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### **INSTITUTIONALIZATION SCALE DEVELOPMENT STUDY: A RESEARCH ON INTERNATIONALIZED FIRMS <sup>1</sup>**

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#### ***Abstract***

The institutionalization has been defined in many dimensions in the literature. When the studies are examined, it has been seen that institutionalization has been discussed from two different perspectives which are called old and new approach. The old institutionalization approach refers institutionalization as a structural feature of the firm, while the new institutionalization approach refers institutionalization as a structure that occurs around the company and has a certain effect on the firm. In this study, it was aimed to develop the scale for measuring institutionalization from both perspectives.

Institutionalization scale from the perspective of the old institutionalization was developed by measuring the organizational institutionalization level of the company. Institutionalization scale from the perspective of the new institutionalization was developed by measuring the managers' perception of institutional forces existing in the environment of the company. Firstly a pilot study is conducted with a sample of 100 firm and then main study is conducted on with a sample of 392 firms internationalized by using obtained data from questionaries. Reliability and validity of obtained data was assured and the exploratory and confirmatory factor analyses were conducted respectively. Statistically reliable and valid institutionalization scale is developed.

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**Keywords:** New institutionalization, internationalization, scale development, factor analysis.

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## **1. Introduction**

The institutionalization has been discussed in many dimensions in the literature. It is also possible to examine organizational, sociological, political and economic aspects of institutionalization. The institutionalization is generally discussed from two different perspectives, old and new institutionalization approach. The old institutionalization approach refers institutionalization as a structural feature of the firm, while the new institutionalization approach refers it as a structure which is existing around the firm and impacting the firm (Dimaggio & Powell, 1983; Frese, 2002; Meyer & Rowan, 1977; Scott, 1987; Selznick, 1996). In this study, it is aimed to develop the scale for measuring institutionalization level from both perspectives. From the perspective of the old institutionalization, scale of organizational institutionalization level will be developed. From the perspective of new institutionalism, scale of managers' perception about institutional forces of internationalization around the firm will be developed.

## **2. Literature Review and Theoretical Framework**

### **2.1. Organizational Institutionalism**

As the organization becomes institutionalized, it also seeks to acquire a special character and acquire a distinctive ability (Selznick, 1996). The theory of institutionalization discuss the emergence of distinctive forms, processes, strategies, perspectives, and abilities, through the internal dynamics of the organization and the adaptation of the environment. These improvements should be perceived as reactions to the internal and external environment (Granovetter, 1985; Selznick, 1996). Many formal organizational structures emerge as a reflection of rational institutionalization rules. These rules are complicated by the interaction with a large number of formal organizational structures (Meyer & Rowan, 1977). Institutionalization refers to the emergence of a regular, fixed and socially unifying structure from irregular, poorly organized and narrow technical activities (Broom & Selznick, 1977). Key organizational institutionalization criteria are flexibility, complexity, autonomy and unity. An organization shows a high level of institutionalization, which is flexible in terms of adaptation to the environment, complicated in terms of differentiated functions, autonomous in terms of representation of various social groups, and successful in developing ways of reconciliation and conflict resolution (Huntington, 1965). It is necessary to add professionalization and formalization to these four dimensions of organizational institutionalization. Firms with irregular structures and processes will need firstly to employ professional workers, and become formalized in organizational structure and functioning (Cohen & Kol, 2004; Ferrell & Skinner, 1988; Hall, 1968; Huntington, 1965; Kimberly, 1979; Kimberly, 1978; Kostova, 1999; Peters, 2000; Ruekert, Walker, & Roering, 1985; Shrivastava & Grant, 1985; Staggenborg, 1988; Wallace, 1995; Westphal, Gulati, & Shortell, 1997; Zajac & Westphal, 2004).

Flexibility refers that an organization is flexible or rigid in its ability to adapt to the environment (Huntington, 1965; Karpuzoğlu, 2004; Peters, 2000).

Complexity refers the differentiation of the organization sub-systems in terms of structure and function. (Huntington, 1965; Karpuzoğlu, 2004; Peters, 2000).

Autonomy refers the being distinguishable from other groups and organizations. Autonomy emphasizes the firm's ability to create and implement its own decisions (Huntington, 1965; Karpuzoğlu, 2004; Peters, 2000).

Compatibility refers the development of minimum reconciliation procedures in the solution of conflicts (Huntington, 1965). The compatibility dimension refers to the ability of the company to manage its own workload and to develop processes that will perform tasks in a timely and accurate manner. In the same time, this feature also emphasizes and the capacity to make decisions about beliefs and to detect deviations from the basic mission of the firm (Peters, 2000).

Formalization refers the designing the organization structures and operating actions in accordance with the rules, standards and systematic procedures to coordinate the various functions within the organization. Determining how and by whom the management functions will be carried out can be defined as formalization (Alpay, Bodur, Yilmaz, Çetinkaya, & Arıkan, 2008; Apaydın, 2009; Ferrell & Skinner, 1988; Hall, 1968; J. Kimberly, 1979; Wallace, 1995).

Professionalization refers the employment of professionals in management, development of business climate to support the characteristics of professional employees. In the same time it refers establishing the firm's relation with sectoral institutions by means of professionals (Cohen & Kol, 2004; Hall, 1968; Kimberly, 1979; Kostova, 1999; Matsuno, Mentzer, & Özsoy, 2002; Ruekert et al., 1985; Shrivastava & Grant, 1985; Staggenborg, 1988; Wallace, 1995; Westphal et al., 1997; Zajac & Westphal, 2004).

## **2.2. New Institutionalism**

The new theory of institutionalization examines the organizational effects of institutional structures that exist around the firm. Institutionalized environment, isomorphism and institutional forces are the main focus of this theory (DiMaggio & Powell, 1983).

### **2.2.1. Institutional Environment**

Institutional environment deals with political, social and legal rules as a set of mutual transaction norms (North, 2016; Scott, 1987; Zhao & Decker, 2004; Zucker, 1987). In addition to the legal regulatory environment, the cognitive and normative environment is also accepted as institutional structures that define social meaning and appropriate behavior patterns for social actors (Bianchi & Arnold, 2004). Organizations develop a number of adapting structures and behaviors in order to adapt to the institutional environment that affects them (Bianchi & Arnold, 2004; J. W. Meyer & Rowan, 1977; Selznick, 1949). There are three forces of this structure, which exist in the environment and which shape organizations by influencing them. These forces are regulative systems, normative systems and cultural-cognitive-mimetic systems. These three forces, one by one or together with, contribute to the emergence of a strong institutional structure as a social framework (Scott & Meyer, 1994). The outcome of these forces is that the organizations in the same environment tend to resemble each other. The concept that best describes this similarity process is isomorphism (Berge & Luckmann, 1967; DiMaggio & Powell, 1983; Guillén, 2002; Hawley, 1968; J. W. Meyer & Rowan, 1977).

### **2.2.2. Institutional Forces and Isomorphism**

Three different forms of institutional forces lead to institutional isomorphism. The coercive institutional force mechanism derives from the problems of political force and legitimacy. Cognitive-mimetic institutional force mechanism is resulted from the standard reaction to the uncertainty. Normative (institutional) force mechanism emerges with professionalization (DiMaggio & Powell, 1983). Because of internationalization, firms facing new international environment are exposed to institutional force mechanisms, which forces environmentally adaptation. This adaptation process requires regulations and adaptation efforts not only for related partners but also for suppliers and sector (Zhu, Sarkis, & Lai, 2011). Through laws and regulations that compel or support such practice, through practices that make it easier for people to understand and imitate it and through social norms that supports and strengthens conceptual structures and practice, institutional mechanisms contribute positively to the adoption of organizational practices (Kostova & Roth, 2002).

**Coercive Institutional Forces:** It refers the force from other formal or informal organizations to which the organizations depend and cultural expectations in the region where the organization operates. This force sometimes manifests itself in the form of coercion, sometimes persuasion, and sometimes an invitation to a secret agreement. In some cases, organizational change emerges directly as a requirement of government regulation. For example, in accordance with the environmental conservation law, they are obliged to employ legal advisers or minority rights advocates in their organizations in order to incorporate new technologies into their structures or not to be accused of minority rights violations (DiMaggio & Powell, 1983; Meyer, Scott, & Deal, 1980). The existence of a legal environment naturally leads to mandatory isomorphism. Budget and accounting law, financial reporting requirements, or government incentive funds force similar behavior (Coser, Kadushin, & Powell, 1982; Kostova & Roth, 2002; J. W. Meyer & Rowan, 1977; Pfeffer & Salancik, 2003; Yin & Ma, 2009).

**Cognitive Institutional Forces:** Institutional isomorphism does not only come from a compelling authority (Mizruchi & Fein, 1999). Uncertainty is a powerful influence that increases the isomorphism as the least coercive authority. If organizational technologies are not fully understood (Perrow, March, & Olsen, 1977), objectives are ambiguous, or environmental factors are unclear, organizations can naturally try to resemble another organization (DiMaggio & Powell, 1983). An organization can choose to imitate another organization in the environment when the source is unspecified or the solution is not fully understood (Cyert, Feigenbaum, & March, 2007). The imitated organization may or may not be aware of this situation and may not want this similarity. The modeled organization is only the source of certain applications and the borrowing firm transfers these applications to its own (DiMaggio & Powell, 1983). This application transfer from the model organization takes place indirectly through employee transfer or directly through contacts in consulting firms and trade chambers/unions (J. Kimberly, 1980). Organizations imitate the organizations they believe to be successful and legitimate in their sector (DiMaggio & Powell, 1983).

**Normative Institutional Forces:** It comes particularly from the professionalization process. Those who do a particular job (Evetts, 2009; Larson, 1979; Shafer, Park, & Liao, 2002) can describe professionalization as collective efforts to identify the conditions and methods of their own work. Professional groups are also subject to coercive and imitative forces. Thus, the professional groups can be

very similar to each other (Yin & Ma, 2009). Therefore, the professional institutional isomorphism process within the organization can indirectly lead to isomorphism in the structure and practices of the organization (Zhu et al., 2011). Professionalization creates two reasons for isomorphism. First one is the existence of similar curricula of universities and second one is a large professional network. Professional staff who takes part in similar positions in different organizations create an isomorphic personnel pool (Perrow, 1974). Another mechanism that provides normative institutional isomorphism is the similar job specifications for a position in the organizations (DiMaggio & Powell, 1983).

### **3. Research Method**

15 scale items regarding the managers' perception of institutional forces mechanisms about internationalization are developed from the literature with three dimensions; coercive, cognitive and normative (Cheng & Yu, 2008; Kostova & Roth, 2002; Zhu et al., 2011). To measure coercive institutional forces perception scale 6 items are developed (DiMaggio & Powell, 1983; Kostova & Roth, 2002; Lynne G. Zucker, 2008). To measure cognitive institutional forces perception scale, 4 items are developed (Scott, 1995), to measure normative institutional forces perception scale, 5 items are developed (Hall, 1968; Kostova & Roth, 2002). Regarding organizational institutionalization level of the firm, 40 scale items are developed with 6 dimensions; flexibility, complexity, autonomy, compatibility, professionalism and formalism (Apaydn, 2008; Atila & Küskü, 2006; Huntington, 1965; Karpuzoğlu, 2004; Peters, 2000; Scott, 1995; Selznick, 1996; Tavşancı, 2009; Yılmaz, 2007; Zucker, 1987). To measure flexibility scale, 9 items and to measure complexity scale 6 items are developed (Huntington, 1965; Peters, 2000). To measure autonomy scale, 5 items are developed (Huntington, 1965; Peters, 2000; Selznick, 1996). To measure compatibility scale, 7 items are developed (Peters, 2000). To measure formalization scale, 6 items are developed (Alpay et al., 2008; Wallace, 1995). To measure professionalization scale, 7 items are developed (Cohen & Kol, 2004; Hall, 1968; Kostova, 1999; Shrivastava & Grant, 1985; Zajac & Westphal, 2004).

#### **3.1. Pilot Study**

##### **3.1.1. Sample and Data Collection**

A five-point Likert-type scale was used to measure the perceptions of the managers. In the mentioned rating, it is defined as "strongly disagree, disagree, undecided, partly agree, and strongly agree". Expert opinion was taken for the questionnaire form, and preliminary fieldwork was carried out again to prevent misunderstanding and then questionnaire for pilot study is prepared to conduct. Population of the research encompasses the enterprises operating internationally in the eight organized industrial zones, located in the Istanbul. The pilot study is conducted to reveal the reliability and validity of the variables and to conduct an exploratory factor analysis. The sample of the pilot study is taken among the internationalized, 100 firms with 24.5% of the number of firms (410) to be reached in the main study. Research questionnaire was applied to the senior manager of these 100 firms in the pilot study.

### 3.1.2. Validity Analysis

Scope (content) validity and structural validation analysis are required in the validity analysis framework (Bernstein & Putnam, 1986; Carmines & Zeller, 1979; Costello & Osborne, 2005). 55 scale items in the research model have been developed from various scientific academic sources before mentioned. Measures were taken to prevent the wrong translation problems at every stage by cross translating method. Firstly, items are translated from English into Turkish and then translated from Turkish into English. The items are subjected to minor changes for a standard grammatical order such as time and persons. These minor changes are made in such a way as not to allow any meaningful shift. Six specialists in the field of business and three specialists from non-business fields reviewed the questionnaire form. In terms of meaning and sentence structures, the experts corrected scale items. Then the questionnaire is conducted to top-level managers of four companies similar to the sample of the research. The managers were interviewed face to face to find out what they understand from all the statements in the survey. After this study, some definitions about items were added to questionnaire form with red color fonts.

### 3.1.3. Reliability Analysis

The Cronbach Alpha Coefficient ( $\alpha$ ) is used to measure the reliability of all variables (Bernstein & Putnam, 1986; Carmines & Zeller, 1979; Costello & Osborne, 2005). The Cronbach's Alpha values for each factors exceeds 0.70, which indicates the reliability of scales used in that pilot survey. Based on the results of the pilot study, retest and parallel test reliability of the scale will be analyzed in the main study.

### 3.1.4. Findings

Exploratory Factor Analysis is performed gradually for structure analysis. (Everitt & Dunn, 2001; Hair, Black, Rabin, & Anderson, 2010a, 2010b; Qu, 2007; Sharma, 1996). One of 15 the managers' perception of institutional forces scale items was removed and 14 items remained. KMO and Bartlett's test value is 0,635 and Bartlett's test is significant ( $p < 0,05$ ). Items are grouped under five dimensions, which are supposed to be 3 according to theory and explain 62.96% of the total variance. These 5 dimensions are renamed as Regulatory, Promoting, Normative, Cognitive and Sectoral forces. Factor scores of items are shown at the Table 01.

**Table 01.** Pilot Study Exploratory Factor Analysis of the Managers' Perception of Institutional Forces Scale

Scale Items	Regulatory	Normative	Cognitive	Sectoral	Promoting
There are institutions and laws that supervise the products and services that are subject to international activities in our sector.	0,817				
There is an intense customer demand that forces our company to develop internationalized product and service standards.	0,763				
There are regulations forcing to develop international standards and applications in our sector.	0,67				
Many institutions and organizations encourage and lead internationalization in our country		0,743			
Incentive and tax laws support internationalization in our sector.		0,69			

Becoming a member of organizations regarding internationalization activities facilitates the internationalization of our firm.	0,592			
The most successful firms in the sector are companies that are internationalized.		0,846		
It is very difficult to find jobs in our sector for managers who are not competent in internationalization.		0,708		
It is necessary to internationalize to be a successful firm.		0,447		
Firms in our country have a great deal of knowledge about internationalization.			0,746	
The issue of internationalization is widely covered by media in our country.			0,727	
Laws and Regulations in our country facilitate international activities.			0,6	
There is a strong belief that the firms in our industry cannot survive without having the ability to internationalize.				0,833
It is necessary to benefit from consultancy services in order to achieve success in international activities in our sector.				0,479

6 of 40 organizational institutionalization scale items was removed, and 34 items remained. KMO value is 0,746 and Bartlett’s test is significant ( $p < 0,05$ ). Items are grouped under 8 dimensions, which are supposed to be 6 according to theory and explain 68.17% of the total variance. These 8 dimensions are renamed as flexibility, complexity, autonomy, compatibility, professionalism, formalism, planning and control. Factor scores of items are shown at the Table 02.

**Table 02.** Pilot Study Exploratory Factor Analysis of the Organizational Institutionalization Scale

SCALE ITEMS	Compatibility	Formalism	Professionalism	Flexibility	Planning	Complexity	Control	Autonomy
Our company has the ability to rearrange its functions such as production, marketing, HR, accounting, finance and management practices in accordance with the changes in its environment.	0,714							
Our company has the capacity to develop the organizational structures necessary to adapt to the environment.	0,677							
Our company has the capacity to resolve conflicts and develop plans to implement its tasks on time and in a proper manner.	0,796							
Our company has the capacity to resolve conflicts and develop processes to implement its tasks on time and in a proper manner.	0,777							
Our company has the capacity to make decision on basic tasks and to figure out the deviations from these decisions.	0,658							
Mission and vision are determined in writing, known, and adopted by all our employees.		0,463						
All activities are carried out with written plans and programs.		0,508						
Formal organizational structure defines tasks, authorities and responsibilities.		0,825						
Decisions and activities are compatible with written procedures and policies.		0,837						
Formal organization structure defines superior-subordinate relationship and we act according to this definition.		0,725						
Departments act in line with common company goals.			0,462					
Personnel recruiting system has selection and placement procedures based on expertise.			0,547					

The senior management team consists of specialists in functional areas such as marketing, finance, human resources, production.			0,463				
There are defined standard criteria for the determination of the managers who will serve on the board of directors.			0,695				
Professionals have authority in developing new policies.			0,775				
Professionals have authority in determining who will be recruited.			0,606				
Our professional managers, who have no blood relation with our shareholders, are free to use the authority in the decision-making process.			0,662				
Our company has the ability to reassign leadership positions by its own methods and rules.			0,469				
Our company keeps track of changes in customer demands and needs.			0,809				
The activities of all departments are compatible with the aims of the firm.			0,475				
Our company has its own norms, beliefs and cultural values.			0,745				
Our company's activities are documented in forms.			0,725				
Our company has the ability to adapt to changes in the environment.				0,712			
Our company has the financial power and resources to implement its own decisions and strategies.				0,715			
Our company has the ability to manage its own activities.				0,578			
Despite the changes in the environment, our company supply the necessary resources.				0,530	0,611		
Our company has the capacity to develop the organizational structures necessary to realize its goals.					0,706		
Our company has sufficiently differentiated subdivisions (department, branch) and functions, which are compatible with its purposes.					0,574		
Regular meetings are held in our company, and the important decisions are usually taken at these meetings.					0,596		
Our company regularly evaluate the opportunities and threats it faces by conducting market and external environment analysis.						0,633	
Our company tries to adapt certification and accreditation practices of the leading companies in the sector.						0,564	
Our company has an effective reporting system.						0,770	
Our company is not dependent on any other organization or institution.							0,823
Our company has the ability to determine its own strategy.							0,805

Pilot study exploratory factor and reliability analysis findings are shown at the Table 03. Finally, reliable scales have been developed for the main study.

**Table 03.** Pilot Study Exploratory Factor ve Reliability Analysis Findings

Scale	KMO	Bartlett's Test	Cronbach- Alpha
Managers' Perception of Institutional Forces	0,635	(P<0,05) Significant	0,746
Organizational Institutionalization	0,746	(P<0,05) Significant	0,891

### 3.2. Main Study

As a result of pilot study, the reliability and validity analyzes of the questionnaire were made. The questionnaire form was rearranged according to the changes in the pilot study. 367 firms in the sample of the main study is enough statistically. However, a total of 410 companies surveyed due to estimated 10%



deficiency in the questionnaire forms. 18 of questionnaires is eliminated for some deficiencies. As a result, 392 questionnaires will be used for analysis in the main study.

### 3.2.1. Reliability Analysis

The Cronbach Alpha Coefficient ( $\alpha$ ) is used to measure the reliability of all variables (Bernstein & Putnam, 1986; Carmines & Zeller, 1979; Costello & Osborne, 2005). The Cronbach's Alpha values for o the managers' perception of institutional forces scale is 0,709. The Cronbach's Alpha values for organizational institutionalization scale is 0,937. Retest reliability of the scales is ensured by using 53 firm which is taking place in the sample of both, pilot and main study. Correlation between first and second test indicate a good reliability (Organizational Institutionalization:0,934, Managers' Perception of Institutional Forces: 0,833).

### 3.2.2. Validity Analysis

Validity analysis of scales are mostly ensured in the pilot study. In the main study phase, questionnaire form is rearranged to ensure scope and content validity according to findings of pilot study.

### 3.2.3. Findings

Exploratory factor analysis is conducted gradually for managers' perception of institutional forces scale, and none of items is excluded. KMO value is 0,722 and Bartlett's test is significant ( $p < 0,05$ ). Residual values in the reproduced correlation table were examined and 49% of these residual values were observed to be greater than 0,05. This value, low enough compared to the pilot study, is suggesting that factoring is sufficient, and it is assessed that this depends on the sufficient number of samples in the main study. Factor scores of items are shown at the Table 04.

**Table 04.** Main Study Exploratory Factor Analysis of the Managers' Perception of Institutional Forces Scale

Scale Items	Regulatory	Normative	Cognitive	Sectoral	Promoting
There are institutions and laws that control the products and services that are subject to international activities in our sector.	0,793				
There is an intense customer demand that forces our company to develop internationalized product and service standards.	0,752				
There are regulations forcing to develop international standards and applications in our sector.	0,543				
Many institutions and organizations encourage and lead internationalization in our country	0,467				
There is a strong belief that the firms in our industry cannot survive without having the ability to internationalize.		0,79			
It is very difficult to find jobs in our sector for managers who are not competent in internationalization.		0,739			
It is necessary to internationalize to be a successful firm.		0,63			
The most successful firms in the sector are companies that are internationalized.			0,733		
Firms in our country have a great deal of knowledge about internationalization.			0,709		
The issue of internationalization is widely covered by media in our country.			0,587		

It is necessary to benefit from consultancy services in order to achieve success in international activities in our sector.				0,831	
Becoming a member of organizations regarding internationalization activities facilitates the internationalization of our firm.				0,703	
Laws and Regulations in our country facilitate international activities.					0,807
Incentive and tax laws support internationalization in our sector.					0,529

When compared Table 04 and Table 01, it seen that items are grouped under 5 factors different from exploratory factor analysis. At the same time it appears that the items are differently grouped under 5 factors which is more proper to the literature.

Exploratory factor analysis is conducted gradually for organizational institutionalization scale, and 1 of 8 items is excluded. KMO value is 0,927 and Bartlett’s test is significant ( $p < 0,05$ ). Total variance of factoring is 64,563%. Residual values in the reproduced correlation table were examined and 21% of these residual values were observed to be greater than 0.05. This value is low enough when compared to the pilot study, suggesting that factoring is sufficient and it is assessed that this depends on the sufficient number of samples in the main study. Factor scores of items are shown at the Table.

**Table 05.** Main Study Exploratory Factor Analysis of the Organizational Institutionalization Scale

Scale Items	Flexibility	Formalism	Compatibility	Autonomy	Complexity	Professionalism	Control-Reporting
Our company has the ability to adapt to changes in the environment.	0,81						
Despite the changes in the environment, our company supply the necessary resources.	0,73						
Our company has the ability to reassign leadership positions by its own methods and rules.	0,68						
Our company has the ability to rearrange its functions such as production, marketing, HR, accounting, finance and management practices in accordance with the changes in its environment.	0,65						
Our company keeps track of changes in customer demands and needs.	0,64						
Our company regularly evaluate the opportunities and threats it faces by conducting market and external environment analysis.	0,63						
Our company tries to adapt certification and accreditation practices of the leading companies in the sector.	0,6						
Our company has the capacity to develop the organizational structures necessary to realize its goals.	0,56						
Our company has the capacity to develop the organizational structures necessary to adapt to the environment.	0,52						
Mission and vision are determined in writing, known and adopted by all our employees.		0,78					
All activities are carried out with written plans and programs.		0,73					
Formal organizational structure defines tasks, authorities and responsibilities.		0,7					
Decisions and activities are compatible with written procedures and policies.		0,7					
Formal organization structure defines superior-subordinate relationship and we act according to this definition.		0,69					
Personnel recruiting system has selection and placement procedures based on expertise.		0,64					
The senior management team consists of specialists in functional areas such as marketing, finance, human resources, production.		0,63					
Regular meetings are held in our company, and the important decisions are usually taken at these meetings.		0,57					
Our company has the ability to manage its own activities.			0,81				

Our company has the capacity to resolve conflicts and develop plans to implement its tasks on time and in a proper manner.			0,79				
Our company has the capacity to resolve conflicts and develop processes to implement its tasks on time and in a proper manner.			0,61				
Our company has the capacity to make decision on basic tasks and to figure out the deviations from these decisions.			0,6				
Our company is not dependent on any other organization or institution.				0,65			
Our company has the ability to determine its own strategy.				0,62			
Our company has the financial power and resources to implement its own decisions and strategies.				0,56			
Our company has its own norms, beliefs and cultural values.				0,54			
Our company has sufficiently differentiated subdivisions (department, branch) and functions, which are compatible with its purposes.					0,73		
The activities of all departments are compatible with the aims of the firm.					0,68		
Departments act in line with common company goals.					0,66		
There are defined standard criteria for the determination of the managers who will serve on the board of directors.						0,86	
Professionals have authority in developing new policies.						0,78	
Professionals have authority in determining who will be recruited.						0,57	
Our professional managers, who have no blood relation with our shareholders, are free to use the authority in the decision-making process.						0,47	
Our company's activities are documented in forms.							0,75
Our company has an effective reporting system.							0,67

When compared Table and Table 02, it seen that items are grouped under seven factors different from pilot study exploratory factor analysis. At the same time, it appears that the items are differently grouped under 7 factors, which is more proper to the literature. By using main study factors, confirmatory factor analysis are conducted with IBM SPSS Amos 25.

#### 4. Conclusion and Discussions

There is no change in the number of items in the main study exploratory factor analysis. While the number of factors of Managers' Perception of Institutional Forces Scale did not change, the number of factors of Organizational Institutionalization Scale decreased by seven. The number of items and factor loadings of each factor have partially changed due to the fact that main study sample is bigger than the pilot study sample. It is seen that the structure resulting from the main study is more realistic, more significant and theoretically more compatible than the structure obtained by the pilot study. In other words, when starting exploratory factor analysis, it was observed that literature-based expressions did not converge completely under the predicted factors, whereas at the end of the main study, it was found that the expressions were collected under the predicted factors. In addition to this, the improvement of KMO and Cronbach-Alpha values are seen. It is assessed that this is related to the number of main samples (392) being sufficient. Main study exploratory factor and reliability analysis findings are shown at the Table 05.

**Table 05.** Main Study Exploratory Factor and Reliability Analysis Findings]

Scale	KMO	Bartlett's Test	Cronbach- Alpha
Managers' Perception of Institutional Forces	0722	(P<0,05) Significant	0,709
Organizational Institutionalization	0,927	(P<0,05) Significant	0,937

All the indices obtained from first and second order confirmatory factor analysis indicate a good/ acceptable model fit (Barrett, 2006; Chin, 1998; Hooper, Coughlan, & Mullen, 2008; Kline, 2005; Lin &

Hsieh, 2010) for both organizational institutionalization scale and managers' perception of institutional forces scale. A summary of indices are shown at the table 7.

**Table 07.** First and Second Order Confirmatory Factor Analysis Findings

Scale	CMIN/DF	RMR	GF I	AG FI	NFI	CFI	RMS EA
First Order Managers' Perception of Institutional Forces Scale	1.886	.068	.958	.933	.921	.962	.047
Second Order Managers' Perception of Inst. Forces Scale	2.049	.075	.949	.926	.914	.931	.051
First Order Organizational Institutionalization Scale Analysis	2.890	.071	.922	.937	.922	.945	.059
Second Order Organizational Institutionalization Scale Analysis	2.989	.076	.912	.909	.908	.913	.064

Further research is necessary to test the regression capacity of this scale. For this purpose scale should be tested in a multivariable model.

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