## TC. DOĞUŞ UNIVERSITY

INSTITUTE OF SOCIAL SCIENCES

## MASTER OF BUSINESS ADMINISTRATION

The Importance Of The Effective Human Resources Management In The Process Of Institutionalization:

Case Study In Turkish Security Service Sector

**MASTER THESIS** 

Eda Ersühel 200981009

Advisor: Prof. Dr. Ertan Oktay

Istanbul, March 2012

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### **PREFACE**

Special thanks to my thesis advisor Prof. Dr. Ertan Oktay, for his limitless support, to Hasan Baltalar for his advices and sharing of his important experiences about Institutionalization in Turkey and also to my family for their spiritual support throughout my work.

#### **ABSTRACT**

At the highly competitive conditions of these days, quick development of technology, enterprises struggle against these conditions to be survived. Under these conditions, small enterprises which have important activities in their economies are composing a very big part of total enterprises in the world. The most important point that shows the difference between competition race loser enterprises which step back from the market and competition race winner enterprises is the institutionalism levels of the enterprises. Enterprises which have high institutionalism level will survive but the others will fail.

At this point, "institutionalism" becomes a necessity. For small businesses survive for a long time, increase their efficiency and being in a prime location in the community in the future, it depends on the level of institutionalization.

Human Resources Management serves companies hiring, orientation, performance evaluation, pricing etc. Although it seems that all of these services related with employees, they are the backbone issues of the companies. In the institutionalization process, firms' needs are increasing. One of them is recruitment of new candidates. It's difficult to find appropriate candidate when corporate profile is yet establishing. Evaluating the performance of candidates, right candidate for the right job policy and implementation of wage policy are important to increase employee motivation. Employee productivity should be increased by training analysis then creating appropriate training. All of these and similar issues must be hold by an effective Human Resources Management Service. A general manager, senior manager and so on at those positions will never be successful in this process as a Human Resources Management Consultant; on the other hand, it's clear that they can't contribute to the company in that issue.

#### ÖZET

Günümüzde hızla değişen ve gün geçtikçe artan rekabet koşullarında, teknolojilerdeki ilerleme hızının yüksek boyutlarda olduğu bir ortamda işletmeler ayakta kalma ve süreklilik sağlama yarışı içindedirler. Bu koşullar altında boyut olarak küçük oldukları halde bulundukları ekonomilerde önemli faaliyetler gerçekleştiren küçük işletmeler, tüm dünya ülkelerindeki işletmelerin büyük bir kısmını oluşturmaktadır. Rekabet yarışını kazanan bu işletmelerle yarışı kaybedip piyasadan çekilen işletmeler arasındaki farkı gösteren en önemli özellik, işletmelerin kurumsallaşma düzeyleridir. Kurumsallaşma düzeyi yüksek olan işletmeler bu yarıştan başarıyla çıkmakta, düşük olan işletmeler ise ne yazık ki faaliyetlerini sonlandırmaktadır.

Bu noktada "kurumsallaşma" resmen zorunluluk halindedir. Küçük işletmelerin uzun süre varlıklarını sürdürebilmeleri, etkinliklerini arttırabilmeleri ve toplum içinde gelecek için güven veren bir konuma gelebilmeleri, onların, kurumsallaşma düzeyleriyle orantılıdır.

İnsan Kaynakları Yönetimi, firmalarda işe alım, oryantasyon, performans değerlendirme, ücretlendirme gibi bir çok hizmet vermektedir. Bu hizmetlerin tamamı çalışanlara yönelik gibi görünse de firmaların bel kemiği önemindedir. Kurumsallaşma sürecinde, firmalarda özellikle işe alımlar artmakta ve henüz yeni oluşan kurum profillerine uygun adaylar bulmakta zorlanmaktadırlar, bulunan adayların performanslarının değerlendirilmesi, pozisyonlara atanması da oldukça önemlidir. Doğru çalışana doğru ücret politikası uygulanması, çalışan motivasyonunu artırmakta önemlilik arz etmektedir. Çalışanların eğitim analizleri doğrultusunda uygun eğitimleri oluşturarak, çalışan verimliliğini artırmak gerekmektedir. Tüm bu ve benzeri alanlarda etkili bir İnsan Kaynakları Yönetim Hizmeti alınması şarttır. Bir genel müdür, üst düzey yönetici vb. pozisyonlardaki kişilerin hiçbir zaman bu süreçte bir İnsan Kaynakları Yönetimi Danışmanı kadar başarılı olamayacağı, bununla birlikte firmaya da bu alanda katkı sağlayamayacağı çok net bir şekilde bellidir.

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### **ABBREVIATIONS**

HR: Human Resources

HRM: Human Resources Management

#### 1. INTRODUCTION

The majority of the enterprises in Turkey are small and medium scale. If we compare them with businesses in improved countries, they have shorter lives. Accordingly, it is very difficult to compete with large and experienced businesses in international world for those small and medium scale enterprises. With globalization, institutionalized international businesses force small and medium sized businesses in every sector. In this increased competition environment, for business to survive, companies must be adapted to changing environment. Institutionalization is the transformation of business processes (existing business structure) to new management structures. Business and the environment are in continuous interaction with the environment they operate and the environment influenced the expectations and pressures required to respond. Institutionalization is an ongoing process in which a set of activities, structures, and values becomes an integral and sustainable part of an organization. Human Resource Management (HRM) is the function within an organization this focuses on recruitment of, management of, and providing direction for the people who work in the organization. Human Resource Management is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training. (www.about.com) In the process of institutionalization of an organization, organizations need to have an effective HRM. HRM has an important role in this process.

In this study, the concepts which are mentioned above are examined in more details. The research also includes analysis of empirical data, methods and findings. Research results and recommendations are included in the conclusion.

It is seen that there is not enough research in the literature about institutionalization, its process and its benefits. So, it is very important to issue this topic.

This study will show the importance of HRM in the process of institutionalization.

In the literature review, institutionalization, human resources management and the role of

human resources management in institutionalization process are shared. Also, the history and

development of Security Services Sector will be included in this thesis because of the research

subject boarder. Current human resources operations will be explained in details to show the

importance of itself in the process of institutionalization. A research survey which is done in

Security Service Sector companies will be the part of this thesis. According to research and

overall evaluation, there will be a highly detailed conclusion part.

By this study;

It is seen that effective HRM helps organizations in the process of institutionalization.

According to the research, the proposition of the importance of effective human resources

management in the process of institutionalization is proved to be true.

Restrictions of the thesis are mentioned as follows:

Financial Restrictions: This thesis has not sponsored by someone or any company. All

financial needs have supported by the researcher.

Time Restrictions: This thesis took time nearly 9 months.

#### 2. LITERATURE REVIEW

#### 2.1 INSTITUTIONALIZATION

In the late 1960's, small and medium sized businesses founded and expanded in all world. Long term crises caused bankruptcy of even large sized businesses in these years. Only businesses that have high elasticity to changes and diversity survived and operate their activities simultaneously. In the world economy, small and medium sized businesses have an important role. They recruit lots of people, have different operations and have big shares in the economy.

Institutionalization exactly recognized in 1990's in Turkey with all other countries with globalization. There are more competitive markets than before. In our days, technological improvements make our life easier. It is important to be adapted to that technological and environmental changes for businesses for survive their selves. Moreover it is important also for being institutionalized. Uninstitutionalized businesses cannot be adapted to those changes.

The concepts of institution and institutionalization are defined on many disciplines such as business, economy, sociology, psychology etc. (Karpuzoğlu, 2002, p: 38) In this master thesis, we will be interested in managerial prospect of institutionalization. This is why we will issue business organizational institutions concept.

Before we explain institutionalization, we should firstly know the institution concept. Institution is can be defined as a system of continuously controlled, represents of group ideals, biologically never ends, adopted and known by everyone, has an organized procedure, standardized collections of operations and set of rules. Institution is a social organization.

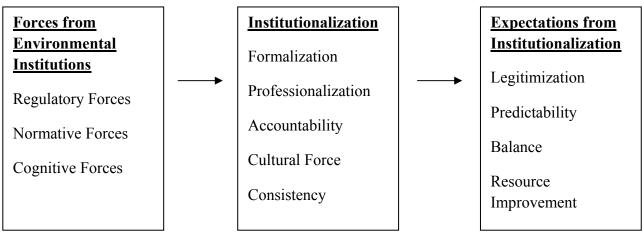
An institution is created for material, spiritual and social values. It simultaneously has operations according to its aims, rules, vision and missions. It has an original structure of self-

renewal developments. Institutionalization is the process of being an institution with the characteristic of mentioned above.

The term "institutionalization" is widely used in social theory to refer to the process of embedding something (for example a concept, a social role, a particular value or mode of behavior) within an organization, social system, or society as a whole. The term may also be used to refer to committing a particular individual to an institution, such as a mental institution. To this extent, "institutionalization" may carry negative connotations regarding the treatment of, and damage caused to, vulnerable human beings by the oppressive or corrupt application of inflexible systems of social, medical, or legal controls by publicly owned, private or not-for-profit organizations. (Akın, 2008, p: 58-59)

The term "institutionalization" may also be used in a political sense to apply to the creation or organization of governmental institutions or particular bodies responsible for overseeing or implementing policy, for example in welfare or development. (Apaydın, 2008, p: 134)

In other words, institutionalization is the process for gaining organizational stability, legality, known ability, guess ability and conformity or transforming from unstable, low technological structures to organized, stable and social structure. By institutionalization, it becomes easier to understand and act in a same way for Employees and Managers. Institutionalization process begins with the establishment and development of the organization. (Kimberly, 1979, p:72)



"Table 2.1" Institutionalization (CÜ, Journal 10, No 1, 2009)

#### 2.1.1. The Concept and History of Institutionalization

In organizational fields, institutions are accepted by right moving. Repetitive moving transforms organizations to institutions. On the other hand, sometimes the term of institution is misunderstood by people. The word of "to organize" is more acceptable than the word of "organization". Also the word of "institutionalization" is more meaningful than the word "institution". (Boons, 2000, p:122)

Institutions are social structures which have achieved a high degree of flexibility. This flexibility includes these items: auxiliary activities, resources, cultural cognitive, normative and regulations. Institutions operate in different levels of authority such as restricted interpersonal relationships from the world system. Institutions have continuously or simultaneously increasing process changes. In summary, institutions are rule based; restrict the social behavior, formal structures. (Yavuz, 2007, p: 16)

Organizations are being objective and exogenous by institutionalization and socialization process. To comply with the institution seen as rational by people who share the institution.

We have to find concrete examples to give some illustrative examples of what are institutions because institutions have no experimentally proofs. Four institutional careers are developed by Scott in 2001. They are: symbolic systems, relational systems, routines and findings. Symbolic system is rules, laws, values, categories, expectations. Relational system is governance systems, regimes, identities and authority systems. Routine is protocols, standard working procedures and roles. Findings are the objects encountered in meetings.

An organization may be related with organizational forces in the field of institutions. One organizational subsystem can act to the level of social institutions. So, not only individuals but also groups may be force organizations.

Level	Example
World System	
Society	Sweden
Organizational Field	Financial Sector
Population	Company Banks
Organization	Private Bank
Organizational Sub-system	Corporate Finance Department

"Table 2.2" Levels of institutional analysis (Björck, 2004)

Institutionalism includes three concepts; Cognitive, prim, regulatory. (Scott, 1995)

Size of Institutions	Definition	Explanatory Power
Cognitive	Shared purpose	Expressed through
	• Legitimate	technologies, planning
	knowledge to	processes, organizational
	consider the shape the	structures, laws, policies etc.
	definition of the	
	problem	
Prim	• Shared values and	How values and expectations
	expectations	configures the preferences
	• Norms	and organizations.
Regulatory	• Rules	How to movements supposed
	<ul> <li>Organizational forms</li> </ul>	to be organized to pursue
		appropriate practical shared
		values

"Table 2.3" Institutionalism to explain social practices approach (Scott, 1995)

Classical Theory is the infrastructure of institutionalism theory approach. It is linked with the bureaucracy approach this German Sociologist Max Weber developed in the early 1900s. His Classical Organization Theory is the first step of institutionalization history.

After Weber, some other authors such as Robert Merton, Philip Selznick, Peter Blauand, and Alvin Gouldner are examined and developed the theory.

In 1940s, Robert Merton and his students worked on institutionalization theory. However, American sociologists thought that organizations weren't individual social phenomenon. They focused on the dynamics of social change. Also they analyzed formal organization concept and "organizations as independent social actors". According to him, for the survival of a system, the system should have been integrated into the structural components and there should be structural contributions to be elements of balance in system functions.

Law and Sociology Professor Philip Selznick developed "the natural system model" in 1948 which helps us to understand the institutionalization concept. According to the model, the most important thing for organizations is continuity rather than tools. This model would be used for "Institutionalization Theories" 30 years later on this date.

As the student of Thorstein Veblen, Wesley Mitchell developed the idea of "institute". Mitchell highlighted the importance of studying long term economic developments would give results of highly standardized social habits. This is directly relevant with organizations.

Until the 1970s, most of the organization analysis focused on current studies. While it is acceptable for most of the analysis, Selznick (1949), Gouldner (1954) and Zald (1970) evaluated organizations related with their external environment.

Because of different people developed the institutionalization theory in different disciplines, it was difficult to evaluate theory for organizations.

The recognition of the Institutionalization Theory was provided by Meyer and Rowan's article called A Formal Structure as Myth and Ceremony. In this article, Meyer and Rowan made more radical analysis staying away from traditional ideas about shapes and the formal structure. Furthermore, for the achievement of the organization acceptance of the community and organization tools are necessity. They touched on the point of organizations were tend to apply the accepted practices in society.

In 1969, Kohn made a study about institutionalization. In his opinion, institutionalization has 3 main features. They are formal organization, management and culture.

In 1980s, Paul J. Di Maggio and Walter W. Powell contributed the theory (New Institution Theory) and find out some results. They drew attention to the existence similar structures in the organization and the population as an important factor. They also added the importance of legal regulations, institutional environment and professional organizations in organization strategies. (Akın, 2008, p: 66)

If we look at the literature for classifications of theoretical models from 1900 to the present, the theory is shown in type of "natural and open system".

After these studies, many more theories added to the existing theories. Oliver (1992) and Scoot (2001) emphasized the institutional changes on existing institutionalization literature.

New institutionalization approach finds institutional environment more important than technical environment. Also legality is more important than productivity.

Today, the theory of institutionalism has a wide remarkable degree of importance across social sciences schools. Interactions among individuals in micro scale have an impact on global macro scale.

	Old	New
Conflict of Interests	Central	Environmental
Source of Rigidity	VestedInterests	Legal Obligations
HighlightedStructure	Informal	Formal
TheOrganization'sPlace	LocalCommunity	Area, SectororCommunity
TheFocus of Institutionalization	Organization	AreaorCommunity
Organizational Dynamics	Change	Continuity
UtilityCriterion	UnexpectedResults	StereotypedBehavior
KeyConcepts	Values, Norms, Behavior	Classifications, Programs, Schemas, Routines
TheBasis of SocialPsychology	SocialTheory	BehavioralTheory
ConceptualBasis of theExistingOrder	Responsibility	Habit, Experience
Purposes	Unsettled	Complex
Agenda	PoliticalAxis	DisciplinaryAxis (Education)

"Table 2.4" Comparison of old and new institutionalization (DiMaggioandPowell, Introduction, 2001)

#### 2.1.2 Institutional Distance and the Institutionalization Process Strategy

Institutionalization theory is used for explain the heterogeneity of firms. Conversely, institutionalization theory shows the resistance to institutionalization processes by the organization when their area of interests changes. Management of legitimacy, there are two different approaches this are strategically and institutionally. However, in further researches we see that researchers give up with this idea and he does not add a strategic dimension to institutional approach.

All organizations need to work on institutionalization process and use some basic sources related with this process to gain legitimacy and being sustainable. Implementation of institution strategy depends on competitive environment or the countries' institutional distance between institutional norms. As a result, gained legitimacy and quantity of institutional capital will be limited. So, competitive advantage can be gained by using all institutional capital. Otherwise, it will be impossible to compete in market.

There are four steps for processes of institutionalization. They are legal recognition, continuity, alignment of individual and organizational goals and gaining corporate identity. (Karpuzoğlu, 2002, p:93)

Legal Recognition: Business should comply with regulations, guidelines and law which have great importance for surviving and of developing society in terms of religion, tradition, social relationships. On other words, businesses should focus on social life requirements and legal changes for institutionalization. So that, institutionalization establishes with comply and adapt to legal requirements.

Continuity: According to the changing conditions of the day, businesses should be elastic enough to survive. Businesses can be survived only when they are in a dynamic structure rather than static structure.

Alignment of Individual and Organizational Goals: People are social individuals. Organizations include different kind of people. People are interested in gaining their own interests and benefits from other people. This is why they join to organizations. On the other hand, organizations have missions and visions. This means organizations are also interested in their own interests and benefit from people who are in the organization. It is clear this, people's interests and benefits must be compatible with organizations' interest and benefits to achieve both sides' aims.

Gaining Corporate Identity: An organization cannot be established with only its formal structure. Alignment of individual and organizational is also necessary. According to an institution, it may have different meanings for the concept of organization. The meanings are all about distinctive characteristics. In this situation, organizations' age is important. Young organizations can easily adapt to changes and new corporate identities. This process may be more difficult in older organizations.

#### 2.1.3 Reasons for Institutionalization

Organizations make definition of their new environment when they enter to new markets, make changes to the requirements of raw materials, offer outputs to new buyers and change the relationships with law editors. Organizations can also change their environments by competing with other rivals. Organizations may affect the environmental factors by providing unity with other organizations. The effective factors of change are listed as technology, economic crises, social trends, world politics, labor force structure and competition by Özkalp in 2001.

Organizations decide to be an institution because of two major factors. The two important factors are summarily listed as forces operating within organization and non-business

environmental factors. Because of organizational crises, product aging, change of laws and regulations and labor force, change of administrative powers organizations must be change their structures and be a legal institution. Organizations can have the power of life and development by suiting with current economic, technologic environment.

As it mentioned before, organizations are liable to change environment when they are forced to have structure changes. Organizations change environment by redefining the environment, responding to an environmental unit and performing cooperation with some environmental units.

Non-business Environmental Factors:

Globalization: Globalization process in world, competition in international area and technological improvements cause changes in world economy. Globalization is defined by transformation of different international world markets into a single market. Changes cause globalization and globalization causes competition in global environment.

Organizations should have institution process to suit in this global environment to survive in the environment with full of strong rivals.

Ecological Environmental Conditions: Resources, energy and transportation amenities are so important to have or can be obtained for organizations. Organizations change their activities because of limited resources, polluted environment, and climatic variation.

Social Factors: The amount of population density of the community, health status, physical and mental structure, education level and the rate of job diversification, the degree of specialization and cultural characteristics constitute the major elements of social environment.

After urbanization process, migration from villages to cities and increased city population caused social problems and also changed the labor force structure. For example, fast urbanization causes higher level of education and at the same time lower average age of labor force. (Boons, 2000, p: 96-97)

Legal Factors: Legal environment changes by changes in law, directives and statutes. State and local governments, minimum wages, rice controls, locating organizations, organized industrial zones, promote policies, job security, and employment conditions, many issues such as environmental health and legal regulations started to intervene in the growing businesses and the economy. This changes force organizations to have institutionalization process.

Economical Factors: Inflation and changes in exchange rates affect the organizational structures. Development of markets in order to monopolistic and oligopolistic style, it also changes organizations' structures. Another important thing is organizations which are activities are in international area, they should suit with both their country and international environment.

Social Cultural Factors: Cultural, ecological, demographic, religious, educational and ethnic conditions affect forms of life, thoughts, attitudes, values and beliefs of people. These conditions also affect business as social factors. These conditions have attribute effect on production cycle of manufactured products and product preferences.

Moreover, from the moment this businesses to grow and hung from country's borders, they should compliance with different cultures and societies. For this purpose, organizational structure must be re-planned according to the requirements of multinational businesses.

Technological Improvements: Scientific researches and information production, converting information into technology and the degree of transfer application affect businesses how to use technologies.

Technological changes in the structure also cause changes in nature of business and construction form. As a result of the effects of automation technologies in production, a person can do the job this more than hundreds of people's capacity. Also, contributions of technology reduce costs in service and manufacturing sector. Furthermore, technology highlighted the importance of human factor in knowledge and innovations. Especially, changes in information technology provide more rapid spread of knowledge within the organization. So worker can attain the problems within the organization more quickly, fulfill the demands more quickly than other organizations and organize better relationships with customers than rival companies. Organizations must attach importance to technology.

#### 2.1.4 Institutionalization from Organizational Aspect

The organizational structure of business is like a mirror this reflects the necessary procedures and system for institutionalization. By monitoring business environment, aims, organization structures, technology, employee qualifications and methods should be change. Before institutionalization process, there may be an organizational structure in the business. However, it doesn't allow top management to move freely. Works are done by more centralized structures. Organizational Institutionalization can be analyzed with four elements.(Karpuzoğlu, 2002, p:66)

Simplicity: An organization should be in the way of whose employees can understand the organization structures easily. Also third persons should understand the same structure easily and have positive impact on this process. In this kind of a structured it may be hard to directly report to more than one person. This is why the organization structure should be simple.

Differentiation: Differentiation depends on the related market and market requirements. If the business is in a highly competitive market, the business should make decisions and reach goals quickly. In other words, it should have a dynamic structure. On the other hand, every

business doesn't need to have a dynamic structure. According to other markets which are not competitive, top management doesn't have to make decisions and reach goals quickly. This is why differentiations may occur more slowly than highly competitive market's businesses. We can understand this if a structure is dynamic, it should have high differentiation level. Differentiation level depends on the how much dynamic is the organization.

Being Independed: By being institutionalized, top managements freely movement rates will be more than before. They may make decisions about organization's vision, mission more freely.

Variability: Institutionalized organizations are not as lubber as government institutions from the structural point of view. Technology and human norms are changing day by day. So this, organizations which are easily adapt to changes can be survived in the market. Organizations should be elastic for those changes. Highly institutionalized organizations' elasticity is high.

#### 2.1.5 The Effects of institutionalization on Organizations

Institutionalization is a political and cultural process. Many study show this technical things tend to cover up the hidden agenda of political and cultural events. Proofing political and cultural process to traditional rules causes conflicts.

The organizations which resist to technical and traditional rules create experienced, specialized units for every demand in the organization. "Loose coupling" between separated units is the characteristic of all open systems. Meyer and Rowan think this loose coupling is just a symbolic concept. On the other hand, according to Scott, loose coupling shapes the organization concept and uses high social power. Loose coupling or even decoupling has advantages on organizations. They allow organizations to be institutionalized. (İTO, 2010)

Loose coupled of decoupled organizations want to be shown as rational in front of external stakeholders.

Assumption this people have acted in good faith, it keep the activities of organizations regular. The logic of this trust, in order to avoid organizations annoying events, it directs to pursue credibility and legitimacy of them for any deterioration. The organizations with high level of trust and good faith have very well institutionalized monitoring and evaluation systems. (İTO, 2010)

#### 2.1.6 The Measurement of Institutionalization

Being an institutionalized organization is a continuous process rather than a fixed concept. So, every organization achieve different amount of institutionalization process.

Evaluating the status of an organization must be more than just judiciary. For this reason, we assess the degree of institutionalization with developing some criteria. Measurements of institutionalization are developed by Samuel Huntington. According to Huntington we can measure institutionalization with four criteria. They are: autonomy, adaptability, complexity and consistency. Ragsdale implemented this four criteria to some organizations and they proofed the theory one more time. (Fındıkçı, 2007)

Those four criteria can be explained like below.

Autonomy is the capacity of institutions to make their own decisions and implement them.

Organizations are said to be institutionalized according to their independency among other

organizations. Also autonomous budget and revenue sources are the measurements of institutionalization

Adaptability is the ability of institutions' to adapt to changes surrounding. It's better to say, adaptability is the forming ability of the environment. Although there may be some ambient changes related to institution, it must be able to continue to find necessary resources.

Complexity is the ability to fulfill the objectives of organization, build internal structures and to cope with the environment.

Consistency is the capacity to implement procedures in an appropriate way for the institutions' to manage their own business and timely tasks. At the same time consistency is the capacity to make decisions about organizations' beliefs, basic tasks and filtering the deviations from them.

These four criteria help organizations to measure their institutionalization degrees. Another way to conceptualize institutionalization is standardization of organization procedures. Standardization of organization procedures is the most important step for institutionalization.

The four criteria mentioned above are not always giving us surely answers for measurement of institutionalization of organizations. For this reason there should be used two more criteria which developed by Geotz and Peters in 1999. They are: harmony and originality.

Those two criteria can be explained like below.

Harmony reflects the organizations' political institutions' relationships' with their social relationships. Organizations should be always connected with social arrangements. Otherwise,

if they are not harmonious their survival will not to be expected. It is also reflects a relationship between people who is working and their value differences.

Originality is related to violence of functional competition between agencies. Institutions hope to stay alive when there is little or no competition. Often, when there are multi-faceted corporations which try to do same jobs, competition would have to be resolved with one or more of the institution has closed. (Findikçi, 2007)

#### 2.2 HUMAN RESOURCES MANAGEMENT

#### 2.2.1 The Concept and History of Human Resources Management

Human resources management maintains the source of "people factor" in organizations. People factor is a must, basic needs in every business.

Human Resource Management (HRM) is the function within an organization this focuses on recruitment of, management of, and providing direction for the people who work in the organization. Human Resource Management is the organizational function this deals with issues related to people such as compensation, hiring, performance management, organization wellness. benefits, employee motivation. development, safety, communication, administration, and training. Human Resource Management is also a strategic and comprehensive approach to managing people and the workplace culture and environment. Effective HRM enables employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives. (www.humanresources.about.com)

Human resources management was recognized as "personnel relations" and "industrial relations" in its age.

The need for an organized form of human resources management emerged during the industrial revolution, as the manufacturing process evolved from a cottage system to factory production. As the United States shifted from an agricultural economy to an industrial economy, companies were forced to develop and implement effective ways of recruiting and keeping skilled workers. In addition, industrialization helped spur immigration, as the country opened its borders to fill industrial positions. Filling these jobs with immigrants, however, created an even greater need for adequate management of employees. Between the 1880s and the 1940s, immigration rose significantly and remained robust until World War II. Advertisements circulated throughout the world depicting the United States as the land of opportunity where good-paying industrial jobs were plentiful. As a result, the country had a steady stream of low-skill, low-cost immigrant workers who occupied manufacturing, construction, and machinery operation positions. Even though these employees performed largely routine tasks, managers faced serious obstacles when trying to manage them since they spoke different languages. While some companies paid attention to the "human" side of employment, however, others did not. Therefore, other factors such as hazardous working conditions and pressure from labor unions also increased the importance of effective management of human resources. Along with the manufacturing efficiencies brought about by industrialization came several shortcomings related to working conditions. These problems included: hazardous tasks, long hours, and unhealthy work environments. The direct cause of employers seeking better HRM programs was not poor working conditions, but rather the protests and pressures generated by workers and organized labor unions. Indeed, labor unions, which had existed as early as 1790 in the United States, became much more powerful during the late 1800s and early 1900s. There were two other particularly important contributing factors to the origination of modem HRM during this period. The first was the industrial welfare movement, which represented a shift in the way this managers viewed employees from nonhuman resources to human beings. This movement resulted in the creation of medical care and educational facilities. The second factor was Frederick W. Taylor's (1856-1915) Scientific Management, a landmark book this outlined management methods for attaining greater productivity from low-level production workers. The first corporate

employment department designed to address employee concerns was created by the B.F. Goodrich Company in 1900. In 1902 National Cash Register formed a similar department to handle worker grievances, wage administration, record keeping, and many other functions this would later be relegated to HRM departments at most large U.S. companies. HRM as a professional discipline was especially bolstered by the passage of the Wagner Act in 1935 (also known as the National Labor Relations Act), which remained the basic U.S. labor law through the 1990s. It augmented the power of labor unions and increased the role and importance of personnel managers. During the 1930s and 1940s the general focus of HRM changed from a focus on worker efficiency and skills to employee satisfaction. This shift became especially pronounced after World War II, when a shortage of skilled labor forced companies to pay more attention to workers' needs. Employers, influenced by the famous Hawthorne productivity studies and similar research, began to emphasize personal development and improved working conditions as a means of motivating employees. In the 1960s and 1970s the federal government furthered the HRM movement with a battery of regulations created to enforce fair treatment of workers, such as the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Employee Retirement Income Security Act of 1974 (ERISA), and the Occupational Safety and Health Act of 1970. Because of these acts, companies began placing greater emphasis on HRM in order to avoid lawsuits for violating this legislation. These regulations created an entirely new legal role for HRM professionals. Furthermore, during the 1970s, HRM gained status as a recognized profession with the advent of human resource programs in colleges. By the end of the 1970s, virtually all medium-sized and large companies and institutions had some type of HRM program in place to handle recruitment, training, regulatory compliance, dismissal, and other related issues. HRM's importance continued to grow during the 1980s for several reasons. Changing workforce values, for example, required the skills of HRM professionals to adapt organizational structures to a new generation of workers with different attitudes about authority and conformity. Shifting demographics forced changes in the way workers were hired, fired, and managed. Other factors contributing to the importance of HRM during the 1980s and 1990s were increasing education levels, growth of service and white-collar jobs, corporate restructuring (including reductions in middle management), more women in the workforce, slower domestic market growth, greater international competition, and new federal and state regulations. (www.referenceforbusiness.com)

#### 2.2.2 Basic Principles of Human Resources Management

Basic Principles of Human Resources Management are as follows;

- Productivity: This principle aims to get maximum working performance from employee according to his/her spiritual and physical power consistently.
- Humanity: Needs of employees are the main factors of their motivation and also productivity. This is why organization should find out the requirements of employees firstly. The factors can be defined as follows;
  - o Increasing life standard
  - o Ensuring security
  - o Ensuring healthy relations between workers
  - o Ensuring to discover their selves
- Equality: Employers must be objective to employees according to their differences in region, language, gender, thoughts and beliefs. Especially in recruiting and firing processes it has an important role.
- Assurance: Employees want to be sure about their stability at their work in order not to do undisciplined behavior. If an employee feels this he/she will lose his/her job in short time, he/she will not work productively. So this, employer should ensure assurance for employees economic and socially.
- Openness: All procedures and politics should be mentioned clearly to the employees. Employees must know all rules clearly in order to work efficiently.
- Privacy: Private documents of personnel, discipline documents, register documents must be kept privately. All employees must believe in this. (Uysal, 2007, p: 11-14)

#### 2.2.3 The Purposes and Operations of Human Resources Management

In general, human resources management aims to increase contributions of employees in organizations. Those contributions are new ideas, productively working and success. Human resources management should be responsible for social aims. This means human resources managers should behave fairly to social ethical norms and at the same time they should minimize the negative forces on organizations because of their demands from organizations. Human resources management is also responsible for organizations this it can be guessable from the concept. Their aims firstly establish fairly and higher standards of working places for every worker.

The Operations of Human Resources Management is listed below.

Job Analysis: Job Analysis can be defined as; analyzing of jobs according to their requirements, how and why there are exist, how difficult are they, how much time do they take, responsibilities and outputs etc. The aim of the job analysis is defining and clarifying the name of the job, working conditions, requirements of personnel, equipment needs and job description. In more details, human resources managers want to see following results from job analysis;

- To help human resources planning,
- To clarify main criteria for the recruitment process,
- To develop current job performance an according to this clarify the training needs for the organization in the future,
- To clarify the basic criteria for performance assessment center applications in the organization,
- To make health plans for career management issues according to surely maintained personnel and jobs.
- To ensure equity between works and workloads for personnel,
- To develop working conditions,

• To clarify criteria for compensation management system. (http://www.about.com)

Recruitment Process: Employees are the indispensable elements of all business operations in an organization. Employees directly related with material resource inputs. This is why employees are the key factors of businesses. People are hired by organizations after the period of recruitment process. As we are going to mention later, it is the most important point about finding right team members to achieve both organizational and individual aims in the future.

Recruitment process should be fairly and healthy to get the best results. Sometimes process takes long times. Potential employees should be hired according to job requirements and classifications of potential employees. Otherwise, it makes difficulties in every level. Those difficulties can be decreased motivation, decreased productivity, high employee turnover rate and more on.

Recruitment process requires some expenses. Such as, job advertisements, interviewing and other expenses, orientation expenses, expenses caused from employee turnover, training expenses, expenses caused from mistakes are done by new employees. From the employer point of view, a mistake is done at this process causes psychological and economic problems.

Two main sources can be used in the recruitment process. They are in sources and out sources. In sources can be defined as promoting another employee to an upper level or in transferring. Out sources are can be defined as advertisements, sharing CVs, sharing CVs with referrals, government institutions, consulting firms, education institutions, via internet, contractor engagement and others. We will be focus on consulting firms' operations in this process later.

Recruitment process includes following steps;

1. Finding job requirements

- 2. Pre interview with potential candidates
- 3. Psychometric analysis
- 4. Interview (one or more than one times)
- 5. Searching referrals
- 6. Decide which candidate should be hired
- 7. Health control (for some special cases, not a must)
- 8. Proposal
- 9. Hiring

Performance Evaluation Applications: Performance Evaluation Applications not only evaluates the performance of the personnel but also personnel's success in lots of areas. Performance Evaluation Applications are the applications this show personnel's success in work, behaviors at work, moral status, classifications and contributions to the organization.

The aim of the performance evaluation applications is to be objective to the personnel in the areas of compensation, transferring, promoting, firing and training.

Training and Development: Training is a part of the human resources management in competitive working areas. By training personnel learn and gain new skills and develop their current level at work place so this they become more productive for all organization. Organizations' profit increases according to training personnel. It is important this, training needs must be analyzed correctly to get expected result. Training occur expenses in an organization this is why clarifying training needs, who will be trained, training methods and training issues are the major factors.

After clarifying needs, yearly training program can be created. After training programs, quality and production increases, costs decrease, savings increase, injuries decrease and customer satisfaction increases.

Compensation Management: Compensation management is important for both employees and employers. Wage package should make employees happy and should not be too much this occur difficulties for employers. Wage packaging should be objective and fairly. It should depend on market wage standards, law, organization's budget and employee's qualifications. Wage is not always but sometimes a motivation factor for employees.

# 2.3 THE ROLE OF HUMAN RESOURCES MANAGEMENT IN INSTITUTIONALIZATION PROCESS

In today's working life, we see some changes in management issues and organizations. Technological developments, increased importance of information and acceleration of changing rate occurs this changes in management issues and organizations. According to those changes, information become more important in management issues, also numbers of management levels are decreased. It is clear this, managers and employees must improve their own abilities, expectations and point of views day by day. Only multitasked organizations can survive in competitive markets. Successful organizations know the importance of human resources management in terms of institutionalization. Lifelong personal development, being in learning organizations and following technological improvements become important in our days. Organizations must develop their strategic plans according to changes in market, changes in rivals' strategies and changes in consumer behaviors if they want to have big market shares in every period.

In working life, surely the most important value is employees. This is why Human Resources Management is the key factor for success of a business. Globalization and being a part of global competitive markets processes force businesses to manage human factor more effectively for every level. As we mentioned before continuously changing plans should be taken in this area too. Those changes can be working conditions, statuses etc. Human resources management politics are not constant especially when businesses have steps to become institutionalized

#### 2.3.1 The Concept of Changing

Because of changing norms in societies, people thoughts are changing so rapidly. In the past with scale economics and cheap labor force, businesses could have big market shares in their sectors. However, it doesn't work anymore. Today, innovation is the most important distinctive characteristics of businesses. In this situation, innovation in every field force people to change their thoughts. New family styles, different life and work conditions, new economy, new politics force people to have changes in their minds.

Changing and reengineering are the musts of businesses small, medium and big sized which want to survive and expand their selves. Even nonprofit organizations must be in changing environment in every situation.

The definition of "changing" is explained as "replacing something with something". Changing process generally takes positive steps for the future. Changing process can be taken immediately or for a long time. (Yılmaz, 2007, p: 161)

Changes in institutionalization process means "restructuring of organizations and having different operations in the business".

As the sum, to gain elasticity for both inside and outside environment of business, businesses should have small or big changes. Those changes give competitive advantages in the fields of economic, social, legal etc.

### 2.3.2 Changing and HRM

In today's economic conditions, human resources are the most valuable resources of the business. Previously, employees were seen as people who do simple, specific jobs. However, employees are seen as problem solvers and problem analyzers. (Yılmaz, 2007, p: 162) Businesses have operations in highly competitive environment with full of innovations. According to this, needs of people are also change day by day. Every business wants to achieve their goals. In competitive markets, only businesses which use their resources effectively can reach their goals.

The most important factor for reaching business goals is human. Humans are located in businesses as physically and spiritually. At the same time, human organizes the production factors and make able business to produce.

Some organizations' bankruptcy cannot explain by technologically, economically or because of market conditions. Service quality which is hard to measure, people abilities and elasticity for changing market conditions have an important active role in organizational success. In 21<sup>st</sup>century, compatible employees are the keys of success. Success causes from employment engagements, adoring and participation.

To adapt new conditions, businesses should make some innovations in their inside and outside environment. Human resources management is the key concept of this change. The resistance may occur on the side of employee this is why human resources has important role. An effective human resources management avoids resistance and problems in changing processes.

Before we mention about the relationship between human resources and organizational change, we should briefly check the concept of human resources management again. Human resources management is using of human resources effectively to achieve business's goals.

Human resources management includes recruiting, training, wage packaging, motivation etc. In our days, human resources management affects by economic, demographic, organizational structural strategies and technological changes. The primary aim of human resources is to develop this resource. Not only organizational aims are important, but also individuals' aims are important. The human resources management which is only keen on organizations' aims cannot be successful. This is why human resources management focuses on human relations and human needs at the same with organization needs.

## 2.3.3 Formed Ground on Organizational Institutionalization by Human Resources Management

Every organization has to survive and has its own aims to achieve. According to their aims every organization are managed by their strategic plans. In general those strategic plans are for long terms. Sometimes, those plans may be so complex.

Firstly, it is important to find out first step of implementation of human resources management strategies. It means, organizations should focus on who will implement those strategies, how many people there will be, their qualifications and what will be their work. Planning and analyzing those strategic issues are critical values for the future effectiveness of human resources management structure of the organization.

Human resources management is nearly the major part of the institutionalization process. Human as resource is the milestone of an organization as we mentioned before. However, organizations mostly don't use their resources effectively. Institutionalization is a changing process. Employees start this process, they implement and they evaluate. So, the most affected part of the organization is employees from this process. Employees make reengineering and sometimes implement new human resources management politics to being institutionalized easier. In this case, the important aim is not to decrease current performance level, but also break resistance to change.

Dividing Organization into Departments: Dividing organization into department means separating employees according to their specialties and giving work depending on their majors. In other words, those little groups which have similar works come together and isolate their selves a little bit from other issues in the organization. We say departments to those little groups. According to dividing process, job descriptions, authority levels, reporting and reported people can be defined more efficiently and easily.

Job Analysis: Job analysis is one of the basic operations of human resources management. One of the main purposes of conducting job analysis is to prepare job description and job specification which in turn helps to hire the right quality of workforce into the organization. The general purpose of job analysis is to document the requirements of a job and the work performed. Job and task analysis is performed as a basis for later improvements, including: definition of a job domain; describing a job; developing performance appraisals, selection systems, promotion criteria, training needs assessment, and compensation plans. (Cascio, Aguinis; 2005, p:273-274)

Job analyzing can affect other infrastructures. It is always better to know job and employee in details to discover their relations truly. Sometimes this process may be so hard.

As the sum job analysis aims to answer questions such as:

- 1. Why does the job exist?
- 2. What physical and mental activities does the worker undertake?
- 3. When is the job to be performed?
- 4. Where is the job to be performed?
- 5. How does the worker do the job?
- 6. What qualifications are needed to perform the job?

- 7. What are the working conditions (such as levels of temperature, noise, and offensive fumes, light?)
- 8. What machinery or equipment is used in the job?
- 9. What constitutes successful performance? (Cascio, Aguinis; 2005, p:276)

Performance Evaluation: Organizations have success when their employees work in order, having right responsibilities and performing in a true way. In general, it is hard to evaluate the performance of employees. Performance of employees can be measure according to their abilities, achievements, being good at their responsibilities and their mood. Because of this measurement is important; managers want to focus on monitoring their employees closer.

After performance evaluation, organizations can able to work more efficiently by learning from their mistakes. By this system, organizations can also make decisions about training, development and organization needs.

Outsourcing: The Recruitment Process Outsourcing defines RPO as follows: "when a provider acts as a company's internal recruitment function for a portion or all of its jobs. RPO providers manage the entire recruiting/hiring process from job profiling through the on boarding of the new hire, including staff, technology and method. A properly managed RPO will improve a company's time to hire, increase the quality of the candidate pool, provide verifiable metrics, reduce cost and improve governmental compliance." (www.wikipedia.com, 15.08.2011)

For many businesses don't have the time or the resources to manage HR functions, outsourcing is a cost-effective alternative to hiring an in-house human-resources staff. (www.allbusiness.com, 15.08.2011)

Learning Organization: Organizations can survive and improve their aims only by human factor. To adapt changes, to have information day by day, to make new strategic plans according to environment organizations have to give too much importance to human resources management. As we mentioned before all changes, resistances, strategic plans and adopting new environment is implemented by employees in organizations. So, every organization should become learning organizations.

### 2.3.4 Contributions of Human Resources Management to Corporate Mentality

Human resource (or personnel) management, in the sense of getting things done through the people. It's an essential part of every manager's responsibilities, but many organizations find it advantageous to establish a specialist division to provide an expert service dedicated to ensuring this the human resource function is performed efficiently. As organizations vary in size, aims, functions, complexity, construction, the physical nature of their product, and appeal as employers, so do the contributions of human resource management. But, in most the ultimate aim of the function is to: "ensure this at all times the business is correctly staffed by the right number of people with the skills relevant to the business needs", this is, neither overstaffed nor understaffed in total or in respect of any one discipline or work grade. (www.accel-team.com/Human resources/hrm 00.html; 18.08.2011)

To Help Organization to Reach Their Goals: Organizations establish for reaching their aims. If there are no aims it is impossible to mention about an organization. So, the major operation of an organization is working for their aims. People in organizations divided in small groups to work identically for reaching general aims. Moreover, all subunits work for complete the requirements and needs of organization's goals. In this situation, human resources management has an important role. Human resources management takes active role in arranging correct forms of groups and also organizing their job descriptions, their needs. Directing correct employees in correct areas on correct times is the milestones of organizations. Efficient human capital can help all organization to reach their goals. Human resources management also helps organization to have efficient communication.

To Meet Employee Needs: High quality services given only by organizations with which have highly motivated employees. Human factor is the most important factor of an organization this is why they are both work and social life should be protected from bad issues. Employees should be in good mood to work efficiently so this it is highly important to make them happy.

Employees work for their basic needs. They are physiological, shelter, security, belonging, love, respect and self-realization. Also employees work for be in touch with other people, develop their selves etc. To meet all this needs of employees, human resources managers must monitor them while they are working to understand their needs.

Employees' needs are not always one of those mentions above. Employees also may have some needs in organizations as well. They may need to improve their skills. According to this, human resources managers should focus on their needs in the case of this point of view. Training, orientation, performance assessments, pricing and motivation is the major items.

The material needs of employees provided by the firm with financial earnings. On the other hand, employees provide their spiritual needs from social activities, spiritual awards, promotions etc. Manager must focus on both material and spiritual needs of employees.

To Work for Organizational Structure: Structure of organizations must be strong. We mention about a good job assessment, job analyzes and correct recruitment processes by saying strong structure. Organizations need strong structures because they have to survive in every condition.

In an organization, the most important human resources facility items are job analyzing and job descriptions. The all other facilities and structure shaped by this two factors. The biggest

problem of organizations who failed in the process of institutionalization is wrong job descriptions and job analyzes.

Human resources are the intellectual and social capitals of organizations. Organizations should improve their corporate culture, restructure the organization, develop efficient recruitment process, train employees, and have motivation strategies and reward employees if organizations want to improve their intellectual and social capital's performance.

Recruiting Process: Human resources forecasts employee supply needed in the future in an organization. This is why in institutionalization process recruitment is one of the important issues to be focused on. Excess or scarcities of number of employee will a big problem in the future if the strategic plans are taken by wrongly. Most of the facilities of human resources management include recruitment operations in organizations. Every organization has its own recruitment politics according to their organizational aims and corporate cultures. It is the expected improvement besides the job definitions and job analyzes.

After analyzing the human needs of an organization, the recruitment process should be started rapidly according to criteria this we mentioned above. Human resources committee prepares job advertisements for each open position. Then, human resources committee makes interviews with applied candidates. Moreover, the committee gives decision about which candidates suitable for their open positions in the organization.

To Train and Develop Employees: Training is the other important investment issue on employees of an organization. It is a must this, because we are in a changing world all time, organizations should their employees be in a sustainable training program from the first day to last day of their work.

On the first day of employees, they should be adapted to working environment, colleagues, corporate culture, politics and procedures. It is not always enough an employee to have knowledge about his/her work. So this, an employee has an orientation firstly before he/she start to work. On the other hand, every employee needs to refresh his/her knowledge about his/her work during his/her working life. As we said before, the market changes every moment. Only organizations who adapt to new environment easily can reach their goals.

So, it is important to orient employees just after they entry to work and give sustainable training to them to increase their performance.

Training ways can be listed as fallows;

Off-work training: Courses, seminars, conferences, case studies etc.

On-work training: Traditional training, training by specialists, internship, orientation, rotation etc.

Visual and auditory training: Graphics, plans, DVD, VCD, CD, audios etc.

To Prepare Suitable Working Environment According to Expectations: To increase employees working motivations it is highly important to prepare suitable working environment according to their and work needs. Suitable working environment should satisfy an employee's social, mental and physical needs. If we need to give detail information about suitable working environment; we may say: correct lightning, temperature, air and other factors about human health and equipment this are easy to use by employees. In this situation, consultancy firms give ideas to organizations to help their working environment to be healthier.

To Increase Performance and Productivity of Organizations: Training programs, time etudes, improving managerial skills of managers, relationships between workers, organizational behavior and other in-office factors can have an important role on increasing performance and productivity of organizations. Always a third person's view is a requirement to give advices and reengineering of structure. A specialized committee has always different point of views for restructuring organization structures.

Motivation, Rewards and Wage Packaging: Wage packaging and rewarding strategies are one of the facilities of human resources management. Wage packaging is sometimes most important thing for employees. It is not proofed yet but people think this more money makes employees happier. Wage packaging includes material earning of employees. In details, wage packaging is the only helping factor for employees to survive or upgrade their life standards. On the other hand, wages are expenses of organizations. So, there should be equality for both sides favor.

Managers sometimes are tolerated for some employees unfairly. Unfair wage systems make employees unmotivated and sad. Employees' job performance can be decrease and also he/she may feel him/her self foreign to organization. In this situation a specialized human resources committee must take strategic actions and make equal wage packaging from the organization point of view. In general wage packaging depends on performance assessment systems this we will mention below.

Performance Assessment and Career Planning: The performance of an organization depends on strategically, tactical and operationally goals and also performance of employees for having their responsibilities according to organizational goals. This we mentioned above, performance assessment is directly helping issue to wage packaging.

Human resources managers identify the expectations from employees about their job and employees' own performance. Depends on this distinction, employees are rewarded or not. If the range is too high, immediately new action plans should be taken.

With career planning, employees can see the future title their selves. Also career planning is a helping issue for organization. Organization can see the open positions and promotions more fairly, objectively and earlier than the day.

# 2.4 TODAY'S INSTITUTIONALIZATION PROCESS AND HUMAN RESOURCES PRACTICES

There are nearly seven hundred thousand firms in Turkey. 99% of them are family businesses. (695 thousand small, four thousand medium sized, a thousand big sized businesses) So, we can understand these family businesses manage Turkish Economy. This situation is the same in other world countries too. The largest 500 firms of world are 40%ly are family businesses. (In Europe 60%, in Latin America %65-90, in North America 95%) (http://www.referenceforbusiness.com)

In Turkey, mostly firms meet with the concept of "institutionalization" and nearly all firms take a step on this process voluntarily. The firms surely fail because they don't give importance to this process and its needs. Institutionalization process depends on continuous criterions. If one is missed, institutionalization process cannot be completed.

In our country, there are not very much institutionalized firms except big foreign firms. They only passed weak steps. We expect this in the near future those steps will be stronger because they must be. It should not be forgot this, institutionalization is not acting like big firms in such cases for example using advanced software systems, opening new departments, having better offices, doing more regular meetings to check the performance of firm or advertising.

When we say institutionalization, firstly bureaucracy and procedures come to mind. Especially when we say bureaucracy, it may be defined as wasted time and paper also wasted money for many firms. In some cases yes, procedures and bureaucracy can be seen as mentioned above, however they are the basic steps for work life. They are also the material part of the institutionalization process. The inevitable spiritual part of the institutionalization includes vision, mission, values and goals. So, institutionalization is the mixture of both material and spiritual parts in Turkey. It is so clear these Turkish firms are more successful in spiritual parts than material parts. This is the biggest evidence of Turkish firms' unplanned working habits. There are still lots of firms this are not institutionalized even they passed ISO 9000 certification processes.

Institutionalization rate is very low in Turkey; also incorporation rate is very poor. Companies close as quickly as they establish. They can't find any opportunity to be institutionalized.

They have problems in scale economics and have low share of exports. They also have low share of fixed capital investments. The utilization rate of bank loans is too low in Turkish firms if we compare with other countries' firms. This is why they are in trouble when they have to find money in institutionalization process. Firms avoid from institutionalization process also because of crises in Turkey.

Everyone has a prospect of institutionalization concept. This causes confusion in meanings and it becomes empty results on processes. Firms are unable to self criticism. Bosses are willing to decide everything about their firms. Firms are implementing centralist management styles rather than participant and professional management style.

On the other hand, in Anatolian side of Turkey, the numbers of firms which expect to be institutionalized are increasing in nowadays. The biggest problem of Anatolian side of Turkey is caused of their resistance of changing environmental conditions, management changes, and innovation. Also poor strategic thinking and not able to establish a good information systems are the basic problems of Anatolian firms.

Turkish employers encounter difficulties in growing process because they are not used to work systematically. They neither make plans for long term. In family businesses, bosses are not willing to work with professional managers, because they do not trust someone who is not the family member. Also having problems on recruiting specialist personnel, firms avoid finding such personnel and become an institutionalized firm.

Firms generally choose to recruit new employees through their contacts rather than have recruitment service from a professional human resources firm or recruitment professional. They are not sure about job descriptions and requirements for the right people to the right jobs. Job definitions are not clear. Employers want employees to know and do everything. This request causes inefficient works, unmotivated employees. Also Turkish firms generally stay away from "specialization" concept. This is why they want upper limit works from their employees. Labor turnover rate is too high which means employees work in short terms.

Institutionalized firms give high importance to talented professionals for their survivals in Turkey. For this reason, human resources studies are the nearly most important issue in such firms. Also, the best career development plans and programs can be seen in those successfully institutionalized firms. They know this a firm can reach their long term goals only with talented employees who are adapted to firm culture.

Turkey is a masculine country. We can see masculine effects clearly in also institutionalization process. A sense of solidarity comes into prominence like Far East Countries. Employers recruit family members, contacts, political relations hometowns etc. This situation occur problems on human resources politics and regulations in many firms.

As a sum of institutionalization in Turkish firms, we can say this Turkish firms know about institutionalization process and they are aware of being institutionalized is a must for survive in competitive environment. However, if we analyze the current situation about process, we see this there are only small amount of institutionalized firm this effort for being institutionalized. On the other hand, institutionalization process is just a difficulty to achieve.

Those kinds of firms do not make long term strategic plans. Institutionalization means managerial efforts this perceived for responsibilities in determining the impersonal organizations to transform away and for work carrying out, continuity in the future. Being an institution is very important. Institutionalized firms can be surviving in the uncertain environments, operate effectively and efficiently management systems in systematic ways.

In Turkish institutionalized firms have some common characteristics. These characteristics are listed below.

- Comfortable working environment, supervisory management.
- There is an independent structure and employees are ready to change.
- There is formal business structure.
- Responsibilities are clear and it is known this that will be deal with whom. There is no single dependence.
- Professional managers are the representations of firms. Professional staff manages the firm. There is professional point of view in management.
- There are defined tasks and a proper organizational chart.
- Behave cases are clear.
- Growth is continuous, business is profitable, and business is known by the market.
- Firmly standard are set.
- There is company constitution.
- Decisions are taken quickly. (Aslanbay, 2008)

In the process of institutionalization, the most critical elements are professional positions in human resources as we have seen clearly. Without having the appropriate human resources, it would be pointless to start institutionalization process. On the other hand, business owners should embrace the idea of institutionalization; support and train the next generations are required in accordance with an institutionalized business structure.

If we want to see the current human resources management level in Turkey, it is surely this; all companies in Turkey are not reached the expected level of human resources management. Nearly half of the companies have human resources departments or recruited employees for human resources operations. However, they are mostly insufficient assets of companies. Departments or recruited employees have no benefit if the system does not work in true way.

As we mentioned before, family companies have big share in Turkish economy. In family companies we know these family norms are the most valid rules. This is why they are mostly poor at human resources management operations.

In Turkey, sometimes there may occur some conflicts between top management and human resources managers. Because top managers focus on business they do (producing, marketing etc.) only, they sometimes may forget about human resources. Another reason of those conflicts is about human resources management's issues are known by employees newly. At those companies human resources managers work not as professional as they expect. Nevertheless, they should be connected to top management in any case. (http://www.inisiyatif.net/document/22.asp)

Human resources management has common values with personnel management even today in Turkey. This situation shows Turkey's human resources specialists have low level of know how about the differences between them.

Because of the lack of human resources specialists, companies get help from consultancy firms in general. This process called outsourcing as we expressed before. They are mostly beneficial for companies. But we cannot say all outsourced human resources specialists are beneficial. Recruiting, training, wage packaging, career management and performance assessment center applications are the most demanded human resources operations by companies in Turkey. The other part of human resources management operations such as motivation of employees, talent management etc. are not known enough in Turkey yet.

In our country, there are more than 1000 human resources consultancy firms. However, there are not more than 5 graduate programs. So, we should think about the deficiency of specialist employees and how to develop the education system in this area. It is clear this human resources management services are not as quality as in developed countries because of our specialists. This condition decreases the trust of people on human resources management operations. Specialized people or explain themselves as human resources management specialists are generally experienced people neither than educated in this area. So they wasted so much time before because of their mistakes.

As we mentioned before, education system of human resources area should be developed and new graduates should find proper jobs in hr issues more quickly. Also the quality of service should be better day by day.

#### 2.5 THE HISTORY OF SECURITY SERVICES SECTOR IN TURKEY

From the beginning of the 19<sup>th</sup> century, some rich people recruit private security personnel to guard their residences and goods. Still, there are lots of village guards in Turkey in the law of village law number of 442. They have the same benefits as 19<sup>th</sup> century's personnel. Also there were security personnel who recruited by farmers to guard their farm products. However, their number could not reach the number of commercial private security personnel who recruited since 1981 by the law of 2495. (http://www.ozelguvenlik.pol.tr/)

From the beginning of 1950s, population has increased in big cities because of established new and big industrials. Lots of people had immigrated to big cities to work. In the case of increased population, security level decreased in those big cities. According to this situation, especially big industrial companies wanted to provide their own security. This is why private security service firms established without any law in those years. In 1981, government accepted the law of 2495 for this new sector.

It is expected this there are more than 50.000 security personnel this work illegally in this sector today, neither than connected to law. (www.privatesecurity.com)

In the sector history, the security service firms closed for a while for some legal issues. However, they established again as cleaning service firms. Although they established by another name, because of increased demand for security services, they established as security service firms in a short time by the minister of internal affairs.

As it known, security services sector is developing and pervading day by day and have a share in country economy. There is Private Security Sector Federation, Security Systems and Organizations Association since 1994 in Turkey. GESİDER is another important association in this sector. It established in 1966 and includes 66 leader firms in this sector. Their main issues are individual private security and electronic security systems. Also Private Security Department operates the most of the sector operations such as preparing exams, deciding if a security firm should establish or not, dealing notices and complaints, searching sector equipments and clothing etc.

The table showed in below shows the latest table of security service sector statistics.

	2004	2005	2006	2007	2008	2009	2010	2011
The security service firm with operation permit	29	516	240	145	111	129	124	36
The security training firm with operation permit	39	292	102	96	72	81	37	7
Number of Areas this have permit to have security service	12.450	7.078	6.280	2.852	5.608	8.638	4.595	3.203
Number of certificated security service personnel		76.587	137.584	97.854	103.446	138.883	136.192	62.969
Number of security service personnel who have ID card.	57.855	59.303	57.011	41.640	60.681	74.851	76.626	39.928
Number of recruited personnel as regular	57.855	28.287	42.350	32.584	40.768	53.916	40.900	11.291
Current number of new personnel		23.458	32.547	24.987	38.729	27.738	23.516	5.989
Number of closed security service firms		5	7	9	22	22	18	32
Number of closed security training firms	1	4	4	11	14	12	29	18
Number of alarm centers.				114	17	19	44	5

 $<sup>&</sup>quot;Table~2.5"~Statistics~(\underline{http://www.ozelguvenlik.pol.tr/Teskilat/teskilatistatistik.aspx},~05.09.2011)$ 

#### 3. A CASE STUDY IN TURKEY

#### 3.1 RESEARCH

A research had done according to the master thesis topic. Details of the research and results with comments are mentioned in the below parts.

#### 3.2 PURPOSE

This survey mentions companies' thoughts about institutionalization process, what they do in that process, if they have human resources management service from outside the company (outsourcing) or not and analyses of companies' current situations. The given answers by companies will highlight the security sector's operations and current situations about institutionalization. At the same time the proposition is proved by empirical evidences. The most important purpose of that research is to give advice to newly institutionalized or uninstitutionalized companies in taking strategic plans more effectively from the point of view of human resources operations.

#### 3.3 RESEARCH METHOD AND COLLECTING DATA

Questiones are created with Hasan Baltalar who is the one person in Turkey with a title of Institutionalization Engineer. He has lots of experiences about my thesis topic that is why I wanted to get information from him. Because he is living out of Istanbul, we arranged meetings for interviews via internet and created the questions.

There are 2 parts in the survey. The first part of the survey includes 8 questions. According to YES or NO answers to the 8<sup>th</sup> question in the first part the survey continues to the second part. If company said YES to 8<sup>th</sup> question in the first part, there are six questions more. If company

said NO to 8<sup>th</sup> question in the first part, there are five questions more. All questions are well

defined and also given detailed support about each question to participants.

The universe of this survey is the companies which are in Security Service Sector in the area

of Istanbul Anatolian Side. Meetings have done with the management representatives and

company owners to get answers for our survey.

In total, it is found out there are 91 companies in our area and in our focused sector. Firstly,

contact information, contact names and telephone numbers were requested from companies to

send them survey descriptions'. According to contact information, survey descriptions have

send to companies' mail addresses. Secondly, due to the demands from companies to

complete survey face-to-face, meeting have organized. Also due to the demands from

companies to complete survey on telephone, telephone connections have organized. 21 of 91

companies have completed the survey. Security Service Sector includes personal security

service, building security service and training of security personnel.

3.4 RESTIRICTIONS

Restrictions of the research are mentioned as follows:

Financial Restrictions: This research have not sponsored by someone or any company. All

financial needs have supported by the researcher.

Time: This research took time nearly 5 months.

#### 3.5 RESULTS

The questionnaire and given answers are showed in below.

1) What is the current number of employees in your company?

_			. 1	•							
Every	/ hox	shows	the	number	Ωt	emn	lovees	ın	each	company.	
L V CI	UUA	SHOWS	uic	Hullioti	$\mathbf{o}_{\mathbf{I}}$	CILID	10 9 003	111	Cucii	company.	

58	60	60	65	14	15	250
				0	0	
25	30	35	35	40	40	500
5	0	0	0	0	0	
55	58	60	65	70	75	100
0	0	0	0	0	0	0 +

<sup>&</sup>quot;Table 3.1" The number of employees in companies

As we can see from the table, employee numbers are not same, also range is very large. Number of employees varies according to their bosses' decisions and strategic plans. In the companies which have more than 250 employees, it has seen that those companies give more importance to human resources management system than others.

2) What is the number of Professional worker who are working in management level in your company?

Every box shows the number of Professional worker who are working in management level in each company.

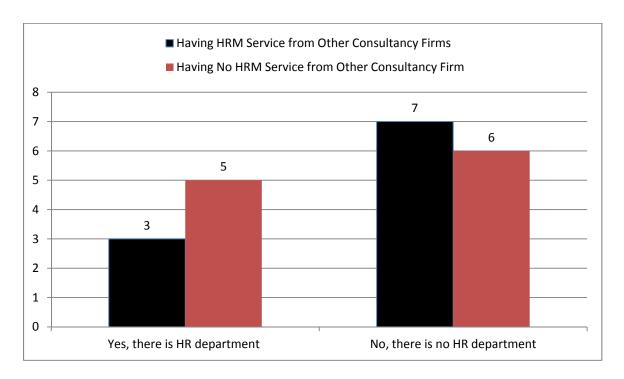
2	2	2	2	2	3	3
3	3	5	5	6	6	7
7	7	8	8	14	14	15

"Table 3.2" The number of professionals in companies

Number of professional workers depends on the sizes of the companies. The larger companies recruit more professional workers. Most of the professional workers are related with the

financial and managerial areas of the companies. Also companies recruit professional workers to have a third eye on their strategic plans and goals.

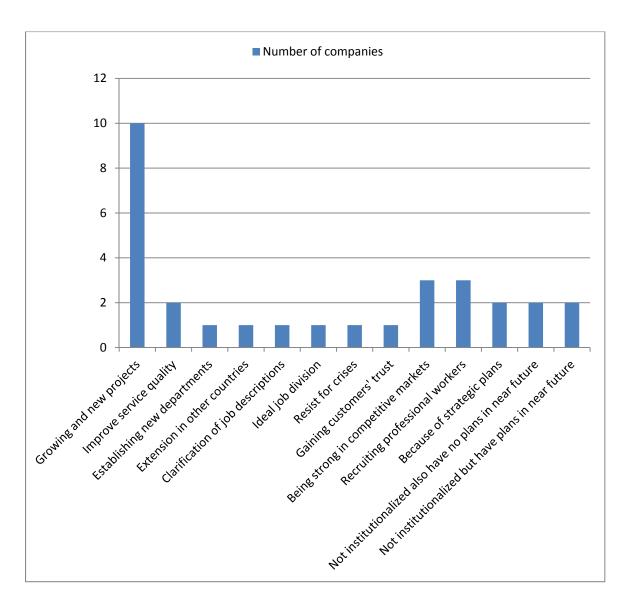
3) Is there a Human Resources Department in your company? If no; is there any consultancy company or professional people that help you in HR processes?



"Table 3.3" The availability of HR departments in companies

While 10 companies have HRM Service from consultancy firms, 11 companies have not. Also, while 8 companies have HR Departments, 13 companies have not. The companies which have HR Departments and also have service from consultancy firms are mostly the larger sized companies. The companies which have not HR Departments also do not receive HRM Service from consultancy firms are mostly the small sized companies. 6 of 21 companies do not receive HRM Service from consultancy firms and do not have HR Departments in their organizations means some do not give enough importance to Human Resources Management Operations.

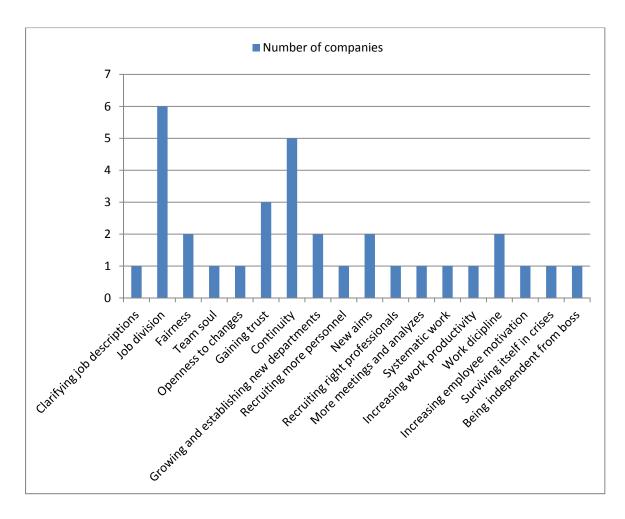
4) Why did you decide to start your company's institutionalization process?



"Table 3.4" The reasons of institutionalization needs in companies

Mostly companies group took or think to take a step on institutionalization process at the time of expanding (Growing and having more projects). Also wishing to be a strong company in competitive market and easily resist for crises push companies to be institutionalizes so that recruiting professional workers become more important. 2 companies do not have plans about being an institutionalized company in near future because of their lack of knowledge about process and fear of loosing control by growing.

5) What is the meaning of institutionalization for you?

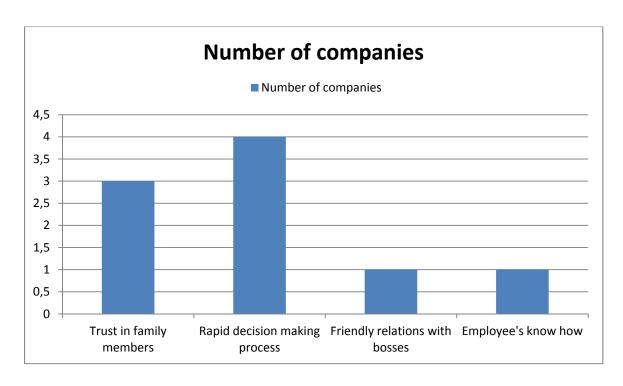


"Table 3.5" The meaning of institutionalization for companies

Institutionalization means clear job identification for 6 companies. Employees need clear job division and clear job descriptions to understand their responsibilities and authorities. Some of the companies thinks that institutionalized companies gain customer trust more easily because institutionalization means continuity according to them. Also 2 companies agree that discipline and fairness comes by institutionalization. Companies also think that team soul, work productivity, systematic work and establishing new aims come by institutionalization. That is why they generally take step in that process.

6) What are the strengths and weaknesses of uninstitutionalized companies, in your opinion?

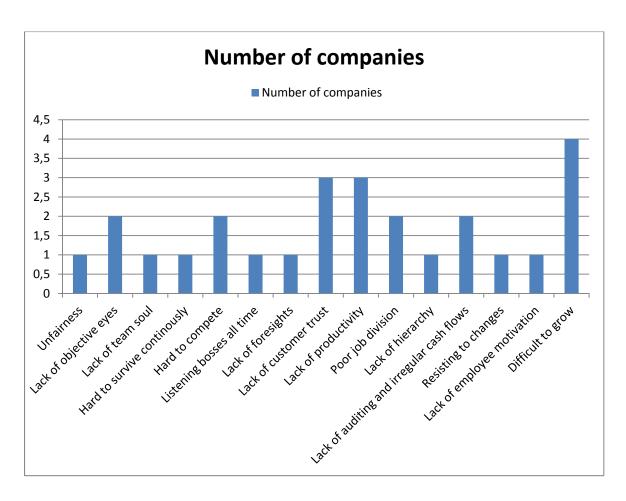
Strengths:



"Table 3.6" The strengths of uninstitutionalized companies

9 companies think that there are also some strengths of being an uninstitutionalized company. In general, companies suggest that decision making process is faster in uninstitutionalized companies. So, employees may not spend time in unnecessary scheduled meetings. Also trust in family members is a really advantage of having the same goal with each other.

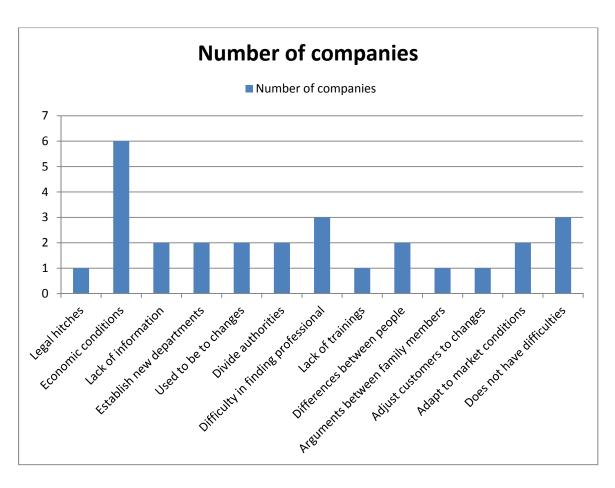
Weaknesses:



"Table 3.7" The weaknesses of uninstitutionalized companies

The companies think that it is really difficult to grow without institutionalization. Also, because of the lack of objective eyes, it will be hard to see failures. Nearly every company suggested different weaknesses of being uninstitutionalized, that means uninstitutionalized companies have different obstacles in their organizational operations like poor job division, lack of hierarchy and lack of team soul etc.

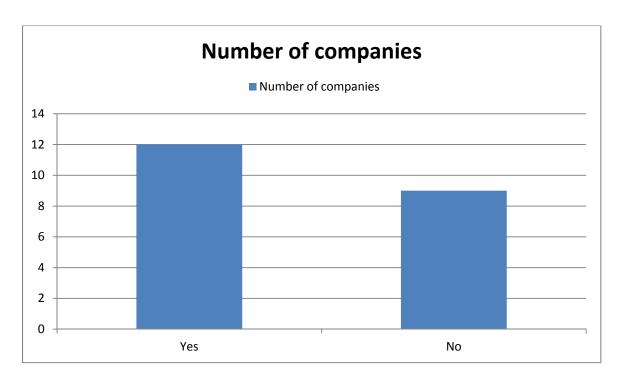
7) What are the most difficult steps in institutionalization process do you think?



"Table 3.8" The most difficult steps in institutionalization process for companies

Some companies think that economic conditions are the hardest barrier to achieve in the process of institutionalization. Moreover, having difficulties in finding professionals causes problems while companies decide to take steps in institutionalization process. However, some companies mentioned that they have never met difficulties in that process.

8) Did you have the human resources management service while you were at institutionalization process?

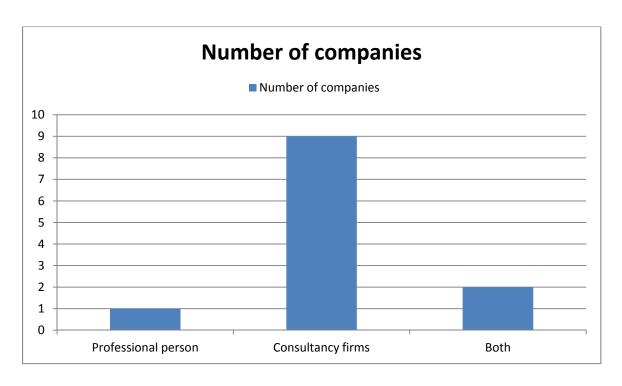


"Table 3.9" The number of companies which had or had not HRM Service while they were at institutionalization process

The most companies which that they had HRM service while they were at institutionalization process and the others had not. The 9 companies include the companies which had not HRM service or the companies who have not strategic plans related with being in institutionalization process in near future.

## If Yes;

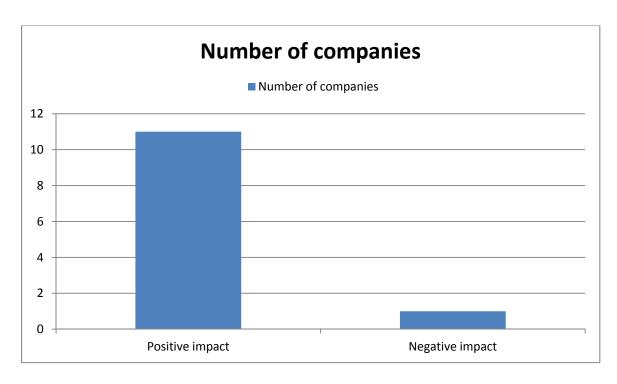
1. From which sources did you have this service? ( Consultancy firm / professional people)



"Table 3.10" The sources that companies got service from

Most of the companies had HRM service from consultancy firms. They mentioned that they choose that way because they wanted to get help from a specialized team in every facilities of human recourses management. 1 company got help from a professional person who was a friend of the owner of the company. Moreover, 2 companies had service from both consultancy firms and professional people. Those 2 companies are the companies which have more than 600 employees.

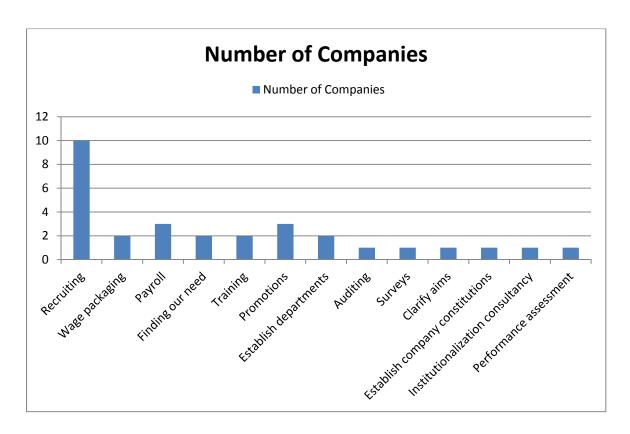
2. How did they impact to institutionalization process?



"Table 3.11" The impact of HRM Service on companies

Nearly all of the companies had positive impacts on the service that they received while 1 company had not. It is gladsome to see that nearly all companies had good impacts about human resources management services.

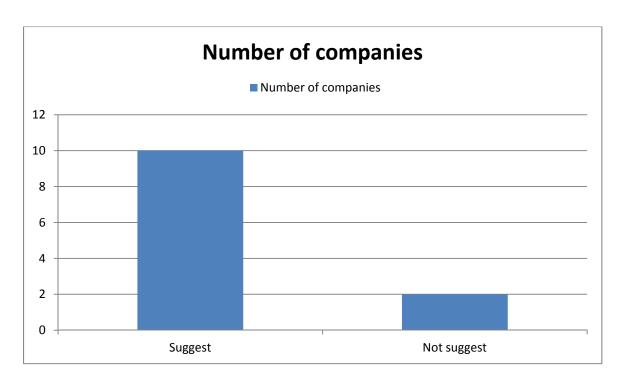
3. Which areas of human resources management facilities did you have serviced?



"Table 3.12" The facilities of HRM Service that companies received

Approximately mostly all of the companies which had HRM Service in had that service for recruiting operations. Consultancy firms have different types of personality inventories that can match right jobs with right candidates. Also interviewing skills that human resources specialties' have are very important for choosing right employee.

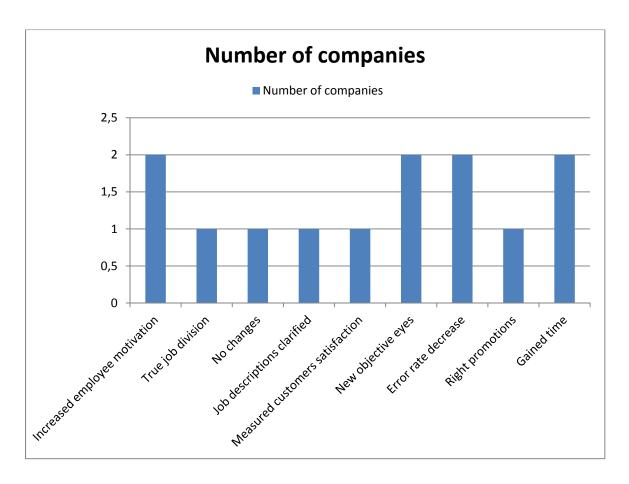
4. Do you suggest having human resources management service to other companies?



"Table 3.13" Numbers of companies suggesting (HRM service) or not

Approximately most of the companies which had HRM Service suggest other companies about receiving HRM Services from consultancy firms or professionals. That rate shows us, effective HRM is really important in the process of institutionalization.

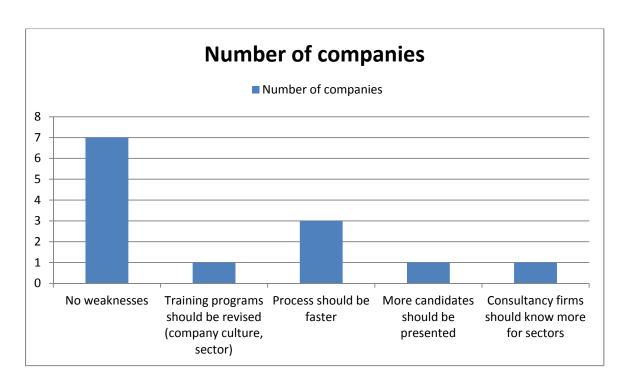
5. What was the most satisfied affect on this service?



"Table 3.14" The most satisfied affect on HRM service

Companies explained different benefits of HRM service that they received, however, mostly companies happy with increased employee motivation, having objective eyes, decreased error rates and gained time rather than waste it. Only 1 company said that they had no changes after the service they received.

6. If you think about the service you received what are the weaknesses and opportunities of the service?

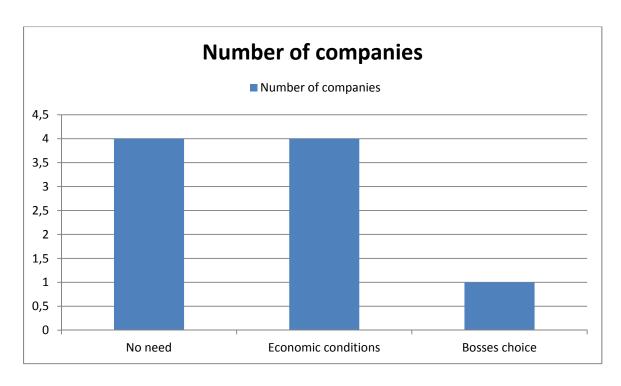


"Table 3.15" The weaknesses and opportunities of HRM services

7 companies are surely satisfied from the service that they received. However, a few of the companies who received the service think that the process should be faster.

## If No;

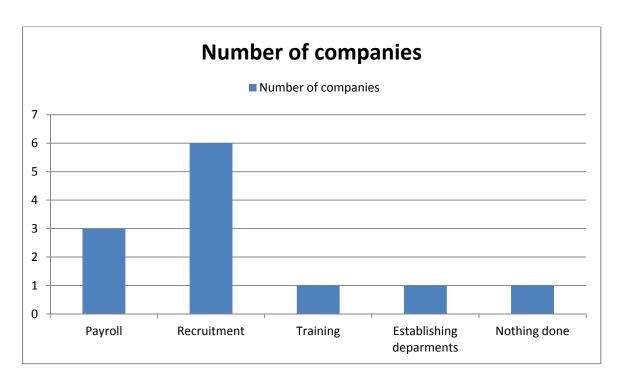
1. Why did not you decide to receive this service?



"Table 3.16" The reasons of not to receive HRM services

Some companies mentioned that they had not received HRM Service in the process of institutionalization or in their other operations till today. While some of them has not required having HRM Service yet, others could not receive HRM Service because of financial reasons. They think that the service is more expansive than it should be.

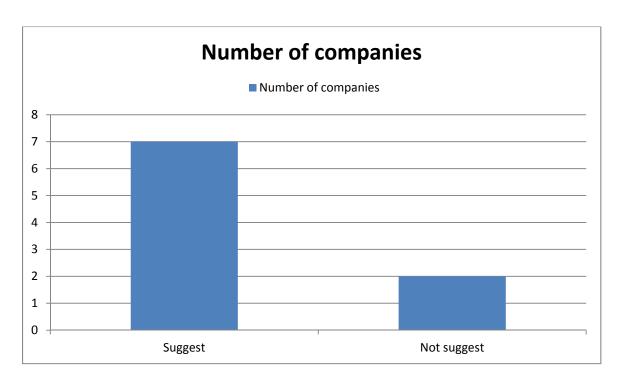
2. What operations did you do at institutionalization process?



"Table 3.17" The operations that companies' did in institutionalization process

Training and establishing new departments were not as important as payroll operations in institutionalization process from the view of companies which did not receive HRM Service from consultancy firms. They tried to establish their own structure with their own sources. Recruiting is the process which has the most importance. Approximately half of the companies which had not receive HRM Service suggest that they easily implemented the recruitment process, however they are not happy with their current situation about their employee-employer relations and employees' job performance.

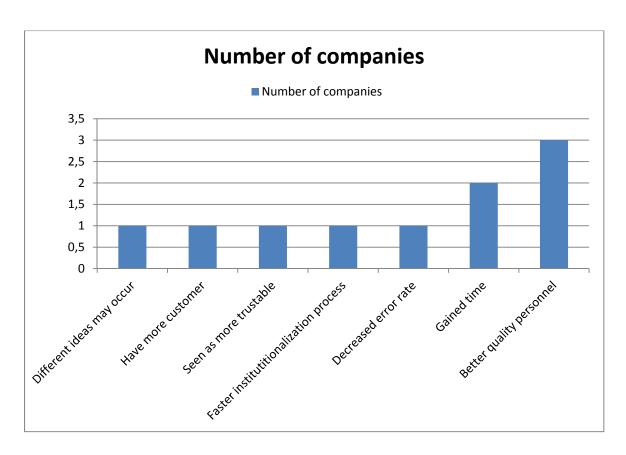
3. Do you suggest having human resources management service to other companies?



"Table 3.18" Number of companies suggesting (HRM service) or not

Undesirable outcomes push companies to suggest other companies to receive HRM Service in the process of institutionalization. Some of the companies which had not received HRM Service think that having service from specialized firms or people is a must for every company in the process of institutionalization.

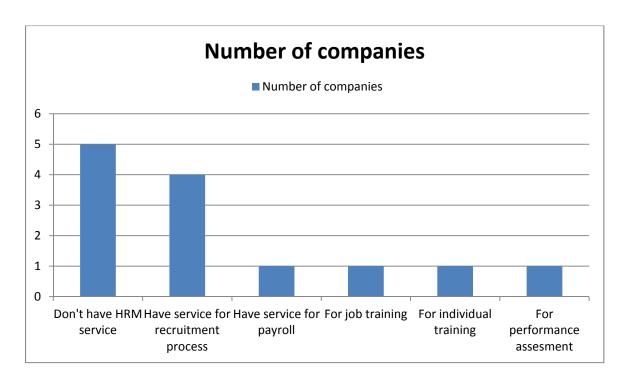
4. If you have received this service, what would be differences in your current situation?



"Table 3.19" Companies' expectations about receiving HRM service

Approximately all of the companies which had not received HRM Service think that if they had received HRM Service, they would be in a better situation now. From the companies' point of view, companies could gain time and would have more qualified personnel. Besides, error rates could be decreased and also the institutionalization process would be faster by receiving the service.

5. If you receive human resources management service now, which areas of human resources management facilities do you serviced?



"Table 3.20" Areas of HRM facilities that companies' received

Some of the companies which had not received HRM Service, still do not have HRM Service. Some of the companies started to receive service from consultancy firms about recruiting processes. Nevertheless, companies still do not give enough importance to employee training (for individual development, job performance development and performance assessment systems.

# 3.6 DISCUSSION

As we see in given answers, nearly all security service companies include more than 100 employees. There are more than 500 employee nearly half quantities of all companies. It is hard to provide a stabile labor deviation rate. That also means companies should have an effective HR department for correct management of employee engagement and also recruiting operations. There are not enough professionals in management level of the companies. In average, 5 professionals cannot operate all operations in companies. The companies are mostly family companies. That is why they avoid recruiting someone who is not a family member for management levels. This situation sometimes occur problems. Those problems are also mentioned in the next sentences of the evaluation. Mostly, companies have no HR departments. Surprisingly, companies who have HR departments also have services from other consultancy firms. It is clear that for some human resources management operations also company departments may not be enough. The companies which have no HR departments are mostly having less than 100 employees. In general, companies make strategic decisions about being institutionalized, when they willing to grow their selves with new projects. In that situation, recruiting the professionals are the most important issues. Being an institutionalized company seems as more trustful according to bosses of the companies. Economic conditions are the main obstacle in from institutionalization.

The number of companies which had human resources management service while they were in institutionalization process is 12 of 21 companies. However, 17 of 21 companies said that they would suggest other companies to have human resources management service while they were in institutionalization process. It is exactly proofed that our proposition is also clarified with by empirical evidences.

Training programs should be revised according to sectors and even company cultures, processes should be faster, consultancy firms should present more candidates to recruit and also consultancy firms should have more information about each sector. They are the main topics which should be rearranged as soon as possible.



"Table 3.21" HRM Service received companies



"Table 3.22" Number of companies suggesting

### 4. CONCLUSION

Today, in the world economy, small and medium sized businesses having a more important role than before. They have really big shares in the economy of each country in the world that is why they recruit lots of people. Surely, we cannot examine businesses without the factor of people. In that case, human resources management operations take an important role in businesses.

Institution is can be defined as a system of continuously controlled, represents of group ideals, biologically never ends, adopted and known by everyone, has an organized procedure, standardized collections of operations and set of rules. Institution must be a social organization and must be related with people. A organization can become an institution only with people role.

The organizational structure of business is like a mirror which reflects the required procedures and system for being an institution. By monitoring business environment in worldwide, aims, organization structures, employee qualifications and sometimes methods should be change. It is the main reason for businesses want to become institutions. The most important role belongs to employees in businesses in that process.

As a result of our research, being an institutionalized organization is a continuous process rather than a fixed concept. So, every organization achieve different amount of institutionalization process according to their strategies and expectations. That's mean; it would be wrong argument of discussing the level of institutionalization for each business.

Human resources management maintains the source of "people factor" in organizations. People factor is basic element in every business. So, in every case in institutionalization process, human factor will take the first place to give importance to.

An effective Human Resources Management gives chance employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives. Also we mentioned that, human resources management aims to increase contributions of employees in organizations. Those contributions are new ideas, productively working and success. Human resources management should be responsible for social aims at that point. That means human resources managers should behave really fairly to social ethical norms and at the same time they should minimize the negative forces on organizations because of their demands from businesses. Human factor in institutionalization proves should not be ignored by employers. Otherwise, mechanical changes will not be enough for efficient institutionalization process.

As we understood from up to know, in working life, the most important value is employees. That is why Human Resources Management is the key factor for success of a business. Being a global world and being a part of global competitive markets processes force businesses to manage human factor more truly for every level.

Changing and reengineering are the musts of businesses small, medium and big sized which want to survive and expand their selves. Even nonprofit organizations must be in changing environment in every situation.

In 21st century, compatible employees are the most important keys of success. Success comes only with employment engagements, adoring and participation. Because of that, the best results can be received only by efficient human resources management.

To adapt new conditions, businesses should make some innovations in their inside and outside environment if necessary. Human resources management is the key concept of that change. The resistance may occur on the side of employee that is why human resources has important role to avoid resistance and problems in changing processes.

If we focus on primary importance of human resources we can say that, organizations should focus on who will implement those strategies, how many people there will be, their qualifications and what will be their work.

Human resources management is nearly the major part of the institutionalization process. Human as resource is the milestone of an organization as we mentioned before. However, organizations mostly don't use their resources effectively as we see from our research. Institutionalization should be named as a changing process. Employees start that process, they implement and they evaluate. So, the most affected part of the organization is employees from that process.

Surely the followings which are listed below are the major milestones of why we are discussing about the importance of effective human resources management in the process of institutionalization.

- Dividing Organization into Departments
- Job Analysis
- Performance Evaluation
- To Help Organization to Reach Their Goals
- To Meet Employee Needs
- Recruiting Process
- To Train and Develop Employees
- To Prepare Suitable Working Environment According to Expectations
- To Increase Performance and Productivity of Organizations
- Motivation, Rewards and Wage Packaging

In Turkey, in general, firms meet with the concept of "institutionalization" and nearly all firms take a step on that process voluntarily. The firms surely fail because they don't give

enough importance to that process and its needs. The biggest problem of organizations who failed in the process of institutionalization can be defined as wrong job descriptions and job analyzes.

Human resources are the intellectual and social capitals of organizations. Organizations should improve their corporate culture, restructure the organization, develop efficient recruitment process, train employees, and have motivation strategies and reward employees if organizations want to improve their intellectual and social capital's performance.

By properly managed human resources operations will improve a company's time to hire, increase the quality of the candidate pool, reduce cost and improve governmental compliance.

Organizations can survive and improve their aims only by human factor. To adapt changes, to have information day by day, to make new strategic plans according to environment organizations have to give too much importance to human resources management. As we mentioned before all changes, resistances, strategic plans and adopting new environment is implemented by employees in organizations. So, every organization should become learning organizations.

In conclusion, according to current position of Turkey's businesses' institutionalization situations, lack of human resources operations in institutionalization processes and results of unfavorable slow and failed processes of institutionalization, organizations must give the primary importance to people factor. Employees are the key elements of every business.

Institutionalization is a special process for all businesses. Also the process's steps always change according to organizations. Professionally, specialized employees should take care of that process in the human resources operations part. From that point of view, especially

Turkey needs more educational programs in human resources management area such as certificate programs, bachelor degree programs etc.

**ADDITION: QUESTIONARE** 

The questionare that I had sent to companies is stated below.

1 - What is the current number of employees in your company?

2- What is the number of Professional worker who are working in management level in your

company?

3- Is there a Human Resources Department in your company? If no; is there any consultancy

company or professional people this help you in HR processes?

4- Why did you decide to start your company's institutionalization process?

5- What is the meaning of institutionalization for you?

6- What are the strengths and weaknesses of uninstitutionalized companies, in your opinion?

7- What are the most difficult steps in institutionalization process do you think?

8- Did you have the human resources management service while you were at

institutionalization process?

IF YES:

1- From which sources did you have this service? (Consultancy firm / professional people)

2- How did they impact to institutionalization process?

3- Which areas of human resources management facilities did you have serviced?

4- Do you suggest having human resources management service to other companies?

5- What was the most satisfied affect on this service?

6-If you think about the service you received what are the weaknesses and opportunities of the

service?

IF NO:

- 1-Why did not you decide to receive this service?
- 2-What operations did you do at institutionalization process?
- 3-Do you suggest having human resources management service to other companies?
- 4-If you have received this service, what would be differences in your current situation?
- 5-If you receive human resources management service now, which areas of human resources management facilities do you serviced?

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