Environmental Scanning and Interpretation of Institutionalism by Middle-sized Family Enterprises in the Marmara Region, Turkey

by

Burcu Canacik

A Thesis Submitted to the

Graduate School of Social Sciences

in Partial Fulfillment of the Requirements for

the Degree of

Master of Arts

in

Psychology

Koc University

October 2006

ABSTRACT

Why are some mid-size family firms quick to institutionalize their structures while others are slow to let go the power that comes with informal ways of organizing? Owner-managers' personality and scanning are suggested as drivers behind variance in perceptions of institutionalization in family firms as well as variance in planning future institutionalization. Specifically, the role of need for cognition and regulatory focus, organizational size and perceived environmental uncertainty are examined for their relationships with managers' environmental scanning, interpretations of institutionalization and action towards institutionalism in middle-sized family firms. Survey data were collected from owner-managers of 90 middle-sized family manufacturing firms in Gebze and Istanbul, Turkey. Findings revealed the importance of scanning through external sources on the issue interpretation as an opportunity and as a necessity. Managers who had high levels of need for cognition tended to scan their environments more, and interpret institutionalism as an opportunity and a necessity, but not as a threat for family firms. Interpretations of institutionalism failed to predict action plans towards institutionalism, but found to be related to current levels of institutionalism of the firms. Promotion regulatory focus levels of the managers did not predict opportunity/threat interpretations or action plans towards institutionalism; however, prevention regulatory focus was revealed to be a strong predictor of environmental scanning, opportunity/threat interpretations and action plans.

Keywords: Environmental scanning, interpretation, institutionalism, need for cognition, environmental uncertainty, regulatory focus, middle-sized firm, family firms.

ÖZET

Neden bazı orta ölçekli aile şirketleri hızla yapılarını kurumsallaştırırken diğerleri gayriresmi şekillerde örgütlenmenin sağladığı gücü bırakmakta yavaşlar? Şirket sahibi yöneticilerin kişilikleri ve işletme çevresini inceleyişlerindeki farklılıkların aile şirketlerinde kurumsallaşmaya bakış açısında ve kurumsallaşma adına yapılan planlarda varyasyonu açıkladığı düşünülmektedir. Özellikle, düşünme ihtiyacının, düzenleyici odağın, örgüt büyüklüğünün ve çevresel belirsizlik algısının orta ölçekli aile firmalarının yöneticilerinin çevreyi incelemelerine, kurumsalaşmayı yorumlamalarına ve kurumsallaşma konusunda yaptıkları planlara etkileri yönünden incelenmiştir. Araştırma Gebze ve İstanbul'da faaliyet gösteren 90 orta ölçekli aile şirketi sahip-yöneticisiyle tarama yöntemi ile yapılmıştır. Bulgular, işletme çevresinin incelenmesi ve özellikle dış kaynaklardan veri toplamanın, kurumsallaşmanın bir tehdit değil de fırsat ve gereklilik olarak yorumlanmasında önem taşıdığını göstermiştir. Düşünmeye olan ihtiyaçları yüksek olan sahip-yöneticilerin, bilgi toplama aktivitelerinin de az da olsa daha sık olduğu, ve aynı zamanda, aile şirketleri için kurumsallaşmayı bir tehdit olarak değil de bir fırsat ve gereklilik olarak yorumladıkları görülmüştür. Sahip-yöneticilerin, kurumsal yönetimi aile şirketlerinde bir fırsat, tehdit, yapılabilir ya da gereklilik olarak yorumlamalarının, kurumsallaşmaya yönelik atılacak adımları öngörmekte yetersiz kaldıkları görülmüştür. Sahip-yöneticinin teşvik düzenleyici odaklı olmaları, kurumsallaşma ile ilgili yorumları ve kurumsallaşmaya yönelik planları öngörmezken, önlem düzenleyici odaklılık, işletmede çevre hakkında bilgi toplama, kurumsallaşmayı bir tehdit değil de fırsat olarak görme, ve kurumsallaşmaya yönelik planları oldukça iyi açıklamıştır.

Anahtar Sözcükler: çevreyi inceleme, kurumsal yorumlama, düşünme ihtiyacı, çevresel belirsizlik algısı, düzenleyici odak, orta ölçekli işletme, aile işletmesi.

Dedicated to my mother, my father,

and my role model, Prof. Cigdem Kagitcibasi

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

Chapter 1

INTRODUCTION

1.1 Overview

This study aims to examine the linkages between the individual characteristics and perceptual processes of the owner-managers of middle-sized family firms and their plans strategies towards institutional management in their firms. Two individual characteristics; namely need for cognition and regulatory focus is investigated for their effects on environmental scanning, strategic issue interpretation and decisions on future organizational actions.

Considering that managers ascribe meaning to complex issues, choosing from among multiple possible interpretations, each of which may be associated with different organizational actions (Weick, 1979), understanding the role of stable individual characteristics in managerial cognition is important. Managerial cognition is the missing link between the environment and the organizational actions in strategic decision-making process, and the essence of organizational decision-making should be grasped by first understanding organizational level cognition (Walsh, 1995).

In the organizational decision-making literature, the rationality of the interpretations of the issues leading organizational actions were theorized and investigated many times (e.g. Brunsson, 1982; Shrivastava, Mitroff & Alvesson, 1987); however, how decision-makers think, and how their knowledge structures influence these interpretations were left aside (Stubbart, 1989). In addition, rationality or the objective accuracy of the interpretations are not as interesting for the real business world, since accuracy is not considered as possible within the uncertainties of the real life organizations. Organizations generate action, which creates its own substitutes for accuracy (Weick, 1990). Therefore, managerial perceptions (e.g. of the organizational environment; Daft, Sormunen & Parks, 1988), as well as the categorization of strategic issues (e.g. opportunity vs. threat, Jackson & Dutton, 1987) gained importance in strategic management research. Opportunity and threat interpretations of strategic issues are the primary labels that represent the meaning managers impose on a situation (Dutton & Jackson, 1987; Thomas & McDaniel, 1990).

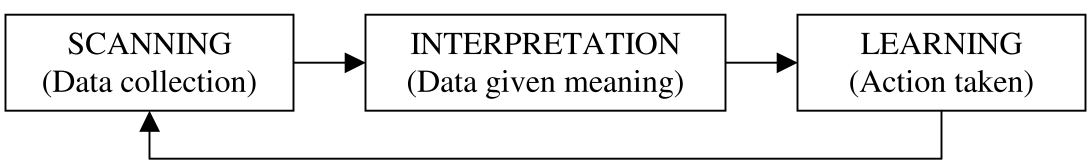
The complexity of the environment drives managers to categorize issues and create classified knowledge structures (Stubbart, 1989). Knowledge structures, which are the shortcuts for the executives, are developed through perceptions of the environment, and issue categorizations (i.e. opportunity vs. threat, necessary vs. unnecessary, etc.).

How far knowledge structures influence decision-making process interested several researchers. Both organizational theorists and empirical researchers tried to link strategic decision making with interpretative schemes (e.g. Bartunek, 1984; Daft & Weick, 1984; Greenwood & Hinings, 1988; Ranson, Hinings & Greenwood, 1980), shared interpretations (e.g. Ford & Baucus, 1987), issue categories (e.g. Jackson & Dutton, 1988), knowledge and belief structures (e.g. Narayanan & Fahey, 1990; Reger, 1990; Walsh, 1988), and cognitive perceptions (e.g. Stevenson, 1976). However, the determinants of managerial cognition is seldom explicitly mentioned or investigated in the academic or business literature (Stubbart, 1989). In addition, Walsh (1995) argued that the formulation of the knowledge structures and their effects on the organizational actions should also be investigated in order to advance in strategic management research. This study will fill this void by investigating the cognitive dimensions of formulation of interpretations of the strategic issue of institutionalism and examine their linkages to organizational actions in the context of middle-sized family firms.

Theorists (e.g. Brunsson, 1982; Daft & Weick,1984; Donnellon, Gray & Bougon, 1986; Lyles & Schwenk, 1992; Shrivastava & Schneider, 1984 Shrivastava et al., 1987) tried to develop new models, which involved assumptions of the executives about the environment, environmental scanning, organizational issue interpretation, organizational action and learning, to link managerial cognition and organizational action.

Daft and Weick (1984) proposed a looped model (see Figure 1), which linked three successive steps of (i) environmental scanning, (iii) issue interpretation, (iii) organizational action and learning, which again connects to scanning. Kiesler and Sproull (1982), Quinn and Kimberly (1984) and Isabella (1990) used similar cognitive models in their studies of organizational scanning and interpretation, to investigate how the information taken from the environment is processed through the cognitive system of the organization, forms knowledge, and transforms into strategic decisions, that is, taking actions or generating plans for future actions.

Figure 1. Daft & Weick's interpretation process model



This study will use the mediation section of Daft and Weick's (1984) interpretation model, in which scanning successively leads to interpretation, and in turn, to future action plans of the firm. Obviously interpretation is not a simple process for business people, but to better explain the model of this study, a very simple example can be given in a context of a farm, which has produced red apples until now. During environmental scanning, the farm collects information about green apples, such as “This season, sufficient green apple seeds are available in the hands of the suppliers”, “Green apple seeds are more rare, and harder to plant, because they require greenhouses”, “The necessary infrastructure to cultivate green apples is expensive to be built and run” and “One can sell green apples with a higher price to the customers”. Proceeding data collection, several interpretations of cultivating green apples are made by the farmer, such as “Green apples are good for profitability” (a positive-gain interpretation), “Cultivating green apples will create opportunities to increase our market share” (opportunity interpretation), “ As we do not have the necessary infrastructure (greenhouses) yet, we cannot plant green apples” (capability interpretation). Therefore, the farmer either decides to cultivate green apples by first building greenhouses, or does not include cultivating green apples in the action plans of the firm.

Environment is the total of the relevant physical and social factors outside the boundary of an organization (Duncan, 1972; Tung, 1979). Environmental scanning is the data acquisition process by monitoring the environment to provide information to managers (Daft & Weick, 1984; Eisenhardt, 1989; Huber & Daft, 1987; Pfeffer & Salancik, 1978; Sutcliffe, 1994). Environmental scanning is considered as an indispensable activity within the strategic decision-making process (Fahey & Narayanan, 1986; Hambrick, 1981; Scheneider & De Meyer, 1991), because the end decision depends on the perception of the environment in the first step (Dess, 1987; Pfeffer & Salancik, 1978).

In the present study, the aim of environmental scanning is to provide sufficient information to the decision-makers (managers) towards interpreting strategic issues. There is excess information in the environment, and considering the limited time that the managers have, managers' cognitive styles influence the extent and the source of the data scanned (Dutton & Jackson, 1987). In other words, scanning is the window of the managers opened to their environments, and how much this door will be opened is related to the cognitive styles of the managers. Kuvaas & Kaufmann (2004) investigated whether cognitive complexity of the managers increased the extent of data collection activities, but found no significant pattern. Another type of cognitive style that has been associated with a need for information and learning is need for cognition. Need for cognition is the individual's motivation towards information gathering from the environment (Cacioppo & Petty 1982, Cacioppo, Petty, Feinstein & Jarvis 1996; Haugtvedt, Petty, & Cacioppo, 1992). This study will examine need for cognition of the managers as a predictor in environmental scanning.

The managers' perceptions of their environments are also effective on how much data will be scanned. These perceptions of the environment are crucial, because they determine managerial decision-making (Anderson & Paine, 1975; Bourgeois, 1980; Boyd, Dess, & Rasheed, 1993; Child, 1972; Daft & Weick, 1984; Dutton & Duncan, 1987; Miles, Snow, & Pfeffer, 1974; Starbuck, 1976). Daft *et al*. (1988), Sawyerr (1993), Elenkov (1997), and Wayne, Ruth and Arvind, (2000) investigated how managerial perceptions about the uncertainty of the environment influence scanning activities in the organizations. Daft *et al.* (1988), Sawyerr (1993) and Wayne *et al.* (2000) found that the higher the managers perceived their environments as uncertain, the more scanning activity they engage in. Leifer and Huber (1977) found that perceived environmental uncertainty predicts boundary-spanning activity in a similar way. The organization level predictors of scanning, such as organizational size, dynamism of the organizational environment (Kefalas & Schoderbek, 1973), and organizational strategy (Hambrick, 1982) were also investigated; however no clear determinants of scanning behavior were found. The present study will examine whether and in what way perceived uncertainty predicts environmental scanning.

Interpretation is the successor of environmental scanning, and it is concerned with the evaluation of the information collected to form knowledge structures about the strategic issues. Managers use different phrases for interpretations, such as in the apple cultivating firm example, "… are good …", "… will create opportunities …"" … we cannot …" are the phrases that lead to resource allocation towards cultivating or not cultivating green apples. Empirical research were conducted to categorize strategic issue interpretations (e.g. Jackson & Dutton, 1988), such as opportunity and threat. Opportunity implies a positive situation in which gain is likely and over which one has a fair amount of control; while threat implies a negative situation in which loss is likely and over which one has relatively little control (Dutton & Jackson, 1987). The issue categories, which are used in the present study, will be discussed in details in the following chapter.

Managers' interpretations are a product of multiple sources of influence (Sharma, 2000; Thomas, Shankster, & Mathieu, 1994). Thomas *et al.* (1994) examined individual, group and organizational level contextual antecedents of strategic and political interpretations, and found that group level political activities and group identity are positively related with political interpretations of the strategic issues. In addition, Kuvaas & Kaufmann (2004) investigated whether environmental scanning lead accurate interpretations of positive and negative strategic issues; however, no significant patterns were found. Thomas, Clark, and Gioia (1993) investigated the links between organizational scanning and opportunity/threat interpretations and found positive relationship between information use and opportunity interpretation. Except for Thomas *et al.* (1994), individual level antecedents of interpretations were not studied. Another individual level variable, which has not been studied, is regulatory focus. Regulatory focus is a chronic individual characteristic, which engages people to bring themselves in line with the goals and standards associated with their predominant focus, which is promotion or prevention (Crowe & Higgins, 1997). Prevention focused people try to avoid potential losses, while promotion focused people try to increase chances of success (Higgins, 1998). The present study will also aim to examine the individual level antecedents of interpretations, by investigating the patterns among contextual regulatory focus of the managers and opportunity/threat interpretations.

With regard to linking organizational interpretation with organizational actions, Sharma, Pablo and Vredenburg (1999) proposed a model suggesting that interpreting the environmental issues as opportunity leads to voluntary environmental strategies, but interpreting issues as threat does not. Sharma (2000) found opportunity interpretations about the environment lead development of environmental strategies. Thomas *et al.* (1993) also investigated the relationship between organizational action and opportunity (positive-gain) interpretation; however, no significant pattern was found.

One reason that individual interpretations may not explain organizational decisions or actions may be the level of control that a manager has over those decisions. In the literature, managers are considered as dominant to influence the interpretation and decision-making processes (Bennis & Nanus, 1985; Daft & Weick, 1984; Gray, Bougon & Donnellon, 1985; Gephart, 1984; Prahalad & Bettis, 1986; Smircich & Morgan, 1982); however, different from the large, institutional organizations, where people are negligible compared to the organization, in middle-sized firms, the owner-manager may become powerful than the firm itself, because the manager's is not only the manager but also the owner of the firm and the head of the family (Eisenhardt & Bourgeois III, 1988). In other words, it is worth to study the influence of the control of the owner-managers in linking interpretations to actions in middle-sized family firms. This study also will examine whether manager's control over the strategic decisions of the firm strengthen the transfer of interpretations into strategic action plans.

1.2 Institutionalism as an issue for middle sized family-firms

Many studies looked into interpretation of particular issues; however, to my knowledge, there has been no research on institutionalism, which is among the most discussed issues of family-firms in Turkey recently. In Turkish business market, it has always been a debate for the family enterprises to become institutional, as the concept of family is quite controversial to institutionalism, which undermines people and personal/informal relationships, which are the socio-cultural structure of the family concept. On the other hand, professionalism is important for the survival and growth of the middle-sized enterprises through the globalization of the business market. A family enterprise is the business organization, which is founded by the head of the family or any member of the family to make the living of and to guarantee the future of the family (Karpuzoglu, 2001), at least 51% of the its stakes are owned by the members, who have family or kin relations, and the top management is composed of the family members (Von Potobsky, 1992). It is a united way of family and work (Longenecker & Moore, 1991).

In the organizational context, the concept of institutionalism is to create an organizational fabric where systematic principles and professional specialization take over people and relationships. Institutionalism is a crucial element of the organization, which communicates the organizational entity to other institutional entities and organizational environments (Selznick, 1995). The main importance of institutionalism is that it adds value to the organization by reassuring the balance of control by delegating the authority to professionals by written, documented rules and conducts. The main response to this added value is the legitimacy of the organization and ensuing trust of the other institutional entities in the business environment to which the organization is related. The transparency and trust within the organization serves as a warranty for the endurance of the organization in the business environment (Jepperson, 1991).

Family enterprises dramatically differ from the highly institutional firms, with basic administrative and structural characteristics such as flexible rules, ethical sanctions, family-oriented control and growth, where institutionalized firms have detailed, strict rules and conducts, statutory sanctions, and organization-oriented growth (Karpuzoglu, 2001). The main debate is whether the family firm will still be a family firm when it becomes institutionalized.

The importance of the middle-sized family firms in industry is indisputable. In the 1970s, as a result of the unsteadiness of the economic conditions in the developed countries, the imbalance of supply and demand, the crown of the large-sized firms, which were based on mass supply, was taken over by flexible middle-sized family firms, which gained competitive advantage by their compatibility to rapid change with low production sizes (Karpuzoglu, 2001).

In Turkey, the endurance of the middle-sized family firms is mostly limited to the lives of the founder family members. In most cases, when it comes to the next generation to take-over the enterprise, as it is very dependent on the founder, the precious work of art of the founder cannot survive (Karpuzoglu, 2001). As stated before, survival of an organization depends on the impersonalized structures independent from the owners, as professionals control and manage the organization. Therefore, if survival depends on institutionalism, for the middle-sized family firms, which happen to be the main engines of the economy, intuitionalism is an important issue to understand.

The importance of the mid-sized firms is that they are the candidates to become large-sized firms in the future, and how they interpret institutionalism today will lead them to survive or perish tomorrow. Therefore, for the Turkish industry, this study is quite important to predict the future actions of the middle-sized firms.

1.3 Expected contributions of the present study to theory and practice

The findings of the present study will not only improve the understanding of middle-sized family firms as interpretive systems, they also will add to the emerging knowledge base linking managerial characteristics with organizational scanning-interpretation-action chain.

For practical reasons, it is important to undertstand how middle-sized family firms scan their environment by using different sources, and then process this information to create a visualization of the concept of institutionalism before taking any actions towards it. This study tries to understand these processes and share this knowledge with middle-sized family firms in Turkey, in order for them to understand the reasons behind their interpretations and actions towards institutionalism.

The survival of the family firms through generations is quite problematic (www.kosgeb.gov.tr). In Turkey, most of the family firms have not been able to reach the third generation that there are only four firms who reached the fourth generation and there is no known middle-or large-sized family firm, which survived through five generations. (Karpuzoglu, 2001).

There is a common perspective that the only way for family firms for survival in the long-term is to become institutional, because in institutional corporates, individuals come and go, but the organization survives because the rules and principles protects the organization from becoming bankrupt or dissolve (Karpuzoglu, 2001). However, in family businesses, the family member, who is in charge, is the heart of the organization, but not the principles, because the member of the family makes a life-long commitment and career in the family firm, and after he dies or retires, it is hard for the family firm to survive with another person.

This study will be helpful in understanding the family firms from the inside, which will give cues to the middle-sized family firms in the process of becoming more professional. Considering that traditional Turkish culture feeds relational family concept, it is harder to professionalize for a family firm in Turkey. Institutionalism, on the other hand, makes the human relations separated from work issues, therefore becoming institutional for a family firm is quite paradoxical.

Therefore, this study is practically important for Turkish middle-sized family firms to understand how the institutionalism as a concept is interpreted in a family firm. In light of this study, managers will be able to see the factors influencing the interpretations of family firm towards institutional management.

1.4 Research questions

1. Testing Daft & Weick's model (1984), "does environmental scanning lead to strategic issue interpretation, and how are interpretations linked to organizational actions?"

2. “How are personal characteristics related with environmental scanning?” and partially replicating Daft *et al*.’s study (1988), “how perceived environmental uncertainty is related to environmental scanning?”
3. “Does regulatory focus make significant and unique contribution to managers’ interpretations of institutionalism?”
4. “How does environmental scanning in general influence the interpretation of institutionalism?”
5. “Do interpretations of institutionalism generate corresponding actions towards implementing institutional management in middle-sized family firms?” and “does manager’s control influence these transformations?”
6. “Does regulatory fit of the managers between their regulatory foci and opportunity/threat interpretations influence organizational actions?”

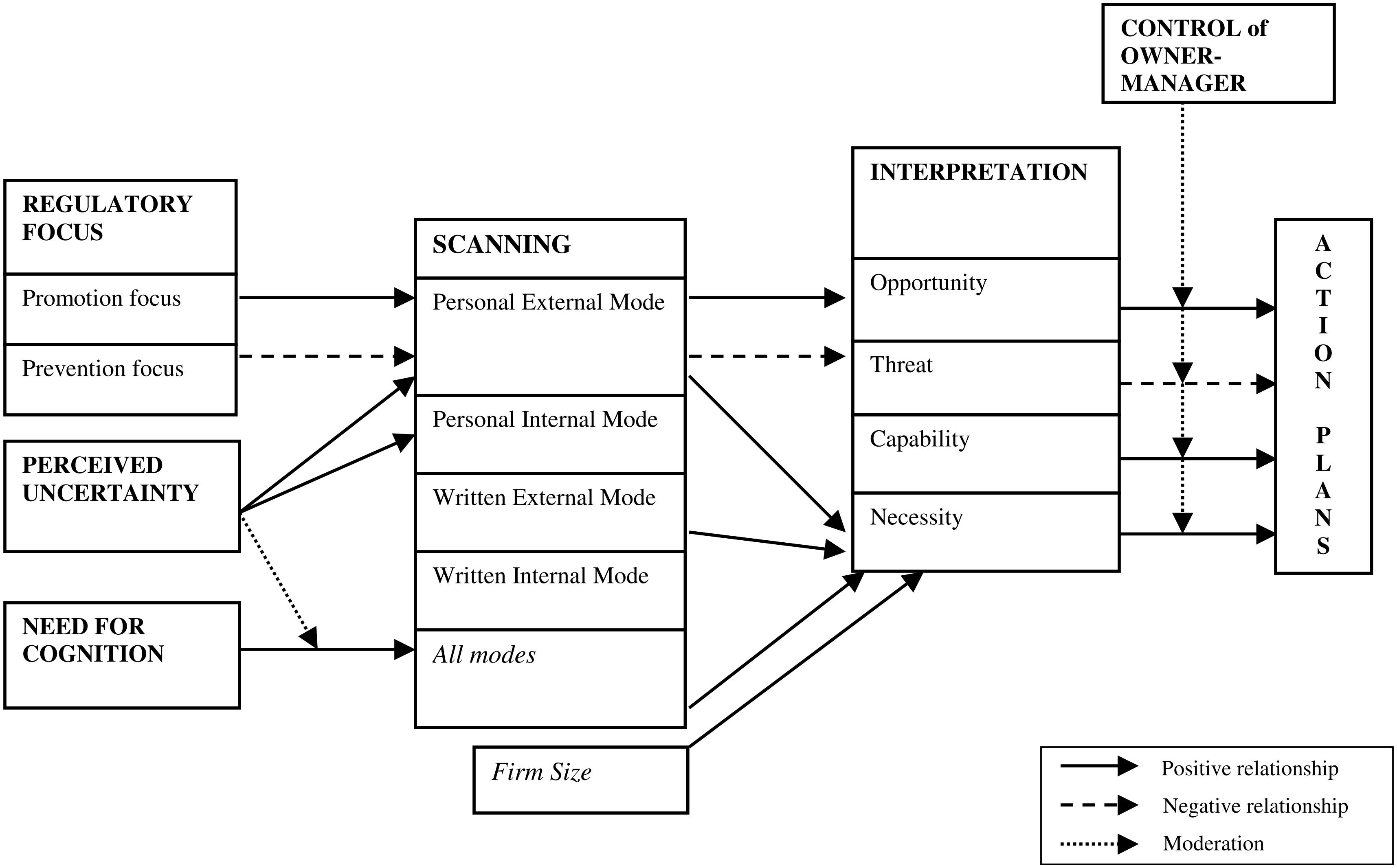
Chapter 2

LITERATURE REVIEW and HYPOTHESES

2.1 Overview

This study aims to examine the three steps of organizational decision-making process, which are scanning, interpretation, and action plans. First, influence of cognitive styles of the managers on organizational scanning frequency will be investigated. According to the proposed model (see Figure 2), managers' needs for cognition and their perceptions of the level of uncertainty of the environment both have effects on their environmental scanning frequencies.

Figure 2. Model of the present study



Second, the impact of managers' frequency of scanning on their interpretation of institutionalism as a strategic issue in family firms will be investigated. Based on Daft & Weick's (1984) model, organizational scanning in general is an antecedent of organizational interpretations. According to the model (see Figure 2), higher frequencies of environmental scanning lead managers to interpret institutionalism as a necessity. Managers may interpret institutionalism as an opportunity, a threat, a necessity, or as an achievable goal (capability) for their firms.

According to the model (see Figure 2), interpretations are also predicted by regulatory focus of the manager. The proposed main effects of being a promotion focused or prevention focused manager on the opportunity and threat interpretations of institutionalism will be investigated. Promotion focused managers tend to interpret institutionalism as an opportunity, while prevention focused managers interpret it as a threat.

In the last part of the study, how different interpretations of the issue of institutionalism influence the strategic action plans of the firm towards institutional management will be investigated. The moderation effects of regulatory foci and managerial control on the strength of this influence will be tested. The hypotheses of the study will be explained in detail in the following sections.

2.2 Environmental Scanning

According to the proposed model in Figure 2, this study will first investigate the antecedents of general scanning behavior of the firm. The main effects of need for cognition of the owner-manager and perceived environmental uncertainty on the general scanning frequency, and scanning frequencies through different scanning modes will be investigated.

Environmental scanning is conducted through scanning modes, in other words, data sources. Senior managers have limited time and capacity; therefore, they must choose among scanning sources, which lead to competitive advantage or disadvantage for the firm (Hambrick 1982). In the literature, these sources are also referred as scanning modes through which executives learn about the environment (Daft & Weick, 1984; Daft *et al*. 1988; Fahey & King, 1977; Fahey, King, & Narayanan, 1981; Hambrick, 1981; Kefalas & Schoderbek, 1973). In the literature, the first categorization is about the formality of scanning, that is, the source of data is either formal/written/impersonal or informal/personal (see Daft *et al*., 1988; Hambrick, 1981; Kefalas & Schoderbek, 1973). The second category explains where the data come from, that is, inside or outside the organization, internal or external scanning (see Daft & Weick, 1984; Daft *et al*., 1988). The third division is on the continuity of scanning; that is, irregular, systematic, or continuous (see Fahey & King, 1977), and irregular or systematic (see Fahey *et al*., 1981).

In this study, based on Daft *et al*.'s (1988) categorization, the main data sources (scanning modes) are either (i) internal or (ii) external, and (iii) personal or (iv) impersonal. There are four main modes of data scanning, and four intersecting modes, which are (i) internal personal, (ii) external personal, (iii) internal formal, and (iv) external formal (Daft *et al.,* 1988). If the managers make direct contact with the information outside the organization, then the scanning mode is external. Internal sources, on the other hand, are the people or the written reports within the organization, which channel the data collected about the environment. Personal sources are formed by direct contact of the managers with other individuals, whereas formal sources refer to the written, formal documents, such as mass media or reports from the organization.

According to the proposed model in Figure 2, strategic uncertainty acts as a moderator on the relationship between the personal characteristics of the owner-manager and scanning frequency. The proposed relationships will be explained in detail in the next sections.

2.2.1 Antecedents of environmental scanning

2.2.1.1 Need for cognition

Need for cognition is defined as the tendency to engage in effortful cognitive activities and to intrinsically enjoy thinking (Cacioppo, Petty, & Morris, 1983; Haugtvedt *et al*., 1992). In this study, need for cognition is examined as a predictor of scanning, as it is stated in the literature as the individual's motivation towards information gathering from the environment (Cacioppo & Petty 1982, Cacioppo e*t al.,* 1996; Haugtvedt *et al*., 1992). Research showed that higher need for cognition predicts high cognitive activity and enjoyment of thinking on complex tasks (Cacioppo *et al.,* 1983; Haugtvedt *et al*., 1992).

Cognitive style of the manager is greatly valued and studied in organizational interpretation literature as a predictor, such as cognitive complexity of top executives (see Hambrick & Finkelstein, 1987; Kuvaas & Kaufmann, 2004; O'Keefe & Brady, 1980; Streufert & Swezey, 1986). For example, Kuvaas and Kaufmann (2004) hypothesized that cognitive complexity was highly (positive) correlated with scanning frequency. However, upon finding no significant effect of cognitive complexity, they suggested that need for cognition levels of managers are better predictors of frequency of organizational scanning (Kuvaas & Kaufmann, 2004). The reason for that is, managers, who have higher level of need for cognition, tend to search for more data before interpreting strategic issues in the organization (Kuvaas & Kaufmann, 2004). Furthermore, need for cognition, was suggested, but has not been used in investigating the relationship between managerial cognition and scanning behavior. Therefore, in this study, need for cognition of the managers is used as a predictor of scanning frequency, in the light of the suggestions of the literature.

Hypothesis 1: Need for cognition levels of the owner-managers will be positively related to the total scanning frequency.

2.2.1.2 Perceived uncertainty

In the organizational scanning literature, the perceived nature of the environment where the data is scanned from is examined as a predictor of scanning frequency (e.g. Daft *et al*., 1988). Managers are information workers (McCall & Kaplan, 1985), whose information environments are extremely complex, ambiguous and munificent (Mason & Mitroff, 1981; Mintzberg, Raisinghani & Théorêt, 1976; Schwenk, 1984; Starbuck & Miliken, 1988), in other words, the business environment is uncertain (Daft *et al*., 1988; Hambrick, 1982; Sutcliffe, 1994). Studies also referred to environmental uncertainty as inconsistency, environmental dynamism (Lefevbre, Mason & Lefevbre, 1997), change (Isabella, 1990), or data unavailability (Daft & Weick, 1984).

In the literature, environmental uncertainty is defined in both objective and subjective terms (Walsh, 1995). The objective definition refers to the difference between available information and derived information (Dess & Beard, 1984; Huber & Daft, 1987, Sutcliffe, 1994). On the other hand, perceived environmental uncertainty is subjectively operationalized by two variables: the rate of change of the environment (inconsistency) and the complexity of the environment (Daft, 1986; Daft *et al.,* 1988; Duncan, 1972; Tung, 1979; Pfeffer & Salacik, 1978; Pfeffer, 1981). Rate of change is the frequency of changes, while complexity is defined as the diversity of external events (Child, 1972; Daft *et al.,* 1988). Perceived uncertainty is a linear function of addition of these two variables, when one or both of the variables increase, perceived uncertainty increases.

Perceived uncertainty is a crucial aspect in scanning literature as it has main effect or acts as a moderator on the relationship between need for cognition and scanning behavior. Daft *et al.* (1988) proposed and found positive relationship between perceived strategic uncertainty of the executives and scanning frequency in the firms. Sawyerr (1993) and Wayne *et al.* (2000) replicated Daft *et al*.'s study (1988) and found similar patterns. Leifer and Huber (1977) found that perceived environmental uncertainty predicts boundary-spanning activity in a similar way.

In the present study, the frequency of scanning is expected to have positive relationship with perceived uncertainty, as the environment gets more complicated and rapidly changing, organizations will spend more time and effort in order to grasp and keep up with the environmental events.

Hypothesis 2a: Perceived uncertainty of the environment will be positively related to the total scanning frequency.

Previous research showed that when the perceived complexity of the environment is high, executives prefer personal modes to formal modes of scanning when making important decisions (Daft *et al.* 1988; Hambrick, 1981; Mintzberg, 1973; Thomas, 1980).

The reason for that is, for example written data collected in times of political and economic instability could be hard to grasp or is perceived untrustworthy for the managers. At these times, the managers prefer trustful personal sources to gather data about a new market, product etc., rather than spending hours to understand charts and diagrams.

Hypothesis 2b: The positive relation between perceived uncertainty and total scanning frequency will be higher in personal scanning mode.

In addition to these hypotheses based on the literature, this study proposes that, under uncertainty, the decision-maker will scan more if the he is eager to think more, because uncertainty means rapidly changing and complex data in the environment. In other words, perceived uncertainty will be a trigger to scan more for a decision-maker who has high need for cognition. In addition, as hypothesized above positive relation between frequency of scanning and perceived uncertainty will be expected to be higher in personal scanning mode. Therefore,

Hypothesis 2c: Perceived uncertainty will strengthen the positive relationship between need for cognition and personal scanning frequency.

2.3 Organizational interpretation of institutionalism

In general, interpretation could be defined as the perspective through which people view an event/issue (Starbuck, 1976). In the organizational context, interpretation is the process of examining and understanding the information gathered in the scanning process and giving meaning to data to develop additive knowledge before making strategic decisions and plans (Daft & Weick, 1984; Hedberg, 1981). Therefore, in order to understand the actions towards an issue, first the interpretation of the issue should be understood (Isabella, 1990; Weick & Daft, 1983), because creating knowledge structures is the key step between processing the information scanned and making decisions (Walsh, 1995).

Based on Daft and Weick's (1984) model of organizational interpretation, this study investigates the antecedents and consequences of interpretation of the owner-managers of institutionalism in family-firms in general terms. The antecedents of interpretation of institutionalism are stated as regulatory focus of the owner-manager, organizational scanning frequency, and firm size. The consequences of the interpretation of institutionalism in family-firms are the organizational action plans towards establishing institutionalism in the firm through specific applications indicating institutional management. The consequences of interpretation types into organizational action plans will be discussed in the action plans section.

According to the literature, there are commonly used dimensions of organizational interpretation of an issue. The first dimension is the outcome dimension which have two opposite ends: positive and negative (Jackson & Dutton, 1988). The second dimension is opportunity dimension, whose ends are opportunity and threat (e.g. Jackson & Dutton, 1988; Kuvaas & Kaufmann, 2004). Other dimensions are necessity and capability/availability (e.g. Jackson & Dutton, 1988; Kuvaas & Kaufmann, 2004).

In this study four types of organizational interpretation are used. The first one is the opportunity dimension. Whether the owner-manager interprets institutionalism as an opportunity or not for family-firms in general will be investigated. Opportunities are defined as positive issues, which involve likelihood of gain and succession without loss (Jackson & Dutton, 1988). The second one is the threat dimension. The owner-manager may interpret institutionalism as a threat or not for family-firms. Threats are negative issues, which involve likelihood of loss without gain (Jackson & Dutton, 1988). The third dimension is necessity. Owner-manager may interpret institutionalism concept or institutional management as a must or not for the survival of a family-firm. Necessity is associated with urgency and need. The last dimension is capability. The owner-manager can either interpret a family-firm as capable or incapable to establish institutional management or institutionalism. Capability is the likelihood of achievability. Before introducing the hypotheses on the relationships between interpretation types of institutionalism and their predictors, institutionalism as an issue for middle-sized family firms will be discussed.

2.3.1 Institutionalism as an issue for middle-sized family firms

The concept of institutionalism is defined and interpreted differently by different sources. The most common definition is that a firm, which works independently from people, relationships, but according to systematic rules and principles, and where the responsibilities of the employees and the management are distributed according to professional specialization, is an institutional firm (Karpuzoglu, 2001).

There are certain aspects of institutionalism and characteristics of family-firms that may lead into opportunity and necessity interpretations of institutionalism in middle-sized family-firms. First of all, establishing institutional management in an organization increases trustworthiness of the organization in the eye of its environment (e.g. customers or suppliers) (Karpuzoglu, 2001).

Second, institutional management increases the chances of survival and endurance of the family-firm to the future generations, because endurance, professional management and formality are three main indicators of an institutional organization (Karpuzoglu, 2001). In very large organizations, where rules and responsibilities are strict and formal, such as the army, managers come and go, but the organizations remain (Weick & Daft, 1983). Institutional management is also necessary for the growth of the family firm, because formalized control mechanisms of institutionalism allows the executives to manage larger employee sizes.

When it comes to middle-sized family firms, professional management could be a lifesaver and a survival method; however, institutionalism may not be the best solution according to the managers in every aspect (Karpuzoglu, 2001). In business world, where environment is complex and unstable, institutionalism is sometimes identified with bureaucratization or inefficiency because of overstaffing, and having sign procedures, which slows down the organization with highly hierarchical steps (Karpuzoglu, 2001). These negative identifications of institutionalism may result in interpreting this issue as a threat in middle-sized firms. From this point of view, middle-sized firms have the advantage of being not institutional, because the slow down effects, such as bureaucratization, could be a trap for highly institutionalized, large-sized organizations such as state agencies or the army, while middle-sized family firms could act faster and adapt easily to the unstable business environment by small production size and production flexibility (Karpuzoglu, 2001).

In addition, being a family firm contradicts the formal pattern of professional management of institutionalism, because the family, as the owner and founder of the firm, tend to hesitate to relinquish its management power to some outsider professional. Institutionalism, being systematized independent from personalized relationships and the concept of family firm are quite contradictory to each other, and in theory, they cannot exist together. Because of this, owner-managers could interpret that family-firms are not capable for establishing institutional management. Moreover, the owner-managers of family firms, tend to see the firm as their children, and may not trust an outsider's management skills, no matter how high they are, and try to continue to stay in power until they deliver it to the next generation, similar to that the old king handing his crown and throne down to his elder son.

2.3.2 Antecedents of interpretation

2.3.2.1 Relationship between scanning and necessity interpretation

Managers who engage in more scanning activities, are more open to their environments (Smith, Grimm, Gannon, & Chen, 1991). In Turkey, both non-profit and governmental organizations, as well as business-people, launch institutionalism as a necessity for the family-firms in order to increase their levels of legitimacy, effectiveness and chances of survival. Managers, who are open to receive these opinions, will be more likely to interpret institutionalism as a necessity for middle-sized family firms.

Hypothesis 3a: Total scanning frequency will be positively related to the necessity interpretation of institutionalism.

This positive relationship is expected to be higher in external modes of scanning, because written external sources such as business-related media and governmental websites (e.g. www.kobi.net) about SMEs continuously discuss institutionalism in middle-sized firms during the recent EU application of Turkey, and/or the incoming opinions from personal external sources (e.g. managers of more institutionalized firms) state the necessity of becoming more professional for a family firm to play in bigger leagues with increased legitimacy.

Hypothesis 3b: The positive relationship between scanning frequency and necessity interpretation of institutionalism will be higher in external modes of scanning.

2.3.2.2 Relationship between regulatory focus and opportunity/threat interpretations

Regulatory Focus Theory (Higgins, 1987) argues that people engage in behavior designed to bring themselves in line with the goals and standards associated with their predominant focus, which is promotion or prevention (Crowe & Higgins, 1997). Regulatory self can be dispositional, and people may engage in self-regulation with a prevention focus or a promotion focus (Brockner, Higgins, & Low, 2004). Regulatory self can also be situational, that is, one may want to keep *status quo* and minimize possible losses in a particular context, but maximize possible gains in another.

Prevention focus people are responsive to security needs, thereby heightening the salience of potential losses to be avoided, while promotion focus people try to bring themselves to their ideal selves by taking action, rather than keeping the status-quo, thereby heightening the salience of potential gains to be attained (Brockner & Higgins, 2001; Brockner *et al.,* 2004).

When promotion focused, the person strategically tries to match his/her behavior to a goal; whereas, when prevention focused, the person strategically tries to avoid behaviors that mismatch the goal (Higgins, 1998). Therefore, there is one goal, success; and the promotion focused person tries to create ways towards it, while prevention focused person tries to prevent failure, because a promotion focus is concerned with advancement, growth, and accomplishment; whereas, a prevention focus is concerned with security, safety, and responsibility (Crowe & Higgins, 1997).

Either promotion or prevention focused, the goal of the owner-manager is the survival of the family-firm without creating any conflict in the family. Promotion focused owner-manager will focus on the better influences of institutionalism (e.g. becoming more trustworthy in the eye of the organizational environment; and thus, better business relations with other firms) and interpret institutionalism as an opportunity but not as a threat, because the survival of the family depends on the survival of the firm to future generations. On the other hand, prevention focused owner-manager will focus on the threats of institutionalism to the family (e.g. hiring professionals to top-management instead of non-professional family members; and thus, loss of power), but not on the opportunities, in order to avoid the conflict of interests of the family. Therefore;

Hypothesis 4a: Promotion focused owner-managers will interpret institutionalism as an opportunity.

Hypothesis 4b: Prevention focus of owner-managers will be negatively related to opportunity interpretation of institutionalism.

Hypothesis 4c: Promotion focus of owner-managers will be negatively related to threat interpretation of institutionalism.

Hypothesis 4d: Prevention focused owner-managers will interpret institutionalism as a threat.

2.3.2.3 Scanning as a mediator between regulatory focus and opportunity/threat interpretations

The hypotheses on the relationships between regulatory foci and opportunity/threat interpretations were discussed in the previous section. Top managers who use much information are more likely to emphasize the positive aspects of an issue (Thomas & McDaniel, 1990). External scanning provides a richer array of information to managers, and managers who scan their environments through external modes are more likely to be confident about fitting their firms to the environment (Aldrich, 1979). Scanning through personal sources is preferred to decrease the uncertainties in the environment (Daft *et al.,* 1988), and thus, personal scanning also contributes to controllability of the issues. As personal external scanning increases the controllability of the issues, the likelihood of an organizational issue being interpreted as an opportunity rather than as a threat increases (Thomas *et al.,* 1993).

With regard to the relationship between external scanning frequency and opportunity/threat interpretations, Thomas *et al.* (1993) hypothesized and found that information use of the managers is linked with their interpretations of strategic issues as opportunities, because high levels of external information use increases the controllability of the managers on strategic issues. High level of external information use allows early detections of environmental disturbances; and thus, prevents the formulation of threat interpretations (Jackson & Dutton, 1988).

With regard to the relationship between regulatory foci and scanning frequency, promotion focused managers tend to scan their environments through external sources as they will be in search of environmental information that will bring them possible gain. Prevention focused managers tend to keep their *status-quo*; and thus, they are less likely to scan externally compared to the promotion focused managers.

Considering the expected relationships explained above, this study proposes that promotion focused managers scan the environment through personal and external sources, and, in turn, they are more likely to make opportunity interpretations, rather than threat interpretations of institutionalism. Prevention focused managers are less likely to scan the environment through personal and external sources, and in turn will interpret institutionalism as a threat, rather than opportunity. Therefore, *Hypothesis 5a: Personal external scanning frequency will act as a mediator between promotion focus and opportunity interpretation of institutionalism.*

Hypothesis 5b: Personal external scanning frequency will act as a mediator between prevention focus and opportunity interpretation of institutionalism.

Hypothesis 5c: Personal external scanning frequency will act as a mediator between promotion focus and threat interpretation of institutionalism.

Hypothesis 5d: Personal external scanning frequency will act as a mediator between prevention focus and threat interpretation of institutionalism.

2.3.2.4 Relationship between scanning and firm size

Research on organizational structure showed that increasing organization size promotes and necessitates a more formal organizational structure (Hall, Hass, & Johnson, 1967) and professional management to be efficient (Barry & Mills, 1982). As the employee size increases, the firm will become more complex and less manageable (Barry & Mills, 1982; Paulson, 1980) by the family or by the owner-manager only; therefore, it will need more specialized departments, that is, more specialized managers, specified rules and conducts to be managed properly, which are important indicators of institutionalism. Therefore,

Hypothesis 6: Firm size will be positively related to the necessity interpretation of institutionalism.

2.4 Organizational actions and plans towards institutionalism

Organizational action is defined as the outcome of the interpretations of the decision-makers in the organizations, namely, putting theories in action (Daft & Weick, 1984), application of knowledge into strategy (Hedberg, 1981), and developing new relations between organization and environment (Duncan & Weiss, 1979). Formulation of action plans, which is considered as the last stage of interpretation process theorized by Daft & Weick (1984), is to bring interpretation into the firm's future strategies. According to the interpretation model proposed by Daft and Weick (1984), top management's interpretations lead to corresponding action plans. According to the literature (e.g. Dutton & Duncan, 1987; Dutton, 1993; Milliken, 1990; Thomas & McDaniel, 1990), organizational interpretation leads strategy formulation and organizational action in decision-making process.

In the present study, four different types of interpretations of institutionalism are theorized to lead into low or high numbers of action plans toward the application of institutional management in middle-sized family firms. In other words, managers' interpretation types about institutionalism in family-firms in general, are the antecedents of the action plans of applications of institutional management.

2.4.1 Antecedents of organizational action plans

2.4.1.1 Relationship between issue interpretation and action plans

Although factors such as beliefs, politics, goals, and perceptions may complicate the realization of interpretation of a particular concept into action plans about applications of the concept in the organization (Staw, 1980), the executives who interpret issues about the firm, are also the action takers, strategy formulators in the firm. Therefore, the interpretations of the owner-managers are effective in the applications and strategies towards the future applications about these issues (Thomas *et al*., 1993). Issues labeled as opportunities are associated with projected positive outcomes and expectations of gain, while issues labeled as threats are associated with projected negative outcomes and expectations of loss (Jackson & Dutton, 1988).

In this study, the interpretations of the owner-managers about institutionalism concept in family-firms in general, are hypothesized to be influencing the action plans of the firm towards applying institutional management and developing the indicators of institutionalism in their firms. If the owner-manager interprets institutionalism in family-firms as an opportunity or necessity, the action plans of the firm towards applying aspects/indicators of institutionalism in the firm will increase. In addition, if the owner-manager perceives that a family-firm is capable to apply institutional management, his firm is likely to develop action plans towards applying institutionalism. However, if the owner-manager interprets institutionalism as a threat for family-firms, the action plans towards institutionalism in the firm will be influenced negatively.

Hypothesis 7a. Owner-manager's interpretation of institutionalism as an opportunity will be positively related to the action plans of the firm towards institutionalism.

Hypothesis 7b. Owner-manager's interpretation of institutionalism as a threat will be negatively related to the action plans of the firm towards institutionalism.

Hypothesis 7c. Owner-manager's interpretation of institutionalism as a necessity will be positively related to the action plans of the firm towards institutionalism.

Hypothesis 7d. Owner-manager's interpretation of institutionalism as achievable in the firm (capability) will be positively related to the action plans of the firm towards institutionalism.

2.4.1.2 Regulatory focus as a moderator on the relationships among interpretations and action plans

Higgins (2000) suggested that decision-makers move towards goal means that have higher regulatory fit. As it was explained in details in the interpretation section before, the promotion focused person tries to create ways towards the goal, while prevention focused person tries to avoid the ways that prevent him from reaching the goal (Crowe & Higgins, 1997). Regulatory fit can occur in two ways. A promotion focused owner-manager, who tries to maximize his potential gains, and has high gain expectation from the issue (i.e. interprets an issue as opportunity), is more likely to take actions towards the issue. A prevention-focused manager, on the other hand, tries to minimize his potential losses, and has high loss expectation (i.e. interprets an issue as a threat), is less likely to take actions.

In line with this perspective, this study proposes that promotion focused managers will create more ways to move towards institutionalism in their firms, if they are interpreting institutionalism as an opportunity for middle-sized family firms in general, that is they will make more action plans towards institutionalism. On the other hand, if the owner- manager interprets institutionalism as a threat for family firms, he will avoid making action plans towards institutionalism in his firm, and this avoidance will be higher in the managers who are prevention focused. Therefore, *Hypothesis 8a: Promotion focus of the owner-manager increases the strength of the positive relationship between opportunity interpretation of institutionalism and the action plans towards institutionalism.*

Hypothesis 8b: Prevention focus of the owner-manager increases the strength of the negative relationship between threat interpretation of institutionalism and the action plans towards institutionalism.

2.4.1.3 Manager's control as a moderator on the relationships among interpretations and action plans

One will oversimplify the interpretation processes in a middle-sized family firm context, if he/she assumes that only the owner-managers make the interpretations and decide on the organizational actions. Although control in a middle-sized family firm is likely to be centralized in the hands of the owner-manager, action plans can be affected by many other decision-makers, such as the stakeholder family-members, who influence organizational actions in family firms.

The transformation of the interpretations of the owner-managers into organizational action plans are expected to be related to the level of the owner-managers' participation in the decision making process about the vision and strategies of their firms. The interpretations of the owner manager are expected to transform into corresponding action plans in a stronger manner if the manager's control over the firm's operations and strategic decisions is high. Therefore;

Hypothesis 9a. Control of the owner-manager strengthens the positive relationship between opportunity interpretation and action plans.

Hypothesis 9b. Control of the owner-manager strengthens the negative relationship between threat interpretation and action plans.

Hypothesis 9c. Control of the owner-manager strengthens the positive relationship between necessity interpretation and action plans.

Hypothesis 9d. Control of the owner-manager strengthens the positive relationship between capability interpretation and action plans.

Chapter 3

METHOD

3.1 Participants

Participants were 90 owner-managers of middle-sized manufacturing firms from the industrial regions of Gebze and Istanbul in Turkey. Therefore, sample selection criteria included four factors: (i) Firm size, (ii) ownership, (iv) sectoral compatibility, and (iv) motivation and convenience. Definition of middle-sized firms was stated by three different sources in Turkey. According to the Treasury of the Republic of Turkey, a firm is called a small- or middle-size enterprise (SME) if it has less than 150 employees, while according to DTM and Eximbank, this number is 250 (www.kosgeb.gov.tr). KOSGEB (Small and Medium Industry Development Organization), which is connected to the Republic of Turkey Ministry of Industry and Trade, defined small-sized firms as having less than 50 employees, and middle-sized firms as having between 51 to 150 employees (www.kosgeb.gov.tr). After considering these sources, in this study, the middle-sized enterprises were considered to have an employee size between 50 and 250.

The second criterion was the ownership status of the manager. The subjects of previous researches about organizational scanning and interpretation were mostly the executives (e.g. Aguilar, 1967; Hambrick, 1982; Kefalas & Schoderbek, 1973; Mintzberg, 1973; Sutcliffe, 1994; Daft *et al*., 1988). In the current study, the participants should have been both top executives, who owned some amount of the stakes of the firm, and who were a member of the family, which owned at least 51% of the stocks of the firm.

The third criterion was the sectoral compatibility, that is, to control for the effects of the sectoral differences on the dependent variables. To do that, the firms were selected among manufacturing firms, which share nearly the same competitive environment, Istanbul and Gebze, from the densest two industrial regions of Turkey. There are eight minor sectors under this major sector, which are (i) automotive related manufacturing (21 firms), (ii) machinery manufacturing (17 firms), (iii) metal coating and production (14 firms), (iv) textile manufacturing (11 firms), (v) plastic and wood related production (10 firms), (vi) chemical production (7 firms), (vii) electronic equipment manufacturing (6 firms), and (viii) food related manufacturing (4 firms).

The final criterion was the motivation of the owner-managers, who will answer the questionnaire. In this case, sampling was not random but convenience sampling, because the expected rate of return of the questionnaires was very low at the beginning of the study. The reason for that was the owner-managers of the family firms would find it unnecessary or threatening to participate in the study, as the questionnaire not only asked individual characteristics of the owner-manager, but also the organizational characteristics and strategies, which could be threatening to the individual privacy and organizational security.

Firstly, 358 firms, which were selected according to first three criteria from the WWW.KOBI.NET server, were contacted by e-mail and phone. 15 useful questionnaires returned. Since the e-mails were generic company e-mails, it is not clear how many of the owner-managers actually received the e-mail. During the data collection, the main motivation of the first group, who were contacted by e-mail and phone, was the importance of the concept of institutionalism and the expectation of having the general results of the study, such as where their firm stands statistically in the general sample averages. These general results would not include the firm names or single results of any firm except the contacted firm itself. The participants were informed that their answers to the questionnaire would not be shared with a third individual or organization.

Despite this, the return rate was quite low; therefore, next, an organizational media, TAYSAD, was contacted to support the study. TAYSAD is an NGO, whose members are manufacturing firms in the automotive support industry sector. 177 firms, which were compatible to the four criteria discussed above, were contacted through TAYSAD; however, not one questionnaire was returned.

Understanding the hardship of collecting data, personal contacts were made with the owner managers, using snowball sampling, more contacts were reached. As a result, 71 owner-managers were contacted, 62 of them returned useful data. The motivation of the second group of participants was nearly the same, but the return rate was much higher because of face-to-face contact, and by the acquaintance of the owner-managers of other firms, which made the study more reliable in their eyes.

As a third way of collecting data, the acquaintances of the Koc University students were contacted. Among 26 returning questionnaires, 13 of them were found to be useful to be included to data. The motivation of the third group was to help the acquaintances, who are Koc University students who contacted the firms, because these students were given extra credit for contacting these firms.

The final sample size was 90. All of the respondents were male and general managers of family-owned firms. Sample statistics for the owner-managers and their firms can be found in Table 1.1 and Table 1.2 respectively.

Table 1.1 Demographic characteristics of the owner-managers

Age (yrs)		
	M	41.6
	SD	10.06
Education (%)		
	Less than high school	7.8
	High school	14.4
	University	53.3
	Masters	24.4
Education (yrs)		
	M	14.37
	SD	2.61
Profession (%)		
	Engineering	57.7
	Business or economics	28.2
	Natural sciences	8.5
	Social sciences	1.4
	Other	4.2
Foreign language (%)		
	Yes	77.8
	No	22.2
Ownership (%)		
	Owner	24.4
	Partner	75.6
Experience		
Current position (yrs)		
	M	9.44
	SD	6.87
Previous managerial (yrs)		
	M	11.22
	SD	6.61
Total experience (yrs)		
	M	21.89
	SD	6.62

Note: N = 90

Table 1.2. Demographic characteristics of the firms

Age			
	M		18.09
	SD		13.65
Size (# of employees)			
	M		85.2
	SD		46.24
Number of managers	M		5.29
	SD		3.67
No. of top managers	M		2.51
	SD		1.43
Sector (%)			
	Automotive related manufacturing		23.3
	Machinery manufacturing		18.9
	Metal coating and production		15.6
	Textile manufacturing		12.2
	Plastic and wood related production		11.1
	Chemical production		7.8
	Electronic equipment manufacturing		6.7
	Food related manufacturing		4.4
Quality Certificates (%)			
	Yes		61.1
	ISO 9000	89	
	Other (ISO 16949, ISO 14000, CE)	11	
	No		38.9
Activity (%)			
	Production		100
	Service		15.6
	Trade		17.8
	Export		90
Establishment (%)			
	New enterprise		76.4
	Acquisition from the family		15.7
	Acquisition from third party		6.7
	Other		1.1
Legal status			
	Joint Stock Company		47.8
	Limited Liability Company		44.4
	Sole Proprietorship		7.8

Note: N = 90

3.2 Measures

3.2.1 Organizational scanning

Scanning measure was based on the measure used by Daft *et al.* (1988) for the organizations, where scanning frequencies with four scanning modes, for six different environments were measured. First of all, there were two kinds of environments for the firms to scan: task and general environment. Task environment consisted of three sectors; (i) competition, (ii) customer, and (iii) technological, while general environment consisted of three sectors; (iv) regulatory, (v) economic, and (vi) socio-cultural sectors (Daft *et al.,* 1988). For this study, socio-cultural sector was eliminated, as it was less important for our sample, which stands in manufacturing sector.

In previous studies, to measure scanning frequency, scales with time periods (e.g. daily, weekly etc., see Daft *et al*., 1988), or the hours spent for scanning (e.g. Hambrick, 1982) were operationalized, or the percentage of the time spent on scanning the given issue/sector (e.g. Culnan, 1983; Farh, Hoffman & Hegarty, 1984; Hambrick, 1982) were directly asked.

Based on the scanning measure of Lefebvre *et al.* (1997), which had 7-point scale (1=never used, 7=used extremely frequently) to measure the extent to which the methods of scanning were used, in the present study, a 5-point scale (1=never used, 5= frequently used) was used in order to measure frequency of scanning mode for the five sectors**.**

There were four major modes (data sources) of scanning asked in this measure: (i) written, (ii) personal, (iii) external, and (iv) internal. Based on the measure of Daft *et al.* (1988), the combinations of these four modes were asked implicitly in the following examples in the parentheses:

1) *Written external (the internet, television, magazines, newspaper)*
2) *Written internal (reports of market research)*
3) *Personal external (executives of other firms, opinions of the clients)*
4) *Personal internal (opinions of the employees in the firm, sales people in the firm, family members, other managers in the firm)*

The five single mode variables were operationalized in the analysis section by computing pairwise arithmetic means (to get written, personal, internal, external scanning frequencies), and overall average (to get the total scanning frequency) of the four combinations that were measured. The measure asked the scanning frequencies of the five sectors mentioned before by using the examples of combinations of the four modes. The measure was given as a table where the rows contained the modes, and the columns contained the sectors. The respondents were asked to fill the cells by with the chosen frequency (see Appendix A, Section 6).

3.2.2 Perceived uncertainty

Perceived uncertainty measure was based on the measures in previous studies (see Duncan, 1972; Tung, 1979; Daft *et al.*1988). As the conceptual definition of perceived uncertainty is the additive combination of the rate of change and complexity of the events in each sector, perceived uncertainty is a function of these variables, which were measured separately in the present study. Similar to the scanning measure, there were the same five environmental sectors, which were rated on their rate of change and complexity: competition, customer, technological, regulatory, and economic sector. Ratings were made on a 5-point scale (1=very low, 5=very high) was used in order to measure perceived complexity and rate of change for each sector. In the questionnaire, the definitions of the five sectors, which were based on the definitions of Daft *et al.* (1988), were given to the respondents before they make their ratings (see Appendix A, Section 5 for the definitions and the measure).

3.2.3 Owner-manager's level of control

In the literature, the managerial control in the firm was measured with centralization scales (Lefebvre *et al.,* 1997; Miller & Freisen, 1982; Sutcliffe, 1994). In this study, control of the owner-manager was measured by a composite measure consisting of four sub-measures. The first measure asked the level of control of the manager on the firm's operational decisions directly, by a 4-point scale with explanations:

1=very low (I do not interfere the operational decisions, most of the decisions were made by other managers)
2=low (in the operations, I do not make the end decisions by myself, generally group decision is made)
3=high (in the operations, I make the end decisions most of the times)
4=very high (in the operation, I make the strategic or non-strategic end decisions)

Second, whether the manager held most of the stakes of the firm was asked as a predictor of control of the firm. Third, whether "only" the owner-manager made strategic end-decisions concerning the firm, was asked using 4-point scale (1= no never, 4= always yes).

Finally, a new measure was created based on the centralization scale items of Miller & Friesen (1982), and Sutcliffe (1994). The control of the owner-manager, the family, and the other managers in the firm was measured with this new measure. First, the types of decisions in the centralization scales were selected and combined as the following:

1) *Capital budgeting*
2) *Introduction of new products*
3) *Pricing of new product lines*
4) *Entry to new markets*
5) *Hiring and firing new personnel*
6) *Acquisition of new technologies*
7) *Making major decisions which will influence the majority of the firm*

The decision of which item to include and which to exclude was made considering the types of decision that a middle-sized firm would likely to make/encounter. The sixth item was added by the researcher of this study. The decision-makers were listed as:

1) *Only myself*
2) *Board of directors*
3) *Family members*
4) *A person other than me*
5) *The managers working under me*

The last measure was constructed as a table (see Appendix A, Section 4), where rows consisted of the seven decision types, and the columns consisted of the five major decision-maker individuals or groups. The respondents were asked to report the decision maker(s) responsible for each decision issue. According to this measure all five of the decision-maker gained a control score. Owner-manager's level of control was measured by subtracting the number of decisions made by the other decision-makers from the number of decisions that the owner-manager made.

The overall measure of control of the manager was constructed with averaging the z-scores of the four measurements explained above. An exploratory factor analysis showed that, all of the z-scores were loaded in a single factor, explaining 70.7% of the variance in the data. The reliability of the four-item measure was 85.7 (Cronbach's alpha).

3.2.4 Organizational issue interpretation

In the literature, organizational interpretation was measured by particular ways in particular studies (e.g. Jackson & Dutton, 1988; Kuvaas & Kaufmann, 2004). The common point of these measures was the interpretation types, such as opportunity and threat. Most of the studies used opportunity and threat as interpretation types (e.g. Jackson & Dutton, 1988; Kuvaas & Kaufmann, 2004) by asking the interpreter the extent that a particular situation would have more opportunistic (positive) or threatening (negative) implications for his/her company compared to other companies in the same sector. Necessity was used as an additional type in some studies (e.g. Kuvaas, 2004) by asking the extent the interpreter saw a particular situation as a strategic necessity that was particularly important for his/her company. In these studies, the particular situations were given to the interpreter as vignettes.

In this study, rather than asking directly the extent to which managers interpret institutionalism as a threat, opportunity or necessity with a single question, a scale was created (see Appendix A, Section 7) to measure the interpretation of institutionalism with three different types of interpretation: (i) opportunity/threat, (ii) necessity, (iii) capability. The opportunity/threat items were formed based on the study by Jackson & Dutton (1988), where issue types corresponding opportunity and threat were rated by an empirical study.

The measure of the opportunity/threat type, whose wording was taken from the issue attributes in Jackson and Dutton's study (1988, p. 374), consisted of six opportunity items (e.g. "Institutionalism is an opportunity to a middle-sized family firm") and six threat items (e.g. "Institutionalism is a threat to a middle-sized family firm"). In addition to opportunity and threat items, three necessity items (e.g. "Middle-sized family firms should become institutional in order to endure") were added to the measure to examine the extent that institutionalism was perceived as necessary for the survival of the middle-sized family firms. Finally, three capability items (e.g. "Institutional management is not possible in a middle-sized family firm") were added to examine whether the respondent saw his firm as capable to construct institutional management (see Appendix A, Section 7). Six-point scale was used (1= totally disagree, 6= totally agree).

Factor analysis with principal component analysis and promax rotation was used to examine construct validity of the scale. To be consistent with theory, four factors were extracted and rotated. These four factors explained a total of 70.6% variance in the data. The results (see Appendix B) showed that the first factor included seven opportunity interpretation items. Two of these items were negatively worded. Item 12, which also was negatively worded, had a low factor loading and it was double loaded on the second factor. Therefore, item 12 was not used in further analyses.

The second factor included four threat interpretation items all of which were positively worded. These four items were followed by a capacity item, a threat item, a necessity item, and a negatively worded threat item. These three items had double loadings in other factors; therefore, they were not used in further analyses.

The third factor included two necessity items with high factor loadings and a capability item with a low factor loading and a double loading on the first factor. The latter item was not used in further analyses. Finally the last factor consisted of a single capability item. As a result a mean composite was formed for opportunity interpretation with seven items; for threat interpretation with four items; for necessity interpretation with two items. The reliabilities for the opportunity, threat and necessity subscales were, .92, .83, .76, respectively. Capability was measured with a single item.

3.2.5 Need for cognition

To measure the need for cognition levels of the owner-managers, the 18-item Need for Cognition Scale of Cacioppo and Petty (1984) was used. 6-point scale was used (1=I definitely do not agree, 6=I definitely agree). After running factor analysis, three items that loaded less than .30 into the first component were dropped (see Appendix C). The Cronbach's alpha for the final scale was .80.

3.2.6 Regulatory focus

In order to measure regulatory focus of the managers, Regulatory Focus Scale developed by Lockwood, Jordan and Kunda (2002) was used. Factor analysis results for promotion and prevention items revealed that some items loaded into more than one component; although, in general, promotion items tended to load on the first, while prevention items tended to load on the second component (see Appendix D). As a result, the promotion items loading less than .60 on the first component, and prevention items loading less than .50 on the second component were dropped. The final 5-item promotion focus and 5-item prevention-focus sub-scales revealed .79 and .82 Cronbach's alpha values respectively.

3.2.7 Level of Institutionalism (Current level and action plans)

The actions and plans of the firm towards institutionalism were measured by an index created for this study. The reason for creating this index was that, in the literature, although the indicators of the level of institutionalism, such as technotratization, presence of TQM, quality certificates (e.g. ISO9000), or written mission, vision and strategies, were used, there was no satisfactory measure, which combined all of these predictors together as an index.

As institutional level is a latent variable, which was measured by observed aspects or indicators of it, the items of this measure could be defined as the indicators of institutional management in the firm. Three items of the 18-item institutional level scale were taken from the Formalization Scale, developed by Lefebvre *et al.* (1997), which was used to measure the extent of the use of formal rule and conducts about job specifications and roles in the firms.

In order to develop the rest of the items, the indicators of institutional management were determined by using websites of agencies that provide support to family firms for institutionalism (e.g. www.kobi.net, www.kosgeb.gov.tr). In addition to these, ten owner-managers of small and middle sized firms in the organizational region in Gebze were interviewed and asked (i) how they defined institutionalism as a concept, and (ii) what a firm should have had to be named as an institutionalized firm. As a result, 15 more items were developed to operationalize level of institutionalism (see index items in Appendix E).

As stated earlier, a combined measure was used for current level and action plans of the firm. In the first (current level) part of the measure, the respondents were asked if the situation that the item stated was valid for their firm. After that, whether they were planning or not (1=yes, 2=no) to validate this particular situation in their firm (i) in the short-term, or (ii) in the long-term.

To validate the index created, Technotratization Scale developed by Collins, Hage and Hull (1988), which measured the technological specializations of the employees, by the ratio of engineers, programmers, and technicians in the firm, was also added to the questionnaire, since it was expected to be positively correlated to the institutional level index. Finally, the presence and the number of the quality certificates, such as ISO9000, that the firms had were asked as an indicator of institutional level.

According to technotratization scores of the firms, 14% of the employees were technology workers on average (SD=0.12). There was positive correlation (r=0.25, p<.05) between technotratization and current institutional level scores of the firms, which validated the institutional level index for the present study. There were positive correlations between institutional level and the ownership of ISO9000 quality certificate (r=0.46, p<.001), ownership of any quality certificates (r=0.48, p<.001), and the number of the quality certificates (r=0.40, p<.001). Therefore, institutional level index was validated by through measures.

Both the current level of institutionalism and the action plans were calculated by the same index. In order to calculate action plans, the ratio of the short-term plans to the highest possible scores of plans (i.e. the number of the items which were answered as "No" for the current level) was computed for each respondent. That is, for example, if a firm scored 10 out of 18 from the institutional level index, and picked 5 of the 8 items left as plans to be achieved in the short term, then action plans ratio would be calculated as 5/(18-10) with the following formula:

Action plans ratio = Number of short-term plans / (18 – Achieved level of institutionalism).

3.3 Procedure

The questionnaire and the instructions were in Turkish, as it is the mother tongue of the sample. Need for Cognition and Regulatory Focus Scales had not been adapted to Turkish in previous studies; therefore, the items were translated to Turkish and back translated to English by the researcher, and then finalized for use in Turkish.

The questionnaire was transferred into an excel document in a user-friendly style, with easy-to-pick options and answers (see appendix A for the Questionnaire). Before this decision, the technological level of the middle-sized firms in Istanbul and Gebze region were also considered, and 95% of the middle-sized firms in this region was found to be using e-mail technology in daily contacts. The user-friendliness of the questionnaire was tested on 10 managers of small-sized firms, who were not included in the sample, and 9 out of 10 stated that it was very easy to answer in at most 30 minutes. After this test, the questionnaires were sent via e-mail to the owner-managers of the selected middle-sized firms directly.

When contacting the owner-managers, they were asked if they think that they would have difficulty in answering the questionnaire on excel. The owner-managers, who had low awareness on using excel or came across technical difficulties while filling the questionnaire, were visited and guided on these technical issues. The owner-managers were asked to return the questionnaires via e-mail. After the questionnaires arrived, the managers were contacted via phone and thanked, which also worked as a control that they, personally, answered the questionnaire.

Chapter 4

RESULTS

The purpose of this study was to test the proposed model (Figure 2) to first predict the scanning behavior of the owner-managers of the middle-sized family firms, and then to investigate their interpretations of institutionalism and action plans towards institutionalism. Since the sample size was relatively small, the model and its corresponding hypotheses were tested piece by piece to increase the power of hypothesis testing. First, in order to test the hypotheses in which scanning frequency is the dependent variable, moderated multiple regression analyses were carried out. In addition, general linear model analysis was run to investigate whether different scanning modes could be predicted by the model. Second, a series of moderated multiple regression analyses were conducted in order to predict the interpretation of and the action plans towards institutionalism.

4.1 Descriptive findings

Demographics of the owner-managers (Table 1.1) and the firms (Table 1.2) were presented in the previous chapter. Descriptive statistics for all study variables can be found in Table 2, together with the inter-correlations among the study variables.

Table 2 Descriptive statistics and inter-correlations among the study variables.

	Over	M	SD	1	2	3	4	5	6	7
1. Written internal scanning	5	3.09	0.87	-						
2. Written external scanning	5	3.11	0.53	0.40^{***}	-					
3. Personal internal scanning	5	2.91	0.67	0.67^{***}	0.47^{***}	-				
4. Personal external scanning	5	2.96	0.55	0.66^{***}	0.45^{***}	0.60^{***}	-			
5. Written scanning	5	3.10	0.59	0.91^{***}	0.73^{***}	0.71^{***}	0.69^{***}	-		
6. Personal scanning	5	2.94	0.55	0.74^{***}	0.52^{***}	0.92^{***}	0.87^{***}	0.78^{***}	-	
7. Internal scanning	5	3.01	0.70	0.94^{***}	0.48^{***}	0.88^{***}	0.68^{***}	0.90^{***}	0.88^{***}	-
8. External scanning	5	3.04	0.46	0.62^{***}	0.85^{***}	0.63^{***}	0.86^{***}	0.84^{***}	0.82^{***}	0.68^{***}
9. Total Scanning	5	3.02	0.54	0.88^{***}	0.68^{***}	0.85^{***}	0.82^{***}	0.95^{***}	0.93^{***}	0.95^{***}
10. Need for cognition	6	4.15	0.66	0.13	$0.20^{\dagger}$	0.21^{*}	0.09	$0.18^{\dagger}$	$0.17^{\dagger}$	$0.18^{\dagger}$
11. Perceived Uncertainty	10	7.03	1.24	-0.28^{**}	-0.06	-0.31^{**}	-0.32^{**}	-0.23^{**}	-0.35^{***}	-0.33^{**}
12. Promotion focus	6	4.07	0.83	0.12	0.28^{**}	0.14	0.10	0.21^{*}	0.14	0.15
13. Prevention focus	6	3.04	1.00	-0.09	-0.09	-0.12	$-0.18^{\dagger}$	-0.12	-0.16	-0.11
14. Opportunity	6	4.86	0.87	0.16	0.15	$0.20^{\dagger}$	0.34^{***}	$0.19^{\dagger}$	0.29^{**}	$0.20^{\dagger}$
15. Threat	6	2.72	1.04	$-0.18^{\dagger}$	$-0.18^{\dagger}$	-0.21^{*}	-0.32^{**}	-0.21^{*}	-0.29^{**}	-0.22^{*}
16. Necessity	6	4.50	1.04	0.16	0.30^{**}	0.34^{***}	0.39^{***}	0.26^{*}	0.41^{***}	0.25^{*}
17. Capability	6	2.86	1.53	0.37^{***}	0.12	0.35^{***}	0.36^{***}	0.33^{**}	0.39^{***}	0.40^{***}
18. Institutional level	18	12.36	3.66	0.16	0.00	0.21^{*}	0.23^{*}	0.14	0.24^{*}	$0.18^{\dagger}$
19. Action Plans	1	0.55	0.36	-0.12	0.06	-0.16	$-0.21^{\dagger}$	-0.07	$-0.20^{\dagger}$	-0.15
20. Technotratization	1	0.14	0.12	0.14	0.26^{*}	0.21^{*}	0.06	0.22^{*}	0.16	$0.19^{\dagger}$
21. Owner-manager’s control	-	0.00	0.84	-0.05	-0.11	-0.21^{*}	-0.04	-0.09	-0.15	-0.13
Demographics										
22. Owner-manager’s age	-	41.55	10.06	-0.06	-0.29^{**}	-0.13	-0.14	-0.17	-0.15	-0.11
23. Education level	-	14.37	2.60	-0.02	0.15	0.06	0.01	0.06	0.04	0.01
24. Positional tenure	-	9.44	6.87	0.08	$-0.19^{\dagger}$	0.09	0.06	-0.03	0.08	0.09
25. Firm age	-	18.09	13.65	0.14	-0.15	0.22^{*}	0.02	0.04	0.14	$0.19^{\dagger}$
26. Firm size	-	85.21	46.23	0.07	-0.03	0.24^{*}	0.01	0.04	0.15	0.15

Note: N= 90, $^{\dagger}p < .10$; $^{*}p < .05$, $^{**}p < .01$; $^{***}p < .001$; M=Mean; SD= Standard Deviation
Firm size was measured using number of employees.

Table 2 continued

	8	9	10	11	12	13	14	15	16
1. Written internal scanning									
2. Written external scanning									
3. Personal internal scanning									
4. Personal external scanning									
5. Written scanning									
6. Personal scanning									
7. Internal scanning									
8. External scanning	-								
9. Total Scanning	0.88^{***}	-							
10. Need for cognition	0.17	$0.19^{\dagger}$	-						
11. Perceived Uncertainty	-0.23^{*}	-0.31^{**}	-0.15	-					
12. Promotion focus	0.22^{*}	$0.19^{\dagger}$	0.37^{***}	-0.14	-				
13. Prevention focus	-0.16	-0.14	-0.03	0.00	0.46	-			
14. Opportunity	0.29^{**}	0.25^{*}	0.26^{**}	-0.14	0.01	$-0.18^{\dagger}$	-		
15. Threat	-0.29^{**}	-0.27^{**}	-0.30^{**}	$0.19^{\dagger}$	0.01	$0.21^{\dagger}$	-0.74^{***}	-	
16. Necessity	0.41^{***}	0.34^{***}	0.22^{*}	-0.24^{*}	0.09	-0.12	0.70^{***}	-0.54^{***}	-
17. Capability	0.28^{**}	0.38^{***}	0.26^{*}	-0.34^{***}	0.14	-0.08	0.14	$-0.20^{\dagger}$	0.17
18. Institutional level	0.14	$0.18^{\dagger}$	0.01	-0.08	-0.06	-0.04	0.28^{**}	-0.22^{*}	0.28^{**}
19. Action Plans	-0.09	-0.14	0.04	-0.03	0.25^{*}	0.39^{***}	-0.08	0.11	-0.05
20. Technotratization	$0.19^{\dagger}$	$0.21^{\dagger}$	0.08	-0.13	0.05	-0.06	$0.19^{\dagger}$	-0.12	0.13
21. Owner-manager’s control	-0.09	-0.12	-0.17	0.12	-0.03	0.12	-0.07	0.11	-0.12
Demographics									
22. Owner-manager’s age	-0.25^{*}	$-0.18^{\dagger}$	-0.26^{*}	0.00	-0.22^{*}	-0.10	-0.10	0.05	-0.12
23. Education level	0.09	0.04	0.42^{***}	-0.21^{*}	$0.20^{\dagger}$	0.05	0.14	-0.09	0.11
24. Positional tenure	-0.08	0.03	-0.11	$-0.19^{\dagger}$	-0.15	-0.05	-0.07	0.05	0.04
25. Firm age	-0.08	0.09	0.13	-0.17	0.12	-0.06	0.09	-0.07	0.07
26. Firm size	-0.01	0.10	0.03	-0.02	$0.20^{\dagger}$	0.00	0.01	0.06	0.22^{*}

Note: N= 90, † $p < .10$; * $p < .05$, ** $p < .01$; *** $p < .001$
Firm size was measured using number of employees.

Table 2 continued

	17	18	19	20	21	22	23	24	25	26
1. Written internal scanning										
2. Written external scanning										
3. Personal internal scanning										
4. Personal external scanning										
5. Written scanning										
6. Personal scanning										
7. Internal scanning										
8. External scanning										
9. Total Scanning										
10. Need for cognition										
11. Perceived Uncertainty										
12. Promotion focus										
13. Prevention focus										
14. Opportunity										
15. Threat										
16. Necessity										
17. Capability	-									
18. Institutional level	0.17	-								
19. Action Plans	-0.10	-0.05	-							
20. Technotratization	0.11	0.25*	0.11	-						
21. Owner-manager's control	0.12	-0.07	-0.18†	-0.09	-					
Demographics										
22. Owner-manager's age	0.08	0.17	-0.08	-0.08	0.24*	-				
23. Education level	0.14	0.10	0.19†	0.28**	-0.16	-0.09	-			
24. Positional tenure	0.14	0.11	-0.11	-0.03	0.37***	0.48***	-0.02	-		
25. Firm age	0.09	0.07	0.02	-0.08	-0.10	0.08	0.08	0.20†	-	
26. Firm size	0.20†	0.08	0.04	-0.14	-0.14	0.10	0.06	0.15	0.25*	-

Note: N= 90, $^{\dagger}p < .10$; $^{*}p < .05$, $^{**}p < .01$; $^{***}p < .001$
Firm size was measured using number of employees

Managers' mean level scores on environmental scanning were the lowest in personal internal mode (M=2.91), and highest in written external mode (M=3.11), and the differences in the means of these modes were statistically significant (t=2.96, p<0.01). Managers preferred written scanning to personal scanning (t=-4.03, p<0.001). There was no significant difference between preferring internal and external modes for scanning (t=-0.18, *ns*).

On average, managers' interpretations of institutionalism as an opportunity were higher than as a necessity (t=4.47, p<0.001). In addition, on average, managers interpreted institutionalism as an opportunity, rather than as a threat (t=11.41, p<0.001). However, most managers thought institutionalism was hard to achieve in middle-sized family firms (Capability M=2.86, SD=1.53). Interestingly, paired sample t-tests revealed that, managers did not interpret institutionalism as something that family firms as capable to do as much as they see it as an opportunity (t=11.51, p<0.001) and a necessity (t=9.19, p<0.001

Firms in the sample on average achieved a moderately high institutional level, and on average had short-term plans for institutionalizing themselves further with high variance (M=0.55, SD=0.36). On the average, managers scored higher in promotion focus than prevention focus scale (t=10.21, p<0.001).

Next, the significant intercorrelations will be reported. The number of managers in the firm was significantly correlated with the total frequency of scanning (r=0.26, p<.05), and personal internal scanning frequency (r=0.37, p<.001), which was expected, as the number of scanners in the firm increase, scanning frequency increases (not reported in Table 2).

There was a weak but significant correlation between need for cognition and total scanning frequency as well as frequencies in personal internal, written, personal and internal modes, which provided preliminary support for Hypothesis 1. Contrary to Hypothesis 2a, there was negative significant correlation between total scanning frequency and perceived uncertainty.

There was no significant positive correlation between promotion focus and opportunity interpretation of institutionalism; however, prevention focus was negatively correlated with opportunity (r=-0.18, p<0.10) as expected (Hypothesis 4b). In addition, prevention focus was positively correlated with threat interpretation, which provided preliminary evidence for Hypothesis 4d.

As hypothesized (Hypothesis 6), firm size was positively correlated to necessity interpretation. There was significant positive correlation between necessity interpretation and total scanning frequency, which provided preliminary support for Hypothesis 3a.

Opportunity, capability and necessity interpretations of institutionalism were not significantly related to action plans of the firm towards institutionalism. However, opportunity and necessity interpretation variables turned out to be positively, and threat interpretation negatively correlated with institutional level index, which reflected the current level. This suggests that owner-managers' interpretations of institutionalism is directly affected from the level of institutional level that their firms achieved. One can also speculate that interpretations are stable and therefore a predictor of current level of institutionalism. Unfortunately, the cross-sectional nature of the data does not allow a test of these speculations. Action plans of the firm were not significantly related to the institutional level of the firm (see Table 2).

4.2 Hypothesis testing

In all analyses, in the first step, control variables were regressed on the criterion variable; in the second step, the main predictor variable was regressed on the criterion variable. In the third step, if necessary the second predictor variable or the moderating variable was regressed and, in the last step, if necessary the cross product of the predictor and moderating variable was added to the regression model. If the interaction term explained significant incremental variance in the criterion variable, then there existed moderation.

4.2.1 Predictors of scanning

In order to test the relationships proposed for scanning (see Figure 2), moderated multiple regression analysis was run. Age of the manager, the only demographic variable which was significantly negatively correlated with scanning (r=-0.18, p<0.10), was controlled in the regression analysis. The number of the managers in the firm (r=0.26, p<.05), and current institutional level of the firm (r=0.18, p<0.10) were both found to be positively correlated with total scanning frequency. Therefore, the number of the managers and the current institutional level were also used as control variables in the regression analysis.

The control variables altogether explained 13% of the variance in total scanning frequency. Need for cognition did not explain any incremental significant variance in the criterion variable (see Table 3.1). As expected from zero-order correlations, manager's age was negatively and number of managers in the firm and current institutional level of the firm were positively related to the dependent variable. Although as reported previously, there was a marginal significant correlation between need for cognition and total scanning frequency, controlling for manager's age, number of the managers, and current institutional level; need for cognition was no longer related to total scanning frequency. Therefore, Hypothesis 1 was partially supported.

Table 3.1 Moderated multiple regression results for scanning frequency

Criterion: Scanning	Model 1	Model 2	Model 3	Model 4
Step 1. Control Variables				
Age (manager)	-.20*	-.17	-.18†	-.21*
Number of managers	.23*	.22*	.17†	.15
Current Institutional Level	.17†	.17	.16	.17†
Step 2. Need for Cognition (NCOG)		.13	.10	.17
Step 3. Perceived Uncertainty (PU)			-.25**	-.24*
Step 4. NCOG x PU				-.17
R^2	.13**	.14*	.20**	.22**
ΔR^2		.01	.06*	.02

Moderation is evident if the interaction term causes a significant R^2 change at the fourth step.
Note: $^{\dagger}p < .10$; $^{*}p < .05$, $^{**}p < .01$; $^{***}p < .001$

As it was revealed in Model 3, perceived uncertainty was a significant predictor of scanning frequency, but in the opposite way to the proposed direction in Hypothesis 2a. Therefore, Hypothesis 2a was not supported. That is, the more the managers perceive the environment as uncertain, the less they scan. Finally, moderation in the final model was not evident, as the interaction variable did not significantly explain additional variance in the criterion variable; therefore, Hypothesis 2c was not supported.

In addition, as a *post hoc* analysis, using the same control variables, general linear model analysis was run in order to examine whether need for cognition of the managers could explain significant variance in frequencies of different scanning modes; however, no significant relations were found.

4.2.2 Modes of scanning

It was hypothesized that there was a positive relation between perceived uncertainty and scanning frequency, and this positive relationship would be higher in personal scanning modes. General linear model analysis was run to investigate whether perceived uncertainty could predict personal scanning frequency better than other modes of scanning. In the previous section, regression analysis results revealed that there was negative significant relation between total scanning frequency and perceived uncertainty. Age of the manager, number of the managers in the firm, and the current institutional level were also controlled in the general linear model analysis.

Results revealed that according to the significance levels; personal internal, personal external modes, and the average of the two, were better predicted by perceived uncertainty (see Table 3.2), but in the opposite direction to what was hypothesized. Therefore, Hypothesis 2b was not supported.

Table 3.2 General linear model analysis results for scanning modes

Predictor: Perceived Uncertainty	β	Partial ε^2	Observed Power
Personal external scanning frequency	$-.14^{**}$	.11	.88
Personal internal scanning frequency	$-.15^{**}$	.08	.78
Written external scanning frequency	-.02	.00	.07
Written internal scanning frequency	$-.19^{*}$	.07	.72
External scanning frequency	$-.08^{*}$	.05	.56
Internal scanning frequency	$-.17^{**}$	.10	.85
Personal scanning frequency	$-.14^{***}$	.12	.92
Written scanning frequency	$-.10^{*}$	.05	.54

Note: $^{\dagger}p < .10$; $^{*}p < .05$, $^{**}p < .01$; $^{***}p < .001$

4.2.3 Predictors of interpretation of institutionalism

4.2.3.1 Predictors of opportunity and threat interpretations of institutionalism

In order to test the relationships of different regulatory foci with opportunity and threat interpretations (see Figure 2), two multiple regression analyses were run, one for each interpretation as the dependent variable. External scanning frequency, which was related with both opportunity (r=0.29, p<0.01) and threat interpretations (r=-0.29, p<0.01), was controlled in the regression analysis, as high levels of information gathering from external environment might have increased the information availability on and controllability of the issues and cause interpreting the issue of institutionalism as an opportunity, and vice versa for threat interpretation.

Current institutional level, which was related positively with opportunity (r=0.28, p<0.01), but negatively with threat (r=-0.22, p<0.05) interpretations, was also controlled in the regression analyses. That is, managers might have rationalized their high or low current institutional levels by interpreting institutionalism in family-firms as an opportunity or as a threat respectively. Therefore, external scanning frequency and the current institutional level were controlled in the regression analyses.

Regression results for opportunity interpretation revealed that promotion focus had no significant predictive value on opportunity interpretation; therefore, Hypothesis 4a was not supported (see Table 4.1). In addition, the marginally significant bivariate correlation between prevention focus and opportunity interpretation (r=-0.18, p<0.10) became insignificant when external scanning and current institutional level were controlled in the analysis. Therefore, Hypothesis 4b was not supported. The control variables significantly explained 14% of variance in opportunity interpretation, and the two regulatory foci did not explain incremental significant variance.

Table 4.1. Multiple regression results for opportunity interpretation

Criterion: Opportunity Interpretation	Model 1	Model 2
Step 1. Control Variables		
External Scanning Frequency	$.26^{**}$	$.22^{*}$
Current Institutitonal Level	$.25^{**}$	$.25^{*}$
Step 2. Promotion Focus		.05
Prevention Focus		-.16
R^2	$.14^{***}$	$.16^{**}$
ΔR^2		.02

Note: $^{\dagger}p < .10$; $^{*}p < .05$, $^{**}p < .01$; $^{***}p < .001$

Regression results for threat interpretation revealed that promotion focus had no significant predictive value on threat interpretation; therefore, Hypothesis 4c was not supported (see Table 4.2). In addition, the marginally significant bivariate correlation between prevention focus and threat interpretation (r=0.21, p<0.10) in the hypothesized direction, became insignificant when external scanning frequency and current institutional level were controlled in the analysis. Therefore, Hypothesis 4d was not supported (see Table 4.2). The control variables significantly explained 12% of variance in threat interpretation.

Table 4.2. Multiple regression results for threat interpretation

Criterion: Threat Interpretation	Model 1	Model 2
Step 1. Control Variables		
External Scanning Frequency	$-.27^{**}$	$-.24^{*}$
Current Institutional Level	$-.18^{\dagger}$	$-.18^{\dagger}$
Step 2. Promotion Focus		-.03
Prevention Focus		.17
R^2	$.12^{**}$	$.14^{**}$
ΔR^2		.02

Note: $^{\dagger}p < .10$; $^{*}p < .05$, $^{**}p < .01$; $^{***}p < .001$

4.2.3.2 Personal external scanning as a mediator on the relationship between regulatory foci and opportunity/threat interpretations

Two multiple regressions were run to examine if personal external scanning frequency acts as a mediator between (i) promotion focus and opportunity interpretation (Hypothesis 5a), and (ii) between prevention focus and opportunity interpretation (Hypothesis 5b) (iii) promotion focus and threat interpretation (Hypothesis 5c), and (iv) prevention focus and threat interpretation (Hypothesis 5d) of institutionalism. Current institutional level was controlled in all of the regression analyses.

Mediation occurs if (i) the predictor variable has a significant effect on the criterion variable, (ii) the predictor variable has a significant effect on the mediator variable, and (iii) the mediator has a significant effect on the criterion variable at the same time. As a result, when mediator variable is added to the regression analysis, the effect of the predictor variable on the criterion variable decreases or becomes insignificant.

Before testing the mediation of personal external scanning on the relationships hypothesized, the zero-order correlations among the predictor, mediator and criterion variables were examined.

Personal external scanning (mediator) was positively related with opportunity interpretation (r=0.34, $p<0.001$); however, there were significant zero-order correlations both between promotion focus (predictor) and opportunity/threat interpretations (criteria); and between promotion focus and personal external scanning. As the conditions (i) and (ii) were not met, it was hard to talk about mediation effect of personal external frequency on the relationship between promotion focus and opportunity (Hypothesis 5a) or threat interpretations (Hypothesis 5c) by looking at the zero-order correlations.

In the first regression analysis, when current institutional level was controlled, promotion focus did not predict opportunity interpretation (See Table 4.3). Since there was no significant relationship between promotion focus and opportunity interpretation in the beginning, and this situation did not change when personal external scanning frequency was added to the regression in Model 3, Hypothesis 5a was not supported.

Table 4.3 Mediated multiple regression results for opportunity and threat interpretations

Criterion: Opportunity Interpretation	Model 1	Model 2	Model 3
Step 1. Control Variable			
Current Institutitonal Level	$.28^{**}$	$.28^{**}$	$.22^{*}$
Step 2. Promotion Focus		.13	.07
Prevention Focus		$-.23^{*}$	-.16
Step 3. Personal External Scanning			$.25^{*}$
R^2	$.08^{**}$	$.12^{*}$	$.18^{**}$
ΔR^2		.04	$.06^{*}$
Criterion: Threat Interpretation	**Model 1**	**Model 2**	**Model 3**
Step 1. Control Variable			
Current Institutitonal Level	$-.22^{*}$	$-.22^{*}$	-.16
Step 2. Promotion Focus		-.12	-.06
Prevention Focus		$.25^{*}$	.18
Step 3. Personal External Scanning			$-.24^{*}$
R^2	$.05^{*}$	$.10^{*}$	$.15^{**}$
ΔR^2		.05	$.05^{*}$

Note: $^{\dagger}p < .10$; $^{*}p < .05$, $^{**}p < .01$; $^{***}p < .001$

In the second regression analysis, when current institutional level was controlled, promotion focus did not predict threat interpretation significantly. Since there was no significant relationship between promotion focus and threat interpretation in the beginning, and this situation did not change when personal external scanning frequency was added to the regression in Model 3, Hypothesis 5c was not supported.

The zero-order correlations revealed that personal external scanning was negatively related with threat (r=-0.32, p<0.001) interpretation. Prevention focus was negatively but marginally related with personal external frequency (r=-0.18, p<0.10). In addition, prevention focus was negatively related with opportunity (r=-0.18, p<0.10), but positively related with threat (r=0.21, p<0.10) interpretation. Therefore, zero-order correlations provided preliminary evidence for Hypothesis 4b and 4d respectively.

In the first regression analysis, when current institutional level was controlled, prevention focus significantly predicted opportunity interpretation. When personal external scanning frequency was added to the regression in Model 3, the marginal negative correlation between prevention focus and opportunity interpretation was eliminated. In addition, external scanning frequency explained incremental variance in opportunity interpretation. Therefore Hypothesis 4b was supported.

In the second regression analysis, when current institutional level was controlled, prevention focus significantly predicted threat interpretation. When personal external scanning frequency was added to the regression in Model 3, the marginal positive correlation between prevention focus and threat interpretation was eliminated. In addition, external scanning frequency explained incremental variance in threat interpretation. Therefore Hypothesis 4d was supported.

In summary, external scanning frequency acted as a mediator between prevention focus and opportunity (Hypothesis 4b) as well as prevention focus and threat interpretations (Hypothesis 4d), but not between promotion focus and opportunity (Hypothesis 4a) or threat (Hypothesis 4c) interpretations.

4.2.3.3 Predictors of necessity interpretation of institutionalism

In order to examine the effects of total scanning frequency and firm size on the necessity interpretation of institutionalism, regression analysis was run. The influence of current institutional level was controlled in the analysis, as the necessity interpretations of the managers could be because of their rationalizations of current institutional levels of their firms.

The regression results revealed that, controlling for current institutional level, scanning frequency predicted necessity interpretation significantly in the hypothesized direction; therefore, Hypothesis 3a was supported (see Table 4.4). Firm size was positively related to the necessity interpretation of the firm; therefore, Hypothesis 6 was also supported.

Table 4.4 Multiple regression results for necessity interpretation

Criterion: Necessity Interpretation	Model 1	Model 2
Step 1. Control Variables		
Current Institutional Level	$.28^{*}$	$.21^{*}$
Step 2. Firm size		$.18^{\dagger}$
Scanning Frequency		$.29^{**}$
R^2	$.08^{**}$	$.20^{***}$
ΔR^2		$.12^{**}$

Note: $^{\dagger} p < .10$; $^{*} p < .05$, $^{**} p < .01$; $^{***} p < .001$

Controlling for current institutional level and firm size, the positive relationship between scanning frequency and necessity interpretation was found to be higher in external (*partial* r=.40, p<0.001) mode than internal (*partial* r=.19, *ns*) mode of scanning. Therefore, Hypothesis 3b was supported.

4.2.4 Predictors of action plans towards institutionalism

In order to test the relationships proposed for action plans for interpretation (see Figure 2), a series of regressions and moderated multiple regressions were run. Education level of the manager, and current institutional level were controlled in all regression analyses. Education level of the manager was positively correlated (r=0.19, p<0.10) with action plans towards institutionalism. That is, the higher the education level of the manager was, the more his likelihood of developing plans towards installing institutional management in his firm would be.

Current institutional level of the firm was also controlled in the regression analyses, although it showed no significant bivariate correlation with action plans. The reason for controlling current level was to eliminate the possible influences on action plans caused from high or low levels of institutional level in the firm. That is, for example, a manager of a highly institutionalized firm might not have considered reaching a higher level, not because he interpreted institutionalism as a threat for family-firms, but because he perceived the current level sufficient for the time.

In addition to age of the manager and current institutional level, managerial control and regulatory foci of the managers were included in the regression analyses as control variables. Managerial control was controlled, as it was negatively correlated to action plans (r=-0.18, p<0.10), that is, the higher the control of the manager in the firm, the less action plans towards institutionalism were made. The owner-managers might have been less motivated towards making action plans of implementing institutionalism in their firms as their personal control over the operations and strategic decisions would be lost as a result of institutionalism.

Regulatory foci of the managers were also controlled, because both promotion (r=0.25, p<0.05), and prevention focus (r=0.39, p<0.001) were positively related to action plans of the managers.

4.2.4.1 Relations between interpretation types and action plans

Four separate regressions were run in order to test the relations between four interpretation types and action plans, controlling for current institutional level, education level, control, and regulatory foci of the managers. Results revealed that none of the interpretation variables had significant predictive power in explaining variance in action plans towards institutionalism in the hypothesized directions (see Table 5.1). Therefore, Hypotheses 7a, 7b, 7c and 7d were not confirmed. It was interesting to see that rather than interpretation types of the manager, prevention focus positively predicted action plans in all of the regressions.

Table 5.1 Regression results for action plans

Criterion: Action Plans	Model 1	Model 2
Step 1. Control Variables		
Education	.13	.14
Control (manager)	$-.20^{*}$	$-.21^{*}$
Institutional level	-.06	-.06
Promotion Focus	.03	.03
Prevention Focus	$.38^{***}$	$.38^{***}$
Step 2. Opportunity Interpretation		-.03
R^2	$.22^{***}$	$.22^{**}$
ΔR^2		.00
Step 1. Control Variables		
Education	.13	.13
Control (manager)	$-.20^{*}$	$-.21^{*}$
Institutional level	-.06	-.05
Promotion Focus	.03	.04
Prevention Focus	$.38^{***}$	$.37^{***}$
Step 2. Threat Interpretation		.06
R^2	$.22^{***}$	$.22^{**}$
ΔR^2		.00
Step 1. Control Variables		
Education	.13	.13
Control (manager)	$-.20^{*}$	$-.19^{\dagger}$
Institutional level	-.06	-.05
Promotion Focus	.03	.04
Prevention Focus	$.38^{***}$	$.37^{***}$
Step 2. Capability Interpretation		-.06
R^2	$.22^{***}$	$.22^{**}$
ΔR^2		.00
Step 1. Control Variables		
Education	.13	.13
Control (manager)	$-.20^{*}$	$-.21^{*}$
Institutional level	-.06	-.05
Promotion Focus	.03	.04
Prevention Focus	$.38^{***}$	$.38^{***}$
Step 2. Necessity Interpretation		-.04
R^2	$.22^{***}$	$.22^{**}$
ΔR^2		.00

Note: $^{\dagger}p < .10$; $^{*}p < .05$, $^{**}p < .01$; $^{***}p < .001$

4.2.4.2 Testing the moderation of regulatory focus on the relationship between opportunity/threat interpretations and action plans

Two moderated multiple regressions were run in order to test Hypotheses 8a and 8b. First, the moderation effect of promotion focus on the relation between opportunity interpretation and action plans was tested. In addition to the age of the manager and current institutional level, prevention focus and control of the manager were added to the analysis as control variables. Second, the moderation effect of prevention focus on the relation between threat interpretation and action plans was tested. This time, promotion focus was added as the control variable.

As found in the previous analyses, opportunity interpretation had no significant predictive value on action plans (see Table 5.2). When the interaction variable was added in the last model, it did not bring incremental explained variance to the regression equation; and thus, the moderation was not evident. Therefore, Hypothesis 8a was not supported.

Table 5.2 Moderated multiple regression results of action plans

Criterion: Action Plans	Model 1	Model 2	Model 3	Model 4
Step 1. Control Variables				
Education	.14	.14	.13	.13
Control (Manager)	-.21*	-.21*	-.20*	-.21*
Institutional level	-.06	-.06	-.05	-.05
Prevention Focus	.40***	.40***	.38***	.37***
Step 2. Opportunity		-.03	-.03	-.03
Step 3. Promotion Focus			.03	.04
Step 4. Opportunity x Promotion F.				-.03
R^2	.22***	.22***	.22***	.22***
ΔR^2		.00	.00	.00
Step 1. Control Variables				
Education	.12	.13	.13	.14
Control (Manager)	-.16	-.16	-.21*	-.21*
Institutional level	-.06	-.03	-.05	-.05
Promotion focus	.21*	.21*	.04	.03
Step 2. Threat		.13	.06	.06
Step 3. Prevention Focus			.37**	.37**
Step 4. Threat x Prevention Focus				.05
R^2	.10†	.12†	.22**	.22**
ΔR^2		.02	.10**	.00

Moderation is evident if the interaction term causes a significant R^2 change at the fourth step.
Note: $^{\dagger} p < .10$; $^{*} p < .05$, $^{**} p < .01$; $^{***} p < .001$

Regression results revealed that promotion focus predicted action plans in positive direction in the first and second models. However, when prevention focus was added into the analysis, the effect of promotion focus on action plans became insignificant (see Table 5.2). When the interaction variable was added in the last model, it did not bring incremental explained variance to the regression equation; and thus, the moderation was not evident. Therefore, Hypothesis 8b was not supported, but it was seen that prevention focus was a better predictor of action plans than threat interpretation.

4.2.4.3 Testing the moderation effect of manager's control on the relationship between interpretation and action plans

In this section, four moderated multiple regressions were run to examine the moderation effect of the control of the manager on the relations between interpretation types and action plans. Current institutional level of the firm, age, control and regulatory foci of the manager were controlled in the analyses.

Regression results for all interpretation variables as the predictors, and managerial control as the moderator revealed that, the interaction term explained no incremental variance in the last models, since the changes in R-squared were not significant (see Table 5.3 for results). Even if they were, the moderations would not be in the hypothesized directions; therefore, Hypotheses 9a, 9b, 9c, and 9d were not supported

Table 5.3 Moderated multiple regression results for action plans

Criterion: Action Plans	Model 1	Model 2	Model 3	Model 4
Step 1. Control Variables				
Education	.16	.16	.13	.15
Institutional level	-.05	-.04	-.05	-.07
Promotion Focus	.05	.05	.03	.04
Prevention Focus	$.35^{**}$	$.35^{**}$	$.38^{**}$	$.38^{**}$
Step 2. Opportunity		-.03	-.03	-.04
Step 3. Control (manager)			$-.20^{*}$	$-.20^{\dagger}$
Step 4. Opportunity x Control				-.09
R^2	$.18^{**}$	$.18^{**}$	$.22^{**}$	$.22^{**}$
ΔR^2		.00	$.04^{*}$	.00

Moderation is evident if the interaction term causes a significant R^2 change at the fourth step.
Note: $^{\dagger} p < .10$; $^{*} p < .05$, $^{**} p < .01$; $^{***} p < .001$

Table 5.3 Moderated multiple regression results for action plans (cont'd)

Criterion: Action Plans	Model 1	Model 2	Model 3	Model 4
Step 1. Control Variables				
Education	.17	.17	.15	.15
Institutional level	-.07	-.06	-.08	-.09
Promotion Focus	.05	.06	.05	.04
Prevention Focus	.35**	.34**	.37**	.37**
Step 2. Threat		.06	.09	.09
Step 3. Control (manager)			-.23*	-.22†
Step 4. Threat x Control				-.12
R^2	.18**	.19**	.24***	.25**
ΔR^2		.01	.05*	.01
Step 1. Control Variables				
Education	.16	.17	.14	.12
Institutional level	-.05	-.03	-.08	-.04
Promotion Focus	.05	.07	.04	.03
Prevention Focus	.35**	.34**	.37***	.38**
Step 2. Necessity		-.09	-.06	-.03
Step 3. Control (manager)			-.19†	-.20†
Step 4. Necessity x Control (manager)				-.08
R^2	.18**	.19**	.22***	.22**
ΔR^2		.01	.03†	.00
Step 1. Control Variables				
Education	.16	.16	.13	.17
Institutional level	-.05	-.04	-.05	-.08
Promotion Focus	.05	.05	.04	.04
Prevention Focus	.35**	.35**	.38**	.39**
Step 2. Capability		-.02	-.04	-.04
Step 3. Control (manager)			-.21*	-.21*
Step 4. Capability x Control				.11
R^2	.18**	.18**	.22**	.23**
ΔR^2		.00	.04*	.01

Moderation is evident if the interaction term causes a significant R^2 change at the fourth step.
Note: † $p < .10$; * $p < .05$, ** $p < .01$; *** $p < .001$

Control of the manager did not increase the strength of the hypothesized relationships between interpretation types and action plans; however, it was related to action plans in a negative direction in all regression analyses. That strengthens the explanation that managers who had high controls in the firms operations and decisions, were less inclined to implementing institutionalism, in order to avoid the loss of their centralized managerial controls over the firm.

Considering the small sample size, and in return, the weakness of the tests, the four moderated multiple regressions were replicated without using the control variables (current institutional level of the firm, age, regulatory foci of the manager) to increase the strength of the tests. However, control of the manager did not moderate the relationship between interpretations and action plans.

4.3 Summary of the findings

Table 6. Summary table for the hypotheses

	Hypothesized Relationships	
1	Need for cognition levels of the owner-managers will be positively related to the total scanning frequency.	pS
2a	Perceived uncertainty of the environment will be positively related to the total scanning frequency.	ns
2b	The positive relation between perceived uncertainty and total scanning frequency will be higher in personal scanning mode.	ns
2c	Perceived uncertainty will strengthen the positive relationship between need for cognition and personal scanning frequency.	ns
3a	*Total scanning frequency will be positively related to the necessity interpretation of institutionalism.*	*S*
3b	*The positive relationship between scanning frequency and necessity interpretation of institutionalism will be higher in external modes of scanning.*	*S*
4a	Promotion focused owner-managers will interpret institutionalism as an opportunity.	ns
4b	Prevention focus of owner-managers will be negatively related to opportunity interpretation of institutionalism.	pS
4c	Promotion focus of owner-managers will be negatively related to threat interpretation of institutionalism.	ns
4d	Prevention focused owner-managers will interpret institutionalism as a threat.	pS
5a	Personal external scanning frequency will act as a mediator between promotion focus and opportunity interpretation of institutionalism.	ns
5b	*Personal external scanning frequency will act as a mediator between prevention focus and opportunity interpretation of institutionalism.*	*S*
5c	Personal external scanning frequency will act as a mediator between promotion focus and threat interpretation of institutionalism.	ns
5d	*Personal external scanning frequency will act as a mediator between prevention focus and threat interpretation of institutionalism.*	*S*
6	*Firm size will be positively related to the necessity interpretation of institutionalism.*	*S*
7a	Owner-manager's interpretation of institutionalism as an opportunity will be positively related to the action plans of the firm towards institutionalism.	ns
7b	Owner-manager's interpretation of institutionalism as a threat will be negatively related to the action plans of the firm towards institutionalism.	ns
7c	Owner-manager's interpretation of institutionalism as a necessity will be positively related to the action plans of the firm towards institutionalism.	ns
7d	Owner-manager's interpretation of institutionalism as achievable in the firm (capability) will be positively related to the action plans of the firm towards institutionalism.	ns

S: Supported, ns: not supported, pS: partially supported, zero-order correlation is significant; however, in the presence of control variables, the relationship is not significant.

Table 6 continued

	Hypothesized Relationships	
8a	Promotion focus of the owner-manager increases the strength of the positive relationship between opportunity interpretation of institutionalism and the action plans towards institutionalism.	ns
8b	Prevention focus of the owner-manager increases the strength of the negative relationship between threat interpretation of institutionalism and the action plans towards institutionalism.	ns
9a	Control of the owner-manager strengthens the positive relationship between opportunity interpretation and action plans.	ns
9b	Control of the owner-manager strengthens the negative relationship between threat interpretation and action plans.	ns
9c	Control of the owner-manager strengthens the positive relationship between necessity interpretation and action plans.	ns
9d	Control of the owner-manager strengthens the positive relationship between capability interpretation and action plans.	ns

S: Supported, ns: not supported, pS: partially supported, zero-order correlation is significant; however, in the presence of control variables the relationship is not significant.

CHAPTER 5

DISCUSSION

5.1 Overview

The objective of the present study was to contribute to the literature by examining the effects of individual and firm level factors on the scanning-interpretation-action planning of owner-managers of middle-sized family firms, about a specific issue: institutionalism of family firms.

In investigating scanning, the aim of the study was to examine the influences of managerial perceptions of the environment and personal characteristics of the owner-managers of middle-sized family firms on environmental scanning frequency. With regard to interpretation and action, the objective was to show that both organizational scanning in general and personal characteristics of the manager influence different organizational interpretations of institutionalism, and these interpretations lead to action plans toward institutionalism.

5.2 Findings and implications for futıre research

5.2.1 Organizational scanning

Need for cognition of the managers was not found to be a strong predictor of overall scanning behavior of the managers. One reason for this null finding may be the small sample size of the present study. Managers who intrinsically enjoyed thinking, did not necessarily engage in extra data collection activity compared to the managers who did not have high needs of cognition; however, further research should be conducted to investigate the effect of need for cognition on organizational scanning with larger sample sizes to examine whether there is a main effect, and whether the finding of the present study was a statistical failure caused by the small sample size.

Perceived uncertainty was hypothesized to influence scanning frequency in positive direction; however, the results in the present study revealed the opposite. This result was quite the opposite of the findings of Daft *et al.* (1988) with small- and middle-sized manufacturers in the US. Although the samples looked similar, due to cultural differences, in the US, uncertainty might have acted as a positive trigger for executives to scan the environment more. In the replication of Daft *et al.*'s study (1988) with the Bulgarian sample, Elenkov (1997) found no relationship between perceived uncertainty and total scanning frequency. Wayne *et al.* (2000), on the other hand, found that Indian managers scan more when they perceive their environments as uncertain. In US and India, uncertainty avoidance has been found to be lower than in Turkey and Bulgaria (Hofstede, 2001). In other words, finding that managers in Turkey scan less when they perceived high environmental uncertainty was probably because Turkish culture, which may affect Turkish managers, is more uncertainty avoidant compared to American or Indian cultures.

Another possible reason could be the differences in volatility and riskiness of the business environments between these countries. In Turkey, the owner-managers might have been frustrated with, or might have gotten used to the rapidly changing and complex environment (e.g. crises in economy), so they did not have the tendency to collect data, but rather find their ways intuitively. In order to better explain the inconsistency in the findings, further research should be conducted, which also will investigate the possible influences of uncertainty avoidance and environmental hostility, in developing countries with similar characteristics of middle-sized firms to see whether the reason for the inconsistent findings resulted from differences in culture, level of the country's industrial development or the hostility of the business environment.

With regard to the moderation effect of perceived uncertainty on the relationship between need for cognition and scanning frequency, a manager, who was eager to think and enjoy effortful cognitive activity was expected to scan more if he perceived the environment uncertain; that is, complex and rapidly changing. Uncertainty of the environment was expected to trigger the need for cognitive activity of the managers. However, perceived uncertainty did not make a change in the scanning behaviors of the managers who enjoyed cognitive activity.

5.2.2 Organizational interpretation of institutionalism

Need for cognition predicted all four types of interpretations of institutionalism although not all relationships were hypothesized. Managers, who were eager to think intrinsically, turned out to be interpreting institutionalism as an opportunity and a necessity, rather than as a threat. Furthermore, managers, who enjoyed thinking as an activity, thought that institutionalism could be implemented in middle-sized family firms. Considering the fact that need for cognition of the managers was also marginally related with scanning frequencies in different modes, higher need for cognition levels might have led managers towards being open-minded about organizational events/issues and increased their awareness about their environments. This awareness, in turn, caused the managers to catch new trends on management, professionalism and institutionalism especially from the external environment.

The expected positive relation was found between scanning and necessity interpretation of institutionalism; that is, scanning frequency of general data from different environmental sectors positively influenced the owner-managers in their interpretations of institutionalism as a necessity. The reason for that could be the opinions and encouragement received from the environment about the concept and the applications of institutionalism for family businesses towards becoming more professional; and thus, for business effectiveness and survival to future generations.

As expected, this positive relationship was found to be higher in external modes of scanning, which could be because written external sources such as business-related media and governmental websites (e.g. www.kobi.net) about SMEs continuously encouraged institutionalism in Turkey during the recent EU application of Turkey, and/or the incoming opinions from personal external sources (e.g. managers of more institutionalized firms) could be stating the necessity of becoming more professional for a family firm to play in bigger leagues. Although these reasons are assumptions, future research can be conducted to investigate not just the quantity, but the nature of scanning, and which aspect of scanning, or what sources of data influence the interpretation of institutionalism and why.

Although hypothesized, promotion focus of the managers did not predict opportunity or threat interpretations of institutionalism. On the other hand, as expected, prevention focused managers were found to be interpreting institutionalism as a threat but not as an opportunity. The reason for prevention focus for being a better predictor than promotion focus on opportunity and threat interpretations of institutionalism could be that prevention focus is simply seeing the empty half of the glass, and avoidance of loss/failure. That is, threat interpretation of a manager, who was prevention focused, would be stronger than the opportunity interpretation of a manager, who was promotion focused, and because prevention focused manager perceived the concept of institutionalism as a threat for the family. Apparently, in the short term, the importance of protecting the family seemed more salient to the managers than the survival of the firm through generations in the long run.

There was positive moderate relationship between promotion and prevention foci. That is, a manager could be both promotion and prevention focused at the same time. As the sample size of this study was small, the relationship between promotion focus and interpretation could not be tested with the managers who scored high in promotion, but low in prevention focus.

Personal external scanning was found to be acting as a mediator between prevention focus and opportunity/threat interpretations. That is, prevention focused managers are less inclined to scan their environments through personal and external sources (e.g. managers of other firms, customers), and this lead them to interpret institutionalism as a threat but not as an opportunity. The hypotheses about the relationship between promotion focus and opportunity interpretation mediated by scanning through personal external sources, was not supported in the analyses, because promotion focused managers did not necessarily interpret institutionalism more as an opportunity than threat.

5.2.3 Action plans towards institutionalism

None of the interpretations of institutionalism were related to action plans of the firm towards institutionalism. However, opportunity and necessity interpretations of the managers turned out to be positively, and threat interpretation negatively related with current institutional level of their firms. These relationships could be explained as the rationalizations of managers of the current institutional levels of their firms. If interpretations are assumed to be stable, they can be considered as predictors of current level of institutionalism. Further research can test these relationships with longitudinal data.

When the moderation effect of regulatory foci on the relationship between opportunity/threat interpretation and action plans was tested, it was unexpectedly found that rather than the interpretation types, prevention focus of the managers predicted action plans towards institutionalism. It was interesting to find out that general chronic regulatory tendencies were better predictors of action plans towards a particular issue than the interpretation of that issue. In other words, who you are is more important than how you interpret a particular issue to predict what you are planning to do about that issue. Furthermore, the results suggested that prevention focused managers have more plans toward the institutionalization of their firms, while being promotion focused had no effect on action plans about implementing institutional management in the firm. One can speculate that this result was an artifact of this particular study. Probably, social desirability made the managers pick more items than they plan to do in the action plans section, because managers wanted to be perceived by the researcher as to be planning to reach a higher level of institutionalism, as they might have thought they were expected to make action plans towards institutionalism. This behavior could be expected from a prevention-focused person who tries to act to match with his/her ought-self (responsibilities, others' expectations, norms).

Action plans of the firm were not significantly related to the institutional level of the firm. Firms had moderately high levels of institutionalism and interpreted institutionalism as opportunity and/or necessity, but opportunity interpretation did not predict action plans. The reason for this could be the restriction of range in opportunity interpretation. Restriction of range also may have caused the unexpected positive influence of prevention focus on action plans.

With regard to the moderating effect of managerial control on the relationship between interpretation and action plans, none of the hypotheses were supported. Therefore, managerial control had no effect on strengthening the realization of the interpretations into action plans about institutionalism. One can speculate that the owner-managers were so hesitant to give up their control over the strategic decisions of their firms, that their control levels were not effective in the transformation of their general interpretations of institutionalism into action plans towards institutional management in their firms, because the higher the control of the manager over the firm's strategic decisions, the less action plans were made by the manager. In the light of these findings, there should be additional factors affecting the transformation of the interpretations of institutionalism into action plans.

In this situation, there should be another reason for the statistical insignificance of these relationships. The reason could be methodological, that the institutional level index, which was developed for this study might not have the sufficient construct validity to measure the current level of institutionalism, and thus, the future plans. Second, institutional level index was located at the end of the questionnaire; therefore, probably interpretation of institutionalism scale coming before that influenced the managers to respond as if they should make more action plans than they actually planned. In sum, the failure in interpreting action plans is probably an artifact of this study.

5.3 Limitations of the present study

The most important limitation of this study was the small sample size, as the return rate of the questionnaires was low. In addition, sampling was not random as the owner-managers were hesitant to respond to the questionnaire. The reasons for these inconveniences were explained in detail in the method section. Because of the small sample size, the proposed model of the study (Figure 2) could not be tested as a whole. Furthermore, some of the hypotheses, especially those including moderations, could not be effectively tested. In addition, the cross-sectional design of the study did not allow testing the relationships that suggested longitudinal causal relationships, such as the relationships among interpretations and action plans.

The limitations with regard to methodology were mostly caused from the measurements, which were developed for this study. Managerial control measures, interpretation of institutionalism scale, and institutional level index, which also was used in measuring action plans, were designed for the present study. Therefore, these measures need to be further validated. In addition to this, need for cognition and regulatory focus scales were used with a Turkish sample for the first time. The first usage of these measurements with Turkish respondents decreased the reliabilities of the original scales. The problems emerged were overcome by deleting items according to the results of factor analyses. Future research should examine the stability of the factor structure and reliability of these measures.

5.4 Implications for future research and practice

Prevention focus predicted all steps of interpretation process and prevention focused managers turned out to be making more action plans towards institutionalism. Prevention focus, for those matters, can be investigated further in managerial processes. Other possible consequences of prevention focus, such as its influences on proactive strategy making, will be interesting to examine by empirical studies.

Second, the reason behind the reverse relationship found between perceived uncertainty and scanning frequency is interesting to examine with a cross-cultural perspective. The influence of uncertainty avoidance and the possible effect of business environment characteristics on the relationship between perceived uncertainty and scanning can be investigated in further research.

Assuming that institutionalism is a must in family enterprises at some point, as a practical implication of this study, scanning is the key. Managers, who scanned their environments more intensively, tended to interpret institutionalism as an opportunity and a necessity, but not as a threat. They also interpreted that family-firms are capable to reach higher levels of institutionalism. These findings showed that, scanning frequency and its antecedents which lead higher frequencies of scanning should be strenghtened. Managers who are prevention focused and have low needs of cognition can be supported in scanning processes. Furthermore, in family businesses, when deciding the successors, candidates with high needs for cognition and low prevention focus should be considered.

5.5 Suggestions for future research

After eliminating the methodological errors, this study can be replicated with larger sample sizes both in Turkey and in other developing countries, such as S. Korea or Mexico, where family-firms run the majority of the industry, but having survival problems for several reasons. First, additional research should be conducted about antecedents and consequences institutionalism in order to develop a more valid and reliable index to measure institutional level. The concurrent and predictive validity of the index used in the present study can be investigated further by both qualitative and quantitative studies in the future. As an example, to investigate the concurrent validity of the index, the relationship between institutionalism and efficiency could be studied.

It will also be interesting to study the influence of control of the family members who are actively participating in the family business, on the interpretation and action plans of institutionalism. In order to do this, first, interpretation of institutionalism should be validated. Further studies which compare the interpretation of and action plans towards institutionalism of middle- and large-scale family businesses can be conducted in order to investigate if interpretations of institutionalism vary or not.

Last, but not the least, the predictive validity of regulatory focus measure should be tested with native Turkish speakers. Regulatory focus may become an important measure for research in decision-making and, for example, can be used as a predictor in strategic planning behavior in future research in Turkish firms.

5.6 Conclusion

The present study contributed to literature for several reasons. First, two new person-level variables, need for cognition and regulatory focus, predicting interpretation process were introduced and tested. Second, although interpretations could not predict action plans, prevention focus was revealed to be a strong predictor of environmental scanning, opportunity/threat interpretations and action plans. In addition, findings of this study revealed the importance of scanning through external sources for the issue interpretation. This study also introduced the primitive index to measure institutional level, which is highly promising for development of a universal and objective measure of institutional level to enhance organization structure studies.

Only the manager's interpretations are not sufficient to predict action plans of the family firm. Considering the negative relationship between the manager's control and action plans towards institutionalism, the presence of other decision-makers (e.g. the family members) might have increased the chances of action plans towards institutionalism.

The present study contributed to practice by examining institutionalism as an issue in family firms, because during the evaluations of the recent application of Turkey to EU, institutional management gained importance among Turkish enterprises.

REFERENCES

Aguilar, F. (1967). *Scanning the business environment.* New York: Macmillan.

Anderson, C. R., & Paine, F. T. (1975). Managerial perceptions and strategic behavior. *Academy of Management Journal, 4,* 811-823.

Armandi, B. R., & Mills Jr., E. W. (1982). Organizational Size, Structure, and Efficiency: A Test of a Blau-Hage Model. *American Journal of Economics & Sociology, 41*(1), 43-60.

Bartunek, J. M. (1984). Changing interpretive schemens and organizational restructuring. *Administrative Science Quarterly, 29,* 355-372.

Bennis, W., & Nanus, B. (1985). *Leaders: Strategies for taking charge*. New York: Harper & Row.

Boulding, K. E. (1956). General systems theory: The skeleton of a science. *Management Science, 2*, 197-207.

Bourgeois, L., J. (1980). Strategy and the environment: A conceptual integration. *Academy of Management Review, 5*(1), 25-39.

Boyd, B. K., Dess, G. G., & Rasheed, A. M. (1993). Divergence between archival and perceptual measures of the environment: Causes and consequences. *Academy of Management Review, 18*, 204-226.

Brockner, J., & Higgins, E. (2001). Regulatory Focus Theory: Implications for the Study of Emotions at Work. *Organizational Behavior & Human Decision Processes, 86*(1), 35-66.

Brockner, J., Higgins, E., Low, E. T. (2004). Regulatory focus theory and the entrepreneurial process. *Journal of Business Venturing, 19*(2), 203-221.

Brunsson, N. (1982). The irrationality of action and action rationality: Decisions, ideologies, and organizational actions. *Journal of Management Studies, 19*, 29-44.

Cacioppo, J. T., & Petty, R. E. (1982). The need for cognition. *Journal of Personality and Social Psychology, 42*, 116-131.

Cacioppo, J. T., Petty, R. E., Feinstein, J. A., & Jarvis, W. B. G. (1996). Dispositional differences in cognitive motivation: The life and times of individuals varying in need for cognition. *Psychological Bulletin, 119*(2), 197-253.

Cacioppo, J. T., Petty, R. E., & Morris, K. J. (1983). Effects of need for cognition on message evaluation, recall, and persuasion. *Journal of Personality and Social Psychology, 45*(4), 805-818.

Child, J. (1972). Organizational structure, environment and performance—the role of strategic choice. *Sociology, 6*, 1-22.

Collins, P. D., Hage, J., & Hull, F. M. (1988). Organizational and technological predictors of change in automacity. *Academy of Management Journal, 31,* 512-543.

Crowe, E, & Higgins, E. T. (1997). Regulatory Focus and Strategic Inclinations: Promotion and Prevention in Decision-Making. *Organizational Behavior & Human Decision Processes, 69*(2), 117-132.

Culnan, M. J. (1983). Environmental scanning: The effects of task complexity and source accessibility on information gathering behavior. *Decision Sciences, 14*, 194-206.

Daft, R. L. (1986). *Organizational Theory and Design*. Minnesota: West.

Daft, R. L., & Weick, K. E. (1984). Toward a model of organizations as interpretation systems. *Academy of Management Review, 9*, 284-295.

Daft, R. L., Sormunen, J., & Parks, D. (1988). Chief executive scanning, environmental characteristics, and company performance: An empirical study. *Strategic Management Journal, 9*, 123-139.

Dess, G. G. (1987). Consensus on strategy formulation and organizational performance: competitors in a fragmented industry. *Strategic Management Journal, 8,* 259-277.

Donnellon, A., Gray, B., & Bougon, M. G. (1986). Communication, meaning, and organized action. *Administrative Science Quarterly*, *31*, 13-55.

Duncan, R. B. (1972). Characteristics of organizational environments and perceived environmental uncertainty. *Administrative Science Quarterly, 17*, 313-327.

Dutton, J. E., & Duncan, , R. B. (1987). The creation of momentum for change through the process of strategic issue diagnosis. *Strategic Management Journal, 8,* 279-295.

Dutton, J. E., Fahey, L., & Narayanan, V. K. (1983). Toward understanding strategic issue diagnosis. *Strategic Management Journal, 5*, 307-323.

Dutton, J. E., & Jackson, S. E. (1987). The categorization of strategic issues by decision makers and its links to organizational action. *Academy of Management Review, 12,* 76-90.

Eisenhardt, K. M. (1989). Making fast strategic decisions in high-velocity environments. *Academy of Management Journal, 32,* 543-576.

Eisenhardt, K. M., & Bourgeois, L. J. (1988). Politics of strategic decision making in high-velocity environments: Toward a midrange theory. *Academy of Management Journal, 31,* 737-770.

Elenkov, D. S. (1997). Strategic uncertainty and environmental scanning: The case for institutional influences on scanning behavior. *Strategic Management Journal, 18,* 287-302.

Fahey, L., & King, W. R. (1977). Environmental scanning for corporate planning. *Business Horizons, 20*(4), 61-71.

Fahey, L., & Narayanan, V. K. (1986). *Macroenvironmental analysis for strategic management.* St. Paul, MN: West.

Fahey, L., King, W. R., & Narayanan, V. K. (1981). Environmental scanning and forecasting in strategic planning—the state of the art. *Long Range Planning, 14*(1), 32-39.

Farh, J. L., Hoffman, R. C., & Hegarty, W. H. (1984). Assessing environmental scanning at the submit level: A multitrait-multimethod analysis. *Decision Sciences, 15*, 197-220.

Fennel, M. L. (1980). The effects of environmental characteristics on the structure of hospital clusters. *Administrative Science Quarterly, 25*, 484-510.

Gray, B., Bougon, M. G., & Donnellon, A. (1985). Organizations as constructions and destructions of meaning. *Journal of Management, 11*(2), 83-98.

Gephart, R. P., Jr. (1984). Making sense of organizationally based environmental disasters. *Journal of Management, 10*(2), 205-225.

Greenwood, R., & Hinings, C. R. (1988). Organizational design types, tracks, and dynamics of strategic change. *Organization Studies, 9*, 293-316.

Hall, R. H., Hass, J. E., & Johnson, N. J. (1967). Organizational size, complexity and formalization. *American Sociological Review, 32*(6), 903-912.

Hambrick, D. C. (1981). Environment, strategy, and power within top management teams. *Administrative Science Quarterly, 26*, 253-276.

Hambrick, D. C. (1982). Environmental scanning and organizational strategy. *Strategic Management Journal, 3*, 159-174.

Hambrick, D. C., & Finkelstein, S. (1987). Managerial discretion: A bridge between polar views of organizational outcomes. In L. L. Cummings & B. M. Staw (Eds.), *Research in Organizational Behavior*, (Vol. 9, pp. 369-406). Greenwich, CT: Jai Press.

Haugtvedt, C. P., Petty, R. E., & Cacioppo, J. T. (1992). Need for Cognition and Advertising: Understanding the Role of Personality Variables in Consumer Behavior. *Journal of Consumer Psychology, 1*(3), 239-260.

Hedberg, B. (1981). How organizations learn and unlearn. In P. Nystrom & W. Starbuck (Eds.), *Handbook of Organizational Design* (pp. 1-27). New York: Oxford University Press.

Hickson, D. J., Hinings, C. R., Lee, C. A., Schneck, R. E., & Pennings, J. M. (1971). A strategic contingencies theory of intraorganizational power. *Administrative Science Quarterly, 16,* 216-229.

Higgins, E. T. (1998). Promotion and prevention: Regulatory focus as a motivational principle. In M. P. Zanna (Ed). *Advances in Experimental Social Psychology* (Vol.30, pp. 1-46). New York: Academic Press.

Hofstede, G. (2001). *Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations*, 2nd Edition. Thousand Oaks CA: Sage Publications.

Huber, G. P., & Daft, R. L. (1987). The information environments of organizations. In F. Jablin, L. Putnam, K. Roberts, & L. Porter (Eds.), *Handbook of Organizational Communication* (pp. 130-164). Beverly Hills, CA: Sage.

Jackson, S. E., & Dutton, J. E. (1988). Discerning *threats and opportunities. Administrative Science Quarterly, 33*, 370-387.

Jepperson, L. R. (1991). Institutions, Institutional Effects, and Institutionalism. In W. W. Powell, & P. J. DiMaggio (Eds.), *The New Institutionalism in Organizational Analysis*, Vol. 6, (pp. 143-163). Chicago: University of Chicago Press

Isabella, L. A. (1990). Evolving interpretations as a change unfolds: How managers construe key organizational events. *Academy of Management Journal, 33*(1), 7-41.

Karpuzoglu, E. (2001). *Aile Sirketlerinde Kurumsallasma*. Istanbul: Hayat Yayincilik.

Kefalas, A., & Schoderbek, P. P. (1973). Scanning the business environment—Some empirical results. *Decision Science, 4*, 63-74.

Kiesler, S., & Sproull, L. (1982). Managerial response to changing environments: perspectives on problem sensing from social cognition. *Administrative Science Quarterly, 27*, 548-570.

Kuvaas, B., & Kaufmann, G. (2004). Individual and organizational antecedents to strategic-issue interpretation. *Scandinavian Journal of Management, 20*, 245-275.

Lefevbre, L.A., Mason, R., & Lefevbre, E. (1997). The influence prism in SMEs: The power of CEO's perceptions on technology policy and its organizational impacts. *Management Science, 43*(6), 856-878.

Leifer, R., & Huber, G. P. (1977). Relations among perceived environmental uncertainty, organizational structure, and boundary-spanning behavior, *Administrative Science Quarterly, 22*, 235-249.

Lockwood, P., Jordan, C. H., & Kunda, Z. (2002). Motivation by positive or negative role models: Regulatory focus determines who will best inspire us. *Journal of Personality and Social Psychology, 83*, 854-864.

Longenecker, G. J, & Moore, C. W. (1991). *Small Business Management: An Entrepreneurial Emphasis,* (Vol. 8). Cincinnatti: S. Western Publishing.

Lyles, M. A., & Schwenk, C. R. (1992). Top management, strategy and organizational knowledge structures. *Journal of Management Studies, 29*, 155-174.

Meyer, A. D. (1979). Adapting to environmental jolts. *Administrative Science Quarterly, 17*, 313-327.

Miles, R. H. (1982). *Coffin Nails and Corporate Strategies*. New Jersey: Prentice-Hall.

Miller, D., & Friesen, P. H. (1982). Structural change and performance: Quantum versus piecemeal-incremental approaches. *Academy of Management Journal, 25*, 876-892.

Miles, R., Snow, C., & Pfeffer, J. (1974). Organization-environment: Concepts and issues. *Industrial Relations, 13*, 244-264.

Mintzberg, H. (1973). *The Nature of Managerial Work*. New York: Harper and Row.

Mintzberg, H., Raisinghani, D., & Théorêt, A. (1976). The structure of 'unstructured' decision processes. *Administrative Science Quarterly, 21*(2), 246-276.

Narayanan, V. K., & Fahey, L. (1990). Evolution of revealed cause maps during organizational decline: a case study of admiral. In A. S. Huff (Ed.), *Mapping Strategic Thought,* (pp. 109-133). Chicester: Wiley.

O'Keefe, D. J., & Brady, R. M. (1980). Cognitive complexity and the effects of thought on attitude change. *Social Behavior and Personality, 8*, 49-56.

Paulson, S. K. (1980). Organizational size, technology, and structure. *Academy of Management Journal, 23*(2), 341-347.

Pfeffer, J., & Salancik, G. R. (1978). *The external control of organizations: A resource dependency perspective*. New York: Harper & Row.

Prahalad, C. K., & Bettis, R. A. (1986). The dominant logic: A new linkage between diversity and performance. *Strategic Management Journal, 7*, 485-501.

Quinn, R. E., & Kimberly, J. R. (1984). Paradox, planning and perseverance: Guidelines for managerial practice. In J. Kimberly & R. Quinn (Eds.), *New Futures: The Challenge of Managing Organizational Transitions* (pp. 295-314). Homewood, III: Dow Jones-Irwin.

Ranson, S., Hinings, B., Greenwood, R. (1980). The structuring of organizational structures. *Administrative Science Quarterly, 25*, 1-17.

Reger, R. K. (1990). Managerial thought structures and competitive positioning. In A. S. Huff (Ed.), *Mapping Strategic Thought* (pp. 71-88), Chicester: Wiley.

Sawyerr, O. O. (1993). Environmental uncertainty and environmental scanning activities of Nigerian manufacturing executives: a comparative analysis. *Strategic Management Journal, 14*, 287-299.

Schelling, T. (1978). *Micromotives and macrobehavior.* New York: W. W. Norton.

Scheneider, S. C., & De Meyer, A. (1991). Interpreting and responding to strategic issues: The impact of national culture. *Strategic Management Journal, 12,* 307-320.

Selznick, P. (1995). Institutionalism old and new. *Administrative Science Quarterly, 41,* 270-277.

Sharma, S. (2000). Managerial interpretations and organizational context as predictors of corporate choice of environmental strategy. *Academy of Management Journal, 43*, 681-697.

Sharma, S., Pablo, A., & Vredenburg, H. (1999). Corporate environmental responsiveness strategies: the importance of issue interpretation and organizational context. *Journal of Applied Behavioral Science, 35*, 87-108.

Shrivastava, P, Mitroff, I., & Alvesson, M. (1987). Non-rationality of organizational actions. *International Studies of Management and Organization, 17*, 90-109.

Shrivastava, P., & Schneider, S. (1984). Organizational frames of reference. *Human Relations, 37*, 795-807.

Smircich, L., & Morgan, G. (1982). Leadership: The management of meaning. *Journal of Applied Behavioral Science, 3*, 257-273.

Starbuck, W. H. (1976). Organizations and their environments. In M. D. Dunnette (Ed.), *Handbook of Industrial and Organizational Psychology* (pp. 1069-1123). New York: Rand McNally.

Stevenson, H. H. (1976). Defining corporate strengths and weaknesses. *Sloan Management Review, 17*, 51-68.

Streufert, S., & Swezey, R. W. (1986). *Complexity, managers and organizations.* New York: Academic Press.

Stubbart, C. I. (1989). Managerial Cognition: A missing link in strategic management research*. Journal of Management Studies, 26*(4), 325-347.

Sutcliffe, K. M. (1994). What executives notice: Accurate perceptions in top management teams. *Academy of Management Journal, 37*, 1360-1378.

Thomas, J.B., Clark, S.M., & Gioia, D. A. (1993). Strategic sensemaking and organizational performance: Linkages among scanning, interpretation, action and outcomes. *Academy of Management Journal, 36,* 239-270.

Thomas, J. B., & McDaniel, R. R. (1990). Interpreting Strategic issues: Effects of strategy and information-processing structure of top management teams. *Academy of Management Journal, 33*. 286-306.

Thomas, J. B., Shankster, L. J., & Mathieu, J. E. (1994). Antecedents to organizational issue interpretation: The roles of single-level, cross-level and content cues. *Academy of Management Journal, 37*, 1252-1284.

Tung, R. L. (1979). Dimensions of organizational environment: An exploratory study of their impact on organizational structure. *Academy of Management Journal, 22*, 672-693.

Walsh, J. P. (1988). Selectivity and selective perception: Investigating managers' belief structures and information processing. *Academy of Management Journal, 31*, 873-896.

Walsh, J. P. (1995). Managerial and Organizational Cognition: Notes from a trip down memory lane. *Organization Science, 6*(3), 280-321.

Wayne, H. S., Ruth, C. M., & Arvind, K. (2000). Owner perceptions and scanning of entrepreneurial environments in the US and India. Paper presented: *Academy of Management Annual Meeting,* Toronto, Canada.

Weick, K. E. (1979), *The social psychology of organizing*. Reading, MA: Addison-Wesley.

Weick, K. E. (1990). Cartographic Myths in Organizations. In A.S. Huff (Ed.), Mapping Strategic Thought, Chicester: Wiley and Sons, 1-10.

Weick, K. E., & Daft, R. L. (1983). The effectiveness of interpretation systems. In K. S. Cameron & D. A. Whetten (Eds.), *Organizational effectiveness: A comparison of multiple models* (pp.71-93). New York: Academic Press.

Von Potobsky, G. (1992). Small and medium-sized enterprises and labour law. *International Labour Review, 131*(6), 601-629.

APPENDIX A

Questionnaire of the study (in Turkish)

Sayın yönetici,

Koç Üniversitesi Endüstriyel Psikoloji Yüksek Lisans Programı Tezi olarak hazırlanan bu bilimsel çalışma, orta ölçekli aile şirketlerinde yöneticilerin özellikleri ve kurumsallaşmayı etkileyen faktörleri incelemeyi amaçlamaktadır. **Bu araştırmaya katılımınız için 15-20 dakikanızı ayırmanız ve ekteki anketi doldurup, bcanacik@ku.edu.tr elektronik posta adresine göndermeniz yeterlidir. Cevaplarınız otomatik olarak bir havuzda toplanacak ve isminiz ile hiçbir şekilde ilişkilendirilmeyecektir.**

Araştırmamız Koç Üniversitesi Psikoloji Bölümü'nden Yardımcı Doçent Dr. Mahmut Bayazıt, Profesör Dr. Çiğdem Kağıtçıbaşı, ve İstanbul Kültür Üniversitesi İktisadi İdari Bilimler Dekanı Profesör Dr. Tamer Koçel tarafından denetlenmektedir. Konular, bir taraftan kişisel tutum ve yaklaşımlarınızı, diğer taraftan da şirketinizin durumuyla ilgili hususları kapsamaktadır. **Doldurduğunuz anketteki bilgiler Koç Üniversitesi güvencesi altında gizli tutulacak, üçüncü kişi ve kurumlarla kesinlikle paylaşılmayacaktır.**

Katılımınız araştırmanın güvenilirliği için son derece önemlidir. Bir aile şirketi olarak sizin de bu araştırmadan yarar sağlayabilmeniz için, Marmara Bölgesi'ni kapsayan araştırmanın genel sonuçları (firma ismi olmadan) ve yorumları isteğiniz doğrultusunda size bildirilecektir. Bu sonuç ve yorumlar, sanayinin en yoğun geliştiği Marmara Bölgesi'ndeki firmaların ortalama kurumsallaşma düzeyleri, kurumsallaşmaya bakışları, bunları etkileyen faktörleri, ve sizin firmanızın genel ortalamaya göre konumunu açıklayacağı için firmanız için oldukça yararlı olduğunu düşünmekteyiz.

İçten yanıtlarınız için şimdiden teşekkür ederiz. Saygılarımızla,

Burcu Çanacık
Koç Üniversitesi
Psikoloji Bölümü
bcanacik@ku.edu.tr

Yrd. Doç. Dr. Mahmut Bayazıt
Koç Üniversitesi
Psikoloji Bölümü
mbayazit@ku.edu.tr

Prof. Dr. Çiğdem Kağıtçıbaşı
Koç Üniversitesi
Psikoloji Bölümü
ckagit@ku.edu.tr

Prof. Dr. Tamer Koçel
İstanbul Kültür Üniversitesi
Rektör
t.kocel@iku.edu.tr

Bölüm1a.

1. Şirketteki göreviniz:
2. Kaç yıldır bu görevdesiniz?
3. İşletmedeki Konumunuz:

Sahip Ortak Profesyonel yönetici Diğer

4. Daha önce <u>başka bir yerde</u> iş deneyiminiz var mı? Evet Hayır

Evet ise kaç sene ve hangi pozisyonlarda? *(Birden fazla işaretleyebilirsiniz)*

Üst düzey yönetici (__ sene)

Orta düzey yönetici (__ sene)

Yönetim dışında bir pozisyon (__ sene)

5. Öğrenim Durumunuz: İlk-orta Lise Üniversite Yüksek lisans

6. Mesleğiniz

7. Yaşınız

8. İyi düzeyde bildiğiniz yabancı dil(ler)
9. Şirketteki hisse oranınız nedir? (% __)
10. En çok hisse size mi ait? Evet Hayır
11. Şirket operasyonunda genel olarak kontrolünüz hangi düzeydedir?

Çok üst düzeyde (Operasyonda stratejik olsun olmasın tüm kararları ben veririm)

Üst düzeyde (Operasyonda hemen hemen her konuda son kararı ben veririm)

Orta düzeyde (Operasyonda kararları tek başına ben vermem, genellikle ortaklaşa karar alınır)

Az düzeyde (Operasyona fazla karışmam, birçok kararı yöneticiler/şefler alır)

12. Şirkette önemli stratejik konularda son kararı tek başınıza siz mi verirsiniz?

Evet, her zaman

Genellikle evet

Genellikle hayır

Hayır, hiçbir zaman

Bölüm 1b. İşletme hakkında:

1. İşletmenin Unvanı
2. İşletmenin telefonu
3. İşletmenin web adresi
4. İşletmenin Kuruluş Yılı
5. Hukuki Statü

   A.Ş.

   Kolektif

   Komandit

   Ltd.

   Şahıs işletmesi
6. Ortak Sayısı
7. İşletmenin Kuruluş Şekli

   Yeni kuruluş

   Aileden devralma

   3. şahıstan devralma

   Çalışanlar olarak devralma

   Diğer
8. İşletmenin Faaliyet Konusu ve Sektörü
9. İşletmenin Üretimi   Ürün   Hizmet   Ticaret
10. Şirkette toplam çalışan sayısı
11. Şirkette toplam yönetici sayısı
12. Şirkette üst düzey yönetici sayısı
13. Firma İhracat Yapıyor mu?   Evet   Hayır
14. İşletmenin Sahip Olduğu Belge ve Sertifikalar

ISO 9000   ISO 14000   ISO16949   CE   OHSAS   HACCP   SA8000

Bölüm 2.

Aşağıda kendiniz hakkında değerlendirme yapacağınız ifadeler verilmiştir. Bu bölümde vereceğiniz cevaplar bir yönetici olarak sizi tanımamızı sağlayacağı için çok önemlidir. Doğru ya da yanlış cevap yoktur. Kendiniz hakkında, her bir ifadeye ne derece katılıp katılmadığınızı, her ifadenin sağında verilen kutuda “1=kesinlikle katılmıyorum”dan “6=kesinlikle katılıyorum”a uzanan altı şıktan size en uygun olanını işaretleyek belirtiniz.

Kesinlikle katılmıyorum	Katılmıyorum	Pek katılmıyorum	Biraz katılıyorum	Katılıyorum	Kesinlikle katılıyorum
1	2	3	4	5	6

1 Karmaşık problemleri basit olanlara tercih ederim.

2 Üstünde çok fazla düşünmeyi gerektiren bir durumun sorumluluğunu üstlenmeyi severim.

3 Düşünmek benim eğlence anlayışıma uymaz.

4 Düşünce gücümü zorlayan bir işten çok, az düşünmeyi gerektiren bir iş yapmayı tercih ederim.

5 Üzerinde çok fazla ve derin düşündürecek durumları önceden görmeye ve bu tür durumlardan kaçınmaya çalışırım.

6 Bir konu üzerinde, uzun süre ince eleyip sık dokumaktan zevk duyarım.

7 Bir konu üzerinde sadece gerektiği kadar düşünürüm.

8 Uzun vadeli projeler yerine; küçük, günlük projeler hakkında düşünmeyi tercih ederim.

9 Bir kez öğrendikten sonra fazla düşünce gerektirmeyen işleri severim.

10 Düşünce gücümle başarıyı elde etmek bana çekici gelir.

11 Bir şey işe yarıyor ise, bu benim için yeterlidir, nasıl ve neden işe yaradığı önemli değildir.

12 Sorunlara yeni çözümler üretmeyi gerektiren işleri severim.

13 Yeni düşünme yolları öğrenmek beni fazla heyecanlandırmaz.

14 Hayatımın çözmem gereken bulmacalarla dolu olmasını tercih ederim.

15 Soyut düşünce kavramı bana çekici geliyor.

16 Zeka gerektiren, zor ve önemli bir işi, biraz önem taşıyan ama üstünde fazla düşünmeyi gerektirmeyen bir işe tercih ederim.

17 Çok fazla zihinsel güç gerektiren bir işi tamamladığımda tatminden çok rahatlama hissederim.

18 Beni kişisel olarak etkilemeyecek olaylar hakkında bile uzun uzadıya düşünürüm.

Bölüm 3.
Aşağıda kendiniz hakkında değerlendirme yapacağınız ifadeler verilmiştir. Bu bölümde vereceğiniz cevaplar bir yönetici olarak sizi tanımamızı sağlayacağı için çok önemlidir. Doğru ya da yanlış cevap yoktur. Kendiniz hakkında, her bir ifadeye ne derece katılıp katılmadığınızı, her ifadenin sağında verilen kutuda "1=kesinlikle katılmıyorum"dan "6=kesinlikle katılıyorum"a uzanan altı şıktan size en uygun olanını işaretleyek belirtiniz.

Kesinlikle katılmıyorum	Katılmıyorum	Pek katılmıyorum	Biraz katılıyorum	Katılıyorum	Kesinlikle katılıyorum
1	2	3	4	5	6

1 Genellikle, hayatımdaki olumsuz olayları engellemeye çalışırım.

2 Sorumluluklarımı ve yükümlülüklerimi yerine getiremeyeceğimden dolayı tedirginim.

3 Sık sık ümitlerimi ve tutkularımı nasıl gerçekleştireceğimi hayal ederim.

4 Sık sık gelecekte olmaktan korktuğum kişiyi düşünürüm

5 Sık sık gelecekte idealimde olmayı istediğim kişiyi düşünürüm.

6 Tipik olarak, gelecekte kazanmayı umduğum başarıya odaklanırım.

7 Sık sık iş hayatımdaki hedeflerimi başaramayacağımdan dolayı kaygılanırım.

8 Sık sık nasıl iş hayatımda başarıya ulaşacağımı düşünürüm.

9 Sık sık başıma gelmesinden korktuğum kötü şeyleri yaşadığımı hayal ederim.

10 Sık sık hayatımdaki başarısızlıkları nasıl engelleyebileceğimi düşünürüm.

11 Kazançları elde etmekten daha çok kayıpları önlemeye meyilliyimdir.

12 Şu anda iş hayatındaki en önemli amacım kariyer veya ekonomik alanda hayallerime ulaşmak.

13 Şu an iş hayatındaki en önemli amacım kariyer veya ekonomik alanda başarısızlığı engellemek.

14 Kendimi her şeyden önce "idealimdeki ben"e ulaşmaya - ümitlerini, dileklerini ve tutkularını gerçekleştirmeye – çabalayan biri olarak görüyorum.

15 Kendimi her şeyden önce "olmam gereken ben"e ulaşmaya - görevlerini, sorumluluklarını ve zorunluluklarını gerçekleştirmeye – çabalayan biri olarak görüyorum.

16 Genellikle, hayatımda olumlu sonuçlara ulaşmaya odaklanırım.

17 Sık sık kendimi başıma geleceğini düşündüğüm iyi şeyleri yaşarken hayal ederim

18 Sonuç olarak, başarı kazanmaya başarısızlıkları önlemeye çalışmaktan daha çok eğilimliyimdir.

Bölüm 4.

Şirketinizde aşağıda listelenen kararları almada nihai sorumluluk kimdedir? (Lütfen uygun kutucuğu işaretleyerek belirtiniz. Birden fazla yeri işaretleyebilirsiniz.)

	Tek başıma ben	Yönetim kurulu	Aile üyeleri	Benim dışımda bir kişi	Benim altımda çalışan yöneticiler
Bütçeleme	☐	☐	☐	☐	☐
Yeni ürünlerin piyasaya sürülmesi	☐	☐	☐	☐	☐
Ürünlerin fiyatlarının belirlenmesi	☐	☐	☐	☐	☐
Yeni pazarlara giriş	☐	☐	☐	☐	☐
Personel işe alım ve işten çıkarımı	☐	☐	☐	☐	☐
Yeni teknoloji ithali/alımı	☐	☐	☐	☐	☐
Şirketin önemli bölümü etkileyecek kararların alınması	☐	☐	☐	☐	☐

Bölüm 5.

Endüstride firmanız çeşitli sektörlerle ilişki içindedir. Bunlar aşağıda tanımlanmıştır. Bu tanımları okuduktan sonra, lütfen aşağıda verilen soruları cevaplamaya devam ediniz.

a) **Rekabet sektörü:** Rekabet etiğiniz firmaları, sizin ürettiğinize benzer ürünler üreten firmaları içerir. Ayrıca içinde bulunduğunuz sektörde, firmanızla rakipleriniz arasındaki rekabet taktikleri ve stratejilerini kapsar. b) **Müşteri sektörü**: Ürünlerinizi sattığınız kişi, kurum ve firmalardır. Müşterileriniz son tüketici veya ürünlerinizi son tüketiciye satmak üzere sizden alan şirketler olabilirler. c) **Teknolojik sektör:** yeni üretim teknikleri geliştirilmesi, ürün yenileme, araştırma-geliştirme, ve ürünlerinizle ilgili bilimsel gelişimleri içerir. d) **Devlet-Hükümet sektörü:** Hem devlet hem de hükümete bağlı, kural koyan ve uygulayan kurumlar (örn., devlet kuruluşları, meclis, belediye, bakanlık vs.), bu kuralların kendileri ve uygulanma yöntemlerini içerir. e) **Ekonomik sektör:** Menkul kıymetler borsası, temel ekonomik göstergeler, enflasyon hızı, dış ticaret bilançosu, devlet bütçe açığı, faiz oranları, döviz kurları, işsizlik ve ekonomik büyüme hızı gibi faktörleri içerir.

Şimdi, bu sektörlerin değişkenlik ve karmaşıklığı hakkındaki soruları verilen çizelgeye göre yanıtlayınız

Çok düşük düzeyde	Düşük düzeyde	Orta düzeyde	Yüksek düzeyde	Çok yüksek düzeyde
1	2	3	4	5

1. Değişkenlik: Aşağıda listelenen sektörler sizce <u>ne derece</u> inişli çıkışlı, öngörülmesi zor, ve değişkendir?

a. Rekabet sektörü
b. Müşteri sektörü
c. Teknolojik sektör
d. Devlet-hükümet sektörü
e. Ekonomik sektör

2. Karmaşıklık: Aşağıda listelenen sektörler sizce ne derece anlaşılması zor ve karmaşıktır?

a. Rekabet sektörü
b. Müşteri sektörü
c. Teknolojik sektör
d. Devlet-hükümet sektörü
e. Ekonomik sektör

Bölüm 6.

Bu bölümde farklı sektörler hakkında hangi kaynaklardan ve ne sıklıkla bilgi topladığınızla ilgileniyoruz. Aşağıdaki çizelgede (sütunlarda) farklı sektörler, ve (satırlarda) farklı veri kaynakları verilmiştir. Sizden istediğimiz, her sektör hakkında, hangi KAYNAKTAN, ne SIKLIKLA bilgi topladığınızı çizelgedeki uygun kutucuğa 1: "Hiçbir zaman kullanılmaz", 2: "Genellikle kullanılmaz", 3: "Zaman zaman kullanılır", 4: "Çoğunlukla kullanılır", 5: "Çok sık kullanılır" ölçeğini kullanarak belirtmenizdir.

Örneğin, eğer rekabet sektörü hakkında internetten zaman zaman veri topluyorsanız, Rekabet sektörü sütununun (ikinci sütun) yedinci satırına denk gelen kutudan 3-zaman zaman kullanılır seçenegi seçilir.

Hiçbir zaman kullanılmaz	Genellikle kullanılmaz	Zaman zaman kullanılır	Çoğunlukla kullanılır	Çok sık kullanılır
1	**2**	**3**	**4**	**5**

	Rakiplerimiz hakkında bilgi toplarken	Müşterilerimiz hakkında bilgi toplarken	Teknolojik gelişmeler hakkında bilgi toplarken	Devlet-hükümet sektörü hakkında bilgi toplarken	Ekonomik durum hakkında bilgi toplarken
Firma içinde çalışanlar, satış sorumlularından gelen bilgiler					
Aile üyelerinin fikirleri					
Firma içindeki diğer yöneticilerin fikirleri					
Diğer firmaların yöneticilerinden alınan bilgiler					
Kendi müşterilerimizden gelen bilgiler					
Pazar araştırmalarından elde edilen bilgiler					
İnternet'ten edinilen bilgiler					
Televizyondan edinilen bilgiler					
Dergi ve gazetelerden alınan bilgiler					

Bölüm 7.

Kurumsallaşmayı, “bir firmanın, değişik birim ve fonksiyonlarıyla bir kurumun niteliklerine tam anlamıyla sahip olan; yapılanmış; kişilere değil, yüksek ölçüde resmi ve yazılı kurallara bağlı bir sistem haline gelmesi” olarak tanımlarsak, orta ölçekli bir aile şirketi için aşağıdaki ifadelerden her birine ne derece katılıp katılmadığınızı aşağıda verilen çizelgeye göre “1=kesinlikle katılmıyorum”dan “6=kesinlikle katılıyorum”a uzanan altı şıktan size en uygun olanını işaretleyek belirtiniz.

Kesinlikle katılmıyorum	Katılmıyorum	Pek katılmıyorum	Biraz katılıyorum	Katılıyorum	Kesinlikle katılıyorum
1	2	3	4	5	6

1. Kurumsal yapıya sahip olmak orta ölçekli bir aile şirketine değer katar.
2. Kurumsal yapı zaman içinde çevik olmaktan uzak hantal bir yapıya dönüşür.
3. Orta ölçekli bir aile şirketini kurumsallaştırmak şirkette krize neden olur.
4. Kurumsal yönetim, orta ölçekli bir aile şirketinde mümkün değildir.
5. Orta ölçekli bir aile şirketinin kalıcı olması için, kurumsallaşması gerekir.
6. Kurumsallaşma orta ölçekli bir aile şirketi için bir fırsattır.
7. Kurumsallaşma aile şirketi için bir tehdittir.
8. Kurumsallaşma orta ölçekli bir aile şirketine geleceğe yönelik kazanç getirir.
9. Kurumsallaşmaya çalışan orta ölçekli bir aile şirketi, rekabette avantajını kaybeder.
10. Kurumsal yönetim orta ölçekli bir aile şirketine bir şey kaybettirmez.
11. Orta ölçekli bir aile şirketinde kurumsallaşmaya gereksinim yoktur.
12. Orta ölçekli bir aile şirketi için kurumsallaşma stratejik önem taşımaz.
13. Kurumsallaşma, orta ölçekli bir aile şirketi için başarılması güç bir çabadır.
14. Orta ölçekli bir aile şirketinin eninde sonunda kurumsallaşması gerekir.
15. Orta ölçekli bir aile şirketinde kurumsal bir yapı kurmak mümkündür.
16. Kurumsal yapı orta ölçekli bir aile şirketine bir şey kazandırmaz.
17. Kurumsallaşma orta ölçekli bir aile şirketinin gelişmesi için iyidir.
18. Kurumsal yönetim orta ölçekli bir aile şirketinin büyümesi için gereklidir.
19. Kurumsal yapı orta ölçekli bir aile şirketine yarardan çok zarar getirir.

Bölüm 8.

A. Şirketinizde aşağıdaki meslek gruplarından çalışan kişi sayısı kaçtır?

Çalışanların Meslek Grubu Kişi sayısı

a) Mühendis

b) Bilgisayar programcısı

c) Teknisyen

B. Şirketinizde üst düzey yöneticilerin öğrenim durumu nedir?

Üst düzey yöneticilerin öğrenim Durumu Kişi sayısı

a) Üniversite mezunu

b) Yüksekokul(İki Yıllık)

c) Lise mezunu

Bölüm 9.

Aşağıda listelenen durumlar şirketinizde mevcut mu? Mevcut değilse de yapılması (kısa veya uzun vadeli) hedefleriniz arasında mı?

	Mevcut mu?	Mevcut değilse hedefleniyor mu?
1. Her iş için tam kapsamlı, yazılı iş tanımları yapılmıştır.		
2. Çalışanlar için yazılı görev tanımları yapılmıştır.		
3. Çalışanlar şirket kurallarına kesinlikle uymakla yükümlüdür.		
4. Yöneticilerin görev ve sorumlulukları birbiriyle çakışmayacak şekilde ayrılmıştır.		
5. Yöneticiler sadece bir tek fonksiyon ve/veya departman'dan sorumludurlar.		
6. Toplam kalite yönetimi uygulaması yapılmaktadır.		
7. Çalışanlar tarafından kabul görmüş bir kurum kültürümüz vardır.		
8. Firmamızda insan kaynakları, muhasebe gibi departmanlarımız mevcuttur.		
9. Firmamızda aile üyesi olmayan profesyonel üst yöneticiler bulunmaktadır.		
10. Firmamızda kurumsallaşmaya yönelik yatırımlar yapılmaktadır.		
11. Firmamızda internet yaygın olarak kullanılır		
12. Firmamızda her türlü işlem bilgisayarda bilgi bankalarında (database) kayıtlıdır.		
13. Her çalışan için performans değerlendirmesi yapılır.		
14. Her yönetici için performans değerlendirmesi yapılır.		
15. Departman sorumluları konularında uzmandır.		
16. Firmamızda her türlü işlemin nasıl yapılacağı yazılı kurallarla belirlenmiştir.		
17. Firmamız, ben yöneticiliği bugün bıraksam bile varlığını zorluk çekmeden sürdürebilecek şekilde yapılandırılmıştır.		
18. Üretim,hizmet ve ticari amaçlı karar alma aşamalarında MRP,ERP,CRM vb. paket program verilerinden yaralanılıyor.		

APPENDIX B. Factor loadings for the Interpretation Items

Items	Factor Loadings			
	F1	F2	F3	F4
1. Kurumsal yapiya sahip olmak orta olcekli bir aile sirketine deger katar. (O)	**0.929**			,135
8. Kurumsallasma orta olcekli bir aile sirketine gelecege yonelik kazanc getirir. (O)	**0.793**			
17. Kurumsallasma orta olcekli bir aile sirketinin gelismesi icin iyidir. (O)	**0.728**	0.242	0.319	,110
5. Orta olcekli bir aile sirketinin kalici olmasi icin, kurumsallasmasi gerekir. (N)	**0.698**	0.144	0.218	-,252
19. Kurumsal yapi orta olcekli bir aile sirketine yarardan cok zarar getirir.	**-0.688**	0.251		-,105
16. Kurumsal yapi orta olcekli bir aile sirketine bir sey kazandirmaz. (O)	**-0.620**	0.117		-,232
6. Kurumsallasma orta olcekli bir aile sirketi icin bir firsattir. (O)	**0.603**	-0.171	0.247	
12. Orta olcekli bir aile sirketi icin kurumsallasma stratejik onem tasimaz. (O)	**-0.472**	0.351		,111
7. Kurumsallasma aile sirketi icin bir tehdittir. (T)	0.219	**0.862**	-0.301	-,131
2. Kurumsal yapi zaman icinde cevik olmaktan uzak hantal bir yapiya donusur. (T)	0.127	**0.848**		,209
3. Orta olcekli bir aile sirketini kurumsallastirmak sirkette krize neden olur. (T)	-0.411	**0.611**	0.225	
9. Kurumsallasmaya calisan orta olcekli bir aile sirketi, rekabette avantajini kaybeder. (T)	-0.426	**0.547**	0.143	
4. Kurumsal yonetim, orta olcekli bir aile sirketinde mumkun degildir. (C)		**0.526**	-0.482	-,181
11. Orta olcekli bir aile sirketinde kurumsallasmaya gereksinim yoktur. (N)	-0.452	**0.471**		,115
10. Kurumsal yonetim orta olcekli bir aile sirketine bir sey kaybettirmez. (T)	0.353	**-0.418**	-0.142	
18. Kurumsal yonetim orta olcekli bir aile sirketinin buyumesi icin gereklidir. (N)			**0.831**	
14. Orta olcekli bir aile sirketinin eninde sonunda kurumsallasmasi gerekir. (N)	0.142		**0.799**	-,119
15. Orta olcekli bir aile sirketinde kurumsal bir yapi kurmak mumkundur. (C)	0.360		**0.493**	
13. Kurumsallasma, orta olcekli bir aile sirketi icin basarilmasi guc bir cabadir. (C)	0.136	0.111		**,922**
Eigenvalues:	10.276	1.187	1.083	0.881
Percent of variance explained:	54.082	6.249	5.596	4.637

Note: Extraction Method: Principal Component Analysis. Rotation Method: Promax with Kaiser Normalization. Values less than .10 are not presented.

O: Opportunity item, T: Threat item, N: Necessity item, C: Capability item

APPENDIX C. Factor loadings for the Need for Cognition Scale

Items	Factor Loadings				
	F1	F2	F3	F4	F5
Yeni düşünme yolları öğrenmek beni fazla heyecanlandırmaz.	**0.742**				
Düşünmek benim eğlence anlayışıma uymaz.	**0.716**				
Düşünce gücümü zorlayan bir işten çok, az düşünmeyi gerektiren bir iş yapmayı tercih ederim.	**0.711**	-0.327			
Sorunlara yeni çözümler üretmeyi gerektiren işleri severim.	**0.698**			-0.413	
Bir kez öğrendikten sonra fazla düşünce gerektirmeyen işleri severim.	**0.673**	-0.407			
Uzun vadeli projeler yerine; küçük, günlük projeler hakkında düşünmeyi tercih ederim.	**0.665**				
Bir şey işe yarıyor ise, bu benim icin yeterlidir, nasil ve neden işe yaradığı önemli değildir.	**0.639**	-0.310			
Üzerinde çok fazla ve derin düşündürecek durumlari önceden görmeye ve bu tür durumlardan kaçınmaya çalışırım.	**0.604**			0.308	
Üstünde çok fazla düşünmeyi gerektiren bir durumun sorumluluğunu üstlenmeyi severim.	**0.588**	0.404	-0.303		
Hayatimin çözmem gereken bulmacalarla dolu olmasını tercih ederim.	**0.587**	0.396			
Beni kişisel olarak etkilemeyecek olaylar hakkında bile uzun uzadıya düşünürüm.		0.691			
Soyut düşünce kavramı bana çekici geliyor.	**0.409**	0.576			-0.323
Karmaşık problemleri basit olanlara tercih ederim.	**0.383**	0.464		0.361	0.327
Bir konu üzerinde sadece gerektiği kadar düşünürüm.	**0.316**		0.723		
Bir konu üzerinde, uzun süre ince eleyip sık dokumaktan zevk duyarım.	**0.319**		0.617	-0.306	
Çok fazla zihinsel güç gerektiren bir işi tamamladığımda tatminden çok rahatlama hissederim.		-0.339	0.455		
Düşünce gücümle başarıyı elde etmek bana çekici gelir.	**0.493**			-0.615	
Zeka gerektiren, zor ve önemli bir işi, biraz önem taşıyan ama üstünde fazla düşünmeyi gerektirmeyen bir işe tercih ederim.				-0.315	0.813
Eigenvalues:	5.300	2.245	1.446	1.211	1.173
Percent of variance explained:	29.446	12.473	8.031	6.728	6.514

Note: Extraction Method: Principal Component Analysis. Values less than .30 are not presented.

APPENDIX D. Factor loadings for the Regulatory Focus Scale

Items	Factor Loadings				
	F1	F2	F3	F4	F5
9. Sık sık başıma gelmesinden korktuğum kötü şeyleri yaşadıgımı hayal ederim.	**0.814**				
7. Sık sık iş hayatımdaki hedeflerimi başaramayacagımdan dolayı kaygılanırım.	**0.773**				
4. Sık sık gelecekte olmaktan korktuğum kişiyi düşünürüm	**0.765**				
10. Sık sık hayatımdaki başarısızlıkları nasıl engelleyebileceğimi düşünürüm.	**0.691**				
2. Sorumluluklarimi ve yükümlülüklerimi yerine getiremeyeceğimden dolayı tedirginim.	**0.637**			-0.407	-0.424
6. Tipik olarak, gelecekte kazanmayi umdugum başarıya odaklanırım.		**0.799**			
3. Sık sık ümitlerimi ve tutkularımı nasıl gerçekleştireceğimi hayal ederim.	0.447	**0.704**			
16. Genellikle, hayatımda olumlu sonuçlara ulaşmaya odaklanırım.		**0.589**			0.364
8. Sık sık nasıl iş hayatımda başarıya ulaşacagımı düşünürüm.	0.337	**0.577**		0.394	
5. Sık sık gelecekte idealimde olmayı istediğim kişiyi düşünürüm.	0.433	**0.548**		0.370	
13. Şu an iş hayatındaki en önemli amacım kariyer veya ekonomik alanda basarısızlığı engellemek.	0.310		0.792		
12. Şu anda iş hayatındaki en önemli amacım kariyer veya ekonomik alanda hayallerime ulaşmak.		0.368	0.787		
15. Kendimi her seyden önce "olmam gereken ben"e ulaşmaya - görevlerini, sorumluluklarını ve zorunluluklarını gerçekleştirmeye – çabalayan biri olarak görüyorum.			0.647	0.438	
18. Sonuç olarak, başari kazanmaya başarısızlıkları önlemeye çalısmaktan daha çok eğilimliyimdir.				0.755	
17. Sık sık kendimi başıma geleceğini düşündüğüm iyi şeyleri yaşarken hayal ederim	0.443			0.475	
14. Kendimi her şeyden önce "idealimdeki ben"e ulaşmaya - ümitlerini, dileklerini ve tutkularını gerçekleştirmeye – çabalayan biri olarak görüyorum.	0.350		0.426	0.469	
1. Genellikle, hayatımdaki olumsuz olayları engellemeye çalışırım.					0.804
11. Kazançları elde etmekten daha çok kayıpları önlemeye meyilliyimdir.	0.352			-0.360	0.553
Eigenvalues:	5.725	2.027	1.642	1.459	1.163
Percent of variance explained:	31.803	11.258	9.123	8.108	6.464

Note: Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Values less than .30 are not presented.

APPENDIX E. Institutionalism level index (First three items; Formalization Scale)

1) There are complete job descriptions for all jobs
2) Employees must strictly abide by company rules
3) There are no arguments about job overlap among members
4) There are written job incumbents for each employee.
5) The roles and responsibilities of the managers are specified, as they do not intersect with each other.
6) The managers are responsible for a single function or department.
7) There are total quality management applications in the firm.
8) There is a company culture, which is accepted by all of the employees.
9) There are specific departments, such as HR and accounting.
10) There are professional high-level managers who are outside the family.
11) There are investments towards institutionalism in the firm.
12) The Internet is widely used in the firm.
13) Every kind of transaction is entered and kept in computer databases.
14) Performance appraisal is done for every employee.
15) Performance appraisal is done for every manager.
16) The department heads are specialists in their areas.
17) The how-tos for each transaction are stated by written rules.
18) The firm is structured to survive even though I quit my managerial position today.
19) In decision-making process about production, trade, and service, the data provided by software programs, such as MRP, ERP, CRM etc., are used.