfill oneself as a human being. In that sense, development of the jobs is prioritized over mere output calculations or productivity. In the leisure ethic, on the other hand, work is attached an instrumental role in terms of materialistic gains it provides for one's leisure activities where human beings find the chance to be creative and have pleasure in life.

Buchholz compared these categories in a study with a homogeneous sample of American managers and revealed that humanistic belief system was attached the

highest importance, followed by the organizational belief system and leisure ethic. Weakest mean preferences were derived for the Marxist-related belief system and work ethic. Buchholz utilized these findings in support of his claim that traditional beliefs about work were being replaced by a new understanding in line with the characteristics of the post-industrial society. Such themes on value change have been voiced in more recent studies as well. Briefly, the rise of the liberal era is said to foster the emergence of market-oriented goals; that is to say, managerial values are hypothesized to converge around a core that includes competency, status, and personal growth.

Halman (1996) analyzed data from European Values Study to test the argument that traditional conceptualization of work as duty, a necessity to serve a higher purpose is vanishing and being replaced by the view that work is a means of satisfying individual needs such as personal development, autonomy and self-expression. It should be noted that the argument above was reviewed alongside a parallel hypothesis that importance attached to expressive attributes of work should be pronounced in a stronger manner in so-called developed societies where the diversity of choices available fosters individualization and fragmentation in values. Results show that younger people in Europe emphasize expressive qualities of work strongly than older people do. Additionally, people in Northern and Western Europe are found to attach more importance on expressive qualities attributes than respondents in Southern and Eastern Europe, the prominently Catholic region of the continent. Still, Halman concludes in the final analysis that these demographic or regional differences provide mixed evidence at best to verify the transition and development theses. While expressive attributes seem to have gained prominence in recent decades, instrumental qualities of work (such as good material conditions) cannot be

totally discarded. Also, people in comparatively underdeveloped regions in East Europe cannot be isolated as a separate group in terms of their values.

Historically, studies on work and values were confined to two broad streams, the psychological perspective and the structural-functionalist sociology. Both streams have enriched our understanding of work values but they were also subject to criticisms. The former approach has been cited as being too individualistic and deficient of macro-level outlook whereas the latter has been criticized of being too general in terms of necessities of empirical analysis (Szakolczai and Füstös, n.d.). Perhaps more importantly, this fallacy has been repeated within streams with researchers in neighboring subfields ignoring developments in their own stream of research. In psychology, for example, work values have usually been investigated independently from other domains such as life values (Elizur and Sagie, 1999). A similar split prevails in management studies as well. Barley and Kunda (2001) voice the need for increased exchange between themes covered in organizational behavior and organization theory, representatives of the psychology and sociology traditions. In this prescriptive analysis, the authors refer to the fact that work has gained a new meaning in the post-bureaucratic era and point that both organizing and work need a new theoretical framework. In this vein, the authors argue that formal categorizations such as blue-collar versus white-collar remain obsolete and fail to represent varieties of service work in the new economy. For example, new terminology such as emotional labor needs to be utilized to depict the work of flight attendants or operators in call centers who are obliged to act “nicer than natural” or the job of bill collector involving being “nastier than natural” in face-to-face or voice-to-voice interactions (Steinberg and Figart, 1999).

In their comparison of work values in two countries, the United States and Hungary, Kalleberg and Stark (1993) show how certain mechanisms associated with capitalism and socialism influence work values. These authors focus on employment relations in two systems take five aspects of work, promotions, flexibility, autonomy, economic rewards, and job security to build their hypotheses. Briefly, authors argue that careers in the efficient capitalist systems are organized around professional job categories while jobs in the socialist system are structured more along the lines of affiliated networks. Additionally, central restrictions on wage plans in the socialist system are hypothesized to limit managers and workers in attaining benefits and, consequently, forcing them to search for additional jobs in the so-called second economy. Second economy, too, is based on informal ties, however, it is different from informal economies in the capitalist systems in that labor in the socialist second economy is not marginalized and earnings are often as good as they are in the formal system. Workers in both the United States and Hungary samples were found to work autonomously, although for different reasons. In Hungary, autonomous work is a disorganized necessity as uncertainties in the system are shifted onto workers. In the paper, such institutional differences are hypothesized to lie behind value differences between American and Hungarian workers. For example, the reason that Hungarians attach more importance on leisure time in the primary job is not a general value reflecting some cultural difference; rather, it is a consequence of the dual structure of a transitory economy.

In their study on work orientations in six Western countries (Sweden, Norway, Germany, the United States, Britain and New Zealand) Hult and Svallfors (2002) show how liberal market economies and coordinated market economies differ in terms of organizational commitment, commitment to a particular job, firm or

organization, and employment commitment, individuals' non-financial commitment to paid work. While the authors refrain from presenting clear-cut conclusions, findings suggest that welfare regimes are characterized with higher employment commitment and lower organizational commitment in comparison to market economies. Institutionalized ideological emphasis on the virtues of paid labor and work-enforcement mechanisms present in countries such as Sweden and Norway may be precursors to employment commitment. On the other hand, strong union traditions in welfare regimes may be expected to hamper organizational commitment since employees will show collective identity and be disinclined to accept employers' goals as their own. In the liberal market economies, the picture is reversed. In countries like Britain and the United States organizational commitment is higher since the relationship between employers and employees is defined and controlled by private contracting rather than macro policies external to organizations. In that sense, the logic of liberal regimes fosters dedication of management and workforce in a short-term, competition-based character.

#### 4. The Turkish Context

This chapter focuses on the history and content of culture, business, and management in the Turkish context. The studies that have scrutinized individual aspects of various social groups, professions or institutions in Turkey with relevance to history and values may be classified under six categories. Theoretical work on the deep roots and cycles of business and entrepreneurship in the Ottoman and modern Turkish history, studies concerned with the betterment of public administration and demographic characteristics of higher civil servants, anthropological work dealing with the issues of underdevelopment, and modernization in general, political science studies on political participation and social classes, work on organizational practices/processes, small/family businesses, business values/ethics and, finally, a social psychology stream covering a line of topics such as value orientations of young people and socialization in the family.

There are, needless to say, significant overlaps between groups of studies mentioned above. For example, social psychology and anthropology have shared a common interest in the topic of social change until late 1970s. The dawn of this stream is the collection of contributions from foreign researchers studying local culture and institutions in, to use to older terminology, the underdeveloped setting of Turkey of 1950s. Later, with the advent of cross-cultural paradigm, social psychology has, almost singularly, taken over the role of producing knowledge on the local culture, however with a quantitative orientation and a finer-tuned language regarding societal progress. With their repertoire on political participation or social classes, a few political science studies have also been blurring the distinction between social sciences.



The chapter is composed of two main sections. First section deals with aspects of business in Turkey and the second part provides a discussion of values, societal and managerial. It should be noted that the former is more of a historical and economic account. However, various connections can be made between these two sections. The reader is asked to focus on the interplay between institutions, groups and individuals implied in various parts of the chapter.

#### **4.1. Roots of Business in the Turkish History**

Analysis of the roots and history of business in Turkey requires a complex task of amalgamating ideas from cultural, institutional, and economic perspectives. Among these three, the most common and accessible are economic analyses where topics such as import-export regimes, and changes in prices were undertaken. However, since the focus in this study is the institutional and cultural elements of history of business in Turkey, economic analyses are introduced only when deemed relevant.

One of the godfathers of theoretical work on values is Sabri Ülgener, a scholar known in the Turkish academia to be one of the early proponents of the Weberian school of thought. Ülgener was a member of the Faculty of Economics at Istanbul University where very early examples of writings on economics having scientific discipline and methodological rigor flourished (Ayan, 2000). Ülgener's main purpose in his writings was to conceptualize the relation between religious, spiritual and normative ideals and economic values prevalent in daily practice; an effort heightened in work toward his book titled *İktisadi İnhitat Tarihimizin Ahlak ve Zihniyet Meseleleri* (1951). In this cornerstone piece of work in the eyes of many

following generations, Ülgener delineates upon the transition from *cit * civilization to medieval ages and the rise of mercantilist ideas. Within this theoretical framework, he formulates comparisons between phases of capitalism in the West and the elements of the Ottoman-Turkish economic history, giving special attention to cultural and structural mechanisms behind key institutions such as *Ahilik*. His main position is outlined below.

 lgener argues that *cit * civilization that flourished throughout 12<sup>th</sup> and 13<sup>th</sup> centuries is comparatively open and oriented toward individualism. Medieval times following this period, on the other hand, he contends, are symbolized by norms propagated by the church that dominated many aspects of the social life. Within this contrast, normative structure of the medieval period is equated with values of contentment and seclusion; values that are assumed to foster a rather simple and inactive social life. However,  lgener warns that these norms are, to a great extent, romanticized by contemporary writers and that they might represent what was prevalent in practice only partially. Here, a comparison is made between upper and lower classes of the medieval society. First, it is argued that norms of contentment and seclusion might have suited lower strata more apparently as this group of people lived in striking contrast to the lifestyle of upper strata obsessed with material possessions and splendor. Upper classes are hypothesized to justify their privileged conditions through familial ties to saints and nobles while people in the lower strata are believed to be conditioned to the virtues of fulfillment with what is available, it is concluded.

 lgener describes the period from 13<sup>th</sup> to 15<sup>th</sup> centuries as a transitory period. While he acknowledges that embryonic ideas of capitalism were emerging under the rise of so-called mercantilism,  lgener is reluctant to fully accept that tradesman of the era have possessed attributes similar to those in the present definition of

entrepreneurship. This position is justified on the claim that basic characteristic of this period is a spirit of adventure as reflected in geographical explorations and invasions and a motive for gains through primitive exchange relationships and, at times, physical force and even barbarism. In that sense, Ülgener differentiates the motive behind mercantilism at its embryonic phases from the calculative, rational motive of investment and profit that depicts the so-called bourgeoisie ethic.

In relation to ideas presented above, Ülgener attempts at understanding the deep sources of work-related values prevalent in the Turkish society, comparing developments in the Ottoman Empire (and the Islamic cultures in general) with phases of capitalism in the West. Ülgener argues that Turkish-Islamic civilization parallels, to a great extent, both early and medieval cultures of the time but later fails to transform its administrative structures. Accordingly, it is concluded that Turkish-Islamic civilization has failed to create the so-called spirit of entrepreneurship and, as a consequence, started to lag behind the pace of capitalism.

Ülgener mentions that slow down in entrepreneurial knowledge is a consequence of the shift in the meaning trade carried. In earlier periods of the Islamic-Turkish economic history trade is praised as a sublime art associated with the Prophet who himself was a tradesman. Later, it is argued, trade has lost its importance as regional markets were declining and the hub of world economic activity was moving away from East to Western regions. The reason in the shift is tied to the prospering Western regions; here, advances in maritime technologies, increased political stability, and structural developments such as institutionalization in monetary regimes and tax collection are mentioned. Ülgener argues that such changes have made positive values attached to tradesmanship in the Islamic-Turkish culture wither away in time.

On the other hand, emphasis is made on the remaining importance of craftsmanship which signifies a way to maintain one's needs without having to submit to others or act immorally. Craftsmanship is not associated with an excessively ambitious goal of profit making; instead, the craft owner is required to go to his work and arrive home early so that he can spare time for his religious obligations and stay away from taking his neighbor's *kismet*. In relation to this rather religious ideal of craftsmanship, large farms or ventures are derogated because they are seen as sources of exploitation. Ülgener also attributes the rather stagnant quality of economic activity in the late Ottoman-Turkish tradition to the hierarchical organization of the society. In the *Ahi* system, for example, development of craft and skills requires both in principle and practice, lengthy tenure in the *usta-kalfa-çırak* (master-journeyman-apprentice) or *seyh-ahi-yiğit* relationship and, therefore, values fostering individualized intellect and success are almost nonexistent. In conclusion, then, it is asserted that economic activity is submitted to religious ideals, which were to be reached through daily practice of worship, within the late Ottoman-Turkish tradition.

The conclusions by Ülgener raise new questions. It is true that other studies verify the low attractiveness of trade among Muslim groups in the Ottoman culture. Susnitzki (1917/1966), for example, mentions in a discussion of ethnic groups in the late Ottoman Empire that Turks have mostly been in favor of either agriculture or administrative positions in central bureaucracy and military, leaving trade to other ethnic groups, mainly Armenians, Greeks, and Christian population of Levantines. Yet, whether all of these succumb to a deep-rooted cultural explanation is, of course, part of a debate. For example, it is likely that Ottomans' genuine merit-based practices such as *devşirme* (recruiting) have played a role in attractiveness of the administrative positions. Also, the economic and social impact of trade privileges

attained by the non-Muslim ethnicities under the Ottoman rule necessitates further examination.

Although the cause of such segmentation in labor is questionable its consequences are visible, especially from a historian perspective. Toprak (1995), for example, argued that the young Turkish state suffered from the creation a new entrepreneurial class, a new private sector in the hands of Turks who lacked the intellectual capital for business activities, following the loss of human potential as the multi-ethnic, multi-cultural Empire disbanded. It is usually argued that the ethnically grounded Balkan War of 1912-1913, which signifies the highest ambitions of separatist moves of ethnic groups, is the final breakpoint for the political structure Ottoman Empire to which central administration responded in shifting its policy emphasis from "Ottoman" to "Muslim", and later to "Turkish." Throughout this period, thinkers who later played a role in the declaration of the republic have raised their concerns about the need for creating a Turkish bourgeoisie to replace the departing Ottoman tradesmen.

Many steps were taken to realize a new national economic system; it is known that the guilds were abolished in 1910 with the expectation that freeing tradesmen and shop owners from this traditional structure would help entrepreneurship prosper independently. For Muslim Turkish groups of the time, the contacts within the guilds represents the most powerful, if not only, tool for sustaining market relations (Toprak, 1995). However, the relations guilds have provided were usually of modest scale compared to the highly market-oriented environment around non-Muslim tradesmen. In that sense, guilds were seen as one of the key reasons behind the deepening of income differences between Muslim and non-Muslim groups. In 1913, *Law for the Encouragement of Industry* was put into action and later it was modified

in response to changing needs. Figures for the late 1920s to early 1930s reveal that the enterprises established after the law were different from the existing facilities in many ways. New manufacturing companies, located usually in big cities, employed more people and utilized more machines (Keyder, 1982/1993); showing that the new group of entrepreneurs were able to exploit the opportunities provided by the law. In 1914 the abolishment of privileges was actualized thanks to the turmoil the war created among dominating foreign powers. Moreover, various control mechanisms have been established among which *Kambiyo Muamelatı Merkez Komisyonu* to monitor speculative monetary transactions and *İhracat Heyeti* to regulate the outflow of critically important export items may be cited.

The significance of having a solid national economic base has further elevated during the World War I. The negative effects of the war were widespread and made governments in most regions undertake the necessary steps toward an interventionist-protectionist model. Turkish government, too, has started looking for additional ways to strengthen the national economy since the contact with the outside world has become restricted. Increased action was initiated toward building an internal network; for example, *Merkez İaşe Heyeti* was established to take care of distribution of goods, an issue that became a huge problem during the war years (Toprak, 1995). Additionally, nationalization of certain companies was accelerated. In the meantime, capital was being accumulated in the hands of potential entrepreneurs parallel to the new conditions. Although the wealth of some of those people was target of suspicion from the public, these accumulations paved the way to the emergence of a new social class and the first generation of big businesses in Turkey.

This comparatively liberalizing thrust slowed down in the years following the 1929 Depression. As a reaction to the recession in the world economy, many of the

economies, including the leading ones, have directed their attention inwards. Turkish economy, too, oriented its emphasis towards import substitution in response to the decrease in alternatives for import or export; at its extreme by the second half of 1930s. For example, more than 80% of the foreign trade was conducted under strict quota systems (Tezel, 1982/1993; Owen and Pamuk, 1998). It should be noted here that the newly emerging national industry was not strong enough to sustain this inward-looking economy although protectionist policies of earlier periods were bringing positive results. Following the Great Depression, Turkish state have started assuming a highly interventionist role and emerging as the leading actor in production and investments through its enterprises, under what has been called *étatisme* (Okyar, 1965).

The consequences of the role and economic policies of the state have received significant scholarly attention (see, Hansen, 1991; Öniş, 1998; Tezel, 1982/1993; Kepenek and Yentürk, 2000, among others). In most of these studies, Turkish state is identified with a corporatist ideology. Corporatist doctrine has been developed under the fundamental idea that “society will function more naturally, efficiently if it is regulated by a strong state acting in concert with organizations representing major socio-economic interests” (Moore and Hamalai, 1993). Utilizing corporatism as one of core themes, Buğra (1994) has analyzed the interlock between peak organizations, big business, and business associations. In this analysis, the relationship between business and the state is defined as a symbiotic dependency that can be explained in terms social and structural conditions typical of late-industrializing countries. The author argues that industrialization and nation-building often takes place simultaneously in late-industrializing countries and that underdeveloped state of financial markets and financial organizations makes state the strongest actor to share

the risks taken by entrepreneurs. In tune with ideas mentioned earlier above, it is also suggested that newly emerging business activity in such countries is likely to lack social legitimacy: "In the absence of prior ideological developments through which self-interest becomes a component of the social value system, business contribution to national goals of development appears to be particularly important in justifying the social and economic status of the private enterprise." (p. 17)

Buğra (1994) likens the rise of big business in Turkey more to the East Asian cases of South Korea and Taiwan than to Latin American examples. First, it is argued that large land ownership has played comparatively minor role in industrialization in Turkey as different from Latin American cases. Second, it is mentioned that foreign direct investment has had limited influence against the role of family businesses in the Turkish and the East Asian cases; in the Latin American case, foreign direct investment has greatly undermined family businesses. However, it is also noted that East Asian industrialization is characterized by uncertainty reducing role and long-term strategy of the state; two aspects absent in the Turkish model. In other sections of the book, Buğra (1994) provides a theoretical framework for holding companies in Turkey; here, causes leading to diversification in business activity are discussed. First, it is argued that activity diversification is likely to appear at an earlier stage of corporate growth in environments, such as Turkey, where the market and resources are limited. Second, it is noted that diversification is a reflection of the typical features of the social environment of entrepreneurship specific to Turkey; most Turkish holdings are run by families and diversification is a tool to satisfy the concern for family control over activities. This position is partly borrowed from Whitley (1994) who associates types of owner control with the form of market and institutional organization in a given context. It is argued that trust and reciprocal



obligations within society fail to get established where the market organization is restricted, paving the way for unintegrated diversification as a risk reducing medium.

In addition to these, it is proposed that holding companies exploit various tax advantages both through their status in law and allocation of costs and benefits among affiliated enterprises. Other points refer to the symbiotic relationship of business activity to the state; the author argues that most decisions by holdings to enter new areas have been fostered by recommendations from government authorities rather than market analysis. This also appears as an opportunity to sustain quick returns from policy changes and a strategic move to minimize risk against lack of long-term motives on behalf of the state.

In sum, several points may be concluded based on the theoretical work on the roots of business in Turkey. First and foremost, state appears as an important actor throughout Turkish history; a nearly absolute power in classical era and a first-hand resource-allocating and policy-shaping agency in the modern era. Second, it may be argued the affiliation of Turkish society with business activities, while not new at least in terms of the long history of commercial activities, does not stretch far out as to claim authenticity in the history of capitalism. While business activity in the modern era is reasonably versatile, especially within the constraints of a late industrializing context, the general business outlook in Turkey has been highly cyclical and comparatively narrow. The short-term oriented character of business, on the other hand, seems to be resulting from both limitations in low financial capacity and a mixture of cultural motives.

#### 4.1.1. Business Generations

As with many aspects of business life in Turkey, there is no complete account for the classification of and differences between business generations. Broadly speaking, however, three business generations may be spotted: the first generation of entrepreneurs of 1920s to late 1940s, a generation of businessmen and industrialists of 1950s to 1970s, and a new, comparatively mixed group of entrepreneurs and professionals of 1980s to current day. In his analysis of biographies of first- and second-generation businessmen, İlkin (1993) notes that these two generations of businessmen appear to be preoccupied with presenting favorable images of themselves to public. This favorable image includes an outspoken adherence to national ideals and keeping a low profile of wealth and personal life away from the public sphere (Buğra, 1994). The fact that the Republican era was built on the ideology of a classless society, a view based on premise that development of a capitalist class would pave the way for a highly individualistic regime, has apparently shaped businessmen's behavior. While the public good rhetoric is still prevalent, businessmen's status seems to have become more visible from early 1980s onwards; it is now more than common that businesspersons, the highly opinionated public figures, are consulted for ideas in popular media (Bali, 2002).

İlkin (1993) notes that the successful examples of first generation businessmen are known for their partnerships with the Jewish and Armenian minorities and other non-Muslims groups from Soviet Union of the time. The founder of one of the largest holding companies in Turkey, Vehbi Koç, for example, attributes part of his success to the role of his Jewish business partner (Ünlü and Bila, 1993). In a recent study, Alpay et al. (2000) has compared entrepreneurs from various communities. First,

older entrepreneurs are shown to have higher socioeconomic status. Among the groups studied, on the other hand, Jewish entrepreneurs are comparatively more educated and from higher status while Turkish entrepreneurs are lower in education compared to both the Armenian and Jewish. In terms of work values, Jewish are characterized by independence and long-term orientation whereas Muslim entrepreneurs are high on achievement orientation but low on long-term orientation.

Alpay et al.'s (2000) study also verifies the effect of the division of labor seen in the late Ottoman Empire; Armenian entrepreneurs are from families engaged in trade and craftsmanship, Jewish businessmen from families with a past in trade, and Turkish entrepreneurs from families with background in trade and state offices. The role of trade in the making of entrepreneurs and industrialists is an issue tackled in various studies; Dilber (1967) shows that two thirds of entrepreneurs were from families previously engaged in industry or commerce. Soral (1974), however, notes that only approximately twenty percent of entrepreneurs emerging between 1900 and 1969 are themselves traders and that entrepreneurs emerging before 1920s are mostly people with no occupation. The 1920s are characterized by entrepreneurs emerging equally among merchants, *esnaf* (artisan-craftsman), and those with no occupation. The decade of 1930s is the period of rise of entrepreneurs from state office ranks. In a survey of 63 people who became industrialists after 1940 (Alexander, 1960) it is revealed that an important segment of then emerging group has a chronicle as merchants. According to findings by Soral (1974), however, the period between 1940 and 1960 is much more complicated than offered by this survey. Furthermore, the 1960s are characterized by a comparatively smaller but a significant increase in the number of entrepreneurs from private practice. Additionally, Oba (1978) shows that

over 62% of the industrialists sampled in the study refer to themselves as technocrats.

In his doctoral study, Alpander (1966) has interviewed 103 business leaders (including individuals with minority status) from various industries located mostly in three largest cities, İstanbul, Ankara, and İzmir. Findings suggest that leaders may be divided into two main groups, namely the born elite and the mobile elite. Born elites are those businesspeople from wealthy, upper-class families. The typical mobile elite, on the other hand, moves to his/her current status from lower social class; the success of these is critically determined by education received. While the born elite show a tendency to get educated abroad, the college-educated mobile elite is shown to mostly attend Turkish universities. Despite the differences, however, both groups are known to favor an education in engineering and business administration. Additionally, when asked where their success comes from a significant segment of respondents are found to mention their own effort as the single most important reason among many possible factors. Elaborating on such findings, Alpander concludes that the business leaders in the study comprise an unusually achievement oriented group of people whose occupational and social mobility are exceptionally high.

The study by Alpander (1966) is also an attempt at profiling business leaders through constructs such as religiosity, achievement motivation, and need for power. In brief, it is revealed that religiously oriented business leaders are more attracted to their past. Respondents who have moved away from their families, on the other hand, rank lower in religiosity. Elaborating on such findings, it is concluded that education and mobility elevates the depreciation of comparatively conservative values. For the measurement of achievement motivation, respondents are given eight cards, each

depicting a type of motive such as achievement, prestige, or security, and then they are asked to choose the ones that best suit their self-perceptions. It appears that almost half of the responses are achievement related, either directly or in combination with concerns for money or prestige, followed by a group of responses where urge for work is the primary motive. At the final stage, business leaders are classified into seven groups: 25.3% are achievement-oriented, mobile leaders with a motive to expand their businesses; 24.2% are achievement, money and prestige personalities who, being usually from merchant families, are shown to work for the practical results. Next, a third group comprising 13.8% of the respondents are categorized as work-oriented businesspersons believing in centralized management but following a paternalistic approach in labor relations. Furthermore, 11.6% are labeled as socially oriented leaders willing to delegate authority to subordinates. Among the remaining, 5.8% are profit-oriented risk-takers, 5.8% are power-oriented persons citing parental influence in their lives, and finally 4.8% are security-oriented with preference for slow growth and niche.

Broadly speaking, it appears that the older generation of industrialists are foremost the product of the aforementioned climate characterized by the need for entrepreneurial spirit. The emergence of newer entrepreneurial groups, on the other hand, seems to justify both the role of rural schools called *Köy Enstitüleri* in the education of many to become part of the mobile elites in 1950-60s (Alpander, 1966) and the zeitgeist of the planned economy (Oba, 1978). Although not without criticisms, the rural schools experience that took place between 1935-1946 are hailed for the equal opportunity it created for youngsters, both girls and boys, from poor villages around the country. *Köy Enstitüleri* are also known for their democratic organization and multi-method approach in education (Türkoğlu, 2000) fostering the

emergence a new breed of skilled and educated people and a new type of village life. Engineering, on the other hand, is known to be exceptionally popular and credible in the years of planned economy in Turkey. In her outline of the role of the engineers, Göle (1993) argues that the ascent of engineering as an occupational class reflects the cultural and institutional psyche of the nation. Engineering has earlier been popular as a solution to the pressing needs of industrial development and also as an area complying with the positivist ideology of the Turkish modernization. Göle mentions that the influence of engineers has greatly increased after 1960s in comparison to the 1923-1950 single party period. The shift from the bureaucratic elite to the technical elite is highly visible in the composition of governing bodies. While engineers occupy only 1% of the seats in early Parliaments they constitute the majority toward the post-1980 period. Nevertheless, the position of the engineers in the 1980s is, in many ways, different from earlier periods. This new wave of engineers is a product of the policy- rather than politics-oriented mentality of the governments (İlkin, 1993) that fostered the neo-liberal spirit of entrepreneurialism. The neo-liberalism of the 1980s is also evident in the growth of a group of foreign-educated, finance and economy professionals. Hailed as the new breed of intellectuals in influential circles of the popular media (Bali, 2002), these young individuals have occupied key positions in emerging sectors such as banking (Üsdiken, 1988).

Paradoxically, however, the neo-liberal spirit is at the same time tied to a conservative, religious movement in the business community. Here, the 1980 coup d'état must be mentioned. The 1980 coup is a reaction to governments' perceived inability to overcome economic instability and social strife of the 1970s. To overcome extreme political divide and ethnically oriented potential clashes within the society the political rulers have tried to augment the sympathy for religion as a

common denominator and a source of unity. Although it is, of course, anomalous to say that businesspersons and politicians accorded with such sentiments homogeneously, the role of religion in the emergence of a new group of entrepreneurs of the 1980s may not be discarded. The impressive export performance of these entrepreneurs to countries such as Libya, Iran, Iraq and Saudi Arabia (Özel, 1999) cannot be separated from the religion-based language of social disadvantage used to break the dominance of established big businesses (Buğra, 1998).

In his book on interest group politics in Turkey, Bianchi (1984) reports findings from a survey conducted with a sample including presidents of chambers of commerce, presidents of labor unions, graduates of a labor academy and a control group of students not affiliated with any associational activity. In the study, political socialization of the respondents is scrutinized through a Likert-type itemized questionnaire where positions on socio-cultural dimensions such as traditionalism, religiosity, authoritarianism, nationalism, and corporatism are measured. Although the author acknowledges that translating complex ideologies into brief propositions is overly ambitious particular analyses provides noteworthy ideas to be retested. Traditionalism in this study is defined as a preference for small-city life over big-cities and a perception favoring older generations' superiority over younger generations in terms of morality. In a nutshell, findings suggest that group leaders of all types and older respondents show strong disapproval of big-city life and that past or present big-city residence has little effect on variation in responses to questions regarding traditionalism. In religiosity, businessmen are found to endorse religion as a stabilizing force while students reject social and personal importance of religious belief. Religiosity is found to be positively correlated with age and negatively correlated with level of education, the former relationship being stronger in

comparison. An interesting finding is that religiosity and urbanization show a curvilinear relationship. That is to say, respondents living in metropolitan areas and villages are found to show less religiosity in comparison to those dwelling in provincial, small towns.

While the studies mentioned above provide insight into business generations in Turkey, it is apparent that more systematic work is required before healthy conclusions. The increasing fragmentation in business world needs to be evaluated from a broader perspective; fragmentation is economic, political, institutional, and, at the same time, sociocultural. The findings which suggest that esnaf are uncertainty avoidant and businesspersons are authoritarian (Esmer, 1997), that the notion of elitism is based on educational divide (Frey, 1965) and socioeconomic background (Bali, 2002) need to be scrutinized further.

#### **4.1.2. History of Business Associations**

Historically, Turkey has not been an outstandingly fertile ground for non-governmental organization. Recent figures for associability in the country show that membership to professional organizations and political parties still lie just around the world average (Kalaycıoğlu, 2001). When and where professional organizations first appeared in the Turkish history is not exactly known (Baer, 1970). In a sense, however, the origins of business associations date back to 17<sup>th</sup> century (Bardakçı, 2003); the Turkish trade center that was established in Venice in 1621, for example, was one of the early collective efforts toward integrating and protecting common business interests.



Peculiarity of the single example above aside, it is the Ottoman guild system that is usually treated as the proto-mechanism of associability in Turkish business history. However, it should be noted that the Ottoman guild system was the handiwork of the state rather than civil society. The chief officers of the guilds (*kethüda* or *kahya*) were generally agents of the state rather than spokesmen for the guilds; they were commonly recruited from among former civil servants. Thus, the guilds primarily functioned, apart from their societal roles (Baer, 1970), as part of a control mechanism of the central administration. For example, if a member of a guild became too wealthy he could no longer stay as craftsman; he had to become a merchant. His wealth thus monetized, he could now be controlled more easily by the state. Within this structure, local notables were not aspiring for forming horizontal links among themselves; instead, they opted for vertical links with the state.

More contemporary version of associational activity in business circles is the case of chambers. The origins of two early chambers, İSO İstanbul Sanayii Odası (İstanbul Chamber of Industry) and İTO İstanbul Ticaret Odası (İstanbul Chamber of Commerce), can be traced back to early as 1887. İTO, for example, is the descendant to the chamber of commerce in Dersaadet (old İstanbul) (Uğur and Alkan, 2000). The role of these and other emerging chambers of commerce and industry has been ample as established in a series of laws from 1910 until 1943. Despite their potential and visibility, however, the character of the chambers has mostly remained the same. First, these associations persisted as geographical organizations rather than venues for the defense of common sector interests. Second, and more importantly, the state utilized chambers and such groupings for mobilizing the society and creating groups that would support its tradition of corporatism.

The corporatist doctrine of the modern Turkish state is deep rooted in the mentality of the founders who rejected the notion of social classes with different interests. Gökalp (1923/1994), the brainchild of the doctrine in Turkey, has defined three principal kinds of social groups; family, corporation, and the state. Gökalper corporatism states that these social groups must be organized in a hierarchical order; when the situation demands family should subordinate itself to the corporation and the corporation to the state. Heper (1991) argues that the notion of classless society cannot be separated from the elite status of military and civil bureaucracies and prefers to coin the term *monism* instead of corporatism, to further emphasize the top-down character of the Turkish experience:

A democracy adopted by the conscious decision of the state elites rather than as a consequence of rising social groups [, however,] could not be conceived as a system of rule through which sectional interests would be reconciled. Instead, during the Ottoman period democracy was considered as the freedom of bureaucratic elites from the personal rule of the Sultan, and during the Republican era as the freedom of the intellectual-bureaucratic elites from the absolutism of the majority so that these elites could decide rationally through enlightened debate, what was best for the country.

Corporatism has usually been equated with the worldview and policies of founding CHP Cumhuriyet Halk Partisi (Republican People's Party). What is interesting, however, is that DP Demokrat Parti (Democrat Party) and AP Adalet Partisi (Justice Party), two parties representing the historical movement which was highly critical of the single-party period, have carried corporatism late into the 1970s during their rule in government. In that sense, it may be argued that corporatism is strongly entrenched in the state tradition and economy in Turkey and this might explain why

trade unions and employers' associations were initially established in the public sector, mostly in the state economic enterprises. Therefore, an analysis of the rise of voluntary business associations or more recent phenomenon of non-governmental organizations cannot be isolated from this past.

Thus said, the post-1950 history of leading business associations in Turkey may be divided into four broad periods; the corporatist era, the rise of TŪSĪAD TŪrk Sanayici ve İřadamları Derneđi (Association of Turkish Industrialists and Businessmen), the challenge from MŪSĪAD MŪstakil Sanayici ve İřadamları Derneđi (Association of Independent Industrialists and Businessmen), and the emergence of local SĪADs. The corporatist era is a history of two major actors on the employers' side, TOBB TŪrkiye Odalar ve Borsalar Birliđi (The Union of Chambers of Commerce, Industry, Maritime Trade, and Commodity Exchanges of Turkey) founded in 1952 and TĪSK TŪrkiye İřveren Sendikaları Konfederasyonu (Confederation of Employer Unions of Turkey) founded in 1961. TŪRK-İŐ TŪrk İŐçi Sendikaları Konfederasyonu (Confederation of Worker Unions of Turkey) established in 1952, on the other hand, is the first nation-wide organization of the working class in Turkey; however, this confederation has too been realized under the supervision of the state, partly under the influence of American policies rivaling the Soviet Union.

TOBB has been a semi-official organization based on compulsory membership and it traditionally has had a vast influence through its branches in small towns. TĪSK, on the other hand, has initially been representing KĪTs, that is the state manufacturing enterprises (SMEs) engaged in metal products, wooden products, textile, food processing, printing, and glassworks. Being a product of the Cold War atmosphere TĪSK has been strictly against worker activity throughout 1960s. The state-created

character of TİSK is evident in its contribution to organizations such as İKV İktisadi Kalkınma Vakfı (Economic Development Foundation) which was established in 1963. İKV has traditionally focused on stabilizing and promoting relationships with European institutions, from the EEC European Economic Community to EU European Union, and TİSK's involvement in İKV activities may be argued to represent its role beyond an articulation of economic interests.

TOBB emerges as a highly powerful association that dominated the corporatist era. In 1958, for example, TOBB has gained authority to determine import quotas and items. This had many implications; foremost, it seriously limited the ability of industrialists to make direct purchases of imported raw materials and eventually led to a rivalry between TOBB and the industrialists. Industrialists have claimed that banks tended to advance loans to commercial activities where risks were considerably smaller. The rivalry was also a case of small versus big industrialists; the weighted representation of domestic market oriented industrialists in TOBB dominated over the interests of large industrialists.

At the backdrop of the establishment of TÜSİAD lies this need for an institutional response to TOBB. However, TÜSİAD also represents an attempt at legitimizing the elite status of large industrialists (İlkin, 1993). TÜSİAD was founded in 1971 by 12 largest industrialists among whom a line of first generation of industrialists, those like Vehbi Koç, Nejat Eczacıbaşı, and Sakıp Sabancı, were listed; the declaration was later signed by 45 large industrialists. While membership to TÜSİAD is voluntary new members are only admitted upon recommendations from members and upon approval by the majority of Board of Directors. This elite status has been acknowledged in popular media, eventually leading TÜSİAD to be called "the club" (Bali, 2002).

TÜSİAD appears as a highly influential organization at the governmental level. Gülfidan (1993) classifies TÜSİAD's relationship with ruling governments of the period of 1970-90 into three phases; an initial phase of 1971-1980, the transitory period of 1980-1983, and another stage of 1983-1990. The first phase is a period of heavy disputes between TÜSİAD and the coalition governments of the time, increasingly toward the end of the decade. The late 1970s are characterized by economic collapse and social strife; heavy debt burden, extreme devaluation of the Lira, increase in the number of militant strikes and street clashes between left- and right-wing partisans have all added to the chaotic atmosphere of the period. The climax of social upheavals is 1980 when approximately 1,600 politically-oriented killings were seen. Throughout this period, TÜSİAD has criticized social and economic policies of Bülent Ecevit and Necmettin Erbakan, two ruling political leaders, and alleged governments for being slow to implement reforms. The tension with governments has been such that it led TÜSİAD to speak of "junta of bureaucrats" and launch an ad campaign against Ecevit cabinet in 1978.

The second phase of 1980-1983 has perpetuated within repercussions of the 1980 military coup; following the coup, political parties were dissolved, trade unions were banned, and media was curtailed. During the period, TÜSİAD has expressed its gratitude to the military on every occasion and sought to make amendments to the constitution and the laws on labor. The influence of TÜSİAD has been such forceful that some of its members later became members in the Bülent Ulusu government. What is even more striking in retrospect, however, is the assignment of Turgut Özal as Deputy Prime Minister, target of both ovations and criticisms being the person behind neo-liberal policies later into to 1990s.

In the 1983-1990 period, however, TÜSİAD has somewhat lost importance and prestige. The second part of 1980s in Turkey was a period of export oriented industrialization when sectors like textiles gained momentum. Özal, now the leader of ANAP Anavatan Partisi (Motherland Party), has turned to a new breed of businesspersons in the booming sectors. This, in return, has created a new dichotomy between the exporters and industrialists represented by TÜSİAD; the power of exporters derived mainly from their affiliations in a web of newly emerging post-Fordist firms which came to be known as KOBİs after the Turkish acronym for small- to medium- sized enterprises (SMEs).

The rise of KOBİs has partially been intertwined with the emergence of new interest groups among which MÜSİAD deserves special attention. MÜSİAD, established in 1990, has been the top organization that pulled attention for its overt or covert ties with the so-called Islamic capital. The members of MÜSİAD, both founding and regular, are mostly KOBİ owners (Uğur and Alkan, 2000) located in smaller towns in Turkey. Buğra (2000) argues that MÜSİAD is a class organization as its role extends beyond simple representation of economic interests of its members. MÜSİAD is known to have been critical of the Republican state and offer an alternative social project based on the East Asian model. According to Buğra, this alternative project emphasizes a shift away from materialistic values to more spiritual, religious, family-centered values and does so utilizing a politics of recognition, a language of social disadvantage, which have been led by the Islamist circles in the country.

Öniş and Türem (2001) have compared major business associations' agendas regarding business and democracy through the analysis of published reports and public statements. First, it must be noted that TOBB and TİSK are found to be less vocal forces than TÜSİAD and MÜSİAD in issues regarding democratization.

Among the four associations, TÜSİAD appears to be highly involved in policy issues, with a special emphasis on “good governance” and “optimal government.” TÜSİAD’s plea for policy betterment is not coincidental; the authors argue that TÜSİAD, early from its inception, tried to strip itself away from the image of class-based organization and attained the rhetoric of “public interest.” MÜSİAD, very much in line with Buğra’s arguments above, is found to challenge the authoritarian secularism of the state and draw attention to social rights and fair distribution of public resources. The conflict between TÜSİAD and MÜSİAD, on the other hand, seems to surface on two main themes. While TÜSİAD typically points to illegal and illegitimate status of a number of MÜSİAD members and asks, indirectly, for transparency regarding capital inflows from Islamic circles, MÜSİAD is critical of the perceived rentier character of TÜSİAD, something that is believed to be nurtured by close relationships with state and bureaucracy.

The challenge between TOBB and TÜSİAD, on the other hand, has intensified by the late 1980s (Uğur and Alkan, 2000). The attempt of TÜSİAD to establish a confederation of SİADs, for example, is seen as a move against the power of TOBB (<http://www.ekonomist.com.tr/haberler/00653>) and TÜSİBAK Türk Sanayici ve İşadamları Dernekleri Başkanlar Konseyi (Presidential Council of Turkish Industrialists’ and Businessmen’s Associations), the new platform of SİADs (Katircioğlu, 2003). Hence, it may be expected that further fragmentation in associational activity is due to emerge.

## 4.2. Societal and Managerial Values in Turkey

The general interest of Turkish social sciences in values is not a new phenomenon. Early ideas on values can be found in work in social anthropology and political science, two comparatively established streams that date back to Tanzimat (Reformation) period when embryonic ideas on liberalism, individual action and such were emerging (Magnarella and Türkdoğan, 1976). These early debates are also known to later facilitate and substantiate the foundation of the new Turkish state that was largely fueled by an ideal of modernization or revolution of values (Mardin, 1971). Despite this tradition, however, the social sciences have failed to develop a unique or extensive model of values residing in the Turkish culture.

The problem is threefold. One is the global issue of diminished, usually unfruitful exchange among social sciences, and even sub-areas of the same scientific field, which is thought to be a consequence of overspecialization and increased segmentation in both social theory and research methodology. In specific connection to the context in question, the problem may also be said to derive from the fact that social sciences were largely politicized during the early decades of the republic where normative approaches were favored over empirical analysis in support of the newly established values alongside a nationalist-revolutionist theme (Heper and Berkman 1979). While justified solely on impressionistic evaluation of certain writings on Turkish identity, it may be argued that local social sciences are still partially influenced by the ideals of the early Turkish republic. Another side of problem concerns knowledge transfer from scientifically dominant (in terms of substantive or monopolizing power) nations to the so-called peripheral contexts, which Turkey is a part of. For example, it is shown that Turkish psychology has been



little concerned with the development of an indigenous psychology as evidenced through articles published in a top local psychology journal having significant amount of references to foreign sources instead of local knowledge (Öngel and Smith, 1999). Nevertheless, it may be assumed that the available literature by Turkish and foreign researchers, published locally or internationally, is large enough to develop insight into the basic aspects of the Turkish culture.

#### **4.2.1. Pillars of the Turkish culture**

In a guidebook for foreigners based on impressionistic knowledge, Dindi et al. (1989) presents the following summary of Turkish values. Turkish people, it is mentioned, consider fostering relationships as an essential part of getting things accomplished. The value attached to relationships is assumed to go hand in hand with group affiliation as opposed to individualism. Thus, the dependence created by deep friendships and networks is argued to act as a source of personal strength. It is also argued that Turkish culture does not readily accommodate openness or directness in dealings with others, partly as a consequence of low-trust toward out-group members and also as a reflection of face-saving, the attitude that an appearance of competence and knowledge attracts positive evaluation by others. Another dimension mentioned in the book is the importance given to hierarchical relationships that involve respect and deference; these are assumed to surface in high level of formality in language and low individual assertiveness. Finally, it is hypothesized that an orientation to personal quality of life in the present tends to

override future goals; it is argued that low future focus is a derivative of the fatalistic character of the culture.

Part of this anecdotal evidence has been verified in empirical research; however, the picture is much more complicated than the way it has been presented above. From 1950s into the 1960s a number of anthropological and psychological studies have been conducted in Turkey by the support of Bureau of Applied Social Research at Columbia (Frey, 1963). These studies have tackled then popular topic of the split between traditionalism and modernization and its relation to psychological attributes such as authoritarianism, patriotism, religiousness, and achievement orientation. Later, further research into the 1980s has contributed much to the international debate that individualism and collectivism may be construed independently. With the addition of cross-cultural research this collection of findings now amount to an agreeable size although much additional work is needed; major examples are investigated in the below paragraphs.

In a comparative study of students from two historically dissimilar educational institutions in Istanbul and Ankara, Hyman, Payaslıoğlu, and Frey (1958) show that Turkish students were not very religious or fatalistic, but intensely family-oriented and nationalistic (see also Fotos, 1955). Hyman, Payaslıoğlu, and Frey (1958) portray this as a blend of modern and traditional values. The insignificance of religious attitudes is connected to the Westernized character of the students who are assumed to be representing the values of the Republican regime which actualized a transition from a prescriptive religious value system to a “principlial” society (Bellah, 1958) as in most other modernizing countries. On the other hand, the apparent family-orientation is related to the deep-seated cultural roots of group loyalty so

much that the observed prevalence of nationalistic values is assumed to reflect this historically significant cultural emphasis.

Previously, nationalistic value orientation, or patriotism to use a general term, has been viewed as a signifier of authoritarianism. However, given that attachment to ideals of the nation is characteristic of most developing countries, Hyman, Payashoğlu, and Frey (1958) conclude that patriotism in the Turkish case can be taken as a sign of modernization in values. Later, Kağıtçıbaşı (1970) has empirically investigated the assumed relationship between authoritarianism and patriotism. In the study, American and Turkish high school students are compared on a number of variables, mainly core authoritarianism and respect for different types of authority. Findings suggest that patriotism and respect for authority are more common among Turkish students regardless of their core authoritarianism whereas in the American sample only those scoring high on core authoritarianism tend also to be high on these attributes. Here, a distinction is made between norm authoritarianism, attitude affected by morality and historical tradition, and personal authoritarianism, a stable personality characteristic of dogmatism; the prevalence of authoritarianism in the Turkish case is connected to the former.

In a later study in comparing high school students residing in İzmir, Kağıtçıbaşı (1973) utilizes core authoritarianism, patriotism, anomie, optimism, personal control, religiousness, achievement and loyalty to parents as key constructs to be studied. Two attitudinal types are hypothesized to exist among students; a more traditionalistic one characterized with core authoritarianism, anomie, pessimism, belief in external control of reinforcement, and religiousness and a more modern type defined by patriotism, optimism, belief in internal control and achievement. The former type is assumed to emerge out of families where discipline and control

dominates and the latter from families where affection is common behavior. Findings suggest that control is more common in lower socioeconomic groups and it is argued that upward mobility is reflected in lessening of such behavior in family atmosphere. Nevertheless, Kağıtçıbaşı cautions that lessening of control does not readily mean a total exclusion of restrictiveness. It is possible that Turkish families are characterized by both discipline and warmth. In a comparison of American and Turkish students, LeCompte and LeCompte (1973) tackle the question of attitude change toward greater individualism. While it is shown that Turkish respondents display approval of independence to a lesser degree than American students they are found to be more individualistically oriented than the earlier generations; however, this is not totally isolated from respect for authority. In light of this contradiction, the authors argue that social change is much more complicated than is usually assumed and posit the idea that certain culture-specific attitudes might remain intact regardless of the push toward modernization in the societal values.

In a study on male apartment house caretakers migrated from rural areas to Ankara, Levine (1973b) argues that some behaviors described as traditionalism are necessities pushed by contextual limitations rather than reflections of a chronic attitudinal orientation. For example, it is shown that migrants persisted in keeping their informal ties with the villages; in certain cases, however, this is a catalyst for change, a mechanism for locating resources, accessing information and identifying labor demands in the absence of an organized welfare system. Although such networks are among the causes of political clientelism in Turkey, Güneş-Ayata (1994) argues that such primary group relations constitutes the most reliable relations in a society characterized by population explosion and high mobility in the form of migration from villages to the cities.

In another study this time with workers half of which was unskilled, Levine (1973a) proposes a model for when and how attitudes can be categorized as precursors to openness versus strictly conservative thinking. Model is developed on a factorial structure of items in the questionnaire where five dimensions emerged. One of the factors has a single item on ideal family size; others are future economic prospects depicting salary expectations and socioeconomic aspirations, socially visible possessions describing isolation versus sociability, another factor for negative versus positive evaluation of urban identity, and finally a factor of general religiosity. The correlations among these factor scores, however, do not provide support for a stark modern-traditional split and, thus, Levine suggests that three value systems are operating among the workers. The first type is called Urban Modern and it is associated with not being religious and having good economic prospects in a realistic manner. Urban Identity type appear to bear conflicting values simultaneously, workers in this category are found to be highly sociable and materialistic yet also very religious. Finally, third type is named Rural Orientation as it reflected, regardless of religiousness, strong disapproval of city people and strong identification with villagers. In support of the contextual explanation, Levine argues that the differences in socioeconomic conditions are more important on value orientations than a simple effect of residing in the city. For example, those workers who are pushed from villages out of economic necessity are more likely to show a traditional outlook on life.

It might be argued here that the dichotomy of traditional versus modern values has lost importance partly due to a loss of interest in the modernization theory and its political overtone. However, certain ideological constraints still exist in other topics such as achievement and individualism-collectivism, two constructs that have

intrigued widespread usage. For example, American psychology has been criticized for the positive value it attaches to individualism and the general assumption that there is a progression from collectivism to individualism at the societal level (Kağıtçıbaşı, 1987). Such criticisms lie at the very origin of modifications to theoretical approaches that have hitherto been accepted by researchers around the globe. One such modification to theory is the idea that individualism and collectivism are independent dimensions and evidence from Turkey supports this conclusion. In her study on child rearing practices, Sunar (n.d.) reports an analysis of emotional versus economic interdependency between parents and children in an urban, middle-class sample. The study is built on the assumption that the Turkish family is essentially collectivistic, an orientation characterized by high levels of interdependency in both spheres. The findings suggest, however, that economic value attributed to children is being eroded while emotional ties remain a core feature of the familial structure.

Sunar argues the observed change is basically a result of the increase in the psychological, as opposed to the social, importance of the marital relationships in the younger generations and in the encouragement for individual achievement within the urbanized family. It is assumed that these all signal the possibility of a social pattern where a culture of separateness and a culture of relatedness coexist. Similar conclusions are also drawn by İmamoğlu (1998) in an investigation of primary school children in Ankara and their parents. In the comparison based on socioeconomic strata of families in the study, it is shown that economic interdependence is losing its importance in the higher SES families where material interdependence do not signify a means of survival.

The multidimensionality of individualism-collectivism is verified free of possible moderating effect of familial economic dependency as well. Kuşdil and Kağıtçıbaşı (2000), for example, show that Turkish teachers value collectivistic goals and personal independence simultaneously. Elsewhere in a survey with students and adults in Ankara, İmamoğlu and Karakitapoğlu (1996) reveal that self-enhancement values and interpersonal attachment values do not contradict each other. The implications of such findings have led İmamoğlu (1987) to coin the term *agentic interdependence*, a state of being active, confident, competent and being related, attached at the same time.

In fact, the notion of agentic interdependence appears to lie very deep in the Turkish psyche. In an investigation of the personal identity problem in ancient Oğuz folklore, more specifically the Dede Korkut tales, Meeker (1992) argues that the Dede Korkut ethic values the establishment of personal identity by a heroic performance, but only when actions of the individual are consistent with the unity of society. The good examples of such heroic performance always suit this duality. That is to say, wins in the battlefield or self-sacrifice gain legendary status as much as they help restoration of emotional bonds of family and society. Thus, Meeker concludes that individuals are depicted in these stories in a way that they are always aware of their social and familial obligations however strong they are personally. Such discussions raise further questions regarding other constructs such as the notion of achievement orientation that has been positively associated with individualism in the conventional literature.

Various studies have positioned Turkish culture on mid-to-high levels on achievement orientation. In the McClelland (1961) study, Turkey is found to be among countries with higher levels of achievement orientation. In Inglehart (1982)

survey, on the other hand, Turkish respondents are located just below the middle range under Italy, Spain and Iceland. In a summary of his study as an extension of the Inglehart project on world values, Esmer (1997) notes that Turkish respondents are split into two extreme ends, with only an approximate 15% of respondents falling in middle ranges on values regarding competition and risk-taking behavior, two indicators of achievement orientation. This percentage for answers in the middle range is significantly low compared to Japan and Spain where responses are distributed more homogeneously. In a recent survey (Türk Gençliği, 1998), it is revealed that Turkish youth attach importance to achievement-related values such as personal success and meritocracy while, at the same time, they are somewhat conservative about competition. Those who held reservations about competition usually refer to an idea of a paternalistic figure. This patron-client understanding is defined by loyalty to the state and being dutiful (*vatana-millete bağlılık, vatana-millete hayırlı evlat olmak*) in one side and a redistributive role attributed to the state in the other.

As outlined above, findings on achievement orientation in Turkey generate mixed results. The issue is twofold; the polarization between high versus low achievers and a shift in the meaning of achievement per se. Personality factors aside, the duality in achievement orientation may be speculated to emerge out of differences in social background. Earlier, Frey (1965) has argued that the fundamental social distinction in the Turkish society has historically been based upon educational dualism, a split between intelligentsia versus peasantry. While the categorical terms used by Frey are now fuzzy and limited, differences in social status do still play a role. Kabasakal and Özuğur (n.d.), for example, shows in a study on a financial firm that those with the socially appropriate family and educational background are comparatively



advantaged in their career ladders. It is possible that such inequalities trigger feelings of powerlessness and make people in the underprivileged segments of the society repress motivation toward achievement oriented behavior.

While the discussions around traditionalism, nationalism, collectivism, and achievement are fruitful for an analysis of the Turkish culture, other constructs may provide new perspectives and more light. Among these, paternalism and its relationship to classism and particularism deserve special attention. "Paternalism" comes from the Latin *pater*, meaning to act like a father, or to treat another person like a child. Paternalism implies an emotional, benevolent exchange between members involved in a specific group or collectivity; however, this is an asymmetrical, hierarchical relationship. Aycan, Kanungo, and Sinha (1999), for example, have found strong positive correlations among paternalism, power distance, and loyalty toward community, one of the reflections of collectivism. Paternalism has been derogated for the exploitative motive it bears and for the patronage and authoritarianism implied in advancing people's interests such as life, health, or safety at the expense of their liberties (Goodell, 1985). However, paternalism is known to be a key feature in non-Western cultures in the Pacific Asia, Middle East, and Latin America (Aycan, n.d.) for the atmosphere of tolerance, care, and affection it creates. Paternalism has been connected to particularism (Trompenaars, 1993), a construct that attracts wide-ranging focus. In moral theory, a "universal" is a virtue, a rule or a principle that is valid under most circumstances for most people most of the time (Callahan, 2000), hence the term universalism. Particularism, on the other hand, implies that unique circumstances and relationships are more important than abstract rules concerning what is right. Particularism conveys different meanings in different areas. In sociopolitical arena, for example, particularism may be understood as a

positive term since the definition allows for lenience towards cultural variety. When it is referring to a type of patron-client relation, however, it is usually degraded.

Such particularistic behaviors are usually carried on through informal exchanges which signify prevalence of traditionalism. However, Lomnitz (1988) argues that existence of informal exchanges in a given society cannot simply be reduced to a definition of traditionalism. According to Lomnitz, informal exchanges may be regarded as adaptive mechanisms that help bypass the inadequacies of formalization and inertia created by excessive bureaucratic restraints. The example provided by the author is the national prohibition of alcohol (1920-33) in the United States; the law was undertaken to reduce crime and corruption and solve social problems but worked against its goal in causing sales go underground and making crime became organized (<http://www.cato.org/pubs/pas/pa-157.html> November 2, 2003). Another example is the informal foreign exchange transactions that reigned over Turkish economy throughout 1970s. In that period, the transactions were limited to bank-to-bank operations but this restriction inadvertently created a black market where the demand for foreign currency from ordinary people was met. One need not look for duly negative examples of this “underground” or “black market” type examples. Lomnitz (1988) suggests lobbying as a taken-for-granted aspect of formal exchange relations which may be easily included in the area defined as informal relations. Although lobbying possesses a somewhat “modern” package positively attached to values inherent in a vocabulary of consensus and civil participation, it is, nevertheless, informal.

Apart from contextual explanations, it is also possible to view particularism as a variant of another attitudinal motive, classism, to which social divisions or power differentials within the society are precursor. Classism is characterized by a belief

that ranks people according to economic status, socialization, job and level of education; among members of the same status a special emphasis is given on the warmth of personal relationships and criticisms or insults are strictly avoided. However, a person from an upper social class may show rudeness when dealing with people who are less powerful (Osland, 1999). Classism is one of the strongest ways to justify variation in standards of behavior; people with a classist orientation are assumed to manage these standards in support of personal benefits and in favor of so-called in-group members from family, relatives, close friends or colleagues belonging in the same status groups.

Where do we, then, position the Turkish culture? A single answer is, of course, reductionism at the expense of theoretical profundity. All the theoretical and empirical work discussed above appears to converge in a single dimension, collectivism. Collectivism as used here covers, apparently, a line of sub-dimensions. First, it is a paternalistic structure as a combination of benevolent authoritarianism, classism, and particularism; it also hosts a group-oriented achievement orientation. In addition, a patriotic stance complements these two dimensions. In a study of national stereotypes, for example, Helling (1959) calls Turkey to be a loyalty culture where courage and heroism are valued over personal quality of life. In a recent survey of over 4700 respondents from various regions of the country, on the other hand, Esmer (1997) provides a framework of the folk culture where support for various aspects of collectivism is found. In the study, respondents are asked to state their agreement with themes and ideas presented in mostly well-known proverbs. Part of the findings suggests that hierarchical relationships are a significant part of the culture although the perception of a strict, caste-like societal structure is absent. According to Esmer, however, the collectivistic character of the Turkish culture is strongly verified in

various other dimensions; namely in the observed leniency toward particularistic behaviors and the apparent preference for compromise over direct conflicts or avoidance in cases of disagreement.

The collectivistic character of Turkish culture is verified in cross-cultural research such as the one by Hofstede (1980/2001), the study which signified the paramount of discussions before and after the advent of cross-cultural paradigm. As mentioned earlier in section 3.1, the study utilizes four dimensions toward a clustering of countries and each cluster is evaluated as a specific example of mental programming. Power distance is utilized to depict the different societal solutions to inequality, uncertainty avoidance shows the level of stress in a society in the face of unknown future, individualism versus collectivism defines the level of integration between the individual and the primary groups, and finally, masculinity versus femininity portrays the division of emotional roles between the two genders. Later, Hofstede added a fifth dimension, known either as Confucian dynamism or long-term versus short-term orientation, into the original four-dimensional configuration; unfortunately, Turkish data is absent in analyses toward the development of this new global variable.

In the original study with four dimensions, Turkey is found to belong in a cluster of countries that included Greece, Iran, and (former) Yugoslavia. Other resulting clusters are labeled Anglo, Germanic, Nordic, Latin European, Latin American, and Far Eastern; additionally, Japan is treated as a unique case. In comparison to these clusters, the Near Eastern cluster which Turkey belongs to is characterized by high power distance, high uncertainty avoidance, low individualism, and medium masculinity. In a review of empirical studies on work and organizational values where the Hofstede study is also included, Ronen and Shenkar (1985) argues that

country clusters are based on three main axes: geography, language, and religion. Obviously, the underlying dimension for the Near East group in the Hofstede study is nothing else but geography since Greece, Iran, Turkey, and (former) Yugoslavia have nothing in common in either religion or language. However, since none of these countries are examined in other studies reviewed, the authors are cautious in being conclusive about the distinctiveness of the Near Eastern cluster.

As much important as the exclusivity of such clusters is the stability of values over time. Except for crisis situations and shocking events, the transformation in values is rather slow. In Turkey, the last three decades have witnessed clashes, metaphorically and literally, between political ideologies and lifestyles; the social strife of the 1970s, the neo-liberal period of 1980s, and the urban life of 1990s have had profound effects on values. Utilizing the typology by Hambrick (1988), İşeri and Demirbağ (1999) offers a comparison of pre- and post-1980 values. The typology is developed on six value dimensions; namely, collectivism defined as respect for all humankind, duty characterized by obligation and loyalty, rationality as preference for fact-based actions, novelty as an orientation toward openness and change, materialism as importance attached to wealth and possessions, and finally, power as the desire for control of situations and people. The authors perceive no change in duty, a decrease in orientation toward power and collectivism, and an increase in rationality, novelty, and materialism.

Two recent studies (Çileli, 2000; İmamoğlu and Karakitapoğlu-Aygün, 1999) have tackled the form and extent of value change at the individual level within the Turkish context and found support for part the above conclusions. In administering the Rokeach Value Survey to samples of youngsters at three time points between 1989 and 1995, Çileli (2000) reveals a value change from psychological stability to

hedonism. Additionally, the importance of freedom which is argued to be stable across generations in the Rokeach study is found to diminish in the Turkish case. İmamoğlu and Karakitapoğlu-Aygün (1999) have compared adults and students surveyed in two different period, 1970s and 1990s, and revealed decrease in the importance attached to obedience, altruism and terminal values such as equality but increase in value attached to independence and self-esteem. In both studies, increase in hedonistic and individualistic values is explained by influence of liberalization and rising concerns for better quality of life. However, İmamoğlu and Karakitapoğlu-Aygün (1999) see more similarities than differences between two periods and argue that differences between generations disappeared when value orientations are controlled for education.

#### **4.2.2. Managerial Values in Turkey**

While managerial values cannot always be isolated from societal values, they nevertheless are categorized as a special ramification of values. Management is a specific domain of life having rather clear boundaries. The conventional business literature usually specifies the focus further narrower, boiling down management to the corporate world or the firms. Although interest in aspects of management in the Turkish private sector is not new, it is only recently that publications and topics of interest show a variety. Today, an agreeable amount of sources ranging from a group of studies on the background of industrialists or businesspersons in general to a collection of work dealing with managerial values, business ethics or conflict management may be cited.

Not surprisingly, management and management writing in Turkey have not developed in isolation from countervailing institutional and historical conditions. For example, studies on small- and medium-sized enterprises called KOBİs in Turkey may be considered both an extension of the entrepreneurship literature and a product of the post-1980s' emphasis on neo-Fordist, flexible systems (Kumar, 1995). Similarly, interest in business ethics as a research topic and a popular buzzword appears to be an incident of 1990s' during when a new managerial ideology has been emerging at a global level. In an attempt to reveal the lengthy trends in the Turkish business context, Üsdiken and Çetin (2001) provide an analysis of academic business education in Turkey. The study is a content analysis of published works in business for a period extending from 1930s, when early books in business were appearing, to late 1960s. Principally, it is shown that early books are on business economics fashioned in the prominent German approach of the time. Alternative, US-rooted perspectives of scientific management and human relations do not seem to have attracted the attention of scholars in this early period. The authors argue that the German influence in early business education in Turkey is connected to the fact that Germany was Turkey's main trading partner and that a large proportion of students were being funded for university study in Germany by the state. It is revealed that the German economics approach remained influential in the academia until 1950s.

Post-1950 period, however, is characterized more toward the human relations school with business economics approach being replaced by an emphasis on the psychological and the social aspects of business. This trend is revealed in the increase in frequency of keywords such as *administration*, *jobs*, *relations*, or *workers* and in the almost total extinction of the word *economics* from the business literature in this later period. The change in the trend is again attributed to contextual factors,

in this case the amplified influence of US over the post-war world where Turkey is championed as a reliable member of the NATO and the Western camp. The establishment of public institutions such as DPT through US or UN aid is stark examples of the political affiliation between Turkey and US and the emerging intention to renovate the administrative sphere (Heper and Berkman 1979). Üsdiken and Çetin argue that the popularity of the humanistic notions might have increased because they were being regarded as an effective way of solving problems associated with the highly autocratic and centralized character of businesses and public administration (Podol, 1967; Roos, 1967) in Turkey.

#### **4.2.2.1 Public Administration as a Managerial Sphere**

The historically distinctive role of the Turkish state in economy and society is evident. When the management culture is of concern, however, public administration is usually discarded. Although Karasu (2002) notes that the listing of permanent *mülki* (civil service) positions increased over 301% from 1935 to 2001 against a population increase over 419%, the continuing influence of state and bureaucracy in society may be recognized in still popular sayings such as *devlet baba* (father state). Additionally, the affiliation of big business with certain state economic enterprises called KİTs (acronym for Kamu İktisadi Teşekkülleri) through shares and investments (Sönmez, 1992) should be noted. The coercive power of the state upon work practices and the likely travel of management ideas, especially the normative influences from private sector to the public sector, cannot be ignored. It is also a case in point that a significant part of those who entered business life during 1950-60 had



fathers from bureaucratic circles including armed forces and civil service (Alpander, 1966; Payashioğlu, 1961) and that bureaucrats were, at times, employed by large private companies (İlkin, 1993). For these and other reasons, research on public administration deserves attention for any cultural, structural, or institutional implications they might have. Major publications on Turkish public administration are outlined in below paragraphs to this specific end.

Long before, Presthus (1959) has tackled the question whether Western bureaucratic organization could be introduced into nonwestern cultures. Departing from impressionistic observations for two countries, Turkey and Egypt, Presthus contrasts Western forms of religion with the Islamic culture and claims that Western views regarding individual effort creates a firmer basis for innovation and change. While Presthus acknowledges that Western views regarding progress are somewhat naïve in maintaining catch-all conclusions he nevertheless asserts that the fatalistic orientation seen in the Islamic culture potentially impedes the application of the bureaucratic rule based on objectivity and rationality.

The author also argues that social behavior in so-called Eastern cultures is highly personalized and politicized and that elites, usually graduates from one of the few top universities, have feelings of insecurity and therefore try to extend their monopolistic power through family and peer ties. Presthus concludes that with such characteristic being predominant, bureaucracies in countries such as such as Egypt and Turkey lie at the charismatic stage of the Weberian typology.

In an attempt at ranking countries in degree of bureaucratization, Frisbie (1975) has measured such parameters as the ratio of administrative, executive, and managerial workers to the total labor force. Among 71 United Nations member countries for which the figures were complete, Turkey ranks among the lower strata next to

countries like India, Guatemala, Honduras, and Ghana. In a recent cross-national study, Evans and Rauch (1999) examine the effect of “Weberian” structural elements on economic growth. In the study, expert evaluations for characteristics of core state agencies in 35 developing nations are collected over a period of three years. Evaluations made on such characteristics as merit-based recruitment and predictable career ladder are combined to compute the “Weberianness” score for each country. These scores are then juxtaposed with national growth rates for the period between 1970 and 1990, controlling for variables such as availability of human resources. Results suggest that Weberianness is an important variable in explaining economic growth; the scale is also successful at discriminating groups of better performers from poor performing regions among developing nations. In this map of countries, a group of East Asian countries, Singapore, Taiwan, Korea, and Hong Kong is leveled at the top. Turkey appears as a middling case alongside a group of countries that include Morocco, Brazil, Egypt, and Thailand. Poorer performers comprise a group of Latin American countries, Argentina, Uruguay, Chile etc. and various countries from Africa.

In another early study, Presthus (1961) has tested the bureaucratic fit postulation in an applied setting, Ereğli Kömür İşletmeleri (Ereğli Coal Mining Enterprises), a public corporation in Turkey. In this case study carried out over a six-month period in coalfields located in Zonguldak and the corporation’s headquarters in Ankara, the author and a colleague have interviewed focal groups in the corporation, mainly engineers and miners, and investigated the daily tasks in a non-participant observation manner. Presthus notes that the corporation was characterized by a high degree of centralization; a basic rule is that all documents being sent outside the organization were to be signed by two officials and no formal decisions were made at

lower ranks. Additionally, it is indicated through observation that some employees had less authority than their position in the organization entailed. The author concludes that those who are not personally favored by their superiors avoid responsibility and the organization has an upward-looking psychology at all levels. Presthus also mentions that Ereğli Kömür İşletmeleri controlled the construction of a new harbor and state roads and had some social objectives in addition to coal mining and, with such characteristics, did not fully suit the Western bureaucratic model of efficiency. Based on these findings, Presthus coins a substitute term for Ereğli Kömür İşletmeleri, welfare bureaucracy, as the corporation's structure does not fully fit the assumptions behind the conventional definition of bureaucracy. Presthus relates these conclusions to perceived characteristics of the Turkish culture. Basically, it is suggested that the resulting structure at Ereğli Kömür İşletmeleri is a reflection of obedience which is appreciated both in the patriarchal system of the family and through strong appreciation of the military and also the monopolization of power by a small elite in the stratified class formation.

Other authors reach similar conclusions to those suggested by Presthus. Roos (1967), for example, notes that authority, elitism, paternalism and strong need for security are the strongest among value orientations of the public administrators. Furthermore, in an article based on personal impressions Podol (1967) outlines public administrators' basic values as fear of criticism, strict adherence to hierarchy as implied in low delegation and low top-down communication, and a type of elitism characterized by extreme pride in occupational position and feelings of being "Western" in an underdeveloped country. The roots of elitism seen in public administration are deep. It has been repeatedly noted that the Turkish modernization experience was built on the preceding Ottoman Empire where ruling groups

developed into a caste-like “guardian bureaucracy” characterized by a paternalistic attitude toward the ruled and an exclusivist mentality (Keyder, 1987). It has also been suggested that the elitist behavior of the bureaucratic groups was further justified through Republican code of populism that assumed harmonious relationships between social groups through a single-party regime. Heper (1976) has surveyed political orientations of upper-level civil servants who served in various ministries during the period between 1945 and 1960. The thirty-six respondents, who are from a homogeneous sample in terms of education and career track, are found to express deep commitment to democratic values. Despite the commitment, however, a significant emphasis is placed on elitism that is justified on education and experience. The civil servants are found to think that new political actors are unfit to rule because they lack morality to defend the core values of the republic, that is secularism and nationalism. The author concludes that the clash between the intellectual-bureaucratic elite and political elite is to continue, as the latter, the “underdeveloped bourgeoisie”, has no counter set of ideology that can replace Kemalism.

Support for the conclusion that bureaucracy in Turkey was mainly concerned with power and politics, on the other hand, comes from Heper and Berkman (1979) who content analyzed and critically outlined 126 articles published in local journals on administrative studies. The authors show that themes of responsibility and effectiveness are the most frequent topics while efficiency theme ranks third although it is also widely covered. The authors claim that the findings verify the concern in the Turkish case with the legal rather than the rational dimension of the Weberian legal-rational bureaucracy, or the precedence of control over efficiency. Additionally, it is suggested that the frequent display of neutrality, a theme

somewhat alien to bureaucracy, further supports the proposition that administration in Turkey is structured on a politically oriented approach rather than a system focus. Here, the fact that a great percentage of upper-level and *mülki* public administrators have traditionally been trained in either political science or law faculties (Cem, 1976; Karasu, 2002) might be telling.

In a recent study, Özen (1996) has scrutinized value orientations of 331 bureaucrats from top-level positions in 80 governmental institutions. Analyzing 58 managerial value items and eliminating certain items for reliability concerns, four factors are extracted. The factors offered by the analysis are labeled, in order of strength, authoritarianism, egocentrism, affiliation, and pragmatism. Authoritarianism here is defined in terms of the subordinate-supervisor relationship. When dissatisfied with the supervisor's decision or behavior, the authoritarianism-oriented subordinate is expected to have a passive aggressive stance in bypassing the decision made by supervisor, trying to make third parties influence the supervisor, and thinking of resigning. On the other hand, the authoritarian behavior of a supervisor is assumed to surface in ignoring the subordinates in decision-making and showing signs of annoyance. Egocentrism is defined as restraining from teamwork, preference of competition over cooperation, and power orientation. This factor is hypothesized to correspond to other constructs such as masculinity, need for power, and achievement orientation and to relate negatively to constructs such as need for affiliation. However, it is also noted that some of the items in this factor refers to external locus of control, in contradiction to the overall meaning implied in the factor. Özen justifies this inconsistency in relation to the rigidly hierarchical structure bureaucrats are assumed to face daily. He argues that bureaucrats high on egocentrism are heavily dissatisfied with the slow pace of the system that possibly acts as a barrier to

their own success and that they attribute negative conditions to such uncontrolled external dynamics. The third factor, affiliation, is depicted as a blend of uncertainty avoidance and collectivism. The items in the factor refer together to the positive value attached to smooth social relationships, contentment and sense of precaution, and willingness to sacrifice personal goals to the benefit of the organization whenever necessary. The fourth and final factor, on the other hand, is called pragmatism. Briefly, pragmatism is defined as results-orientation, a tendency to achieve quick outcomes by meeting halfway between alternatives.

The findings for the study reveal that bureaucrats involved in the study have low authoritarianism, low egocentrism, high need for affiliation, and mid-level pragmatism. Among the findings, low levels of authoritarianism and egocentrism are contradictory to previous findings on the Turkish culture. Özen shows that part of the scores derived from social desirability, measured on a separate scale. Although Özen also remarks that the findings reflect values not the actual behaviors the answers are not conclusive altogether. On the other hand, observed high need for affiliation is explained in terms of the collectivistic nature of the society.

Mid-level pragmatism is clarified in relation to the transitional character of the country. Although it is recognized that such sense of pragmatism is atypical of bureaucrats in a formalized system of rules and procedures, Özen argues that public administration cannot remain neutral to the value change in Turkey in early 1980s where the shift from planned economy to neo-liberalism disseminated the themes of change and flexibility to almost every aspect of social life. In verification of this postulation, Özüğurlu and Emre (2002) show that administrators are changing their self-perceptions and redefining their responsibilities through the prevalent business-

minded, entrepreneurial ideology next to their role as agents between the state and the public.

Also noteworthy in the study is the finding that value orientations are shaped by demographic characteristics and socialization of the respondents more than so for the organizational variables such as size, age, or autonomy. For example, social desirability left aside, authoritarianism is explained by the political socialization in the family. It is shown that bureaucrats who are raised in leftist or politically mixed families tend to show lower levels of authoritarianism compared to those from right-winger families. Also, it is found that authoritarianism increases with education. Here, it is hypothesized that immediate consequences of long-term schooling, that is increased personal knowledge, self-esteem, and also task-orientation has a mediating effect and make respondents less tolerant toward mistakes. Earlier, Can (1985) has compared private and public sector managers and found no significant differences between the two groups in terms of achievement orientation, although private sector managers were shown to display slightly higher scores on the attribute. In explaining this somewhat paradoxical finding, Can (1985) differentiates between two types of achievement motivation, one that is fueled by self-motivation and a behavior motivated by concern for others; here, it is argued that highly bureaucratized public sector might be providing the adequate stimulus for the latter. It is also argued that Turkish society has undergone significant changes after the inducement of planned economy and that individuals may have become more achievement oriented under pressurizing conditions of a rigid setting.

#### 4.2.2.2. Turkish Management Style in Comparison

The relationship of values to managerial beliefs is an intriguing question. Apart from being a theoretically significant one, the link between culture and management has attracted attention also because of its practical implications. For example, in a study of 176 worldwide work units of a global U.S. company Newman and Nollen (1996) showed that business performance was better when management practices were congruent with the national culture. The uniqueness of culture as an explanatory variable has not been fully accepted however; two studies specific to Turkey supports the viability of culture-free assumptions. Kozan (1993), for example, surveyed 215 managers from fourteen private and eight public organizations in Istanbul and Ankara using a questionnaire from an earlier study (Cummings-Schmidt 1972) where Turkish data was missing. In comparison to other countries in the original study, Turkey was found to be among cultures characterized by power differential as reflected in lower participation and communication scores and to cluster with Greece, Argentina, Chile, and India, a group of countries that showed significant cultural, religious, or geographical variety. Kozan took this as a support for the industrialization thesis over a cultural explanation. The argument was that organizational development in companies in developing countries was usually limited to top executives and, therefore, participative practices that required the contribution of managers and employees from all levels were not realized. Wasti (1995), on the other hand, examined the relationship of cultural factors to organizational behavior and structural elements in the Turkish replication of the study by Tayeb (1988) on India and United Kingdom; it was revealed that managers with better education and higher positions in the hierarchy had more tendencies to



foster participative management practices. In light of such findings and ideas voiced earlier in the upper-echelons literature, it may be argued that the role of top management may be much more accentuated than cultural factors alone.

Despite such challenges, the literature is abundant with reflections on the interaction between values and management styles. Yücelt (1986) outlined the managerial implications of Western versus Middle Eastern cultures; Middle Eastern management was expected to be short-term oriented in planning and profit objectives, resistant to change and new ideas, limited in decentralization, formal and authoritarian in superior-subordinate relationship, and reluctant in building teamwork and cooperation. Additionally, Middle Eastern management was believed to emphasize social status and friendship networks to a greater extent than the Western approach and to deem employee accountability critical beyond the boundaries of job descriptions.

In a recent study, Oktay (1997) and colleagues interviewed Turkish and expatriate managers working in Turkey and listed the responses to questions regarding Turkish business environment with emphases on cultural elements, characteristics of the workforce, and managerial practices. Both manager groups mentioned, among others, short-term orientation as a typical attitude of Turkish businesspersons. However, there was tendency to connect short-termist behavior to the necessities of harsh economic conditions pushed by decades-long high inflation rate. In a comparative study of nine European countries, on the other hand, Yaconi (2001) portrayed general expectations from managers and employees; in this study, Turkey was listed among a group composed of Poland, Spain, and Great Britain where one of the desired characteristics of managers turned out to be foreseeing. This finding, too, was connected to a contextual explanation; it was argued that managers in

countries with less regulated economies were under the pressure of volatile and competitive environments.

Focusing on two Hofstede (1980/2001) dimensions, power distance and uncertainty avoidance Offermann and Hellmann (1997) examined the relationship between work-related values and leadership practices of managers from 39 nations among which Turkey was included. Leadership was quantified under five distinct measures; communication behaviors including such features as work planning and participation, controlling behaviors that included time emphasis and goal pressure, delegating behaviors measured on a single scale and two separate interpersonal relations scales for team-building and approachability. Main findings suggested that power distance was negatively associated with leader communication, delegation, approachability, and team-building and that uncertainty avoidance was positively linked to leader control and negatively to delegation.

It should be noted here that Turkey ranks among high power distance and high uncertainty avoidance cultures (Hofstede, 1980/2001). The effects of power distance is evident in responses to interpersonal conflicts; for example, Turkish managers have been shown to avoid a conflict situation if it was with a peer but act coercively when the party involved was a subordinate (Kozan, 1989). The limitation in decentralization and teamwork anticipated by Yücelt (1986) may be explained by these cultural factors as well. Aksan (1980) revealed that Turkish managers mostly complained about duties and responsibilities not being clarified and top management not being open about company objectives. In a cross-cultural study, on the other hand, Aycan et al. (2000) showed that power distance was negatively related to proactivity, a work culture element which was shown to define human resources practices such as empowerment. Aşçıgil (1994), on the other hand, investigated

attitudes toward organizational participation in a sample of top managers, blue-collar workers, and white-collar employees from top 500 firms in Turkey and pointed to a peculiar dilemma in these organizations. It was found that managers and employees did not differ in their understandings of better management and basically were not opposing to the idea of increased participation; however, participation was usually encouraged from top to down rather than as a collective decision. Additionally, managers were found to see themselves not very well-informed about how to implement the participative practices. Therefore, it may be speculated that other cultural factors, for example resistance to change, may also be intervening into the cyclic mechanism created by power distance and uncertainty avoidance. It is also possible that low sophistication in tasks makes decentralization unnecessary and expensive as seen in small-sized construction firms in Turkey (Kabasakal, Sözen, and Üsdiken, 1989).

Another aspect of the Turkish management style is its authoritarian nature, as verified in various studies. Oktay (1997) showed that foreign managers were found to believe that obedience to authority and prominence attached to personal relations were most prevalent. Foreign managers pointed to the double-sided consequences of this verbal, informal, humane aspect of making business in Turkey. While this aspect of the culture was thought to carry positive consequences it was also perceived to trigger nepotism and lack of discipline. Thus, it was shown that foreign managers deemed controlling most important, as procedures were not valued. Old and new generation managers, on the other hand, were differentiated on authoritarianism; older managers were being perceived to be more “bossy” and less willing to delegate authority.

While authoritarianism in the workplace has usually been treated as a cultural phenomenon, some studies utilized the assumption that it was a product of institutional or contextual factors. Alpander (1974), for example, showed that American executives overseas leaned toward a more authoritarian managerial style in comparison to their assignments in the United States. The authoritarian style was characterized with a shift from an optimistic view about human nature toward a more pessimistic view that employees should be controlled. Alpander argued that this change to authoritarianism was a product of increased task-orientation in a foreign environment. In an examination of advanced planning processes, Lauter (1970) surveyed managing directors of sixteen companies, eight Turkish and eight American firms located in Turkey, and representatives from Turkish government and educational institutions through a questionnaire and on-site visits over a period of several months. One of the basic assumptions was that advanced planning needed good quality internal and external information which, according to Lauter, was absent in the Turkish companies. Absence of advanced planning was linked to the authoritarian atmosphere of the Turkish companies where flow of information got restricted because of low delegation and lack of interest by the subordinates. Nevertheless, it was also acknowledged that failure in planning might have been a result of political uncertainty and lack of socioeconomic information. In relation, it was argued that the perceived centralized attitude in Turkish companies was a reflection of the contextual factors as well as the culture itself. In the aforementioned study, Yücelt (1986) showed that public sector managers leaned more towards benevolent-authoritarian style while private sector managers tended to value participative management. This may be showing that contextual and skill-based

restrictions are more pronounced in the public sector where tasks are much more pressurized by governmental policies and scarcity of skilled labor.

Authoritarianism in the Turkish context needs also to be understood as a common denominator for a complex web of elements among which humane orientation (Yavaş and Bodur, 1999), the emotionality of the Turkish people (Oktay, 1997) and face-saving (Kozan and Ergin, 1998) may be cited. Earlier, Skinner (1964) has examined managerial issues in seven American subsidiaries in Turkey through interviews with locals and expatriates. Expatriates in the study perceived Turkish management style as a mixture of authoritarianism and paternalism which diverged and converged at the same time. For example, it was argued that subordinates were closely supervised but layoffs were avoided because of paternalistic obligation to employees.

Evidence for paternalism comes from an extensive study on leadership, the GLOBE project. In an examination of the European subsample of GLOBE, Brodbeck et al. (2000) tested the hypothesis that major cultural divide in Europe lied between Eastern and Western Europe. The model which was first developed in an analysis by Smith, Dugan, and Trompenaars (1996) asserted that countries in the Western Europe (Nordic, Anglo, Germanic, and Latin European groups) would score higher on work values of equality or egalitarian commitment and prefer achieved status over ascribed status. On the other hand, Eastern Europe was expected to score higher on hierarchy and conservatism, or power differences and paternalism. An additional discrimination was expected between North and South Europe; the former cluster as an orientation toward equality (belief that criteria applies equally to all persons) and utilitarian involvement (that job involvement is dependent on a rational calculation of

expected rewards) and the latter as characterization of hierarchy and loyal involvement.

The cluster analyses based on leadership ratings confirmed expectations of North/West Europe versus South/East Europe. The former cluster included the Germanic, Nordic and Anglo groups with the addition of France as a unique case. Latin, Central European and Near Eastern groups, on the other hand, went under the South/East main cluster. Since France has usually fell under the Latin European group in previous empirical research the authors questioned the finding and concluded that a limitation in sampling (respondents in the French case were finance people while the project included respondents from three industries) distorted the results. Also, the findings that French middle managers usually showed a response bias in rating leadership attributes were exploited to verify the unreliability of the positioning of France.

It should be noted here that the Brodbeck et al. (2000) study replicated the aforementioned typology by Ronen and Shenkar (1985) in a substantial manner. The only theoretically considerable difference between the two studies was that the Brodbeck project suggested an additional Central European group containing Poland and Slovenia, two countries that were not sampled in the Ronen and Shenkar study. In terms of leadership attributes, self-centeredness and malevolence were uniformly found to be two lowest ranking attributes. However, the list of leadership attributes with positive connotations varied across clusters. For example, the Near East cluster (and also the neighboring groups of Central Europe and the Latin group) tended to favor a leader who was team integrator, visionary, inspirational, and decisive. This group of countries differed significantly from the North/West cluster where qualities such as integrity and performance received higher rankings.

An MDS analysis for 21 countries sampled (excluding France), on the other hand, revealed three dimensions; interpersonal directness/proximity, modesty, and autonomy. These dimensions were then correlated with scores for leadership scales. The first MDS dimension, interpersonal directness/proximity was found to be negatively associated with three attributes, face saving (a composite of being indirect, evasive and avoiding negatives), self-centeredness (being non-participative, loner, asocial) and administrative orientation (being orderly, organized) and positively associated with two concepts, inspiration (being enthusiastic, encouraging, motive arouser) and integrity (being honest, sincere, just). The second and third dimensions, modesty and autonomy, borrowed their labels from the attribute they were most strongly associated with, modesty (being modest, self-effacing, patient) and autonomy (being individualistic, independent, autonomous, unique) respectively. Among 21 countries selected, Turkey was found to fall under a group weakly associated with first and third dimensions. On interpersonal directness/proximity dimension Turkey was plotted as the third lowest in the map marginally above Poland and slightly below Russia and Slovenia (lower end of the dimension was a rather extreme case, Georgia). On autonomy, Turkey was the second lowest slightly above Portugal and below a group including Spain, Russia, Hungary, Denmark, and Italy.

These findings suggested that respondents from Turkey were inclined to appreciate a paternalist leadership style characterized both by a motive to protect others from losing face and a covert interpersonal concern beyond formalized relationships. The prevalence of paternalist leadership in the Turkish case was partially verified in other studies, albeit with some contradictions. In her comparisons of four leadership styles, namely team building, hierarchical and work-oriented, monitoring, and *babacan*

(fatherly), Paşa (2000) reveals that managers usually state that they espouse the team building approach. It was revealed that employees expected leaders to be good relationship builders, empathetic, humanitarian yet authoritative leaders. In a study on Turkish culture, Esmer (1997) revealed that authoritarian managers were most common, and *babacan* (fatherly) second most common. However, these were not particularly desired; people were found to prefer consultative and democratic managers. Aycan et al. (2000) empirically showed that paternalism had positive relationship to workplace attitudes of reactivity (reacting to external demands instead of taking personal initiatives, that is being proactive), unchangeability (belief that employee nature can not be changed), and external locus of control. In terms of human resources practices, on the other hand, paternalism predicts low autonomy, low empowerment, and low performance-reward contingency. The limitedness of decentralization in Turkish management is mentioned in the opening paragraphs. Aksan (1980), on the other hand, reveals that lack of performance appraisal and privilege of tenure over performance in promotions within Turkish organizations are among the most cited complaints by a group of highly-educated, mid-aged upper-level executives.

It may be concluded that Turkish management style appears to be more paternalistic in cross-cultural comparison but this does not necessarily imply that motives like personal achievement are totally absent. Özbaşar (1980), for example, has shown in a survey of professionals that definitions of managerial success were highly personalized; when asked about factors that encourage and impede managerial advancement, respondents mentioned that work satisfaction derived mainly from having the skills, mostly educational, to win the ever-increasing competition. When asked what the top indicators of success were, statements regarding prestige were



most common, namely being liked and admired by colleagues, occupying a significant position, and being respected in business world. Thus, even if the emphasis on prestige is a sign of power distance achievement orientation is evident in references to other notions such as skills and competition.

The conventional sourcebook for achievement motivation is *The Achieving Society* by McClelland (1961). Despite the challenges the definition of achievement motivation is now facing this book remains a well-acclaimed piece of work for it is a rigorous attempt at uncovering a highly intricate issue. In this book, McClelland tried to show the relationship between entrepreneurship and economic growth departing from a Freudian psychological theory. Basically, the theory discriminated motivation from action or need from rational choice; and to McClelland it was the fantasies of the person that revealed his/her real inner concerns. Through controlled experimentation (based on story writing and picture drawing) McClelland showed that people would show more references to standards of excellence and to doing well when the condition contained stimuli arousing themes of leadership or intelligence. However, if someone was consistently using achievement-related ideas even when the condition did not elicit a theme of achievement then this person was taken to be someone with a concern or need for achievement. In that sense, McClelland argued that need for achievement was a function of one's personal standards rather than his/her behavior under criteria triggered extrinsically.

In explaining where personal standards of excellence derived from McClelland referred to socialization in families noting that mothers of the sons with high achievement motivation were found to set higher standards for their sons and to expect them to be self-reliant at an earlier age. McClelland used such social psychological evidence to support the Weberian conclusion that Protestantism

fostered the spirit of modern capitalism. The claim was that ethics of Protestantism not simply asked individuals to be orderly or rigid but it rather desired continued striving to do one's best and improve one's self. Thus, McClelland assumed that Protestantism nurtured child-rearing practices valuing high achievement motivation. However, it should be noted here that recent analyses showed that the relationship between Protestantism and achievement motivation was not an exclusive one anymore. In a recent study, Arslan (2001) compared work ethic of British, Irish, and Turkish managers affiliated with religious organizations, Protestant, Catholic, and Muslim, respectively. It was shown that differences between Protestants and non-Protestants in work attitudes, locus of control, or thrift were not strong and, sometimes, reversed in favor of the latter groups.

Another contribution by McClelland (1961) was his focus on entrepreneurship, a notion that was delineated in major parts of the book. This time McClelland shifted between a psychological analysis and a sociological explanation at the macro level using evidence from four countries, the United States, Italy, Turkey and Poland. First three countries were chosen because they were assumed to represent various levels of economical advancement; Poland, on the other hand, was chosen because it was a Communist country (at the time of study). In the study, multiple tests were administered to over 800 managers and professionals (in matched samples); comparisons between the two groups and countries were made on three basic constructs, need for achievement, need for affiliation and need for power.

Findings revealed that managers had higher need for achievement than professionals in every case except for Turkey. McClelland explained differences between the two groups and the divergent case of Turkey using a social background analysis, supplementing his position through themes of upward mobility, elitism, and

educational opportunities. For this purpose, characteristics of lower to upper classes in each country in the study were specified and discussed in a qualitative manner; additionally, the possible relationship between need for achievement and ownership (private versus public) was questioned. Referring especially to findings from the United States and Poland, McClelland claims that ownership of the means of production was not crucial to people with high need for achievement. This argument is supported in the United States case by the finding that middle-level executives from smaller companies had higher need for achievement than managers in large corporations. Thus, personality is emphasized over contextual factors.

Together, these findings suggest that Turkish management style is composed of a mixture of paternalism, authoritarianism, and elitism. Paternalism is a complex phenomenon. In a study on kinship ties and factory organization, Dubetsky (1976) acknowledges that paternalism may be masking exploitation of workers despite its social underpinnings. It should also be noted that paternalism is positively evaluated only when aligned with egalitarianism. The finding in the pilot phase of the present study that justness is the top desired characteristics of managers in general supports this proposition. The notion of egalitarianism in the Turkish context, however, cannot completely be defined if evaluated within an achievement-free framework. It is possible that paternalism may be functioning as a pseudo-formal tool in the absence of institutional arrangements for recognition of success. Authoritarianism is typically characterized by managers' reluctance to delegate authority to subordinates, high centralization, and various forms of paternalism. Elitism, on the other hand, is symbolized in attitudes reflecting sense of pride. In a comparative study, Can (1985) mentions that subordinates do not view their supervisors as authoritarian. However, it is also noted that almost no relationship exists between the managers and

subordinates. Thus, the absence of the relationship may be taken as confirmation for the silent power differential between the two parties and also for the elitist attitude of those in higher positions.



## 5. Present Study

The present study aims mainly at revealing relationships among values held by members of regional and city/town-based businessmen's associations in Turkey. The study is also a test of the influence of individual values on managerial activities and business networks of the members and on organizational practices prevalent in enterprises represented in the study. Businessmen's associations in Turkey, typically known by versions of the acronym SİAD, are enormous in number and these SİADs vary significantly in size and membership structure. Basically, there exists five types of SİADs; SİADs at the national level (TÜSİAD and MÜSİAD being the two well-known examples), SİADs representing a specific region (such as Ege ESİAD and Güneydoğu GÜNSİAD), SİADs representing a city, town, or a smaller location (such as Çanakkale ÇASİAD and Bandırma BASİAD), SİADs of industrial districts (such as OSİAD for OSTİM) and sectoral SİADs. Currently, there exist over 70 city/town SİADs in Turkey (see, for example, BUSİAD website <http://www.busiad.org.tr> for a complete list). This study is limited to regional and city/town SİADs with the exception of OSİAD representing the large industrial district in Ankara. For big cities like Ankara, spotting the SİAD representative of the local entrepreneurs is difficult. In such cases, industrial district based SİADs become candidates for analysis.

The value dimensions specified for analyses are conservatism, paternalism, achievement orientation, individualism, materialism, confrontation, novelty-seeking, and risk-taking. Value dimensions are measured by a 37-item scale. The organizational practices are defined after the work by Hofstede et al. (1990). Organizational practices are measured through a 26-item scale measuring six bipolar orientations, results-process orientation, job-employee orientation, professionalism-

parochialism, closed-open system, tight-loose control, and pragmatic-normative orientation. Types of business networks are derived after a three-step factor analysis of responses to list of business contacts and managerial routines. Apart from the influence from values, practices are defined in relation to organizational features which refer to variables such as firm age, total revenues, total number of employees, propensity for growth, and extent of locality in activities.

The study rests to a considerable degree on findings from two pilot studies (called Phase 1 and Phase 2 hereafter). Both phases are more exploratory than confirmatory in nature and, therefore, material carried over to the main study is deemed significant for possible theoretical value as well as for statistical implications available. Main features of the phases are outlined in Table 5.1 below. Data from Phase 1 is essentially used for reliability analyses of a number of value dimensions; Phase 2, on the other hand, is exploited more extensively for reliability checks and also for generation of new constructs.

Table 5.1. Methodological characteristics of phases of the study.

	Main instrument	Sampling	Data collection	Target respondents (Total reached)	Analyses
Phase 1	Questionnaire composed of 72-item values scale	Mixture of convenience, snowball, and judgmental sampling	Drop-in	People from all levels of business life (N=596)	Exploratory
Phase 2	Questionnaire composed of 60-item social/work values scale, 27-item practices scale, and MDS matrix	Judgmental and snowball sampling	Drop-in	Business owners (N=199)	Exploratory
Main study	37-item values scale and 26-item organizational practices scale	Complete population	Mail survey	All regional and city/town SIAD members in Turkey (N=133)	Model building

### 5.1. Data Collection and Sample Characteristics

In Phase 1, the questionnaires were distributed through a mixture of convenience, judgmental and snowball sampling. Students taking a research methods course at Bilgi University were asked to hand out the questionnaire to three persons previously or currently active in business life. The three people were identified through personal contacts of those handing out the questionnaires. All respondents were treated as anonymous. Students who have completed the assignment in full received partial credit for their coursework. Other copies of questionnaires were distributed to and collected from employees of two independent companies located in northwestern Turkey with the help of human resources directors of these companies. Both companies are listed in 100 top industrial enterprises list of Turkey; one is specialized in food products and the other in ceramic manufacturing. Data collection ended with 596 questionnaires ready for use. Among 595 respondents (one respondent did not report gender), 137 are females (23.02% of total valid sample) and 458 are males (76.98% of total valid sample). Mean age of the sample is 38.18 (std=11.4; median 36; N=596). The distribution of age in the sample is found to be non-normal at a significance level of .000 for Kolmogorov-Smirnov test of normality. Overall, mid-aged individuals are underrepresented in the sample. Mean age for females is found to be 33.15 with a standard deviation of 9.48 while the male sub-sample has an average age of 39.73 with a standard deviation of 11.47. Both of the samples have non-normal distributions in age. Independent samples t-test reveal that the two groups differ in terms of age distribution at the .000 significance level. In terms education, majority of the sample represents individuals with higher education. 76.1% of the respondents hold bachelor or a higher degree. In other

words, people with lower education are underrepresented in this sample. A significant majority of respondents' mothers are housewives (81.5%, N=414). 516 reported father's occupation, no category of occupation is found to dominate the frequency distribution. In terms of respondents' current employment no sector dominates the sample, but textile sector is the most frequently represented one in the sample with a total of 23 respondents. The sample consists of employment/professional categories from all levels; among the top categories are employees and workers (20.6%), executives and directors from top levels (21.8%), businesspeople, employers and entrepreneurs (19.5%), and managers and professionals (14.9%).

Phase 2 was aimed at extending the first phase with a more restricted sample specification. Students taking an organizational analysis course at Bilgi University were asked to hand out the questionnaire to three business owners falling into any of the managerial/entrepreneurial categories labeled esnaf, entrepreneur, businessperson, business manager, employer, boss, professional, industrialist, merchant, investor, and executive manager. The people were identified through personal contacts of those handing out the questionnaires; however, the author's consent was required for each candidate before the respondent list was finalized. All respondents were treated as anonymous and students who have completed the assignment in full received partial credit for their coursework. The number of respondents from categories defined is listed in Table 5.2 below.



Table 5.2. Distribution of managerial/entrepreneurial categories in Phase 2.

	Frequency	Percent
Manager	29	16.3
Entrepreneur	28	15.7
Businessperson	28	15.7
Business manager	24	13.5
Employer	21	11.8
Merchant	15	8.4
Industrialist	13	7.3
Professional	10	5.6
Esnaf	6	3.4
Investor	3	1.7
Boss	1	0.6
Valid total	178	100.0

The mean age of the sample in Phase 2 is 44.35 (std=9.6; median 46; N=178). The distribution of age is found to be non-normal at a significance level of .009 for Kolmogorov-Smirnov test of normality. Overall, individuals aged over 55 are underrepresented in the sample in comparison to younger age groups. The average year of schooling observed in the sample, on the other hand, is 15.12 years (std=3.31, median=15, N=139), an equivalent of bachelor degree. Among 199 respondents, 20 are females (10.1% of total sample) and 179 are males (89.9% of total sample). Mean age for females is found to be 40.8 with a standard deviation of 8.17 while the male sub-sample had an average age of 44.75 with a standard deviation of 9.72. Independent samples t-test reveal that the two groups do not differ in terms of age distribution at the .05 significance level. On average, the respondents are active in business for 20.58 years (std=10.64, median=20, N=194); they are affiliated with an average of 2.24 ventures (std=1.68, median=2, N=194), possessing an average of 42.98 percent shares (std=31.53, median=39, N=176) in largest venture represented. Characteristics of largest ventures represented by the respondents, on the other hand, are outlined in Table 5.3 below.

Table 5.3. Characteristics of ventures represented in Phase 2.

	Mean	Std. deviation	Median	%5 trimmed mean	N
Firm age	18.17	15.8	15	16.63	181
Volume in 2002 (in mio US\$)	31.9	244.6	3	7.71	151
Share of exports in sales (%)	22.91	34	.0	19.9	164
Share of foreign capital (%)	3.8	17.24	.0	.11	167
Number of employees	323.83	2552.4	53	83.69	193

In the main study, a mixture of methods was used to maximize return rate from the comparatively elite group of SIAD members in question. Official websites for many of the largest regional SIADs list contact information for most SIADs. Also, a few of the SIADs run their own websites and disclose member profiles for public use, usually with personal e-mail addresses included. As a first test, a group message was sent to these e-mails available to public, a total of 451 addresses from seven city SIADs, with introductory notes explaining the purpose of the study and with the survey attached. However, only nine replies were received in a one-month period and e-mailing was judged to be an ineffective tool and dropped altogether. In the following step, numerous SIADs were contacted on the phone and chairmen or general secretaries were consulted to solicit collaboration. Two of the SIADs agreed to distribute and collect back the surveys and a few agreed to help in distribution only, these SIADs were provided copies of surveys in bulks mailed to head offices.

Table 5.4. Summary of survey distribution and response rates in the main study.

Location and name of SİAD <sup>1</sup>	Number of surveys distributed (Total number of addresses defunct + surveys declined)	Number of returns	Response rate (%)
Adana ADSİAD	Request declined		
Afyon AFSİAD	19 (1)	1	5
Amasya ASİAD	Contact could not be established		
Ankara OSİAD	50 (10)	3	6
Antalya ANSİAD	20 (3)	5	25
Artvin ARSİAD	List was not provided		
Babadağlı SİAD	10 <sup>b</sup>	7	70
Balıkesir BASİAD	23 (1)	2	9
Bandırma BANSİAD	45 <sup>b</sup>	4	9
Bolu BOSİAD	Contact could not be established		
Bursa BUSİAD	195 <sup>b</sup>	3	2
Çanakkale ÇASİAD	45 <sup>b</sup>	5	11
Çorum ÇORSİAD	List was not provided		
Denizli DENSABİD	Request declined - 28 via website	2	7
DOSİAD <sup>2</sup>	List was not provided		
Edirne EDSİAD	65	1	2
ESİAD	110 (5)	7	6
Eskişehir ESİAD	10 <sup>a</sup>		0
Gaziantep GASİAD	22 <sup>a</sup>	1	5
Gemlik GEMSİAD	10 <sup>a</sup>	0	0
Giresun GİSİAD	100 <sup>b</sup>	0	0
GÜNSİAD <sup>3</sup>	100 <sup>b</sup>	59	59
Hatay HASİAD	23 (1)	1	4
İskenderun İSSİAD	List was not provided		
Karaman KARSİAD	15	0	0
Kastamonu KASİAD	9	4	44
Kayseri KAYSİAD	18	3	17
Kocaeli KOSİAD	40 (2)	3	8
Konya KOSİAD	24 (1)	3	13
Kütahya KÜSİAD	Now defunct		
Malatya MASİAD	10 <sup>a</sup>		
Mersin MESİAD	50 <sup>b</sup>	2	4
Neşehir NESİAD	Contact could not be established		
Ordu ORSİAD	Contact could not be established		
Sakarya SASİAD	28 (4)	3	11
Samsun SAMSİAD	16	3	19
Sinop SİAD	Contact could not be established		
Sivas SİSİAD	Contact could not be established		
Tarsus TAŞİAD	List was not provided		
Tokat TOSİAD	Contact could not be established		
Trabzon TSİAD	38 (1)	7	18
Yalova YASİAD	Contact could not be established		
<b>Overall</b>	<b>1113</b>	<b>129 + 4<sup>m</sup></b>	<b>12</b>

<sup>1</sup> Fifteen cities do not have a local SİAD: Aydın, Bilecik, Burdur, Çankırı, Isparta, Kahramanmaraş, Kırıkkale, Kırklareli, Kırşehir, Manisa, Muğla, Rize, Sivas, Tekirdağ, Uşak, and Zonguldak.

<sup>2</sup> DOSİAD represents Ağrı, Ardahan, Bayburt, Bingöl, Bitlis, Elazığ, Erzincan, Erzurum, Hakkari, Iğdır, Kars, Malatya, Muş, Tunceli, and Van.

<sup>3</sup> GÜNSİAD represents Adıyaman, Batman, Bismil, Cizre, Diyarbakır, Mardin, Nusaybin, Siirt, and Şanlıurfa.

<sup>a</sup> Surveys sent to administrative board only.

<sup>b</sup> Surveys distributed in bulk.

<sup>m</sup> SİAD information missing.

The rest of the surveys were mailed directly to member addresses taken either from websites or SİAD main offices. In cases like Denizli DENSABİD when the administration declined any request but the SİAD website listed member names, postal addresses were obtained through extensive internet search for these names. The number of surveys distributed and received in return is listed in Table 5.4 above. The mean age of the sample in the main study is 45.83 (std=8.6; median=46; N=117). The distribution of age in the sample is found to be normal at a significance level of .200 for Kolmogorov-Smirnov test of normality. Among 128 respondents, 62 people (48.4% of valid total) hold bachelor or a graduate degree and 53 persons (41.4% of valid total) hold high school or vocational school degree.

Table 5.5. Distribution of highest degree earned by respondents' parents.

		Father					Total
		None	Primary	Secondary	High school	Bachelor	
Mother	None	20	10	3	1	0	34
	Primary	1	41	14	7	4	67
	Secondary	0	0	5	5	0	10
	High	0	0	0	4	8	12
	Bachelor	0	0	0	0	2	2
	Total	21	51	22	17	14	125

The crosstabulation of mother's highest degree of education with father's highest degree (see Table 5.5) reveals that parents have lower education in comparison to respondents' approximate level of education. Kappa for the crosstabulation equals .400, significant at the .000 level, indicating fair agreement between the parents' levels of education. This is due to the fact that more fathers hold secondary school or a higher degree in comparison to mothers and that 41.6% of the fathers are reported to be/to have been married to females with level of education lower than their own.

Table 5.6. Distribution of respondents' socialization environments.

		Youth					Total
		Village	Town	Small city	Big city	Metropole	
Early	Village	4	4	3	7	0	18
	Town	0	12	6	11	4	33
	Small city	0	0	24	14	0	38
	Big city	0	0	0	36	3	39
	Metropole	0	0	0	0	1	1
	Total	4	16	33	68	8	129

Kappa for the socialization crosstabulation equals .447, significant at the .000 level, indicating fair to good agreement between childhood and youth environments (see Table 5.6). It is revealed that majority of respondents report to have lived either in a town, a small city, or a big city during both childhood (85.3%) and youth (90.7%). However, an increase is marked for the unique share of big city dwellings (52.7%) towards youth. The change is part of an overall trend; 40.3% of the respondents report to have lived in more urbanized settings in youth compared to their childhood. This finding may either represent mobility towards more urban areas or an overall betterment in living conditions in the country during years corresponding to respondents' childhood and youth.

Table 5.7. Distribution of respondents' family SES in childhood and youth.

		Youth				Total
		Low	Moderate	High	Very high	
Early	Low	9	8	0	0	17
	Moderate	1	66	22	0	89
	High	0	1	16	2	19
	Very high	0	0	0	4	4
	Total	10	75	38	6	129

Kappa for the early family income crosstabulation equals .515, significant at the .000 level, indicating fair to good correspondence between respondents' socioeconomic conditions in childhood and later in youth (see Table 5.7). The eta coefficient shows that 75.9% of variability in youth conditions can be predicted by childhood

conditions. It is revealed that slightly more than half of the respondents (51.2%) come from stable moderate income families. A small segment of respondents' families (%24.8) appear to have shown upward mobility in socioeconomic status.

The sample is dominated by 120 males (98.4% of total sample, N=122); the two female respondents are from Bursa BUSİAD and Antalya ANSİAD. On average, the respondents are active in business for 20.70 years (std=8.0, median=20, N=126); they hold shares in an average of 1.99 ventures (std=1.7, median=1, N=119), possessing an average of 57.41 percent shares (std=29.6, median=68, N=124) in largest venture represented. Characteristics of largest ventures represented by the respondents, on the other hand, are outlined in Table 5.8 below.

Table 5.8. Characteristics of largest ventures represented in the main study.

	Mean	Std. deviation	Median	%5 trimmed mean	N
Firm age	22.3	12.6	19.0	21.4	124
Volume in 2002 (in mio US\$)	9.2	18.2	2.3	5.9	54
Share of exports in sales (%)	15.1	26.3	0.0	19.9	105
Share of foreign capital (%)	1.7	10.5	0.0	0.0	111
Number of employees	128.8	272.3	40.0	81.2	124

## 5.2. The Instrument

The instrument used in the main study (see Appendix A) has six overlapping question clusters; these clusters tackle demographic variables, methods and resources utilized for entrepreneurship, company profile and strategies, managerial routines and networking, organizational practices, and value orientations. Overall, these match up to 225 answers in a fully completed survey. Parts of the survey, a total corresponding to 66 answer points or 29.3% of the whole instrument, are taken

directly from earlier research. The section on meaning of work is taken from World Values Survey (Inglehart, 1990), the question regarding crisis management from a study on small-to-medium sized enterprises in Kayseri (Akdoğan, 1997), the section on organizational practices from Hofstede et al. (1990). The final section which covers value items is partly a product of evaluation and elimination based on findings from the two exploratory phases.

In Phase 1, a 72-item survey has been designed to reveal attributes of the Turkish business culture. These items are grouped into two categories. First category is a group of items related to work, employment, organizations and to business in general and the second category is a group of items reflecting psychosocial or societal values. Some of items used in Phase 1 are adapted from measures previously developed; these measures are labeled Machiavellianism, Interpersonal Trust, Locus of Control and Philosophies of Human Nature as listed in a psychological measurement handbook by Robinson, Shaver, and Wrightsman (1991). Items selected from the scales are translated into Turkish by the author and checked for corrections by two tenured colleagues. Phase 2 combines items selected from Phase 1 with items on paternalism developed by Aycan (in press) and items on traditionalism adapted from the work by Bianchi (1984).

Phase 1 also includes original items coined specifically for a test of Islamic economic values. However, religious connotations and jargon are avoided in order to restrain items from standing out as a special group of statements. The reliability of this scale ranges between .3896 (N=529, 7-items) to .4206 (N=529, 6-items) and fails to offer a coherent set of items for further use. It should be noted that the sample in Phase 1 is not made up of a religious group of respondents; in a question where respondents are asked to rank six aspects of their lives (family, friends, leisure, work, religion, and

politics) in terms of importance, the average rank of religion is found to be 4.79/6.00 (N=577) with only 16.3% mentioning religion in top three priority. The language of the statements, combined with the nonreligious characteristic of the sample, appears to have impeded the detection of these items as signifiers of Islamic economic values. This, of course, requires replication of the survey with other groups assumed to be more familiar with these values. On the other hand, it is also possible that the construct is itself problematic as it is acknowledged elsewhere that the ingenuity of Islamic work ethic is questionable at the empirical level (Ali, 1992), despite much conceptual work (Öztürk, 1986) devoted to the issue.

The value dimensions in the main study are conservatism, paternalism, achievement, individualism-collectivism, materialism-postmaterialism, and innovativeness in three components. Conservatism scale is developed and tested in Phase 2 and it is a 5-item set combining religiosity, authoritarianism, traditionalism, and nationalism. Paternalism scale is adapted from Aycan (in press) and tested for reliability in Phase 2; in the main study, an 8-item version of the scale is used. Achievement orientation is a hybrid scale mixing boldness, belief in formal rules, belief in solitary work, internal locus of control, and belief in competition. Individualism-collectivism (I/C) scale is adapted from Triandis, Chen, and Chan (1998) where respondents are asked to select the most appropriate behavior/choice in a range of situations depicted in brief scenarios. The original study offers sixteen I/C scenarios; however, eight of the scenarios which are not relevant to respondents' characteristics in this study are not included for analysis. For example, the collegiate science competition scenario and familial financial support theme are not suitable in addressing the entrepreneurial adult sample in the current case. One of the remaining scenarios is later dropped due to a typing error detected after the launch of main study. Materialism-



postmaterialism developed by Inglehart (1990) is here measured by a three-question scale taken from Davis, Dowley, and Silver (1999). Although the authors are cautious about the stability of materialism-postmaterialism across issues probed, the scale is shown to be a significant predictor of national differences. Finally, innovativeness scale derives from a re-analysis of the data collected by Aktolga (2002). The scale has three components and these are labeled confrontation, novelty seeking, and risk-taking.

Table 5.9. Summary of central constructs in the main study.

	Source	Item structure	Reliability
Conservatism	Adapted from Bianchi (1984)	5-item set of religiosity, authoritarianism, traditionalism (2 items), and nationalism	.66 (Measured in Phase 2)
Paternalism	Adapted from Aycan (in press)	8-item set emphasizing fatherly management	.82 (Measured in Phase 2)
Achievement	Inspired by the values literature and work of Rotter (1966)	9-item set composed of boldness, belief in formal rules, belief in solitary work, internal locus of control, and belief in competition	.60 (Measured in Phase 1) A shorter, 4-item set tested in Phase 2 remained as low as .25
Confrontation	Adapted from Aktolga (2002)	4-item set emphasizing competitive aggressiveness over harmony	.70 (Measured in Phase 2)
Novelty seeking	Adapted from Aktolga (2002)	6-item set emphasizing openness to experience and new ideas	.80 (Measured in Phase 2)
Risk-taking	Adapted from Aktolga (2002)	5-item set emphasizing change	.55 (Measured in Phase 2)
Individualism-collectivism	Adapted from Triandis, Chen, and Chan (1998)	Seven decision scenarios with four response options each where most appropriate and second best behaviors/choices are picked	Not applicable
Materialism-postmaterialism	Adapted from Davis, Dowley, and Silver (1999)	Three probes with four issues each where both most important and next important issues are picked	Not applicable

### 5.3. Relationships among Value Dimensions

One of the main purposes of the study is to explain the web of relationships among value orientations of businesspeople sampled. The opening chapters have outlined various issues related to operationalization of value dimensions. This section emphasizes further information related to relationships among values in question.

Conservatism is a construct that has attracted attention in psychology and political science, both as an individual level variable and as one of possible ideological dimensions shaping nations. In an extensive review of literature on the construct, Jost, Glaser, Kruglanski, and Sulloway (2003) argue that the core ideology of political conservatism underlines resistance to change and justification of inequality. In terms of psychological motives, conservatism relates to mental rigidity and intolerance of ambiguity. The sociological work on the local-cosmopolitan distinction provides the basis of hypotheses regarding the association between demographic variables and conservatism. Briefly, local-cosmopolitan distinction describes the degree of social experience and participation in broader society. Local-cosmopolitan distinction has been shown to correlate with education and social class and to predict political ideology and lifestyle (Roof, 1976). Locals are more disposed to consider changing their own beliefs to maintain harmonious primary group relations (Nelson and Tallman, 1969). Higher levels of exposure to urban life in pre-adult years may be expected to lead to lower levels of conservatism, in line with the assumptions of local-cosmopolitan distinction. Yet, findings from earlier studies on Turkey show that city dwelling does not necessarily discriminate traditionalism from modern values (Hyman, 1958; Kağıtçıbaşı, 1973). In addition, Bianchi (1984) shows in a Turkish sample that religiosity, which is a component of conservatism in the

measurement here, has a curvilinear relationship with place of origin. That is to say, villagers and big city dwellers are found to show lower levels of religiosity in comparison to town dwellers. In light of these mixed results, the association between conservatism and place of early socialization is expected to be at a moderate level. On the other hand, age is expected to have a positive effect as Bianchi (1984) shows that older respondents are more conservative than students.

Individualism-collectivism (I/C) has been studied extensively and remains to be one of the most popular areas of investigation. Individualism is related to self-reliance, competition, emotional distance from in-groups, and hedonism (Triandis and Gelfand, 1998). Collectivism, on the other hand, is associated with interdependence, family integrity, and sociability. In addition to this dichotomy, Triandis (1995) argues that individualism and collectivism may be horizontal or vertical, former emphasizing equality and the latter emphasizing hierarchy. For example, vertical individualism emphasizes competition and hedonism while horizontal collectivism emphasizes self-reliance. Individualism defined and measured in the current model is vertical individualism. While I/C definitions have been verified in many studies, the antecedents and consequences of individualism-collectivism remain vague. Erez and Earley (1993) briefly discuss the distal and proximal factors related to I/C. National wealth, a distal factor, for example, is shown to relate to higher individualism. However, it is suggested that individualism will slow down after a point at which society members can afford to act for the welfare of all individuals. Among proximal factors related to I/C, family structure, child rearing practices, and labor mobility stand out. Needless to say, none of these are the concern of the study.

In the present study, education and early socialization environment are defined as antecedents of I/C. Triandis, Chen, and Chan (1998) argue that in ambiguous

situations people tend to sample cognitions that correspond to the dominant cultural pattern; for example, vertical cognitions are highlighted in military settings. From this viewpoint, the comparatively formalized structure of urban life may be expected to lead to greater emphasis on individualism. Increased exposure to education, on the other hand, is expected to foster individualism as the notions of competition and individual work tend to get emphasized more often toward high school education and beyond. This relationship between education and individualism is verified in a setting of Turkish migrants in Germany and the Netherlands (Phalet and Schönplflug, 2001).

As mentioned in the opening chapters, postmaterialism thesis asserts that individuals place greatest subjective value on those things that are in relatively short supply and that one's basic values reflect conditions prevailed during one's pre-adult years (Scarborough, 1998). While measured at the individual level, postmaterialism thesis is mostly concerned about value shift at the national level and it has been tested against various social and economic indicators. Inglehart and Baker (2000), for example, plots countries along two dimensions, survival-self expression versus traditional-secular/rational. The Maslowian survival-self expression dimension reflects need level of a country. Traditional-secular/rational dimension is utilized as a measure of prevalence of traditional values in a given society. These two dimensions are shown to be positively correlated, that is self-expression is associated more with secular values than with traditional values. This relationship is also an indicator for variation in GNP per capita. New generations, however, are found to be more postmaterialist in comparison to older generations at all levels of industrialization, although the shift appears to be slower in developing countries. As such, it should be expected that those exposed to restrictive socioeconomic conditions in early socialization and older

people will show higher levels of materialism. In addition, education, being a direct measure of family prosperity (MacIntosh, 1998) is expected to have a positive effect on postmaterialism. The implication of individualism for postmaterialism thesis, on the other hand, is not clear. It is argued that individualism leads to greater emphasis on outcomes and rewards (Smith and Bond, 1998). Assuming that people in individualistic cultures are motivated by economic and material incentives (Hofstede, 1980/2001; Triandis, 1995) a positive effect from individualism to materialism should be expected. However, considering the fact that postmaterialism is defined as increase for the need in self-expression (Inglehart and Baker, 2000) the relationship can be reversed.

Paternalism is a system of governing groups in a manner suggesting a father's relationship with children (Aycan, in press). In the organizational context, the role of the superior is to provide care and protection. In return, the superior expects loyalty of the employees. While built on this mutual obligation, paternalism is not free from power asymmetry. Aycan (in press) notes that paternalism is valued in hierarchical societies and is equated with authoritarianism. As mentioned above, conservatism justifies inequality and, as such, it should be expected to predict paternalistic values. It should also be expected that individualism will have a negative effect on paternalism. It has been shown (Aycan, Kanungo, and Sinha, 1999; Hofstede, 1980/2001) that paternalism and reflections of collectivism are positively correlated. In individualistic societies, people expect to be rewarded in line with their individual contribution. Whereas in collectivistic societies the equality norm is frequently utilized, especially in dealing with the in-group (Leung and Bond, 1984).

Kirton (1976) defines innovation as a cognitive style at the opposite end to adaptation. The innovation-adaptation continuum is defined within a three-

component model; innovative characteristics are associated with high interest in the originality of ideas, less concern for efficiency, and less concern for group conformity. In a limited test of innovation in a Turkish sample, Öner (2000) concludes that the definition of innovation is not different from above but notes that efficiency is frequently mentioned in desired characteristics of innovators. The innovativeness scale utilized here is based on a study (Aktolga, 2002) on innovativeness and managerial values in a sample of Turkish entrepreneurs and professionals. It is shown in the study that innovativeness decreases with paternalism and age.

Confrontation, novelty seeking, and risk-taking are subscales of the modified innovativeness scale mentioned earlier. It should be noted, however, these subscales are treated as separate variables rather than as indicators of a larger concept. Confrontation refers to an inclination to challenge people and ideas. As such, paternalism is expected to have a strong negative effect on this dimension since it implies a concern for conformity and harmony. In contrast to collectivistic-paternalistic cultures, individualistic cultures emphasize rewards and outcomes that are accompanied by a neglect of support mechanisms and little orientation towards people. In the organizational context, individualism is associated with a concern for tasks and not with support for employees (Hofstede, 1980/2001). Work is centered on individuals and not groups (Triandis, 1995). Consequently, individualism should be associated with lower levels of support. The theoretical discussion of conflict management styles supports the culture conclusion.

Kozan (1997) offers three basic models, confrontational, harmony, and regulative. In the confrontational model, conflicts are welcome and governed by norms of fair play and mutual compromise. This mechanism is more common in individualistic

societies where aggressive pursuit of one's goals is seen natural. Conflict tends to be seen desirable as it leads to questioning of the status quo and cultivates change. The harmony model operates on the idea that people are dependent on each other. In the harmony model, conflict is not simply abstracted into the characteristics of the situation. Rather, it is associated with long-term relations of the parties and the network of others. Therefore, prevention of conflict is important. If conflict is persistent, negotiation through third parties becomes the main device. The harmony model is common in collectivistic cultures. In the regulative model, on the other hand, direct confrontation is minimized through extensive use of rules and regulations and particular aspects of a conflict become secondary to general principles, no matter what the practical consequences might be. The regulative model is common in individualistic and high uncertainty avoidance cultures such as France.

Novelty seeking refers to orientation towards and adaptability with new ideas, methods, or technologies. Novelty seeking may be used in exchange for concepts in psychology literature on personality traits such as openness (McCrae and Costa, 1987) or openness to change (Schwartz and Sagie, 2000). Openness as such is composed of self-direction and stimulation (sometimes labeled as excitement seeking or sensation seeking) and is a motivational domain in direct opposition to conservation values of security, conformity, and tradition. Novelty seeking also has an achievement component (Buss and Finn, 1987) via activity implied within.

The final concept, risk-taking is the propensity to engage in experimental behavior. In behavioral studies, risk-taking relates to sensation seeking. High sensation seeking is found to be associated with low levels of inhibition, thrill- and experience-seeking (Levenson, 1990) and higher inclination to commit violations (Rosenbloom, 2003). It should be noted that behavioral theories of risk-taking are mostly concerned with

issues such as antisocial behavior. Economic theory of managerial risk-taking, on the other hand, assumes that risk-taking behavior is a rational and objective decision-making process dependent on the assessment of organizational resources and performance indicators (Mukherji and Wright, 2002). The concept of risk-taking utilized in the current model is situated in the middle of this distinction between stimulating risk-taking and instrumental risk-taking (Zaleskiewicz, 2001). While it is a psychological variable it does not relate to any behavioral outcomes; nor can it be an equivalent of the concept used in economics without organizational criteria. For that reason, risk-taking should be taken as a *motivational* component within the domain of innovativeness (Goldsmith, 1984).

Table 5.10. Expected effects from demographic variables to value dimensions.

	Education	Early socioeconomic conditions	Early socialization environment	Age
Achievement		-		
Conservatism			-	+
Individualism	+	+	+	
Materialism	-	-		+
Paternalism				+
Confrontation				-
Novelty seeking			+	-
Risk-taking				-

#### 5.4. Defining Organizational Practices

The model of organizational practices tested in the study aims to specify the link between firm characteristics and six dimensions defined by Hofstede et al. (1990). The conceptualization of organizational practices rests partially on the notion of organizational culture. However, it aims to separate daily organizational practices



from the relatively abstract definition of values at the individual level. While, of course, it has repeatedly been suggested that characteristics of powerful members (such as founders) may shape organizations (Schein, 1985/1992), the role of variables such as task environment, dominant technology or rate of growth (Chatman and Jehn, 1994) is pronounced to a greater extent in analyses at the organizational level. The model of concern here does not extend to include projections of various industry cultures but it is limited to the effect of firm characteristics. In that sense, the consequences of institutional, legislative or technological dynamics at the macro level are implied rather than tackled directly.

In the study by Hofstede et al. (1990), six dimensions are utilized to show the differences between firms from various industries and to create a typology of industrial cultures. These dimensions originate from data collected from various companies in Denmark and the Netherlands and they are labeled results- versus process-orientation, job- versus employee-orientation, professionalism versus parochialism, closed- versus open-system, tight- versus loose-control, and pragmatic-versus normative-orientation (also labeled P1 to P6). In a test of validation of these dimensions, Verbeke (2000) shows that the dimensions can be replicated with some minor revisions suggesting a seventh dimension named market-internal dichotomy. This seventh dimension is not used in this study.

In Hofstede et al. (1990) the six dimensions are explained in relation to numerous structural characteristics under which measures of size, control, and human capital are presented. As the measures in the original study and the ones utilized in this study are not fully identical, various substitutions are made in developing hypotheses. Table 5.11 below summarizes the list of variables used and hypotheses tested in multiple regression analyses on practice dimensions.

Table 5.11. Expected effects of structural variables on practice dimensions.

	Results	Job	Prof	Closed	Tight	Prag
Number of employees <sup>h</sup>			+			
Share of local operations <sup>f</sup>	+	+	-	+		+
% of managers <sup>s</sup>	-			+		
% of univ. graduates <sup>s</sup>					-	
% of females <sup>h</sup>				-	+	
Average seniority <sup>h</sup>		+		-		
Average age <sup>h</sup>		+				
Respondent's education <sup>s</sup>	-	-	+	-	-	
Respondent's share <sup>f</sup>	+		-		+	

<sup>f</sup> Variable included by the researcher.

<sup>h</sup> Variable available in Hofstede et al. (1990).

<sup>s</sup> Substitute measure for a variable in Hofstede et al. (1990).

A higher score on the first dimension, results- versus process-orientation (P1), implies a precedence of goals over means and it is likened to the organic systems (Burns and Stalker, 1961) where the total situation is more important than technical improvement of means. The dimension also parallels outcome orientation (O'Reilly, Chatman, and Caldwell, 1991) and results orientation (Christensen and Gordon, 1999). Results-orientation is shown to correlate negatively with such variables as absenteeism, average education level of top managers, specialization, formalization, and union membership. In the current analysis, percentage of managers in the firm is taken as the sign of level of formalization and the education level of the responding SIAD member is considered a substitute for average education level of top managers. It is also expected that firms with higher percentage of local operations are less specialized and firms with concentrated owner control are less formalized. Therefore, it is hypothesized that results-orientation is positively correlated to these additional variables.

Next dimension, P2, opposes job-orientation to a concern for people or employee-orientation. In the original study on practices, job orientation is shown to correlate negatively with total invested capital and average education level of top managers and positively with average seniority and average age of employees. Here, total

capital is replaced with another measure of size, total revenues, and, as in P1, the education level of the responding SIAD member average is substituted for education level of top managers. As information on average seniority and average age of employees are available in this study as well hypotheses from the original study are directly replicated. In relation to variables specific to present study, it is expected that share of local operations has positive correlation to job-orientation, due to assumed low levels of formalization and also to low reliance on skilled workforce.

Third dimension (P3) is a contrast between parochial and professional cultures. In parochial cultures members derive their identity typically from the organization; in professional cultures, on the other hand, people identify with their job or profession. Verbeke (2000) notes that the dimension also relates to the local-cosmopolitan dichotomy offered in the sociology literature. It is shown that professionalism tends to increase with increases in total capital, number of employees, specialization, and average education and age of top managers. In the current regression model, the education level of the responding SIAD member, volume, and total number of employees are taken as predictors of professionalism. Share of local operations and respondent's share, on the other hand, are taken as predictors of parochialism in line with the reasoning mentioned above for job- versus employee-orientation.

Fourth dimension (P4) is labeled open- versus closed-system. In open systems boundary spanning activities such as public relations are a focus of attention. As Verbeke (2000) suggests the dimension also differentiates between coping styles with criticism, namely the dichotomy of supportive-defensive communication. An open system reflects an ability to make use of criticism for the benefit of the organization. As such, the dimension resembles confrontation orientation in Christensen and Gordon (1999). A closed system is found to relate to lower numbers

of female employees, lower average seniority and higher formalization. The dataset allows for a direct test of the impact of female employment and average seniority; percentage of managers is once again taken as an indicator of formalization. It is also expected that respondent's education will be related to open-system orientation and share of local operations to closed-system orientation.

Fifth practices dimension (P5) is the dichotomy between tight- versus loose-control and refers to the internal structuring of the organization. A tight control system is associated with strict unwritten rules such as a taken-for-granted dress code and wide-reaching norms for proper behavior. Statistically, tight control is correlated positively with centralization, percentage of female employees and negatively with average education of employees and top managers. Thus, information on respondent's share, percentage of female employees, percentage of university graduates, and respondent's education in the dataset are used for analysis on P5.

The final dimension (P6) corresponds to the polarity between pragmatic and normative orientations. Pragmatism here is defined as customer orientation and pragmatic firms are expected to be driven by the market. Statistically, pragmatic orientation is positively related to specialization. Also, private firms are found to be more pragmatic compared to public ones. It is expected here that share of local operations and volume are indicators of market orientation.

Organizational practices are also investigated in terms of their relation to specific features of the Turkish context. The aim here is to investigate the extent of the correspondence between practices and dimensions of occupational clusters and to predict the relationship between practices and regional differences in socioeconomic development. In these analyses, practices are used as predictors (but not as separate dependent variables to be explained) alongside variables differentiating firms on

their involvement in three main types of operations, namely services, trade, and production.

While various occupational groups such as merchants and industrialists have earlier been compared in terms of interest representation and political agenda at the macro level (Buğra, 1994; Öniş and Türem, 2001), micro-level variation among these groups are not adequately studied. Phase 2 provides an attempt at exploring possible differences between occupational descriptors through a series of quantitative analyses. The analyses are based on the multidimensional scaling (MDS) solution for a matrix representing ten occupational descriptors which are also used in the main study. These descriptors, as mentioned elsewhere, are labeled esnaf, entrepreneur, businessperson, business manager, employer, boss, industrialist, merchant, investor, and manager. In this specific part of Phase 2, respondents are asked to provide separate similarity ratings for each pair, 45 in total, in the matrix. The data collected as such is then transformed into dissimilarity ratings and descriptors are plotted using multidimensional scaling (MDS).

The model used is an individual differences model (INDSCAL) where the multidimensional solution is corrected for each respondent's unique pattern; it is found that all respondents remain below .35 on the weirdness index and, therefore, no individual matrix is excluded from the analysis. The diagnostics reveal that S-stress for a 3-dimensional solution is .38509 after four iterations; stress and r-square averaged over 169 matrices are .27162 and .23207, respectively.

While the solution is not outstandingly powerful, neither in terms of variance explained nor the overall fit, the 3-dimensional plane provides insight into the perceived differences among occupational descriptors. The positioning of descriptors (see Table 5.12 for coordinates) suggests that the dimensions may be labeled

influence, dynamism, and new-traditional split. Influence refers to the perceived power and visibility. Those descriptors which are on the positive side of the dimension possess higher social power in matters extending beyond business and appear to be highlighted for their distinct role in the formal economy and society. Second dimension, dynamism, refers to the extent of change in activities. In this typology entrepreneurs, investors, merchants, and esnaf are perceived to be engaging in more volatile activities in comparison to such groups as industrialists, managers, and employers whose function are somewhat more stable over time. The final dimension, on the other hand, refers to a difference between newer and more traditional categories. Those groups on those positive pole, managers, business managers, entrepreneurs may be argued to have a more cosmopolitan, younger image.

Table 5.12. MDS coordinates of occupational descriptors.

	Influence	Dynamism	New-Traditional
Industrialist	1.5506	-.2681	.2545
Investor	1.0345	1.3305	.1664
Businessperson	.8568	-.4886	-1.0674
Entrepreneur	.5512	1.6094	.3769
Boss	.0472	-1.0408	-1.0802
Employer	-.0353	-1.4526	-.5247
Manager	-.3056	-.9404	1.7374
Business manager	-.5881	-.2537	1.6998
Merchant	-1.2356	.9187	-.9473
Esnaf	-1.8757	.5855	-.6154

The labels for these MDS dimensions derive partly from checks against findings from other parts of the survey in Phase 2. In two separate sections of this survey, respondents are asked to rate the degree ten financial, managerial or strategic motives (e.g., sales, market visibility, and survival) are prioritized in the firm and to rate the degree respondents feel responsible to various groups and institutions (e.g., family,

banks and consumers). These two sections are factor analyzed separately and factor scores are later matched against individual weights derived from MDS analysis.

The factor analysis for motives shows that no item in the analysis has communality below .50 except for product/service quality with a negligible .447. It should be noted that KMO cannot be computed in this case as responses are standardized within-cases before factor analysis. Standardization of responses as such avoids loss of variability as it is sensitive to response styles and it is becoming a common procedure especially in cross-cultural research. The emerging four factors with eigenvalues over 1.00 are found to explain 61.1% of total variance. These factors are summarized in Table 5.13 below.

Table 5.13. Factorial structure of motives/priorities.

	1	2	3	4
Social responsibility	.772			
Sales	-.718			
Revenues	-.623			
New product/service development		-.728		
Profit		.693		
Survival			.799	
Employee development			-.755	
Market visibility				.754
Foreign market expansion		-.570		-.596
Product/service quality				.453
Percentage of variance	21.84	13.98	13.11	12.21

First factor is a clear social responsibility dimension where sales and revenues bear low importance. Second factor combines a negative loading on product/service development with profit orientation. Respondents scoring higher on this dimension may be argued to represent either companies with short-term oriented, non-innovative outlook or companies which operate on generating large profit by answering demand for established products. The theme in the third factor is survival and it also implies low emphasis on employee development. Respondents scoring

high on this dimension may be argued to represent businesses in competitive yet fragile markets. Such firms may be expected to show high levels of turnover. Final factor relates to a concern for market visibility and product/service quality. The negative loading of foreign market expansion may be showing a contrast to exporting companies in sectors like textiles where outsourcing overrides most concerns about gaining brand status.

The factor analysis for responsibilities, on the other hand, reveals five factors. However, the number of factors is reduced to four as one of the original five factors is made up of a single item. In the four factor model two items, responsibility toward unions and responsibility toward shareholders have communality below .50. However, these are ignored for depth over robustness; the emerging four factors (See Table 5.14) are found explain 59.8% of total variance.

Table 5.14. Factorial structure of responsibilities.

	1	2	3	4
Relatives	-.798			
Friends	-.777			
Unions	.656			
Local SIAD		.798		
Banks		-.634		
Professional peers			.782	
Family			-.639	
Employees			.475	
State				-.723
Consumers				.715
Shareholders				-.493
Percentage of variance	22.16	15.27	11.47	10.92

The first factor reflects responsibility towards unions over relatives and friends and as such it may be representing the dichotomy between formalized versus paternalistic workplace relationships. Second factor is composed of a strong positive loading of responsibility toward local businessmen's association and a negative loading of



responsibility towards banks. Respondents scoring higher on this dimension may be argued to reflect the importance of their ties to their local SIADs in developing their businesses. Third factor combines positive loadings for responsibility towards colleagues and employees and a negative loading for responsibility towards family. As such, a positive score on this factor is a sign of professionalism and a negative score is an indicator of the role family plays in respondent's businesses. The final factor is labeled market orientation. A low score on this dimension does not necessarily negate market focus but it implies that main responsibility is towards the state or shareholders. Respondents scoring low on this dimension may be expected to be members of firms with business ties to state or a large parent company. In the final step, individual MDS weights, factor scores for priorities, and factors scores for responsibilities are factor analyzed altogether to reach an overall representation. While the overall strength of this analysis is not justified (with KMO equaling .455 and Bartlett's test of sphericity remaining at a significance level of .494 well above the .05 criterion), the findings help enrich the content of the original MDS dimensions. The factor structure for this analysis is presented in Table 5.15 below.

Table 5.15. Second-order analysis of priority and responsibility dimensions.

	1	2	3	4
New-Traditional	.673			
(r) Market orientation	.542			
(p) Survival	.497			
(r) Professional focus		.753		
(p) Brand focus		.520		
(r) Ties to SIAD		-.497		
(p) Social responsibility			.796	
Influence	-.421		.566	
Dynamism				.725
(r) Workplace formalization			.482	.536
(p) Trading focus				-.525
Percentage of variance	14.59	12.65	11.00	10.50

(r) Factor depicting managerial routines, (p) factor depicting priorities.

The New-Traditional split loads onto the first factor alongside market orientation and survival. It can be suggested that this factor suggests the governance dichotomy labeled as agent versus principal (Jensen and Meckling, 1976). The MDS dimension labeled Influence, on the other hand, parallels the social responsibility factor in priorities. The societal component implied in this dimension is thus verified. The Dynamism dimension is comparatively ambiguous. Dynamism goes along with workplace formalization but there is no common aspect to the descriptors on the positive pole of this MDS dimension bearing resemblance to such formalization. As mentioned earlier, the second motives dimension can both be interpreted as non-innovativeness or mass profit generation over established products. The negative loading of this motive to the factor Dynamism may be suggesting that the group composed of investors, entrepreneurs, merchants, and esnaf is perceived to be comparatively more open to change. As such, emphasis on formalization may be reflecting an espoused change. Nevertheless, workplace formalization makes more sense next to the social responsibility motive and thus it can be considered an element of the Influence dimension.

Table 5.16. Hypotheses on dimensions of descriptors and regional development.

	Influence	Dynamism	New-Traditional	Development Index
Results-Process		+		
Job-Employee Orientation		+		+
Professional-Parochial			+	-
Closed-Open System	-			+
Tight-Loose Control		-	-	
Pragmatic-Normative	-		-	
Services		+		
Trade			-	+
Production	+			-

Table 5.16 above summarizes the expected relationship of six independent practice dimensions and three types of operations to three MDS scores and regional socioeconomic development. In the main study respondents are asked to select two descriptors (instead of one as in Phase 2) that define their professional position best. Both of the descriptors are replaced with MDS coordinates corresponding to each, resulting in six new scores for each individual. Next, each respondent is assigned separate Influence (I), Dynamism (D), and New-Traditional Split (N) scores each computed as the average of scores corresponding to first and second best choices. For example, if an individual is known to describe himself/herself as industrialist and next as investor, his/her overall Influence (I) score is the average of 1.5506 and 1.0345, (I) coordinates for these descriptors. This procedure is repeated for the remaining dimensions, (D) and (N), as well.

The index for socioeconomic development is based on a recent official work (Dinçer, Özaslan, and Satılmış, 1996) including 76 cities in Turkey. The study utilizes 68 indicators for population, quality of health services, industrial capacity, agricultural production, educational services, quality of housing, quality of infrastructure, and propensity for consumption. The cities are ranked on a composite measure for the 68 indicators and then grouped into five distinct clusters (See Table 5.17 for details). It is shown elsewhere (Çilan and Demirhan, 2002) that İstanbul, Ankara and İzmir are cases with unique characteristics. Nevertheless, the special status of Ankara and İzmir (İstanbul is not sampled in this study) is discarded to avoid information loss. Exclusion is not justified also because these two cities cluster in the top group with other industrialized cities, Kocaeli and Bursa.

The social responsibility component in normative orientation and supportive communication component in the open-system orientation are expected to predict

variance in Influence. Influence is also expected to be a characteristic of production firms. The societal role, espoused or actual, of groups such as industrialists is evident in their intervention in policy making at the governmental level (Bali, 2002; Buğra, 1994; Gülfidan, 1993). The notion of Dynamism, on the other hand, contains an element of volatility and change, and thus, it is expected to be explained by results-orientation, job-orientation, and loose control. That is, Dynamism is expected to decrease as operations become institutionalized and rather stable. There is no clear expectation about the relationship of Dynamism to type of operations. However, it can be assumed with some caution that alterations in business activities are easier in services.

The New-Traditional split is comparatively clear-cut and it is expected to be predicted by the cosmopolitan-local dichotomy implied in professionalism-parochialism, level of internalization of work regulations signified by tight-loose control, and internal-external focus dichotomy implied in pragmatic-normative dimension. It is also expected that traditional categories will be more trade oriented compared to newer professional groups. Finally, low socioeconomic development is expected to be explained by job-orientation, parochialism, and closed system. It is also expected that production will have lower presence and trade will have a larger presence in areas lower on the index.

Table 5.17. Socioeconomic development index for 76 cities in Turkey.

City	Index	Category	City	Index	Category
1 İstanbul	4,879015	1	39 Amasya	-0,193947	3
2 Ankara	3,32447	1	40 Karaman	-0,225250	3
3 İzmir <sup>e</sup>	2,707983	1	41 Afyon	-0,228109	3
4 Kocaeli	1,745641	1	42 Niğde	-0,280378	3
5 Bursa	1,561681	1	43 Kastamonu	-0,331970	4
6 Eskişehir	1,010243	2	44 Çorum	-0,338263	4
7 Antalya	0,979019	2	45 Giresun	-0,342129	4
8 Tekirdağ*	0,91210	2	46 Artvin	-0,361540	4
9 Adana	0,825002	2	47 Erzincan <sup>d</sup>	-0,369077	4
10 Mersin	0,692054	2	48 Sivas	-0,408015	4
11 Muğla <sup>e</sup>	0,625896	2	49 Aksaray*	-0,449240	4
12 Aydın <sup>e</sup>	0,572214	2	50 K.maraş*	-0,450686	4
13 Balıkesir	0,566499	2	51 Bartın*	-0,472164	4
14 Kırklareli*	0,554468	2	52 Tokat	-0,481332	4
15 Kayseri	0,530593	2	53 Çankırı*	-0,506919	4
16 Denizli	0,501473	2	54 Sinop	-0,512526	4
17 Bilecik*	0,474944	3	55 Ordu	-0,535689	4
18 Edirne	0,408019	3	56 Erzurum <sup>d</sup>	-0,550649	4
19 Zonguldak*	0,362269	3	57 Diyarbakır <sup>§</sup>	-0,614462	4
20 Çanakkale	0,351583	3	58 Yozgat	-0,639394	4
21 Isparta*	0,337425	3	59 Şanlıurfa <sup>§</sup>	-0,657586	4
22 Manisa <sup>e</sup>	0,308470	3	60 Tunceli <sup>d</sup>	-0,694920	5
23 Uşak <sup>e</sup>	0,249609	3	61 Adıyaman <sup>§</sup>	-0,752853	5
24 Konya	0,220072	3	62 Kars <sup>d</sup>	-0,754675	5
25 Gaziantep	0,199953	3	63 Gümüşhane	-0,783385	5
26 Hatay	0,189559	3	64 Bayburt <sup>d</sup>	-0,798578	5
27 Sakarya	0,154779	3	65 Batman <sup>§</sup>	-0,869404	5
28 Bolu	0,147192	3	66 Mardin <sup>§</sup>	-0,916083	5
29 Burdur*	0,144998	3	67 Van <sup>d</sup>	-0,955459	5
30 Kırıkkale*	0,141061	3	68 Siirt <sup>§</sup>	-0,970848	5
31 Kütahya*	0,093397	3	69 Iğdır <sup>d</sup>	-0,980015	5
32 Nevşehir	0,006389	3	70 Hakkari <sup>d</sup>	-1,053626	5
33 Elazığ <sup>d</sup>	-0,024586	3	71 Bitlis <sup>d</sup>	-1,056951	5
34 Trabzon	-0,034803	3	72 Ardahan <sup>d</sup>	-1,057505	5
35 Samsun	-0,042239	3	73 Bingöl <sup>d</sup>	-1,060746	5
36 Kırşehir*	-0,116527	3	74 Ağrı <sup>d</sup>	-1,134534	5
37 Rize*	-0,122267	3	75 Şırnak*	-1,224524	5
38 Malatya	-0,179552	3	76 Muş <sup>d</sup>	-1,244671	5

Adapted from Dinçer, Özaslan, and Satılmış (1996).

\* No local SİAD present.

<sup>e</sup> City represented in ESİAD.

<sup>d</sup> City represented in DOSİAD.

<sup>§</sup> City represented in GÜNSİAD.

Small towns are categorized in the governing cities.

### **5.5. Values as Predictors for Organizational Practices and Networking**

An important issue concerns the possible relationship between values measured at the individual level and organizational practices as perceived by respondents. It is agreed that values are acquired early in the family and at school whereas organizational practices are learned through socialization at the workplace (Pascale, 1985). Although it may be hypothesized that value change occurs in the process organizational socialization, characteristics of respondents in this sample make influence from values to practices a more theoretically viable option. In reference to their status as business owners, respondents may be expected to shape practices in their organizations or exert influence whenever a personally undesirable feature emerges. Therefore, the six practice dimensions are regressed, one by one, on eight value orientations.

Despite the importance of the issue, the literature offers limited findings for the influence from values to practices. However, certain results may be expected. For example, in a study on person-organization fit O'Reilly, Chatman, and Caldwell (1991) show that individuals with high needs of achievement show a distinct preference for outcome-oriented (equivalent of results-orientation) cultures. Based on the speculation that professionalism-parochialism relates to the local-cosmopolitan dichotomy (Verbeke, 2000), conservatism is expected to be positively correlated with parochialism. The rigidity implied in conservatism, on the other hand, is expected to relate negatively to openness in the organizational system. Verbeke (2000) also suggests the open-closed system dimension differentiates between coping styles with criticism, namely the dichotomy of supportive-defensive communication. Therefore, high levels of confrontation should be related to an open-system

approach. As confrontational style is more typical of individualistic cultures, an additional effect of individualism should be expected. As noted elsewhere, paternalism implies an emotional, benevolent exchange between members involved in a specific group or collectivity in an asymmetrical, hierarchical relationship. For this reason, paternalism should relate more to employee-orientation than to job-orientation. Materialism, on the other hand, should render job more important than employees. In addition to these expectations, two other hypotheses can be suggested. Novelty seeking implies adaptation and change and therefore it may lead to increased flexible in control. It can also be suggested that the need for formal rules implied in individualism cannot be satisfied without normative practices to adhere to. No predictions can be made from risk-taking to practices.

The possible consequences of values for networking behavior are examined in addition to practices. Networking behavior is defined after a three-step factor analysis. In one of the sections of the survey, respondents are requested to state their level of commitment to fourteen managerial routines listed. In a following section, the respondents are asked to rate the frequency of business contacts they pursue. These contacts refer to relationships with key external players, governmental and non-governmental, professional and otherwise. Responses to these two sections are factor analyzed separately. The second-order factor analysis of the emerging scores are then utilized to describe types networking behavior. The outcomes of individual values for networking behavior are examined through regression analyses. As there is no substantial model in the literature to speak of, however, these analyses remain purely exploratory.

## **6. Findings**

This section outlines findings for analyses specified in the previous sections. Reliability checks for scales administered for the measurement of individual values and organizational practices are presented in the beginning of each subsection. First, the model of individual values is delineated. This is followed by multiple regression analyses for organizational practices and next by a report on the effects of values on practices and networking. For purposes of clarity, diagnostics for separate analyses utilizing same set of variables are presented in summary tables. Further details of related statistical information may be found in Appendix B. The section ends with an overall evaluation and discussion of the findings.

### **6.1. The Factorial Structure of Individual Values**

One of the main purposes of the study is to reveal the map of relationships among individual value orientations. The reliabilities of the dimensions are listed in Table 6.1 below. Individualism and materialism are measured by scenario-based tools, therefore no reliability can be computed for these dimensions. Confrontation has a reliability of .9100, highest among the remaining. Achievement has the lowest reliability, .5448, which is likely to stem from multidimensionality of the construct. Based on a confirmatory factor analysis of the dimensions using AMOS 4.0, an item from risk-taking is transferred to confrontation.



Table 6.1. Reliabilities of value dimensions.

	Revisions	Reliability
Confrontation	One item excluded, one item transferred from risk-taking	.9100
Paternalism	One item excluded	.7919
Novelty seeking	Two items excluded	.7499
Conservatism	One item excluded	.6718
Risk-taking	One item excluded, one item transferred to confrontation	.6290
Achievement	Four items excluded	.5448

Four principal demographic indicators are utilized to explain variance in value dimensions. These variables summarize respondents' level of education, age, access to socioeconomic opportunities during childhood and youth, and early socialization environment. As seen in Table 6.2 below, the demographics fail in predicting the value dimensions. It is likely that the homogeneity of the sample has disturbed these regression analyses. Nevertheless, education appears to have the strongest explanatory power. Age does not contribute to the findings, partly because its effect is represented in education with older respondents having comparatively lower levels of education. It should also be noted that materialism and novelty seeking cannot be predicted by the background variables.

Table 6.2. The effect of demographic characteristics on value dimensions.

	Cons	Pat	Ach	Ind	Mat	Conf	Nov	Risk
Constant	**	**	**	**		**		**
Education	-.355**	-.335**	-.275**	-.242*		.302**		.244*
Conditions		.201*						
Socialization								.198*
Age								
R <sup>2</sup>	.126	.124	.076	.059	-	.091	-	.136
Model sig.	.000	.001	.003	.014	Insig.	.001	Insig.	.000
N (Listwise)	125	119	123	112	112	123	112	121

\*Coefficient significant at .05, \*\* coefficient significant at .01. Method: Stepwise.

Regression analyses reveal that increase in the level of education leads to decrease in conservatism, paternalism, achievement, and individualism. These findings pose a

contradiction to ideas offered in the so-called Western psychology. For example, paternalism should be expected to be related to collectivism but not individualism. Education also influences confrontation and risk-taking. Although the status of novelty seeking is not clear, it may be argued that innovativeness tends to increase with education.

Table 6.3. Intercorrelations among value dimensions.

	Ach	Cons	Ind	Mat	Pat	Conf	Nov	Risk
Achievement	.							
Conservatism	.465**	.						
Individualism	.614**	.360**	.					
Materialism	.402**	.286**	.349**	.				
Paternalism	.614**	.671**	.347**	.332*	.			
Confrontation	-.370**	-.243**	-.258**	-.154	-.254**	.		
Nov. seeking	.157	.060	.094	-.103	.181*	-.211*	.	
Risk-taking	-.185*	-.288**	-.071	-.180*	-.278**	-.090	.004	.
Mean	4.24	4.24	6.80/21.0	9.87/15.0	4.36	1.88	4.18	2.89
Std. deviation	0.55	0.71	3.68	2.60	0.59	1.03	0.52	0.99
N	127	129	114	126	122	127	126	125

\*Correlation significant at .05, \*\* correlation significant at .01.

Table 6.3 above summarizes correlations among value dimensions, descriptive statistics included. A particularly intriguing outcome is the high positive correlation (Pearson=.465,  $p=.000$ ,  $N=127$ ) between conservatism and achievement orientation. The strength of this observed positive relationship is also verified indirectly via observed positive correlation between achievement and paternalism. Paternalism is an important component of collectivism (Aycan, in press) which values ascription and therefore it should be expected to relate negatively to achievement. The correlation matrix suggests that collectivistic characteristics and aspects of individualism are not clearly distinguished as expected. On the other hand, confrontation is found to be negatively correlated to all other variables in the model. It should be noted that respondents in the sample stand out for the low average

emphasis on confrontation (Mean=1.88, Std. dev.=1.03, N=127). Novelty seeking appears to be independent of most other variables.

The emerging associations can be portrayed in finer detail with the help of factor analyses. When a default run is utilized, the emerging model is a two-factor solution (KMO=.737, sig. Bartlett=.000) and it explains 55.39% of variance in responses. As seen in Table 6.4 below, variables measuring aspects of innovativeness are clustered together against remaining five value orientations.

Table 6.4. Default and extended factor solutions for value orientations.

Default 2-factor solution			Extended 4-factor solution				
	1	2		1	2	3	4
Achievement	.806		Conservatism	.880			
Paternalism	.783		Paternalism	.822			
Conservatism	.776		Individualism		.819		
Individualism	.665		Materialism		.757		
Materialism	.648		Achievement	.524	.661		
Confrontation		-.667	Risk-taking			.817	
Novelty seeking		.661	Confrontation			-.629	
Risk-taking		.532	Novelty seeking				.967

When a more robust, 4-factor solution is extracted variance explained raises to 76.93%, with none of the communalities remaining below .650. Two specific idiosyncrasies are observed (See Table 6.4). First, dimensions of innovativeness are split into two where novelty seeking emerges as a unique factor. This is not a surprising result considering the finding that novelty seeking shows no significant pattern of correlations with the remaining variables. The combined positive loading for risk-taking and negative loading for confrontation, however, is a special case of attention. Originally, the competitive aggressiveness implied in confrontation is expected to relate positively to risk-taking.

## 6.2. Findings on Organizational Practices

This section briefly reports the reliability analyses for six dimensions of organizational practices and then proceeds with summaries for two sets of regression analyses. Paragraphs are mostly limited to raw, diagnostic evaluations as the wider discussion of the findings is provided in the end of the section. As seen in Table 6.5 below, final reliability scores for organizational practices remain mediocre to acceptable if the level of .70 conventionally accepted after Nunnally (1978) is taken as the criterion. Among six dimensions, professional-parochial dichotomy shows the lowest internal consistency, remaining at .4560 after item exclusions. The reliability of closed- versus open-system, on the other hand, is the highest among six dimensions and this is achieved without any revisions to the original items. Tight-versus loose-control receives no revision as well but the reliability remains only fifth in rank. It has been shown that internal reliability is sensitive to scale length (John and Benet-Martinez, 2000). When inter-item correlations are constant longer versions of a scale produces higher reliability scores. In the study, organizational practices are measured with relatively short scales. Nevertheless, it can be argued that the structural composition of the dimensions measured here is much more complex than to be corrected by length or item revisions. A noteworthy point is that reliabilities are higher in the main study compared to Phase 2 except for the consistently weak case of professional-parochial dichotomy. It may be argued that a more homogeneous composition of respondents, which is the case in the main study, increases internal consistency of the responses. While not a concern of this study, it may also be speculated on the question whether direct mail results in higher reliability scores in comparison to drop-in survey. The perceptions regarding the two

methods might be differing and, in return, affecting the reliabilities in favor of direct mail. Respondents may be inclined to devote more time and attention to direct mail surveys which possibly trigger a more concrete sense of confidentiality and seriousness.

Table 6.5. Internal consistencies of organizational practice dimensions.

	Reliability before revisions		Revisions		Reliability after revisions	
	Phase 2	Main Study	Phase 2	Main Study	Phase 2	Main Study
Results-Process	.3762	Near zero	p1 deleted	p1 p2 deleted	.4038	.5320
Job-Employee	.3113	.4109	p19 p20 p27	p19 p20 p25 p27	.5278	.6156
Professional-Parochial	Near zero	.3968	p15 p21 deleted	p15 p21 deleted	.4678	.4560
Closed-Open System	.2855	.6607	p8 p23 deleted	No revisions	.4650	.6607
Tight-Loose Control	.2041	.5292	p12 deleted	No revisions	.4315	.5292
Pragmatic-Normative	.3478	.2784	No revisions	p6 p24 deleted	.3478	.5775

One of the assumptions in multiple regression analysis concerns multicollinearity (Hair et al., 1998). Multicollinearity can be defined as two or more independent variables being highly correlated to one another. What level of correlation constitutes multicollinearity, however, is still under debate. In regression analyses reported here the lowest tolerance observed equals .415 and it can be presumed that multicollinearity is not a major problem.

The first group of multiple regression analyses concerns the magnitude of several firm- and owner-related variables in explaining variance in organizational practices. All independent variables are entered in emerging models. The lowest tolerance figure is .415 (for share of local operations) and, therefore, none of the independent variables are excluded. Table 6.6 below summarizes expected predictions (in

parentheses) and the corresponding results. Significant beta coefficients (standardized) are marked either with a single or a double asterisk depending on the level of significance.

Among five directional hypotheses regarding results- versus process-orientation, only one reaches significance. As expected, the percentage of managers in total number of employees in the firm has negative relationship to the dimension, or to put it another way, to results-orientation. The remaining four predictions are verified in direction but they fail to reach significance. An unexpected finding is the significant negative relationship of average employee age. Overall, 40.9% of variance in results-versus process-orientation is explained by these independent variables and this model is significant at the .001 level. It can be concluded either that processes become more important with more managers and older people in the firm or that firms tend to recruit more managers and older people in order to secure that tasks are committed in line with the procedural requirements.

Among four directional hypotheses regarding job- versus employee-orientation none reaches significance although the model is significant at the .002 level, explaining 31.3% of variance. Two of the hypotheses cannot be verified in terms of direction. Share of local operations has the strongest beta coefficient. Local firms are smaller firms as revealed in the negative correlation between measures for share of local operations and firm size (Pearson=-.339, sig.=.01). It can be argued that efficient management of human resources are secondary to immediate task requirements in smaller firms.

Variance in the professional-parochial dimension is explained at 28.3% level and the model is significant at the .006 level. However, none of the expected relationships are confirmed. This dimension is best explained by three other variables, percentage

of managers, percentage of employees with bachelor degree and average tenure. Professionalism increases with average tenure and percentage of employees with bachelor degree. Rather surprisingly, parochialism increases with percentage of managers in the firm. It is likely that respondents have referred to owner-managers but not necessarily only to professional managers in reporting figures. The finding that size and percentage of managers are negatively correlated (Pearson=-.389, sig.=.01) supports this conclusion.

Table 6.6. Summary of regression analyses for practices as dependent variables.

	Tolerance <sup>n</sup>	Results	Job	Prof	Closed	Tight	Prag
Constant		**	**	**	**	**	**
Number of employees	.630			.017 (+)			
Local operations	.415	.070 (+)	.281 (+)	.011 (-)	.352** (+)		.387* (+)
% of managers	.563	-.467** (-)		-.393*	.057 (+)	-.325*	
% of univ. graduates	.615			.310*		.094 (-)	
% of females	.690				-.135 (-)	-.097 (+)	
Average seniority	.730		.136 (+)	.256*	.152 (-)		
Average age	.772	-.253*	-.188 (+)			-.280*	
Respondent's education	.645	-.181 (-)	.021 (-)	-.115 (+)	-.206 (-)	-.172 (-)	
Respondent's share	.482	.192 (+)		.084 (-)		.150 (+)	
<b>R<sup>2</sup></b>		<b>.409</b>	<b>.313</b>	<b>.283</b>	<b>.442</b>	<b>.352</b>	<b>.333</b>
<b>Model significance</b>		<b>.000</b>	<b>.002</b>	<b>.006</b>	<b>.000</b>	<b>.001</b>	<b>.001</b>
<b>N (Listwise)</b>		<b>77</b>	<b>77</b>	<b>76</b>	<b>76</b>	<b>74</b>	<b>75</b>

\*\* Sig at .01, \* sig. at .05. Method: Enter. <sup>n</sup> Based on highest N.

Variance explained in the dichotomy of closed- versus open-system reaches 44.2%, top among six practice dimensions. Among six hypotheses related to the dimension, four is found to be in the expected direction. Among the four, only the beta coefficient for share of local operations is significant. The positive sign of the coefficient suggests that firms with higher share of local operations have more closed structures. This again brings out the indirect effect of size. It may be argued that

smaller, locally oriented firms rely less on boundary spanning activities of public relations sort required in open systems.

In tight- versus loose-control none of the expected relationships are confirmed, although two out of four appear to move in the hypothesized direction. Overall, 35.2% of the variance in tight- versus loose-control is explained by the variables included and the model is significant at the .001 level. The analysis reveals two alternative paths both of which are negative, one from average age and the other from percentage of managers. The model for the sixth and final dimension, pragmatic- versus normative-orientation, is also significant at the .001 level, variance explained reaching 33.3%. The model confirms the expected positive relationship from share of local operations. Locally oriented firms are smaller in size and more job-oriented than employee-oriented. Normative, regulatory notions get more emphasized in larger firms where higher number of social and task-oriented interactions makes the organization increasingly complex.

The second group of multiple regression analyses concerns the effect of organizational practices and type of main operations in explaining variance in three dimensions discriminating occupational descriptors and also in regional socioeconomic development. As with the earlier set of regression analyses, all variables are entered in the emerging models. The lowest tolerance figure is .420 (for closed- versus open-system) and, therefore, none of the independent variables are excluded. Table 6.7 below summarizes expected predictions and corresponding results. Significant beta coefficients (standardized) are marked either with a single or a double asteriks depending on the level of significance. Variance in socioeconomic development is explained at .577, an impressive level.



Table 6.7. Summary of regression analyses for practices as independent variables.

	Tolerance <sup>n</sup>	Influence	Dynamism	New-Traditional	Socioeconomic level of location
Constant		*	*	*	**
Results-Process	.572	.224*	-.176 (+)		
Job-Employee	.600		.000 (+)		.215* (+)
Professional-Parochial	.698	.029 (+)		-.020 (+)	-.046 (-)
Closed-Open System	.420	.006 (-)			.315** (+)
Tight-Loose Control	.452		-.045 (-)	-.079 (-)	.419**
Pragmatic-Normative	.536	-.049 (-)		-.222 (-)	
Services	.528		.376** (+)		
Trade	.846		.247*	-.195* (-)	.098 (+)
Production	.521	.314* (+)	.297*		-.055 (-)
<b>R<sup>2</sup></b>		.270	.148	.169	.577
<b>Model significance</b>		.000	.055	.024	.000
<b>N (Listwise)</b>		110	110	110	102

\*\* Sig at .01, \* sig. at .05. Method: Enter. <sup>n</sup> Based on highest N.

Influence is explained at 27.0% and the model is significant at the .001 level. Three of the expected relationships are verified in direction, the coefficient for closed-versus open-system remains close to zero. The effect of business orientation-production is statistically significant. That is to say, influence score is higher for respondents from firms engaged in production. An unpredicted effect stems from results- versus process-orientation, significant at the .05 level. It is found that there is a positive relationship between results-orientation and influence.

Variance in the second dimension, dynamism, is explained only by 14.8% and the model reaches significance only at the .10 level. The expected positive effect from Business Orientation-Services to dynamism is statistically verified. The assumption for tight- versus loose-control cannot be accepted statistically despite the emerging coefficient confirms the path. The case of results- versus process-orientation is problematic as it contradicts the expected path. It is interesting that all types of business orientations have a positive effect on dynamism. This implies that dynamism increases with having more than one type of business orientation. It also

raises the question whether dynamism should bear a positive connotation as multiple business orientations may, from an alternative perspective, imply a form of aversive stance towards activity deepening. All paths hypothesized for the new-traditional split are confirmed except for the professional-parochial dichotomy. Among these, only the negative path from business orientation-trade is statistically significant. Overall, 16.9% of variance in the new-traditional split can be explained and this model lies below the .05 margin. The regression analysis suggests that more traditional occupations are associated with trade.

The socioeconomic level of location, on the other hand, is explained at a highly significant 57.7% level. Among five paths which are all confirmed in direction, two reaches significance. The paths from job- versus employee-orientation and closed-versus open-system are meaningful at the .05 and .01 levels, respectively. An emergent path is the positive coefficient for tight- versus loose-control, significant at the .01 level. Firms from cities ranking lower in socioeconomic development index tend to be smaller in size (Pearson=-.259, sig=.070), tend to have lower volume (Pearson=-.179, sig=.059), and appear to be significantly local region oriented (Pearson=.561, sig=.01).

In order to supplement the findings above, the relationship between industry type and organizational practices are tested through multivariate analysis of variance (MANOVA). The dataset allows for six industry types; these are industrial machinery and automotive, food and agricultural products, apparel and textiles, services including health and tourism, construction and allied services, and chemicals and minerals. MANOVA for organizational practices does not reveal any differences between industry clusters (sig. ranges between .186 and .931) in any of the comparisons and, therefore, details of the findings are not reported here. Firms in the

sample tend to be, on average, high on results-orientation, professionalism, tight-control, and middling to high on job orientation, closed-system orientation, and pragmatism (See Table 6.8 for details).

Table 6.8. Summary statistics for practice dimensions.

	Mean	Std. deviation	Lower bound	Upper bound	N
Results-Process	4.00	0.88	3.85	4.16	126
Job-Employee	3.10	1.07	2.91	3.29	128
Professional-Parochial	4.16	0.76	4.02	4.29	125
Closed-Open	3.24	0.95	3.08	3.41	125
Tight-Loose	4.14	0.66	4.02	4.26	123
Pragmatic-Normative	3.32	1.18	3.11	3.53	123

### 6.3. Predicting Organizational Practices and Managerial Networking from Individual Values

The second group of regression analyses is intended to measure the effect of individual values on organizational practices. Values significantly predict all practice dimensions except for professionalism-parochialism where variance explained remains at 19.8%. Among value orientations, confrontation and risk-taking stand out with significant loadings in five and four of the six models, respectively. Diagnostics reveal that there is no fatal multicollinearity among independent variables and therefore no variables are excluded. Minimum tolerance is found to be .400 for achievement orientation. Table 6.9 below summarizes findings from these regression analyses.

Results orientation is best explained by four value orientations. While conservatism, achievement, and novelty-seeking are found to have significant positive coefficients,

confrontation appears to bear a negative relationship. Overall, 52.0% of variance in results-orientation can be explained by individual values. Three significant coefficients are found for job orientation which is explained at 40.3% level. Negative coefficients for risk-taking and confrontation are joined with a positive, comparatively weaker coefficient for materialism.

Table 6.9. Practice dimensions as predicted by value orientations.

	Tolerance <sup>n</sup>	Results	Job	Prof	Closed	Tight	Prag
Constant		*	**	**	**	*	**
Conservatism	.506	.243*					
Paternalism	.421			.393**	.332**		
Achievement	.400	.263*					
Individualism	.583						
Materialism	.774		.242**				
Confrontation	.770	-.171*	-.391**	-.261*	-.364**		-.277**
Novelty-seeking	.844	.289**					-.234**
Risk-taking	.865		-.473**		-.387**	-.174*	-.459**
<b>R<sup>2</sup></b>		<b>.520</b>	<b>.403</b>	<b>.198</b>	<b>.536</b>	<b>.425</b>	<b>.451</b>
<b>Model sig.</b>		<b>.000</b>	<b>.000</b>	<b>.007</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>
<b>N (Listwise)</b>		<b>103</b>	<b>104</b>	<b>101</b>	<b>103</b>	<b>100</b>	<b>101</b>

\*\* Sig at .01, \* sig. at .05. Method: Enter. <sup>n</sup> Based on highest N.

As mentioned above, professionalism fails to be explained at a significant level although the emergent model is statistically valid. In that sense, the coefficients for paternalism and confrontation should be interpreted with additional caution. Next dimension, closed- versus open-system, on the other hand, is explained at the 53.6% level. Findings suggest that a closed-system is a function of paternalism, low levels of confrontation, and low risk-taking. Tight- versus loose-control is found to be related to a single value orientation, risk-taking. The coefficient for risk-taking is a negative, significant at the .05 level. Final dimension, pragmatic- versus normative-orientation, is explained by three innovativeness subscales. It is seen that normative-

orientation is related to risk-taking, novelty-seeking, and confrontation at the individual level. These findings are evaluated in the discussion of the findings.

The exploratory analysis concerning managerial networking is composed of a three-step factor analysis. In the survey, respondents are asked to sketch their weekly business activities using a list of managerial routines. They are also provided a list of institutions and asked to rate the frequency of contacts they pursue toward these institutions. Responses to these sections are factor analyzed separately. Followingly, a second-order factor analysis is carried out to reveal the relationships among managerial routines and networking. Scores emerging from the second-order factor analysis are then regressed on individual values.

Factor analysis of contacts is a powerful one ( $KMO=.821$ , sig. Bartlett $=.000$ ) where no communalities fall below the .647 level. An expanded four-factorial structure is preferred over the default model and this model explains 76.53% of variance in responses (See Table 6.10 for details). First factor represents ties with the local SİAD, two large businesspersons' associations, TÜSİAD and TOBB, the government and the chambers. As such, the dimension is a marker for associational activity geared towards networks at the national level. Here, local SİADs emerge as important mediators of access to larger networks.

It should be noted here, however, that having TOBB and TÜSİAD in the same dimension causes a minor difficulty in interpretation despite the difference in factor loadings. Öniş and Türem (2001) argue that TÜSİAD is characterized with activities extending beyond national borders and a claim to represent the entire business community in Turkey. TOBB, on the other hand, is closer to a narrowly defined interest organization. This raises the question whether characteristic differences of TOBB and TÜSİAD have dissolved in the component.

Table 6.10. Factorial structure of frequent contacts.

	1	2	3	4
Local SİAD	.780			
TÜSİAD	.749			
Local chambers	.740			
Government	.716			
Professional chambers	.677			
TOBB	.617			.536
Local municipality		.862		
Local governorship		.853		
Local office of favorite political party		.714		
Local MPs	.586	.655		
TESK			.906	
MÜSİAD			.810	
TİSK			.791	
Unions				.870
Percentage of variance	47.60	16.07	6.72	6.15

A small test is carried out to test this proposition through one of items in the subsection on SİAD membership. In this section of the survey, respondents are asked to report the higher interest organization which they think the local SİAD they are a member of is closest to. Answers to this question are highly asymmetric, with 77% of the respondents mentioning TÜSİAD while only 20.5% referring to TOBB. When the two groups of respondents are compared in terms of mean scores on the emerging factor above, the former is found to score somewhat higher ( $t\text{-sig.}=.099, >.05$ ). It seems that ties to TÜSİAD are more valuable for the majority of respondents in the sample.

Second dimension emphasizes contacts and relationships with local actors including municipality and governorship. A comparison of TOBBers and TÜSİADers on the dimension reveals that TOBBers score significantly higher ( $t\text{-sig.}=.006$ ), providing further support for TOBB-TÜSİAD distinction. Third factor, on the other hand, combines contacts with TİSK, MÜSİAD, and TESK (The Confederation of Turkish Tradesmen and Craftsmen). As TİSK has a fundamentally secular conception of economy and modernity (Öniş and Türem, 2001) in contrast to MÜSİAD, the

common denominator of the factor is less likely to be any political agenda. It may be argued that the dimension is a marker for associational activity geared towards smaller networks of firms characterized by flexible specialization. Fourth and final dimension is represented by contacts with unions which apparently bear a unique standing.

Factor analysis of managerial routines is also a compelling one ( $KMO=.772$ , sig. Bartlett $=.000$ ). Although four of the communalities range between  $.450$  and  $.600$ , no item is excluded from the analysis. A five-factor solution is extracted and this model explains  $67.63\%$  of variance in responses (See Table 6.11 for configuration after varimax rotation). First factor explains  $35.80\%$  of variance and represents issues such of creating new customers, production planning, research and development. It can be argued that the factor functions as an indicator for long-term planning and strategy. With minor inconsistency, second factor represents concern for immediate activities and goals. While the first factor is emphasizing executive roles, the distinction of the second factor is managerial function at the operative level. As the role of continuing personal education is also emphasized, it may be argued that importance attached to this dimension will be higher in younger ages. This is partly verified through observed negative correlation between the factor and age (Pearson $=-.163$ , sig. $=.117$ ,  $N=94$ ).

Third factor is a clear PR-HR dimension and it explains  $9.02\%$  of variance. It is found to correlate negatively with size (Pearson $=-.266$ , Sig. $=.009$ ,  $N=97$ ) and positively with tight control (Pearson $=.285$ , Sig. $=.004$ ,  $N=98$ ). It may be argued that the factor is an indicator of centralized management. In smaller firms, owner-managers typically take care of most administrative issues single handedly, including matters regarding personnel, recruitment, and external relations. Fourth component

combines financial matters and advertising. It is found to correlate positively with share of local operations (Pearson=.503, sig=.000, N=93). The final component, on the other hand, corresponds to sales and procurement.

Table 6.11. Factorial structure of managerial routines.

	1	2	3	4	5
New customers	.750				
Planning of production and services	.724				
Strategy development	.720				
Performance and quality control	.681				
Executive board tasks	.539				
Research and development	.517				
Personal education		.703			
Monitoring of production and services		.678			
Bids and projects		.658			
Current customers		.554			
Public relations			.776		
Administrative issues		.502	.722		
Market intelligence			.631		
Human resources	.535		.596		
Banks and funding				.767	
Advertising and marketing				.724	
Sales					.930
Procurement					.833
Percentage of variance	35.80	9.63	9.02	7.73	5.46

A second-order factor is conducted to reveal possible relationships between contact types and managerial routines (see Table 6.12). While KMO remains at .362, it is still significant (sig. Bartlett=.000) and no communality remains below .600 except for first factor of managerial routines (long-term strategy) which equals .417. Despite the drawbacks, however, the analysis is not terminated and none of the components are excluded. The second-order factor analysis for dimensions of networking and managerial routines reveals four meta-components (labeled M1-M4 hereon) which are configured rather clearly. First meta-factor (M1) shows that the strategy building function is connected to making contacts with large network of associations which are influential comparatively more at the national level. The executive role implied in



this dimension should come as no surprise as respondents in the sample are current members of local SIADs. The second component (M2) shows that relationships in local networks go together with concerns about financing, connections with banks, marketing, and sales. Higher score on the component implies activity within the local administrative and business community. Third component (M3) brings together contacts with unions and managerial activities of public relations and human resources. As mentioned earlier, the notion of public relations is understood differently from its customer-oriented definition used for large corporations. The notion embedded in the meta-concept here is more likely to imply relations with representatives of unions, and employees and their families. Finally, the esnaf-employer network is combined with management of operative goals. This meta-concept (M4) may be operationalized as activity and volatility brought about by small- to medium-sized bids and projects.

Table 6.12. Second-order analysis of scores for contacts and managerial routines.

	1	2	3	4
(n) Large network	.883			
(r) Long-term strategy	.535			
(n) Local network		.857		
(r) Finance and advertising		.569		
(r) Sales and procurement		.548		
(n) Unions			.754	
(r) PR and HR			.564	
(n) Esnaf-employer network				.780
(r) Operative goals	.501			.590
Percentage of variance	18.84	16.20	15.29	11.87

(n) Networking, (r) managerial routines.

Means of these meta-components are compared in terms of main business orientation, range of activities, and ownership status. Main business orientation is defined either as business-to-business (B2B), business-to-consumer (B2C) or both

(B2A). Range of operations is defined through availability of activities in services, trade, and production. Ownership status, on the other hand, is the dichotomy between founders versus successors. Oneway ANOVA reveals that business orientation makes a difference only on M2 (Levene=1.948, sig=.148;  $F=7.686$ ,  $df=90, 2$ , sig=.001) Post-hoc comparisons show that B2B firms are found to be significantly less concerned with sales and local networking in comparison to B2A firms (Scheffe Sig=.001). The difference is likely to come from average difference in share of exports (Levene=10.726, sig=.000;  $F=4.086$ ,  $df=101, 2$ , sig=.020). It is found that B2B firms are, on average, similar to B2C firms but more active (Scheffe Sig=.034) in exports in comparison to B2A firms. T-tests show that being active in services makes no difference in any of the dimensions versus not being active in services. Firms active in trade, however, is found to score higher on M2 compared to firms not active in trade (Levene=6.994, sig=.010;  $t\text{-sig}=.000$ ,  $df=91$ ). Firms active in production, on the other hand, is found to score higher on M1 compared to firms not active in production (Levene=.010, sig=.922;  $t\text{-sig}=.029$ ,  $df=91$ ). Production seems to increase the possibility or the need to access upper networks of the business community. T-tests show that ownership status can be distinguished only on M2. In comparison to successors, founders are found to score higher on M2 (Levene=.650, sig=.422;  $t\text{-sig}=.002$ ,  $df=86$ ).

Scores for the meta-dimensions are regressed stepwise on individual values for further insight. As seen on Table 6.13, M1 and M2 are better predicted than M3 and M4. These findings suggest that a localized agenda is related to conservatism, materialism, and low confrontation. Networking for strategy building, on the other hand, relates to paternalism, low achievement, and low confrontation.

Table 6.13. Values as predictors of networking.

	M1	M2	M3	M4
Constant	**	**	**	**
Conservatism		.197*		
Paternalism	.539**			-.299**
Achievement	-.377**		.305**	
Individualism				
Materialism		.464**		
Confrontation	-.258*	-.281**		
Novelty-seeking				
Risk-taking				
R <sup>2</sup>	.255	.464	.093	.089
Model sig.	.000	.000	.007	.008
N (Listwise)	85	90	91	89

\*\* Sig at .01, \* sig. at .05. Method: Stepwise.

## 7. Discussion of the Findings

This section extends on the previous section and presents a discussion of the findings. It should be noted that neither the methodological issues nor the theoretical concerns are prioritized. Extremely technical details are avoided in all discussions of methodological issues. Detailed diagnostics are presented in Appendix B for review and evaluation. An important drawback common to all regression analyses is the non-normality in most variables observed. For example, the fact that most respondents in the sample are either high school or university graduates distorts normality in education. None of the transformations (logarithmic, square root, folded root, and odd root) suggested in the current literature (Kline, 1998) is found to correct for non-normality in observed variables. Therefore, transformation procedure is left out and non-normality is noted as a limitation of the statistical findings.

The finding that demographic variables do not tell much about variance in value dimensions is worthy of note. For example, as mentioned earlier post-materialist theory is built on two premises (Scarborough, 1998), scarcity and socialization. In the survey, respondents are asked to report the socioeconomic conditions they were in during childhood and youth but, as it appears, answers to these questions fail to relate to materialism. It should, of course, be mentioned that postmaterialism thesis puts heavy emphasizes on the national context, especially for the scarcity hypothesis. The implication is that people from different generations would differ on materialism as a reflection of national conditions that prevailed in certain periods. If this is true, a significant relationship between age and materialism scores may be expected. However, the regression analysis for materialism does not confirm this expected association. Two plausible conclusions can be drawn. First, it can be argued that

socioeconomic conditions in Turkey have not changed drastically through decades (Öniş, 1992) and there is no substantial reason to believe that variance on the materialism-postmaterialism continuum would be high. Second, and as much importantly, it can be argued that the materialism scale does not fulfill the promise of a coherent measure. In a recent evaluation of responses in the 1990-1991 World Values Survey, MacIntosh (1998) shows that postmaterialism scale is open to bias. Through an analysis based on item-response theory it is revealed that certain items are easier to select, in probabilistic terms, than other items. For example, participants who fall anywhere along the postmaterialism continuum are shown to have higher probability of agreeing with the item "Giving the people more say in important government decisions" than with the item "Progress toward a society in which ideas count more than money." On the other hand, respondents in the Turkish sample are shown to find it comparatively more difficult to agree with the statement "Seeing that people have more say in how things are decided at work and in their communities." It is suggested that the item is easier in most nations with a well-developed local democratic culture while it is more difficult in countries such as those from the ex-communist bloc. Once again, the contextual factors come to the fore.

Among demographics, education appears to be the only variable with substantive explanatory power. However, it should be noted that education is an indicator for better family socioeconomic conditions during childhood and youth combined (Pearson=.270,  $p=.002$ ,  $N=128$ ) and also for access to urban areas during early socialization (Pearson=.359,  $p=.000$ ,  $N=128$ ). Higher levels of education relates to confrontation and risk-taking and leads to decrease in conservatism, paternalism, achievement, and individualism. It should be noted that conservatism, paternalism, achievement, and individualism behaving in the same direction poses a contradiction.

However, considering that individualism represented here is vertical individualism and that achievement bears an association with the conservatism-paternalism factor it may be speculated that these four value orientations reflect emphasis on vertical relationships. Defined this way, education should be argued to lead to decrease in power distance. This argument is supported when horizontal individualism (HI), vertical collectivism (VC), and horizontal collectivism (HC) are tackled in opposition to vertical individualism (VI).

Initially, the scores available for VI, HI, VC, and HC orientations are regressed separately on 37 indicators using the stepwise method. This set of analyses is used to reconcile the question whether formulation of VI needs modification in line with the peculiarities of the sample. The stepwise method is one of the most frequently used methods when correlations among the independent variables are known to be strong. The method begins by entering into the model the variable that has the strongest correlation and adds the variable with the strongest partial correlation at each subsequent step (SPSS, Inc., 2001). Variance explained in the stepwise method is usually lower in comparison to a case where all variables are entered. However, a model emerging from a stepwise analysis is more robust and easier to interpret as fewer predictors are present.

Table 6.14 below summarizes predictors with significant coefficients for each analysis separately. Vertical individualism (VI) appears to be a function of agreement with four statements. The statement (v30) "All affairs should be based on written rules" is an item referring to achievement orientation and it has a coefficient of .289 significant at the .001 level. This item is followed by three other statements, a statement depicting risk-taking (v37) "I do not like leaving any matter to its own course", a statement on achievement orientation (v20) "Doing a job I like is more

important than anything else in life”, and the statement (v4) “Whenever need arises employees should voluntarily work overtime” depicting paternalism. As such, VI combines notions of work centrality, control, and formalization. This is more compatible than not with the definition that in VI people want to become distinguished in individual competition with others (Triandis and Gelfand, 1998).

Table 7.1. Items predicting VI, HI, VC, HC orientations.

	VI	HI	VC	HC
Constant	**	Insig.	**	**
v3 - People’s misfortunes result from the mistakes they make				.238*
v4 - Whenever need arises employees should voluntarily work overtime	.194*			
v7 - In the long-run people get the respect they deserve in this world			-.236*	
v20 - Doing a job I like is more important than anything else	.214*		-.185*	
v22 - I like toying with new ideas even if it is a waste of time		.298**		
v30 - All affairs should be based on written rules	.289**			
v31 - Most important thing in life is to aim doing an important thing for your country		-.218*		
v32 - Religion is indispensable for stability and harmony in society			.361**	
v33 - I like trying new ways in doing work				-.268**
v36 - A bird in the hand is not worth two in the bush		.359**		
v37 - I do not like leaving any matter to its own course	.217*			
<b>R<sup>2</sup></b>	<b>.319</b>	<b>.270</b>	<b>.207</b>	<b>.118</b>
<b>Model significance</b>	<b>.000</b>	<b>.000</b>	<b>.000</b>	<b>.002</b>
<b>N (Listwise)</b>	<b>103</b>	<b>103</b>	<b>103</b>	<b>103</b>

\*\* Sig at .01, \* sig. at .05. Method: Stepwise

Horizontal individualism (HI), on the other hand, is best explained by three statements. First is a risk-taking statement (v36) inspired by a local proverb. The proverb emphasizes willingness to engage in risky behavior with possibility of higher returns. The next statement (v22) measures agreement with “I like toying with new ideas even if it is a waste of time” and depicts novelty-seeking. HI is also related

negatively to a conservatism item (v31) which goes “Most important thing in life is to aim doing an important thing for your country.” Responses to these statements explain 27.0% of variance in HI, model being significant at the .001 level. In HI, people want to be unique and distinct from groups but they are not necessarily interested in having high status (Triandis and Gelfand, 1998). It seems that uniqueness is expressed through risk-taking and novelty-seeking. Horizontal self, on the other hand, appears to be verbalized as low importance attached to nationalism which is by definition vertical.

The next model explains 20.7% of variance in scores for vertical collectivism (VC). As in HI, VC can be defined as a combination of responses to three statements. In order of strength, the positive relationship to the conservatism item (v32) “Religion is indispensable for stability and harmony in society”, and negative effect from two items (v7 and v20) depicting achievement orientation, “In the long-run people get the respect they deserve in this world” and “Doing a job I like is more important than anything else” describe VC. In VC, people emphasize integrity of the in-group and are willing to sacrifice personal goals (Triandis and Gelfand, 1998). Emphasis on religion exemplifies integrity and vertical self. Sacrifice, on the other hand, is expressed in disagreement with the job-related statement above. The fatalism or hopelessness implied in the second statement is most probably related to emphasis on religion.

While the variance in HC scores can only be explained by 11.8%, the model is still significant at the .002 level. Two statements are found to explain HC. A positive coefficient for the achievement statement (v3) “People’s misfortunes result from the mistakes they make” and a negative coefficient for a novelty-seeking statement (v33) “I like trying new ways in doing work.” In HC, people emphasize common goals,



sociability, and interdependence but they do not submit easily to authority (Triandis and Gelfand, 1998). Here, HC seems to represent risk-averse behavior rather than interdependence. Triandis and Gelfand (1998) note that the difference between HC and VC is not as obvious as the discrimination between HI and VI, especially when attitude items are considered. Confusion might be operating in this dataset as well, not in terms of the distinction between HC and VC but perhaps more as a difficulty in describing HC correctly.

As for all value dimensions, demographics do not differentiate satisfactorily between VI, HI, VC, and HC orientations (see Table 6.15 below). However, the contrast between the negative relationship between education and VI and the positive relationship between education and HI is telling. This finding provides support for the conclusion that value attached to power differential decreases with education.

Table 7.2. Demographics and VI, HI, VC, HC orientations.

	VI	HI	VC	HC
Education	-.337**	.282**	-.107	.138
Conditions	-.092	-.005	-.009	.099
Socialization	-.098	.121	-.174	.134
Age	-.101	.010	.040	.051

\*Correlation significant at .05, \*\* correlation significant at .01.

The factor analysis of value dimensions bears certain idiosyncracies. One of these is the unexpected direction of the relationship between confrontation and risk-taking. First, it can be argued that the emerging factor is a unique cultural syndrome defining attitudes toward being a social misfit. Highly competitive, risk-taking behavior at the expense of losing relationships may not always have a survival value, especially when the cultural mechanism is behavior normalizing. As such, restraining from an

overtly aggressive style may help gain legitimacy for risk behavior and avoid disapproval in cases of failure.

Second, the factor relates to a discussion of the difference between risk-aversion and uncertainty avoidance. The conceptual distinction between these two notions can be traced back to social psychology experiments on decision-making and judgment. In an analysis of distinctive characteristics of entrepreneurs and business start-ups, Bhidé (2000) utilizes this stream of social psychology to show that attitudes towards risk and attitudes toward ambiguity are independent concepts. In this line of experiments which are mostly designed to observe betting behavior, ambiguity aversion is defined as a gap between beliefs about an event's likelihood and willingness to bet on that event. It is shown that risk-taking individuals who are prepared to bet extensively on structured gambles may be highly averse to ambiguity. However, ambiguity may be offset basically by comprehension and it is assumed that people get less conservative as they gain knowledge. It might be that respondents perceive others as significant source of knowledge and the emerging factor is pointing at the value of securing resources built on social relationships.

It should be noted again here that respondents in the study show intermediate level of risk (2.89/5.00). This has a number of implications. Earlier, Brockhaus (1980) has defined risk taking behavior through the distinction between need for achievement and motive to avoid failure. The argument is that persons with high achievement motive should prefer intermediate risk and those high on motive to avoid failure should avoid intermediate risk, preferring instead either very safe or extremely difficult options. The idea is that in high-risk environment failure can be explained without assuming personal blame. As persons with achievement motive are inclined to take responsibility for their own actions, however, they tend to avoid high-risk

conditions. Ranft (2001), on the other hand, has examined the effect of success on risk taking behavior. This model is based on the argument that individuals facing risky situations respond differently if the situation is described as positive or negative. In particular, individuals are more risk-averse when situations are framed positively. The successful entrepreneur is in a situation that enhances positive framing. As a result of this positive framing, there will be less tolerance for risk and change than when the firm began. In situations where an organization has been successful, decision makers are also more likely to engage in automatic decision processes which reduce tolerance for risk. Risk at the individual level may be offset, on the other hand, by confidence at the firm level (Lumpkin and Dess, 1996). This is beyond the scope here, however.

The remaining orientations are clustered into two factors through which conservatism and its neighboring construct paternalism are distinguished from individualism and materialism. The picture gets confounded, however, as achievement orientation loads positively on both of these factors. The composition of the second factor is an expected outcome. However, relationship of achievement to conservatism and, especially, paternalism deserves explanation. Conservatism includes a component of religiousness and a mixture of impressionistic and empirical evidence by Sekman (2001) shows that religiousness and achievement may coexist in the Turkish culture. The distinction between old conservatism and new conservatism (Cheung and Kwok, 1996) may also be considered here. Old conservatism is characterized by respect for authority and tradition whereas new conservatism also emphasizes individual freedom and competition. New conservatism combines many domains such as work ethic, just world belief, and authoritarianism.

It should also be noted here that definition and measurement of achievement orientation have faced considerable debate (Sagie and Elizur, 1999). Cassidy and Lynn (1989) argue two major definitions of achievement, pursuit of excellence (from McClelland) and the concept of work ethic (from Weber), have dominated the literature. The authors argue that this restricted view have resulted in low reliability scores in many attempts for the measurement of achievement motive and offer a multi-factorial approach where seven domains of achievement motive are defined. These domains are labeled work ethic, acquisitiveness, dominance, excellence, competitiveness, status aspiration, and mastery. Very briefly, work ethic is desire to work hard, acquisitiveness relates to reinforcing properties of material reward, and dominance emphasizes authority. Next, competition with an intrinsically motivated, personal standard of excellence is distinguished from competition with others. Status aspiration is a drive reinforced by climbing social hierarchy and, finally, mastery is defined as a coping style focusing on problem solving. While the domains are positively correlated among themselves, work ethic tends to be correlated to a higher degree with excellence and mastery. On the other hand, dominance, status aspiration, and competitiveness tend to cluster together to a greater degree than other possible combinations. Dominance is of special concern here. In the studies by Cassidy and Lynn (1989), dominance encompasses the notions of authority and leadership. Examples of items that make up this domain are "I think I would enjoy having authority over other people", "I like to give orders and get things going" and "People take notice of what I say." While not necessarily an equivalent, it may be argued that the basic idea behind these items resembles, to a significant extent, the common denominator of the factor that includes conservatism, paternalism, and achievement. The relationship between conservatism and authoritarianism has been well-

documented (Jost, Glaser, Kruglanski, and Sulloway, 2003). Paternalism too is a form of authority ranking (Aycan, in press). Therefore, the factor may be argued to represent a dominance-oriented achievement motive tuned also by vertical relationships of the local culture.

It may be argued that the multiple regression analyses conducted on organizational practices confirm the hypothesized relationships only to an acceptable degree. One of the important drawbacks regarding practices is the mediocre reliability scores. While significant improvements are achieved after revisions, internal reliabilities suggest that dimensions coined by Hofstede et al. (1990) may not be fully replicated. It should be noted that MANOVAs do not reveal any differences between industrial clusters in terms of organizational practices and, therefore, not much can be inferred about sectoral variation. Table 6.16 below presents correlations among organizational practice dimensions. Practices can be clustered under two groups after a factor analysis (KMO=.706, sig. Bartlett=.000, Cum. Variance=68.11%). A dimension covering closed-open system, job-employee orientation, and pragmatic-normative orientation and a second dimension composed of professionalism-parochialism, tight-loose control, and results-process orientation.

It should be noted that most of the predicted effects from firm characteristics to practices are not verified. These predictions are, however, developed on zero-order correlations reported in the Hofstede et al. (1990) study and they do not originate from an established theory. Other accounts of organizational practices offer only a few alternatives. For example, Chatman and Jehn (1994) argue that low-growth firms rely more on formal control mechanisms and that high growth firms will have cultures characterized more by people orientation, team orientation, and innovativeness. This premise becomes partly verified when expected change in

business volume is regressed on practice dimensions. Practices explain 21.5% variance in growth in volume, significantly at the .01 level. High- versus low-growth firms are found to be differentiated best on job-employee orientation and tight-loose control, the former showing tendency towards employee-orientation and loose-control.

Table 7.3. Intercorrelations and summary statistics for practice dimensions.

	Results	Job	Professional	Closed	Tight	Pragmatic
Results	.					
Job	.263**	.				
Professional	.403**	.129	.			
Closed	.360**	.574**	.096	.		
Tight	.548**	.163	.429**	.405**	.	
Pragmatic	.209*	.424**	.154	.585**	.430**	.
Mean	4.00	3.10	4.16	3.24	4.14	3.32
Std. deviation	0.88	1.07	0.76	0.95	0.66	1.18
N	126	128	125	125	123	123

\*Correlation significant at .05, \*\*Correlation significant at .01

Variability in individual values appears to be a somewhat more powerful predictor of variability in organizational practices than firm characteristics. This raises the question whether other variables are moderating the link between values and practices. A candidate for such analysis is the effect of ownership status. In order to test this hypothesis, the sample is divided into two groups, founders versus successors. A founder is a person who has been actively involved in the establishment of the firm and a successor is as person who has taken over a firm from own family or through marriage ties. Organizational practices are regressed on value dimensions separately for each group and the findings reveal that value dimensions explain variability in organizational practices strongly for the founders (see Table 6.17 below). The idea that characteristics of powerful members (such as founders) shape organizations (Schein, 1985/1992) seems to hold true, at least within

a limited comparison to successors. The firms represented by founders are younger, smaller in size. Additionally, founders possess a higher average share compared to successors. This verifies the proposition by Miller and Toulouse (1986) that relationship between top manager personality and organizational variables will be higher in small organizations.

Table 7.4. Relationship of values to practices (founders versus successors).

	Results	Job	Prof	Closed	Tight	Pragmatic
Founders	.772 <sup>a</sup>	.653	.502	.760	.656	.715
Successors	.525	.344	.101	.522	.314	.409
N (Listwise)	67	68	68	67	65	68

<sup>a</sup> Strength is expressed in R.

## 8. Conclusive Remarks

The study, inspired by the far-reaching stream on values research, aims to portray the characteristics of members of local businessmen's associations, or SİADs, in Turkey. Values research is a vast area neighboring many disciplines and topics. The stream is built on social psychology but it also annexes ideas from sociology, organization theory, business history, and political economy depending on the level or depth of analysis. When the values of businesspersons are of concern topics from business literature on governance, entrepreneurship, small businesses and psychology literature on leadership emerge as natural companions. Encompassing many of these perspectives in a single work, however, is extremely ambitious.

While the analyses mainly focus on individuals, findings reported here may be utilized for implications about business circles represented by the sample in question. It should be noted, however, that the study is open to a certain level of nonresponse bias as the response rate remains at 12%. Although having a low response rate does not necessarily mean that a survey suffers from nonresponse error (Visser, Krosnick, and Lavrakas, 2000), findings should be treated with some caution. For example, most of the respondents (77%) are found to affiliate their local SİAD with TÜSİAD, either objectively or in perception. These respondents are found to have their businesses in socioeconomically better developed regions in comparison to those who mention TOBB. This might mean that businesspeople in developed regions who are adherents of TÜSİAD have been more willing to respond. Nonresponse error is also likely to stem from underrepresentation of various firm types. Due to insufficiencies in information open to public, the sampling frame is built upon lists available mostly upon special requests made at SİAD administrative offices. These lists provide



restricted information on firms and their representatives. Under these conditions, assessment of nonresponse error for firm type becomes almost impossible.

Nevertheless, it may be argued that the study provides a portrait of small- to medium-sized enterprises as firms represented in the sample are fairly homogeneous in many of the structural characteristics and organizational practices. The typical firm in the sample is a company with high share of localized operations and low export propensity, characterized by tight control and results orientation. In general, activities in trade and production dominate over services. Trade and production is most typical of firms with main businesses in food products and textiles. Construction, tourism, and health sector weigh heavily in services. Production appears to be a predictor of export propensity, if any, better than trade and clearly superior to services. This propensity is not only reflected in figures. Expanding abroad is significantly more important, on average, for businesspeople from production firms compared to respondents from service firms. On the other hand, B2B firms are significantly more export-oriented (B2Bs average 31.18% in share of exports) and significantly less localized (B2Bs average %42.63 in share of local operations). Additionally, the average share of foreign capital in B2B firms is higher than others but this is still a low 10%.

Findings for individual values verify the collectivistic characteristic of the Turkish culture. On average, respondents show high levels of paternalism, low levels of individualism, low levels of confrontation but collectivism tends to decay with education. Educational opportunities appear to be partly dependent on having better socioeconomic background and having lived in urban areas. The fact that respondents are high on conservatism and novelty seeking at the same time, on the other hand, poses a paradox that needs to be resolved. It is likely that items on

novelty seeking easily translate into novelty pursued in business activities. Such plausibility suggests that a distinction between private life domain and values expressed within the public domain needs to be made.

The study is concerned with motivational domains related to innovativeness but, by definition, it makes no predictions about actual behaviors that lead to innovation. Findings suggest that individuals with formal and informal authority in organizations are more likely to show attitude-behavior consistency in terms of innovation (Ettlie and O'Keefe, 1982). However, innovation is a broad concept that needs to be explained at multiple levels, up to policies at the national level (see for example, Edquist, 1997). Hence, findings for variables such as novelty seeking should not readily be taken as signs for the innovation capacity of firms represented by respondents in the sample. Innovation is not simply a matter of individual choice as it might get restricted by organizational factors such as size (Ettlie, Bridges, and O'Keefe, 1984) and environmental factors such as uncertainty and hostility (Özsomer, Calantone, and di Benedetto, 1997).

One of the important obstacles in values research is the failure to understand value stability at the depth it explains value change. Values are conventionally treated as fairly stable components of adult personality, but they are readily assumed to be influenced in part by interactions with others and the outside world. Studies on the interaction between the individual and the environment are not new to the literature. For example, well-known works by Inglehart (1990) or Inkeles (1997) and other similar projects such as MOW (1987) or European Social Survey (<http://www.europeansocialsurvey.org>, April 27, 2004) are ambitious attempts at explaining the interaction between changing institutions and values in general.

The critical perspective provided by the theory of system justification may be helpful in modeling value stability. Briefly, system justification theory delineates upon individuals' motive to rationalize the status quo or to avoid choices that require change (Haines, and Jost, 2000). System justification theory may also be useful in explaining contradictions in value orientations. System justification theory differs from other theories of cognitive restructuring such as cognitive dissonance theory. Cognitive dissonance theory assumes that individuals need to attach meaning to and feel personally responsible for behaviors that are incompatible with each other. The system justification perspective, on the other hand, holds that people do not necessarily feel personally responsible for a general ideological inclination (Jost, Glaser, Kruglanski, and Sulloway, 2003). This proposition may be juxtaposed as an analogy for the observed high levels of achievement and paternalism in the main study, two motives contradictory at the individual level. Advocates of the theory claim that during societal crisis or severe economic threat people turn to more authoritarian institutions in order to reduce systemic uncertainty. Hence, it may be argued that the underdeveloped socioeconomic conditions in the country provide fertile ground for businesspeople to rationalize self-interest and domination.

Another point worthy of note concerns the very basic connotation of value orientations. In a review of theories on culture and psychology, Adamopoulos and Lonner (2001) argue that culture can be viewed both as an invention and a constraint. Here, a differentiation is made between culture as an antecedent to individual behavior and culture as a consequence of behavior. Most major psychological approaches to the study of culture have delineated upon the enabling role of the culture and treated culture as a cause of behavior. For example, individualism-collectivism is usually taken as an independent variable, a feature guiding people in

their relationships in social life. Yet, the authors propose that such value dimensions might as well be consequences, rather than causes, signifying attempts to break through the constraints of culture. Hence, achievement orientation in the Turkish context may be operationalized as a response to the pressurizing conditions of a rigid setting.

Findings suggest that dimensions offered by Hofstede et al. (1990) are too robust to explain organizational practices in small firms. The six original dimensions are derived upon data collected from subunits in comparatively larger companies where greater heterogeneity should be expected. For firms sampled in the present study, the extent of local operations is a strong indicator of type of practices followed. It should be noted that extent of local operations is highly associated with firm location. That is to say, activities of firms ranking in comparatively less developed regions are more localized (Pearson=.561,  $p=.000$ ,  $N=108$ ). In terms of organizational practices, localization signifies emphasis on closed-system, job orientation, and pragmatism. In a broad sense, these practices translate back to low levels of innovativeness, paternalism, and materialism.

It should be noted that the study discards environmental factors or performance measures and does not offer insight into the relationship or fit between values and business success. Further research may tackle this question through longitudinal studies. In a conceptual piece on the relationship between entrepreneurial orientation and performance, Lumpkin and Dess (1996) suggest contingencies that integrate values, organizational factors, environmental factors and performance. For example, it is argued that continued existence or survival may be taken by small, privately owned firm as a satisfactory indicator of high performance. It is also suggested that hostile environments constrain resources and, in return, impede experimentation with

new strategies. While the present study aims to relate owner values and practices among organizational factors, the need for inclusion of environmental dimensions and criteria for performance is apparent.

Apart from a motivation perspective, performance and growth may be explained by three alternative perspectives. In the resource-based perspective the firm is described in terms of the resources it integrates. Five major resource categories may be defined following Barney (1991) and Grant (1991): financial resources, technological resources, physical resources, human resources, reputation and related organizational resources. Resource-based perspective holds that competitive advantage is dependent upon control of resources that are difficult to create or imitate. Furthermore, growth and performance is limited by the rate at which the firm can obtain managerial capacity to manage these critical assets. Life cycle perspective assumes that organizations grow in distinct evolutionary phases just like living organisms do. Each stage is characterized by a specific struggle and revolutionary transformation in the end. Firms become highly vulnerable during the transformations and face a risk of failure. Earlier, Churchill and Lewis (1983) have defined five stages of small business growth: existence, survival, success, take-off, and resource maturity. One of the most frequently cited struggles is the change from an owner-controlled structure to a professional organization. This growth and leadership crisis typically requires adoption of a relatively more formal and more decentralized management. The general assumption of the strategic adaptation perspective, on the other hand, is that for success firms need to adapt their strategies to environmental conditions. Despite the apparent determinist tone, however, this perspective emphasizes managerial ability to select the correct strategy as suggested in Miller (1987), for example. Environment can be described in terms of three basic dimensions: dynamism,

hostility, and heterogeneity. Dynamic environments are characterized by instability and change but being so they offer opportunities for new products, new marketing techniques or new organizational practices. Hostility basically refers to increased rivalry in the environment. If direct competition is costly, firms may overcome hostility by diversifying into new areas and creating customer loyalty. Finally, heterogeneity indicates that there are several segments of the market. In heterogeneous environments a strategy broad enough to cover different outputs may be necessary.

In summary, further research need to address possible contribution from perspectives alternative to motivational theories, development of separate methods for measurement of values in separate domains, and integration of findings from different levels. Conclusions to be derived from more qualitatively oriented research such as in-depth interviews may help reveal hidden assumptions behind contradictory values. In quantitative analyses, on the other hand, lack of longitudinal data is a barrier to model building. The notions of novelty seeking and risk taking deserve further attention as they are, to a great extent, unrelated to other constructs. One important task in defining these constructs is to eliminate the effect of contextual factors. For example, general economic conditions in the country may alter perceptions of risk taking. Organizational practices require revision and may be collapsed into fewer number of dimensions. Despite such difficulties, however, values research still remains as one of the most promising areas.

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## Appendix A – Questionnaire (Original Turkish version)



Sayın Üye,

Bu anket Boğaziçi Üniversitesi İşletme Bölümü'nde Yönetim ve Organizasyon alanında sürdürmekte olduğum doktora çalışmasının son aşamasını oluşturmaktadır. Önceki iki aşamada yönetici ve çalışanlardan oluşan toplam 796 kişilik bir gruba ulaşılmıştır; bu çalışmanın ilk bulguları yakında akademik bir dergide yayınlanacaktır.

Çalışmanın son aşamasında amaç Türkiye'deki tüm SİAD üyelerine ulaşarak iş dünyası ve iş yapmayla ilgili yaygın anlayışın bir modelini kurmaktır. Anket özgeçmişinize, temsil ettiğiniz kuruluşa ve farklı konulardaki düşüncelerinize dair sorular içermektedir. Ancak, ankette sizin veya kuruluşunuzun ismi alınmamakta ve sorulara verilen yanıtlar bireysel olarak değil anketi yanıtlayanların genelinde incelenmektedir. Anketteki yanıtlar üçüncü kişi veya kurumlara verilmeyecek veya araştırmanın amacı dışında kullanılmayacaktır.

Anketle ilgili olarak halen Araştırma Görevlisi olarak çalışmakta olduğum Bilgi Üniversitesi İşletme Bölümü'ndeki telefonum 0212-3116296'dan veya aşağıdaki elektronik posta adresimden bilgi edinebilirsiniz.

İlginiz ve desteğiniz için şimdiden teşekkür ederim. Saygılarımla,

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 Kuştepe, İstanbul 34387

Yaşınız \_\_\_\_\_

Cinsiyetiniz \_\_\_\_\_

**Lütfen kendinizin ve ailenizin eğitim durumunu ve mesleğini belirtiniz.**

	Eğitimi (Bitirilen son okul)	Mesleği-İşi
Anneniz		
Babanız		
(Var ise) Eşiniz		
Kendiniz		

**Çocukluk ve gençliğiniz nerede geçmiştir? Bu dönem boyunca ailenizin sahip olduğu maddi ve sosyal imkanları seçeneklerden hangisi en doğru özetler? (Lütfen alttaki tabloda ilgili kutucukları işaretleyiniz)**

Çocukluk	<input type="checkbox"/> Köy <input type="checkbox"/> Kasaba <input type="checkbox"/> Küçük şehir <input type="checkbox"/> Büyük şehir <input type="checkbox"/> Metropol	<input type="checkbox"/> Düşük gelir ve sosyal imkan <input type="checkbox"/> Orta halli gelir ve sosyal imkan <input type="checkbox"/> Yüksek gelir ve sosyal imkan <input type="checkbox"/> Çok yüksek gelir ve sosyal imkan
Gençlik	<input type="checkbox"/> Köy <input type="checkbox"/> Kasaba <input type="checkbox"/> Küçük şehir <input type="checkbox"/> Büyük şehir <input type="checkbox"/> Metropol	<input type="checkbox"/> Düşük gelir ve sosyal imkan <input type="checkbox"/> Orta halli gelir ve sosyal imkan <input type="checkbox"/> Yüksek gelir ve sosyal imkan <input type="checkbox"/> Çok yüksek gelir ve sosyal imkan

**Kendinizi aşağıdaki sınıflandırmalardan hangisine daha yakın buluyorsunuz? Lütfen ilk iki tercihinizi belirtiniz. (Tanımlar alfabetiktir)**

Esnaf, Girişimci, İşadamı, İşletmeci, İşveren, Patron, Sanayici, Tüccar, Yatırımcı, Yönetici

**Birinci en yakın tanım: \_\_\_\_\_ İkinci en yakın tanım: \_\_\_\_\_**

**Lütfen iş dünyasına girişiniz ve SİAD üyeliğiniz ile ilgili kısa bilgileri tabloda belirtiniz.**

İş dünyasına girişiniz tam olarak hangi yıldır?	
Aileniz siz dahil kaç kuşaktır iş dünyasındadır?	
İş dünyasına girişinizde hangi mesleki konumdaydınız?	
İş dünyasına atıldığınız ilk kuruluş (halen aktif olan ya da olmayan) ile ilişki dereceniz neydi? (Lütfen seçeneklerden yalnızca birini işaretleyiniz.)	<input type="checkbox"/> Ben kurdum <input type="checkbox"/> Bilgi, sertifikasyon veya mesai katılımı <input type="checkbox"/> Evlilik bağı <input type="checkbox"/> İlk kuruculardan biriyim <input type="checkbox"/> Kendi ailemin/kendi ailemden devraldım <input type="checkbox"/> Varolan bir kuruluşa ortak oldum <input type="checkbox"/> Varolan bir kuruluşu aldım
Bu kuruluş halen aktif midir?	
(Devralış, işgücü katılımı, evlilik dışındaki durumlar için) Bu kuruluş için maddi kaynağı nerelerden sağlamıştınız? (Birden fazla seçenek işaretleyebilirsiniz)	<input type="checkbox"/> Aile ve yakınlar <input type="checkbox"/> Devlet teşviki <input type="checkbox"/> Diğer şirketler <input type="checkbox"/> Kamu bankaları <input type="checkbox"/> Proje teminatlı banka kredisi <input type="checkbox"/> Serbest piyasada üçüncü şahıslar <input type="checkbox"/> Şahsi birikim (Nakdi veya gayrimenkul) <input type="checkbox"/> Yabancı sermaye/yurtdışı finansman
Şu anda kaç kuruluş temsil etmektesiniz?	
Halen üyesi olduğunuz SİAD'ın kısaltması-şehri	
Üyesi olduğunuz ulusal SİAD varsa lütfen yazınız	
Üyesi olduğunuz yerel SİAD'ı en yakın gördüğünüz ulusal boyuttaki birlik/dernek hangisidir? (Lütfen yalnızca bir seçenek işaretleyiniz)	<input type="checkbox"/> MÜSİAD <input type="checkbox"/> TESK <input type="checkbox"/> TİSK <input type="checkbox"/> TOBB <input type="checkbox"/> TUSİAD



**Çalışma size ne ifade etmektedir? 100 puanınız olduğunu düşünerek bu puanları aşağıdaki ifadelere dağıtınız. Size daha fazla hitap eden ifadelere diğerlerinden daha fazla puan veriniz. Puanları dağıtmadan önce lütfen tüm ifadeleri dikkatlice okuyunuz.**

(Alfabetik sıralanmıştır)	Puan
Çalışmak bana statü ve prestij sağlıyor	
Çalışmak başkalarıyla güzel irtibatlar kurmamı sağlıyor	
Çalışmak beni boş durmaktan kurtarıyor	
Çalışmak ihtiyacım olan geliri sağlıyor	
Çalışmak temelinde ilginç ve doyum sağlayan bir şeydir	
Çalışmak topluma hizmet etmenin iyi bir yoludur	
<b>Toplam</b>	<b>100</b>

**Lütfen aşağıdakilerin hayatınızda ne derece önemli olduğunu belirtiniz. 100 puanınız olduğunu düşünerek bu puanları seçeneklere istediğiniz biçimde dağıtınız.**

(Alfabetik sıralanmıştır)	Puan
Ailem	
Boş vakitlerim (Hobi, arkadaş ve dostlarla geçirilen zaman)	
Cemiyet işleri (Gönüllü kuruluş, siyasi parti üyeliği gibi)	
Din ve ibadet	
İşim	
<b>Toplam</b>	<b>100</b>

**Şu anda temsil ettiğiniz ana kuruluşun özellikleri nelerdir? (Lütfen tabloyu kullanınız)**

Ana faaliyet sektörü:			
Kuruluş yılı		Toplam çalışan sayısı	
2002 cirosu (US\$ olarak)		Yönetici sayısı	
Faaliyetlerde ihracat payı	%	İdari personel/memur sayısı	
Yabancı sermaye oranı	%	Teknik personel/işçi sayısı	
Üst yönetim kaç kişidir?		Çalışanlarda kadın oranı	%
ÜSY'deki aile üyesi toplamı		Çalışanlarda üniversite mezunu oranı	%
ÜSY'deki yabancı sayısı		Çalışanların kıdem ortalaması (yıl)	
En büyük hissedarın payı	%	Çalışanların yaş ortalaması	
Sizin hisse payınız nedir?	%	Günlük çalışma saati (x) varsa vardiya	(x)
Kuruluşunuzun faaliyeti kime yöneliktir? (Lütfen yandaki seçeneklerden yalnızca birini işaretleyiniz)		<input type="checkbox"/> Yalnızca kurum/firmalara	
		<input type="checkbox"/> Yalnızca tüketicilere	
		<input type="checkbox"/> Hem firmalara, hem tüketicilere	
Kuruluşunuzun faaliyeti hangisine girmektedir? (Birden fazla seçenek işaretleyebilirsiniz)		<input type="checkbox"/> Hizmet	
		<input type="checkbox"/> Ticaret	
		<input type="checkbox"/> Üretim	
Yatırım/faaliyetler bakımından firmanın en başarılı olduğu dönem hangi yıllardır?			-
Firma beklendiği şekilde gelişirse 5 yıl sonra iş hacmi yüzde kaç değişmiş olur?	%		
Cironun yüzde kaçını bulunduran şehir ve bölgeden gelmektedir? (2002 bazında)	%		
Önümüzdeki 12 ay içinde kaç yeni eleman alınması planlanmaktadır?			

**Temsil ettiğiniz kuruluş bakımından aşağıdaki unsurlar ne derece önceliklidir?**

**Lütfen 0-10 aralığında değerlendiriniz.**

**(0=Hiç Öncelikli Değildir – 10=Tamamıyla Önceliklidir)**

Ciro	( )	Topluma yarar sağlama	( )
Çalışanların gelişimi	( )	Ürün/hizmet kalitesi	( )
Kâr	( )	Varlığını sürdürebilme	( )
Satış	( )	Yeni ürün/hizmetler geliştirme	( )
Tanınırlık	( )	Yurt dışına açılma	( )

**Kriz dönemlerinde kuruluşunuzda hangi yönetime başvurmak öncelikli olmuştur?  
Lütfen 1'den 6'ya kadar sıralayınız.**

(Alfabetik sıralanmıştır)	Öncelik sırası
Alacak tahsiline hız verme	
İşçi/çalışan çıkartma	
Üretimi azaltma	
Vadeli alışverişe son verme	
Yatırımı durdurma	
Yeni pazar/alan arama	

**Temsil ettiğiniz firma bakımından aşağıdaki cümlelerde ifade edilenler ne derece geçerlidir?  
Lütfen her cümlemin yanında "Hiç doğru değil-Kesinlikle doğru" aralığındaki seçeneklerden birini yuvarlak içine alınız.**

**1=Hiç doğru değil, 2=Pek doğru değil, 3=Kararsızım, 4=Kısmen doğru, 5=Kesinlikle doğru**

1	Firmada yapılan işler her gün başa çıkılması gereken yepyeni koşullar meydana getirir	1	2	3	4	5
2	Firmada yapılan işler kolay hata kaldırmaz	1	2	3	4	5
3	İş yaparken alınacak sonuç ne olursa olsun prosedürlerin kendisinden daha önemlidir	1	2	3	4	5
4	Firmadan ve işten ciddiyetle bahsedilir	1	2	3	4	5
5	Firmada herkes maliyetler konusunda bilinçli davranır	1	2	3	4	5
6	Yapılan iş ne olursa olsun müşterinin ihtiyaçlarına göre düzenlenebilir	1	2	3	4	5
7	Çalışanlar gün içinde endişeli ve gergindir	1	2	3	4	5
8	Firmada işlerin gizliliği ön planda tutulur	1	2	3	4	5
9	Çalışanların kişisel sorunlarına çok az ilgi gösterilir	1	2	3	4	5
10	Firmaya yalnızca bazı özel kişiler uyum sağlayabilir	1	2	3	4	5
11	Firma kişilerin yalnızca yaptığı işle ilgilenir	1	2	3	4	5
12	Çalışanların giyimi resmidir	1	2	3	4	5
13	Uzun vadeli stratejik planlamaya önemli zaman ayrılır	1	2	3	4	5
14	İşe yeni başlayanların kendilerini rahat hissetmeleri bir yıldan fazla zaman alır	1	2	3	4	5
15	İşe alımlarda kişinin yeterliliği ve işe uygunluğu tek ölçüt olarak alınır	1	2	3	4	5
16	Çalışanlar değişken koşullarda çalışmaya alışkındır	1	2	3	4	5
17	Birimler arasında işbirliği ve güven hakimdir	1	2	3	4	5
18	Firmanın geçmişinden bahsedilmez	1	2	3	4	5
19	Önemli kararların büyük kısmı çalışanların kendileri tarafından alınır	1	2	3	4	5
20	Sendika üyeliği hoş karşılanmaz	1	2	3	4	5
21	Çalışanlar özel hayatlarındaki sorunlarla tamamen kendileri ilgilenmek durumundadır	1	2	3	4	5
22	Toplantılar ve görüşmeler zamanında yapılır	1	2	3	4	5
23	Fiziki çalışma koşulları çok önemsenmez	1	2	3	4	5
24	Pratik çözümler bulmak işle ilgili yazılı kurallardan önce gelir.	1	2	3	4	5
25	Yeni başlayan biri işi kendi başına öğrenmek durumundadır	1	2	3	4	5
26	Çalışanlar epey hızlı iş görür	1	2	3	4	5
27	Kararlar tepede odaklanmıştır	1	2	3	4	5

**Normal bir iş haftanız aşağıdakilerden hangisini yaparak geçer? Lütfen 0-10 aralığında değerlendiriniz.**

**(0=Hiç zaman ayırmam – 10=İstisnasız her gün zaman ayırım)**

Araştırma geliştirmeye	( )	Performans-kalite denetimine	( )
Banka işleri/finansmana	( )	Personel-insan kaynaklarına	( )
Halkla ilişkilere	( )	Reklam ve pazarlamaya	( )
İç-dış piyasaya araştırmasına	( )	Satınalmaya	( )
İdari işlere	( )	Satışa	( )
İhale-konkur-projelere	( )	Strateji geliştirmeye	( )
Kendi eğitimime	( )	Üretim/hizmet planlamasına	( )
Mal üretim-hizmet takibine	( )	Üst yönetim görevlerine	( )
Mevcut müşterilerle ilişkilere	( )	Yeni müşterilere	( )

**İşinizi geliştirmek ve işle ilgili tavsiye almak için aşağıdaki kişi, grup veya kurumların yardımına ne sıklıkta başvurursunuz? Lütfen 0-10 aralığında değerlendiriniz.**  
(0=Hiç yardımına başvurmam – 10=Sürekli yardımına başvururum)

Ailem ve yakınlarım	( )	Tedarikçiler	( )
Arkadaşlarım	( )	TESK	( )
Avukatlar	( )	TİSK	( )
Bankalar	( )	TOBB	( )
Genel danışmanlık şirketleri	( )	TPE	( )
Hissedarlar	( )	TSE	( )
Mali müşavirler	( )	TTGV	( )
MÜSİAD	( )	TÜBİTAK	( )
Müşteriler-tüketiciler	( )	TÜRKAK	( )
Reklamcılar	( )	TÜSİAD	( )
Sektör içi özel danışmanlar	( )	Üst yönetimdeki aile dışı üyeler	( )
Sendikalar	( )	Üyesi olduğum yerel SİAD	( )
Şirkette çalışanlar-işgörenler	( )	Yakın meslektaşlarım	( )

**Karşılaştığımız sorunlarla ilgili şikayet veya görüşlerinizi bildirmek için aşağıdakilerle ne sıklıkta temas kurarsınız? Lütfen 0-10 aralığında değerlendiriniz.**  
(0=Hiç temas kurmam – 10=Sürekli temas halindeyimdir)

Belediye	( )	MÜSİAD	( )
Bölge idari mercii	( )	Sendikalar	( )
Bölge milletvekilleri	( )	TESK	( )
Bölge ticaret ve sanayi odaları	( )	TİSK	( )
Görevdeki hükümet	( )	TOBB	( )
İlgim olan partinin bölge yönetimi	( )	TÜSİAD	( )
Meslek odaları	( )	Üyesi olduğum yerel SİAD	( )

**Ülkemizin önümüzdeki on yıl içinde yönelmesi gereken amacın ne olduğuna ilişkin bir çok görüş bulunmaktadır. Bu görüşler aşağıda üç soru altında listelenmiştir. Lütfen her soruda sizce en öncelikli olan ilk iki seçeneğin yanına (1) ve (2) yazınız.**

Sizce aşağıdaki hangi seçenekler öncelik bakımından 1. ve 2. sırayı alır?

- Ülkede düzenin korunması
- Halka önemli siyasi kararlarda daha fazla söz hakkı tanınması
- Artan fiyatlarla mücadele
- İfade ve konuşma özgürlüğünün sağlanması

Sizce aşağıdaki hangi seçenekler öncelik bakımından 1. ve 2. sırayı alır?

- Hızlı ekonomik büyümenin sağlanması
- Ülkenin savunma gücünün yüksek olduğundan emin olmak
- İnsanların toplumda işlerin nasıl yapılacağına dair daha fazla söz hakkı olması
- Şehirlerin, köylerin ve çevremizin güzelleştirilmesi

Sizce aşağıdaki hangi seçenekler öncelik bakımından 1. ve 2. sırayı alır?

- İstikrarlı bir ekonomi
- "İnsanîyet kalmadı" dedirtmeyecek bir topluma doğru gitmek
- Fikirlerin paradan daha geçerli olduğu bir topluma doğru gitmek
- Suçla mücadele

**Bu bölümde bazı durumlardaki tercihlerinizi belirteceksiniz. Lütfen her sorudaki dört seçenek içinden 1. ve 2. tercihinizi gösteriniz. İlgili seçeneklerin yanına (1) ve (2) yazmanız yeterlidir.**

Yeni tanıştığınız arkadaşlarınızla önceden planlı olmadan dışarıda akşam yemeğine gittiniz. Hesabı ödemenin sizce en uygun yolu hangisidir?

- Kimin ne yediğine bakmadan hesabın eşit paylara bölünmesi
- Herkesin kazancına göre ödemesi
- Grubun başını çeken kişinin ödemesi veya hesabın nasıl ödeneceğine karar vermesi
- Herkesin kendi siparişine göre ödemesi

Bir birliğin başkanlık seçimlerinde hangi adaya oy vereceğinizi nasıl belirlersiniz?

- Yakın arkadaşlarımla oy verdiği adayı seçerim
- Herkese hitap edecek adaya oy veririm
- Bana şahsen hitap eden adaya veririm
- Birliğin statüsünü yükseltecek önemli bir organizasyona üye olan adayı seçerim

İdeal bir toplumda devlet kaynakları nasıl dağıtılmalıdır?

- Herkesin temel ihtiyaçlarını karşılayacak geliri edineceği şekilde
- Kişilerin parlak girişimlerinin ödüllendirilmesi yönünde
- İstikrar, huzur ve güveni sağlayacak şekilde
- İnsanların kendilerini birer birey hissetmelerini sağlayacak şekilde

Sizce mutluluğun yolu hangisinden geçer?

- Toplumda statü sahibi olmaktan
- Samimiyete dayalı arkadaşlıklar kurmaktan
- Kendi kendine yetebilen biri olmaktan
- Bireysel başarılarla sahip olmaktan

Kendinizi tanımladığınızı farz edin. Aşağıdakilerden hangisini kullanırdınız?

- Kendine has biriyim
- Rekabeti seven biriyim
- Dayanışmayı seven biriyim
- Görevine bağlı biriyim

İnsanlar sizi tanımak istediğinde onlara nelerden bahsedersiniz?

- Nasıl bir çevreden geldiğimden bahsederim
- Arkadaşlarımdan ve neler yapmaktan hoşlandığımızdan bahsederim
- Kişisel başarılarımdan bahsederim
- Beni diğerlerinden ayıran özelliklerden bahsederim

Kıdem ve performansı eşit olan iki çalışandan hangisinin terfi edeceğini hangisi belirlemelidir?

- Kuruma/şirkete bağlılığı
- Yönetimin talimatlarına harfiyen uyar olması
- Kendi başına karar verebilir yetkinlikte olması
- Geçmişte kurum/şirkete çok katkıda bulunmuş olması

Aşağıdaki dört kitaptan ilginizi en çok hangisi çekerdi?

- Arkadaşlıklarınızı ilerletmenin yolları
- Başarınızı artırmanın yolları
- Kendinizi geliştirmenin yolları
- Yükümlülüklerinizi doğru yerine getirmenin yolları

Bu bölümde bazı genel ifadeler bulacaksınız. Lütfen her cümlemin yanında “Hiç doğru değil- Kesinlikle doğru” aralığındaki seçeneklerden birini yuvarlak içine alınız.

1=Hiç doğru değil, 2=Pek doğru değil, 3=Kararsızım, 4=Kısmen doğru, 5=Kesinlikle doğru

1	Çoğu insan inandıklarını açık açık söyleyebilir	1	2	3	4	5
2	Kişinin ne olduğu hayattaki tecrübelerine bağlıdır	1	2	3	4	5
3	İnsanın başına gelen talihsizlikler kendi hatalarının sonucudur	1	2	3	4	5
4	Şirkette ihtiyaç doğduğunda, çalışanlar gönüllü olarak mesaiye kalmalıdır	1	2	3	4	5
5	Herkesin birbirini tanıdığı yerlerdeki hayat büyük şehirlerdekinden daha güzeldir	1	2	3	4	5
6	Bireysel başarı sahibi herkes iş hayatında yükselebilir	1	2	3	4	5
7	Herkes uzun vadede hak ettiği saygınlığı görür	1	2	3	4	5
8	Başarı çok çalışmanın ürünüdür, şansla hemen hemen hiç ilgisi yoktur	1	2	3	4	5
9	Çalışanlar arası rekabet işe zarar getirmez	1	2	3	4	5
10	İnsanlar yeni şeyler deneyerek zaman harcamayı bırakırsa, daha başarılı olabiliriz	1	2	3	4	5
11	Henüz denenmemiş bir teknolojiyi kullanmak genellikle para ve zaman kaybıdır	1	2	3	4	5
12	Amir, her bir çalışanın hayatının pek çok yönüyle derinlemesine ve uzun süreli ilgilenmelidir	1	2	3	4	5
13	Her zaman şansımı denerim	1	2	3	4	5
14	Sürekli yeni görevler öğrenmemi gerektirmeyen işleri severim	1	2	3	4	5
15	İdeal amir/yönetici bir baba gibidir	1	2	3	4	5
16	Hatalarımı kabullenmeye her zaman hazırım	1	2	3	4	5
17	İnsanların fikirleri benim fikirlerimden çok farklı olsa bile bundan rahatsız olmam	1	2	3	4	5
18	Kim konuşursa konuşsun her zaman iyi bir dinleyiciyimdir	1	2	3	4	5
19	Yeni kuşağın yaşantısı ahlaki bakımdan eski kuşaklara göre daha zayıftır	1	2	3	4	5
20	Sevdiğim bir işi yapıyor olmak benim için her şeyden önce gelir	1	2	3	4	5
21	Yeni ve farklı şeyler denemeyi severim	1	2	3	4	5
22	Sonucu zaman kaybı olsa bile yeni fikirler yaratmayı severim	1	2	3	4	5
23	Çalışanın sevinci ve üzüntüsü, amirinin de sevinci ve üzüntüsü olmalıdır	1	2	3	4	5
24	Fikirlerine katılmadığım insanlara bile nazik olmuşumdur	1	2	3	4	5
25	Disiplin ve büyüğe saygı çocuğun öğrenmesi gereken en önemli değerlerdir	1	2	3	4	5
26	Çalışanlar sürekli olarak şirketin geleceğini ve çıkarlarını düşünmelidir	1	2	3	4	5
27	Amirler/yöneticiler çalışanlara bir baba gibi öğüt verip yol göstermelidir	1	2	3	4	5
28	Aykırı da olsa şaşırtıcı fikirleri olan insanları severim	1	2	3	4	5
29	İdeal yönetici iş yerinde bir aile ortamı yaratabilmelidir	1	2	3	4	5
30	Tüm işler tamamıyla yazılı kurallara dayanmalıdır	1	2	3	4	5
31	Hayatta en önemli şey ülken için önemli bir iş yapmayı hedeflemektir	1	2	3	4	5
32	Din toplumda istikrar ve uyum için vazgeçilmez bir unsurdur	1	2	3	4	5
33	Bir iş yaparken yeni yollar denemeyi severim	1	2	3	4	5
34	Yeni bir teknoloji gördüğümde nasıl bir şey olduğunu denemek için alırım	1	2	3	4	5
35	Amirler/yöneticiler, çalışanlara kendi çocuklarıyla ilgilenir gibi ilgilenmelidir	1	2	3	4	5
36	Eldeki bir kuş daldaki tüç kuştan iyidir	1	2	3	4	5
37	İşleri mümkün olduğunca kendi haline bırakmayı tercih ederim	1	2	3	4	5

**KATILDIĞINIZ İÇİN TEŞEKKÜRLER!**

## Appendix B – SPSS Output of Main Analyses

