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Managerial subcultures in Turkey: how does membership in business associations impact managerial values and assumptions?

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Abstract: The study examines the impact of membership of business associations on managerial subcultures in Turkey. Perceptions of societal values and assumptions of top level managers regarding how to manage human resources were compared between the two groups: members of Independent Industrialists and Businessmen's Association (IIBA) and members of other business associations. IIBA member organisations are known for their adherence to conservative Islamic values and principles, while others stand closer to the secular ideology. A total of 223 top level managers (Presidents and Vice Presidents) participated in the study. Results indicated that top managers did not differ in their values and assumptions.

Keywords: Turkey; managerial subcultures; managerial values.

Biographical notes: Zeynep Aycan is trained as a cross-cultural psychologist and her research focuses on the impact of culture on various aspects of organisational processes, including leadership, human resource management, women's career development, and work-life balance. She has published three books and more than 35 book chapters and research articles in journals, including *Annual Review of Psychology*, *Group and Organization Management*, *Applied Psychology: An International Review*, *Human Relations*, *Journal of Cross-Cultural Psychology*, and *International Journal of HRM*. She is the editor of *International Journal of Cross-Cultural Management* - (with Terrence Jackson) and the President of the *International Society for the Study of Work and Organizational Values*.

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1   Introduction

In the last two decades, we have witnessed an exponential increase in cross-cultural studies in management and organisational sciences (Gelfand et al., 2007). In almost all of these studies, the unit of analysis for comparison has been national boundaries. This is based on the assumption that organisational cultures and managerial practices are relatively homogenous within nation states. Even though prominent scholars of cross-cultural management caution us about this assumption (e.g., Adler, 1984; Hofstede, 1983) there are very few studies to date that put it to empirical test (e.g., Lenartowicz and Roth, 2001; Singh and Hofstede, 1990). In this study, we examine whether or not *membership of business associations* plays a role in creating managerial subcultures within a country. More specifically, the aim of the study is to investigate the similarities and differences among managerial values and assumptions forming organisational cultures of organisations, which are members of different business associations in Turkey. Perceptions of societal values and employee-related assumptions of top level managers regarding Human Resource Management (HRM) were compared between the two groups: members of IIBA and members of ten other business associations, such as The ICC, The Istanbul Chamber of Industry (ICI), and the Turkish Industrialists' and Businessmen's Association (TIBA).

Turkey is gaining an increasingly important role in the world's political and economic scene. Turkey is one of the more developed Middle Eastern countries, and industrialisation is still in progress. The US Commerce Department designated Turkey as one of the world's ten 'Big Emerging Markets'. In 1999 Turkey was included in the G-20 group along with other major dynamic emerging economies. Turkey is a full member of the European Union (EU) Customs Union. In December 2004 the EU formally decided to enter into negotiations for full membership within a reasonable time. In the last 20 years, HRM has been increasingly recognised as a key factor in maintaining competitive advantage in Turkish business organisations (Aycan, 2006a). Despite the growing interest in HRM in Turkey, there are few studies on managerial values, assumptions and practices related to HRM practices.

Comparing IIBA with other business associations presents an interesting contrast. With its 26 branches and more than 2000 members, IIBA is a non-governmental organisation established in Istanbul in 1990. Included in their activities are training, guidance, and counselling for business people and creating a professional platform for exchange of ideas. Its mission is stated as "to protect our independent structure on national and international basis with respect to both global values and national history, culture and identity" (www.musiad.org.tr). Their clearly expressed concern to protect the national culture and identity is an approach that differentiates IIBA fundamentally from other business associations. IIBA is an organisation established by businessmen who adhere to pro-Islamist ideology. The defining trait which causes IIBA to acquire a distinct

character among other business organisations is the emphasis it places on Islam and Islamic values. As a matter of fact, IIBA has international ties with International Business Forum (IBF) who expressed its mission as "setting up a Global Business Network among Muslim Nations, providing a forum to identify and stimulate trade and mutual investment relationships among Muslim Businessmen throughout the world". The first of IBF's ten goals is: "to coin and utilise the Islamic ethical virtues among the conventional business life" (www.musiad.org.tr/english/ibf.asp).

In contrast to IIBA, other business associations included in this study, such as ICC (www.ito.org.tr/ITOPortal/ito_ingilizce.html), ICI (www.iso.org.tr/inghtml/ ingsiteindex.html), TIBA (www.tusiad.org/english/rapor/tanitim/president.pdf) adhere to the secularistic ideology, which is the founding principle of the modern Turkish Republic. For example, the mission statement of TIBA is that

> "TIBA seeks to promote the development of a social structure which conforms to Atatürk's (*the founder of the modern Turkish Republic*) principles and reforms. It strives to strengthen the democratic foundations upon which the civil society is based and supports a secular state based on the rule of law."

Establishment of business organisations that are pro-Islamic and their quest for distinctiveness in society can be associated with the rise of Islamic ideology in Turkey beginning from the 1990s. With the rise of political Islam, Islamic businessmen have found support (financial and otherwise) and, in turn, provided support to this political movement. The Islamic political circles have supported the Islamic business community whose economic power has enabled them to get organised under the roof of IIBA. As stated by Başlevent et al. (2005), during the past decade, the Turkish political scene has witnessed the steady rise of religious and nationalist parties at the expense of the centre parties, both on the left and the right. The pro-Islamist political movement has started in 70s and the Justice and Development Party (AKP) has brought together the younger and more moderate members under the leadership of Recep Tayyip Erdoğan, the current Prime Minister of Turkey. AKP won a surprising 34.3% vote share in the election of November 2002. As stated by Başlevent et al. (2004), AKP has done a good job of establishing itself as a moderate party during the run up to the elections and afterwards, and is now more commonly perceived as a centre-right party even though some are still concerned that it may have a hidden agenda that would ultimately lead to Turkey's detachment from the West.

The government programme of the first AKP cabinet included several references to the EU accession process (Doğan, 2005). In terms of relations with the EU, the undertakings of the AKP administration have been in accordance with the government programme. On 17th December 2004 the EU council has decided to start membership negotiation talks with Turkey. Regarding EU matters, IIBA's standpoint parallels the current administration. IIBA not only views Turkey's membership in the EU from an economic and geopolitical point of view, but also considers it as a u attempt towards consolidating democracy in the country. Although IIBA's foundations lean on a 'pro-Islamist ideology', the position it currently follows on issues of democracy and the EU resonates with secular ideology.

2   Theoretical framework: managerial subcultures

Why and how do organisational cultures (i.e., prevailing managerial values and assumptions) of IIBA member and non-member organisations differ? Before answering this question, we need to define organisational culture and discuss the key factors affecting it. Although organisational culture is defined in different ways by different researchers, most of the definitions lay emphasis on shared behaviours, thinking styles, beliefs, norms, values and assumptions. Hofstede (1991, p.262) describes organisational culture as "the collective programming of the mind which distinguishes the members of one organisation from another", and distinguishes between values and practices. While the practices (e.g., the way people dress or the use of organisational jargon) are the behavioural manifestations of culture, the values "determine the meaning of these practices for the people" and represent the deeper, underlying level of culture (Hofstede, 1991, p.181). Schein (1985) defines organisational culture as a pattern of shared basic assumptions to cope with the problem of external adaptation and internal integration that have worked well enough to be considered valid. These assumptions are conveyed to new members as the correct way to perceive, think and feel in relation to those problems. According to Schein (1985) culture has three levels: artefacts, values and basic assumptions (the core of the culture).

In our study, the theoretical basis to define organisational culture and the factors affecting it is based on the Model of Culture Fit (MCF) introduced by Kanungo and Jaeger (1990). This model examines the cultural factors relating to differences in HRM practices. The model is expanded by Kanungo and Aycan and tested in ten different countries (Aycan et al., 2000). It is posited that the organisational culture is affected by the socio-cultural environment as well as the enterprise environment in which organisations operate. Deriving from Berry's (1997) ecocultural framework (see also, Georgas and Berry, 1995), MCF further asserts that the socio-cultural and industrial environments are influenced by the nation's ecological, legal, political, historical, and socio-economic contexts. In other words, prevailing cultural values and institutional characteristics of organisations are, to some extent, affected by the ecological, legal, political, historical and economic context.

Figure 1   The Model of Culture Fit (MCF)
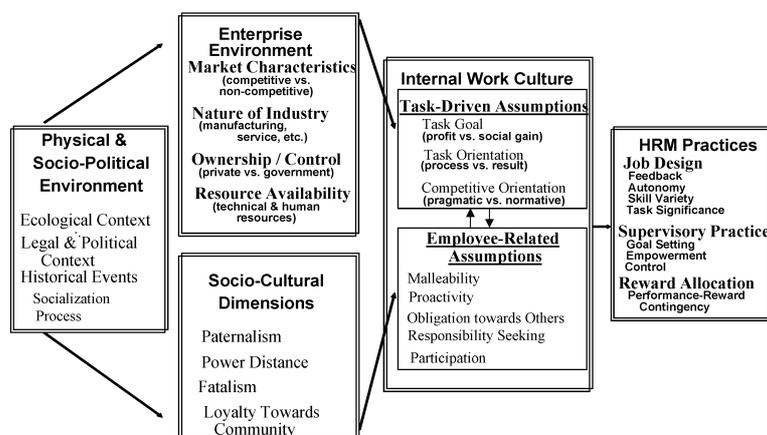
Source: Aycan et al. (2000)

It should be noted that the term 'culture' here is conceptualised as the shared patterns of beliefs, assumptions, values and norms of behaviour in human groups (represented by societies, institutions, and organisations). At the most basic level, organisational culture or the internal work culture operating within the organisation is constructed as a pattern of shared managerial beliefs and assumptions (Schein, 1992) that directly influence managerial practices. This approach seems to reflect the US model more than it does the European model (Brewster et al., 2004). The majority of Turkish private sector organisations follow the US model in management, mainly because US know-how is transferred to universities via American textbooks and to private sector organisations via US-educated management consultants. These managerial beliefs and assumptions relate to two fundamental organisational elements: the task and the employees. Managerial assumptions pertaining to the task deal with the nature of the task and how it can be best accomplished, whereas those pertaining to the employees deal with employees' nature and behaviour. According to the MCF, the organisational culture is formed in accordance with the prevailing managerial assumptions regarding the nature of the task and that of employees. On the one hand, task-driven assumptions are influenced by the enterprise environment including ownership status (private vs. public sector), industry (e.g., service vs. manufacturing), market competitiveness, and resource availability (e.g., human and technological resources). For instance, ownership status has a bearing on assumptions and beliefs regarding the goal: public organisations emphasise social gain, whereas private organisations emphasise profit as their goal. Market conditions and industry may influence beliefs with respect to the way in which the task is accomplished: in the manufacturing industry, the process is more important than the result, whereas in service industry and R&D units the emphasis is on results rather than the process (Hofstede, 1991; Hofstede et al., 1990). Similarly, market competitiveness forces organisations to be pragmatic rather than normative in their task orientation (Hofstede, 1991; Hofstede et al., 1990). On the other hand, employee-related assumptions deal with managerial beliefs about the nature of employees (e.g., whether or not employees, by nature, can change) and how they behave (e.g., whether or not they are proactive). MCF suggests that HRM practices are influenced by the employee-, rather than task-related assumptions. Employee-related assumptions are discussed in detail below.

The main contribution of this study is to test whether there are different organisational/managerial subcultures within the same socio-cultural environment (i.e., Turkey), depending on the membership in different business associations. Mathur et al. (1996), who tested the MCF in public and private sector organisations in India found significant differences between organisational cultures (i.e., prevailing managerial values and assumptions) despite the fact that they were in the same socio-cultural environment. The present study aims at expanding this line of research by including another factor related to the enterprise environment, i.e., membership in business associations.

2.1 *The dimensions of socio-cultural environment and organisational culture*

Based on the MCF, in this study the socio-cultural environment is construed through four value dimensions. The first dimension, power distance (Hofstede, 1980) concerns the extent to which status differentials and power inequalities exist and are accepted in society and its institutions. The second dimension is 'individualism – collectivism'. This dimension is basically concerned with how the individuals define themselves and

behaves accordingly. In individualistic cultures, individuals consider themselves as unique and autonomous entities, whereas in collectivistic cultures, they describe themselves as part of their family or other groups they feel belong to. As a result, they pursue the interests of the group rather than their own. Since it is hard to measure the individualism-collectivism dimension, one of its sub-dimensions, namely 'loyalty towards community' is used in this study (Kim et al., 1994). Loyalty towards community describes the extent to which individuals feel loyal to their communities (i.e., a narrowly defined social system that an individual feels belong to, such as family, neighbourhood, organisation) and are compelled to fulfil their obligations towards in-group members in the community (e.g., relatives, friends, colleagues, etc.) even if in-group member's demands inconvenience them.

The last two cultural dimensions, although not studied extensively in previous cross-cultural studies, are important characteristics observed in many of the developing countries: paternalism (Aycan, 2006b) and fatalism (Aycan et al., 2000). In paternalistic societies, the relationship between superiors and subordinates resembles the relationship between parent and child. In this relationship, the role of the superior is to provide protection, guidance, nurturance and care to the subordinate, and the role of subordinate, in return, is to be loyal and deferent to the superior. Although paternalism is considered to be odd in individualistic western societies, it is one of the most significant cultural characteristics in traditional Asian, South America, Middle East, and African societies (Aycan, 2006b).

The last cultural characteristic that is used in this study is fatalism. Fatalism reflects people's views regarding the extent to which they can control the consequences of their actions. Fatalism should not be equated with devoutness. In fatalistic cultures, future-planning or taking precautions, pushing limits to accomplish something are considered unnecessary. With that definition, the fatalism dimension can be seen as a combination of locus of control (Rotter, 1966) and futuristic orientation (Kluckhohn and Strodbeck, 1961; Triandis, 1984). It can be argued that fatalism is a learned behaviour or belief developed as a reaction to certain life events, rather than a value. Although there is some truth in this assertion, it is possible to consider this belief as being converted into a value (i.e., devaluing long-term planning or control in life) in the evolution of societies. In fact, other values can also be considered as having originated in beliefs or behaviours that are developed as a reaction to life events. For example, Hofstede (1980) traces the roots of individualism-collectivism to the behavioural requirements of people living in different subsistence systems.

The five organisational culture dimensions that are used in this study are defined by Schein (1992), and refined by Kanungo and Jaeger (1990) and Mendonca and Kanungo (1994). The first dimension, malleability, represents the assumption of managers about the nature of employees in terms of being open to change and development. Managers holding the malleability assumption (Kanungo and Jaeger, 1990; McGregor, 1960; Schein, 1992) believe that when employees receive training and development, they can change and improve their skills.

The second organisational culture dimension, proactivity, is concerned with the managerial assumption regarding the attitudes and responses of employees directed to their jobs: whether employees, by nature, take initiative or follow the orders. The answer tells how much employees are proactive (Rothbaum et al., 1982). Another organisational culture dimension is the manager's assumption related to responsibility seeking (McGregor, 1960). It is the managerial assumption regarding whether employees accept

and seek responsibility in their jobs or avoid it whenever possible. The fourth dimension of organisational culture is participation (Bass, 1981; Cotton, 1993; McGregor, 1960). Managers assuming that employees are participative believe that they prefer delegation and like to be consulted in matters that concern them. The last organisational culture dimension is obligation towards others (Bailyn, 1978; Schein, 1978). It is the managerial assumption that employees feel obliged to fulfil their responsibilities towards their co-workers in and out of the workplace.

Managerial values and assumptions in ten countries, including Turkey, have been assessed using the above-mentioned socio-cultural and internal work culture dimensions (Aycan et al., 2000). Findings obtained from a sample of 287 Turkish managers, working primarily in private sector organisations in Turkey, revealed that managers' perception of socio-cultural values were most similar to that of Chinese, Pakistani, Indian and Russian managers. Turkey, along with these countries, scored the highest on power distance, loyalty towards community, and paternalism. The countries that were most distinct from Turkey with respect to managerial perception of societal values were Romania, Germany and Israel. Interestingly, Turkish managers were closer to Canadian and American managers, compared to the European ones, with respect to socio-cultural values. Turkish managers did not perceive fatalism as a salient value in society, and the same was true for managers in other countries, except for Russia and India.

The findings pertaining to managerial assumptions revealed a mixed pattern. The scores of Turkish managers on the assumptions of 'proactivity' and 'responsibility seeking' were similar to the scores of Chinese, Indian and Pakistani managers. On these assumptions European and North American managers grouped together and scored higher than the Turkish and Asian managers. On the 'obligation towards others assumption', Turkish managers scored similar to (and lower than) the European managers, compared to Asian managers. The cross-cultural differences on the malleability assumption were minimal; managers in all countries believed that it was possible to change and improve employees. Although Turkish managers assumed that employees, in general, were in favour of participation, Turkey was one of the two countries scoring the lowest on this assumption (the other country was Israel).

Overall, Turkish managers in Aycan et al. (2000) study were found to be strongly endorsing paternalism, power distance and collectivism in society, while devaluing fatalism. With respect to employee-related assumptions, they most strongly believed that it was possible to change and improve employee nature and behaviour. The assumptions that they somewhat strongly held were that employees seek responsibility and participation in work context. The assumption that they least strongly held were employee proactivity and obligation towards others – that is, they believed that employees, by nature, did not take a proactive stance to their work (i.e., they rely on guidance from their supervisors) and feel obligated to help others in the organisational context. In the present study, we expect that the managerial values and assumptions would be similar to those found in Aycan et al. (2000) study. However, due to membership in different business associations, we expect the values and assumptions of managers in IIBA member organisations to be more conservative than those in other organisations.

2.2 *The influence of membership to business associations on organisational culture*

How does membership in a business association influence managerial values and assumptions? Why would assumptions of managers working in organisations that are members of IIBA differ from the assumptions of those working in organisations that are members of other business associations? To explain this, person-organisation fit theories are used.

In the last 30 years, research on organisational culture investigated the fit between individual and organisational values and its outcomes (e.g., Adkins et al., 1994; Bowen et al., 1991; Bretz et al., 1993; Chatman, 1991). These studies that are referred to as person-culture fit are generally considered as variations of the Attraction-Selection-Attrition (ASA) model (Schneider, 1987). According the ASA model, people are attracted to the organisations, whose values they perceive to be similar to theirs. If an organisation thinks that an individual has similar values, then it hires that individual. Following the socialisation process, if the person and the organisation believe that there is a good match between the values of the person and the organisation, the person is allowed to stay. On the other hand, those who believe that they have dissimilar values quit, or are dismissed by, the organisation. As a result of that process, people who stay in the organisation are those with similar values as the organisation. There is evidence that the ASA model fits well with Turkish organisations (e.g., Arbak and Ozmen, 2000). Unlike some European countries (esp. the Germanic countries), where technical competence is of pivotal importance in key personnel decisions (e.g., hiring, promotion, dismissal) (Dietz et al., 2004), in Turkey these decisions are mainly based on good interpersonal relationships (Aycan, 2006a). Therefore, the fit between personal and organisational values is of greater importance, than the fit between the person's technical competencies and the requirement of the job.

Adopting the ASA model in our study, we assume that the attraction of individuals to organisations, which are members of specific business associations, is not a random phenomenon. Managers with specific personal values are attracted to organisations with similar values. From the above mentioned mission of IIBA, it can be seen that IIBA member organisations are keen to protect and promote traditional Turkish heritage and culture. According to the ASA theory, managers of IIBA member organisations are expected to be more traditional and conservative in their perception of societal values than managers belonging to other business associations. Although both IIBA member organisations' and IIBA non-member organisations' managers are from the same socio-cultural environment (i.e., Turkey), they are expected to hold different managerial values and assumptions, and therefore represent different managerial subcultures.

> *Hypothesis 1: Managers of organisations that are members of IIBA are expected to be more conservative and traditional in their values and, therefore, score high on power distance, loyalty towards community, paternalism and fatalism compared to their counterparts in organisations affiliated with other business associations.*

> *Hypotheses 2: Managers of organisations that are members of IIBA are expected to be more conservative and traditional in their assumptions and, therefore, score lower on malleability, proactivity, and employee participation assumptions, and higher on obligation towards others and responsibility seeking assumptions, compared to their counterparts belonging to other business associations.*

3 Method

3.1 Sample

A total of 223 top level managers (presidents and vice presidents) participated in the study. 108 of them were managers in IIBA member organisation, whereas the remaining 115 were managers in organisations that are members of other business associations. Information about the membership status of organisations is reported in Table 1. None of the organisations were members of both IIBA and other associations at the same time.

The characteristics of IIBA member and non-member organisations can be seen in Table 2. No significant difference is detected between the two groups in terms of size (on an average medium size), firm age (on an average approximately 20 years), and sector. On the other hand, there is a significant difference in terms of primary business activity ($\chi^2 = 14.41$; $p < 0.001$). The primary business activities of IIBA member organisations were basically directed to internal markets, whereas primary business activities of IIBA non-member organisations were directed to both internal and external markets.

Table 1 The membership of IIBA non-member organisations

	Percentage
Istanbul chamber of commerce	51.3
Export confederations	6.1
Professional associations	11.13
Professional confederations	1.7
Istanbul chamber of industry	20.9
Charitable foundations	2.6
Confederations	1.7
Turkish industrialists' and businessmen's association	1.7
Other	1.7
Total	*100.0*

Table 2 The demographic characteristics of IIBA member organisations and IIBA non-member organisations

Organisational characteristics	*IIBA member*		*IIBA non-member*	
	Mean	*SD*	*Mean*	*SD*
Number of employees	23.42	34.98	34.75	61.53
Organisation age	19.61	16.40	18.83	14.20
Organisational type (%)				
Holding	1.85		1.74	
Large scale	9.26		11.30	
SME	88.89		86.96	
Targeted market (%)				
Mainly internal market	57.41		32.17	
Both internal and external market	38.89		60.87	
Mainly external market	3.70		6.96	

Table 2   The demographic characteristics of IIBA member organisations
and IIBA non-member organisations (continued)

	IIBA member		IIBA non-member	
Organisational characteristics	*Mean*	*SD*	*Mean*	*SD*
Sector (%)				
Electric/electronic/computer and durable consumer goods	10.19		13.04	
Food/beverage	9.26		8.70	
Service	9.26		9.57	
Construction and building supplies	12.96		8.70	
Paper/package/printing/publication/advertisement	11.11		8.70	
Chemistry/metal/iron/steel	12.04		9.57	
Machinery/replacement part	9.26		10.43	
Furniture/forestry products	7.41		8.70	
Automotive replacement part	8.33		8.70	
Textile and ready wear	10.19		13.91	

When managerial characteristics are compared (Table 3), there was no significant difference between IIBA member and non-member managers in terms of their education level (on average, half of them are university graduates), and international work experience, whereas there was a significant difference in terms of age and gender. The average age of managers of IIBA member organisations were older than the managers of IIBA non-members ($t = 2.27$; $p < 0.01$), and there were also more male managers in IIBA member organisations ($\chi^2 = 5.23$; $p < 0.05$).

Table 3   IIBA member and non-member managers' demographic and organisational
characteristics

	IIBA member		IIBA non-member	
Manager characteristics	*Mean*	*SD*	*Mean*	*SD*
Age	44.6	8.83	41.04	10.9
Work experience	22.38	8.58	19.91	11.66
Gender (%)				
Women	0.93		6.96	
Men	99.07		93.04	
International work experience (%)				
Yes	10.19		9.57	
No	89.81		90.43	
Education (%)				
Uneducated	0.93		0.00	
Primary school	11.11		8.70	
Secondary school	5.56		3.48	
High school	26.85		21.74	
Vocational school	1.85		1.74	
University	46.30		57.39	
Master	3.70		6.96	
Doctorate	3.70		0.00	

While selecting the managers belonging to the IIBA non-member organisations, the equivalent of IIBA member organisations head office was used. The non-IIBA sample was matched in regards to sector and size to the IIBA member sample to minimise the confounding effects of organisational characteristics on results.

3.2 Measures

The questionnaire consisted of two parts. In the first part, managers were asked to answer the demographics and organisation characteristics mentioned above. In the next part, there were 40 statements to measure the socio-cultural environment and organisational culture. Based on the MCF, scales were developed by Aycan and Kanungo, and their reliability and validity were tested cross-culturally in ten countries (Aycan et al., 2000). Respondents were asked to indicate the extent to which they agreed with each statement using a six-point Likert-type scale (1 = strongly disagree; 6 = strongly agree). One-third of the items were reverse-coded to minimise the response bias. Psychometric properties (reliability and validity) of the measures were reported by Aycan et al. (2000).

Among the socio-cultural dimensions, *paternalism* was assessed by five items. A sample items was "The ideal boss is like a parent in our society". *Power distance* was assessed by four items such as "Inequality of status among individuals is not acceptable in our society" (reverse coded). Four items were used to measure *loyalty towards community*, such as "In our culture, one is expected to be loyal to his or her community even if one is inconvenienced by the demands of the community". Finally, *fatalism* was assessed by five items such as "When bad things are going to happen, they just are going to happen no matter what you do to stop them".

Participants evaluated the work culture of their organisations by reporting prevailing managerial assumptions on five dimensions. *Malleability* was assessed by five items. A sample item included "There is no limit for those employees who really want to improve their skills". There were four items to measure *obligation towards others* in the workplace, such as "Employees should be evaluated on the basis of their concern for their coworkers". *Participation* was measured by four items, such as "As a matter of policy, employees should have a say in all decisions which affect them". *Proactivity* was assessed by five items. A sample item was "Employees achieve task objectives when they do the job in their own way rather than being told how to do it". Finally, *responsibility seeking* was assessed by four items, such as "Employees not only accept but seek responsibility on the job".

The questionnaire was administered in Turkish, which has been standardised in previous studies (Aycan et al., 2000). The data were collected between January 2004 and March 2004. Professional researchers were commissioned to collect the data through face-to-face interviews with managers in their offices.

4   Results and discussion

The main purpose of this study was to investigate the similarities and differences between values and assumptions of managers in organisations which are members of various business associations. Although differences between these two groups are predicted, they are not expected to be of high magnitude, because all managers were from the same socio-cultural environment and operating in similar enterprise environments. To carefully

examine where the differences lie, we compared the groups at the item (rather than scale) level. Another reason to conduct the item-level analysis was that the internal consistencies of some of the scales were lower than expected. As mentioned before, although the reliabilities and validities of the scales used in this study were tested and confirmed in previous cross-cultural studies, reliabilities of some scales in the present study were lower than expected. In the literature, internal consistency problems of the measures of culture are frequently discussed (e.g., Hui and Triandis, 1989). One of the reasons for moderate reliabilities is that subjects are asked to make generalisations, whereas their response to a particular statement may change depending on the context and person they have in mind. For instance, in this study, the two groups might have held different perceptions of who the authority was in society when reading the following item: "People having authority should be respected because of their position". One group may think of religious authorities, while the other group may think of government officials. Thus, that response pattern did not show consistency across the items in the same scale. We will discuss this in more detail in following sections.

Binary logit analysis is used to examine the differences between the two groups. The reason for using binary logit instead of a *t*-test or ANOVA is that the statistically analysed concept (being an IIBA member or not) is explained through cause and effect relationship that relies on theoretical foundations. As it is well known, if the explanation has a priori theoretical base, then the regression technique is used. As a special case of limited dependent variable model, the reason of using binary logit regression can be explained as follows.

Binary logit model is expressed as:

$$P(Y_i = 1) = F(Z_i) = 1/(1 + e^{-Z})$$

$$Z = \beta_0 + \beta_1 X_1 + \cdots + \beta_i X_i + \cdots + \beta_k X_k.$$

Here, *Y* shows explained variable (being a member of IIBA or not), whereas *Z* is the vector that includes explaining variables, i.e., X_is. Explained variable, i.e., being a manager of IIBA member organisation or not, takes the value of 1 or 0: if the participant is a manager of IIBA then 1, if not 0. Therefore explained variable is a categorical variable consisting of two categories. The statistical estimation of the model depends on the maximum likelihood method rather than the ordinary least squares. When the ordinary least squares method is used, the binary categorical characteristic of the explained variable reduces the model to 'linear probability model' and this results in the values of the estimated explained variable assuming probability values of less than zero or larger than one. On the other hand, the above *F*(*Z*) non-linear (sigmoid) probability function and the estimation of it by the method of maximum likelihood eliminates such an undesirable result. Once *β*s are estimated, this method makes it possible to calculate the probability of a respondent being a manager of IIBA-member. As an example regarding the utilisation of these hypotheses within the context of binary logit, between the two managers with equal scores in terms of 48 explaining variables, the one with a higher fatalism score has a larger possibility of being IIBA member. Table 4 shows the results of binary logit regression.

Table 4 The significant differences between managers of IIBA member and non-IIBA member organisations: The results of binary logit analysis

	IIBA member		IIBA non-member		Binary logit analyses		
	Mean	*SD*	*Mean*	*SD*	*β*	*S.E.*	*Sig.*
Societal values							
Collectivism							
One has to be loyal to his or her community if one seeks their support and protection	5.17	1.29	5.10	1.08	0.398	0.224	0.076
In our culture, group interests take precedence over personal interests	4.70	1.61	4.99	1.32	−0.328	0.191	0.087
Paternalism							
Superiors in our society know best what is good for their subordinates	2.68	1.59	3.21	1.74	−0.642	0.174	0.000
People in our authority in our society should take care of their subordinates as they would take care of their children	5.04	1.11	4.59	1.39	0.540	0.239	0.024
Power distance							
People having authority should be respected because of their position	4.71	1.37	4.75	1.35	−0.491	0.189	0.009
Fatalism							
When one is born, the success or failure one is going to have is already in one's destiny, so one might as well do nothing	3.15	1.93	2.45	1.97	0.320	0.131	0.015
Assumptions about managing human resources							
Malleability							
There is no limit for those employees who really want to improve their skills'	5.69	0.56	5.41	0.92	1.049	0.369	0.004
Employees have the capacity to change themselves at every stage in life	4.80	1.26	5.09	1.01	−0.360	0.211	0.088
Proactivity							
Employees achieve task objectives better when they do the job in their own way rather than told how to do it	4.17	1.48	3.90	1.60	0.345	0.165	0.036
Obligation towards others							
In organisational context, helping others is more important than helping oneself	2.32	1.56	1.85	1.32	0.413	0.178	0.021
Participation							
In organisations, employees should be encouraged to comply to the decisions made by authorities at the top	5.37	0.98	5.42	0.78	−0.599	0.342	0.080
Other variables							
Targeted market of the organisation (domestic or foreign market)	1.45	0.57	1.75	0.57	−1.147	0.399	0.004

Items shown in italics yielded contrary results to the hypotheses.

The explaining variables of the model consisted of three groups:

- variables measuring the socio-cultural environment (societal values)

- variables measuring organisational culture (prevailing managerial assumptions regarding employee nature or behaviour)

- variables measuring demographics of managers and characteristics of organisations.

Variables in the first group included power distance, collectivism, paternalism, and fatalism, whereas those in the second group included managerial assumptions of malleability, obligation towards others, proactivity, participation, and responsibility seeking. In the third group, there were demographic variables including age, education, work experience of managers as well as age and size of organisations, and their primary market as external or internal.

Among 18 items measuring the perception of socio-cultural values, only three yielded differences between groups in the expected direction (Table 4). In the loyalty towards community scale, only one out of four items ("One has to be loyal to his or her community if one seeks their support and protection", $p = 0.076$); in fatalism scale only one out of five items ("When one is born, the success or failure one is going to have is already in one's destiny, so one might as well do nothing"); and in paternalism scale, only one out of five items yielded results in the expected direction stated in hypothesis 1. All participants agreed with these value statements, however the managers of IIBA member organisations agreed more than their counterparts.

The remaining differences between the two groups were in the opposite to that expected in the following items: one item in the loyalty towards community scale ("In our culture, group interests take precedence over personal interests"), one item in paternalism scale ("Superiors in our society know what is best for their subordinates"), and one item in power distance scale ("People having authority should be respected because of their position"). In these items, IIBA member managers scored lower than their counterparts. This unexpected result may be due to different meanings attributed by the IIBA member managers to some keywords used in those items such as 'people in authority', 'interests of the group', and 'superiors'. Perhaps managers of IIBA members, when asked about superiors, group interests, and people of authority, had persons or groups in mind, such as military, who criticise them for posing a threat to secularism in Turkey. Therefore, they may show less agreement with these items. However, such an interpretation, though not baseless, is highly speculative and begging for confirmation in future quantitative and qualitative research.

In summary, out of 18 items measuring the socio-cultural values, three yielded differences in the expected directions, whereas another three items yielded differences in the opposite direction. This led us to conclude that hypothesis 1 was not confirmed. Managers of IIBA member organisations were not more conservative and traditional in their perception of societal values than managers of other organisations that were members of other business associations.

In 22 items measuring managerial assumptions, only three yielded differences in the direction as predicted by hypothesis 2 (Table 4): one item in malleability ("Employees have the capacity to change themselves at every stage in life"), one item in participation ("In organisations, employees should be encouraged to comply to the decisions made

by authorities at the top", reverse coded), and one item in obligations towards others ("In organisational context, helping others is more important than helping oneself").

Although there were significant differences in two other items, the differences were contrary hypothesis 2. The first one was an item related to malleability (i.e., "There is no limit for those employees who really want to improve their skills"), and the other second was related to proactivity (i.e., "Employees achieve task objectives when they do the job in their own way rather than told how to do it"). The managers of IIBA member organisations agreed more with these items compared to their counterparts. Although the scores obtained from the two items of malleability seem to be contradictory at first sight, when the characteristic of being more fatalistic is considered, this result can be interpreted: if a person wants to improve herself or himself, she or he can do it by working hard. However, there is a limit and one's inborn capacity determines that limit.

The degree of openness to external markets was the only organisational characteristic that yielded a significant difference between the two groups. The IIBA member organisations had more activities in the internal market, than their counterparts.

5 Conclusion

The main purpose of this study was to investigate whether or not managerial subcultures existed in Turkey. It was expected that top managers in organisations that were members of the business association characterised by its support of Islamic ideology would hold more conservative values and assumptions about employees, compared to those in organisations that were members of more secular business associations. The findings did not confirm the hypotheses. The two groups showed similar managerial values and assumptions, which were parallel to those of Turkish managers and employees in Aycan et al.'s (2000) study. Differences existed only on three out of 18 items measuring the perception of societal values, and only on three out of 22 items measuring managerial assumptions about employee nature and behaviour.

There may be a number of explanations underlying the finding that managers of IIBA member organisations were not more conservative and traditional than their counterparts in non-IIBA member organisations. First, there were considerable similarities in sample characteristics; in fact, the samples were matched purposefully. All participants were top-level managers, and they had similar personal and organisational characteristics. The similarity in their value profile may result from such demographic similarities. To add more to the similarity, all participants were from Istanbul and similar private sector organisations. Apparently, being a member of a business association did not overrule the effects of personal and institutional characteristics on managerial values and assumptions. Second, participants might have responded to the items in a socially desirable way, especially in a face-to-face interview context. The unexpected findings with regard to differences occurring in the opposite direction (i.e., more liberal ideas coming from managers of IIBA member organisations) strengthen that possibility. On the other hand, the findings may just indicate that the stereotypes about IIBA member organisations in society are erroneous or that these organisations have become more liberal in time. Finally, it is possible that the ASA model was not applicable in this research. In today's competitive work environment, organisations recruit managers not mainly according to their personal values, but because of their potential to contribute to

the organisation. In fact, some of the IIBA organisations are known to transfer highly successful managers from multinational corporations.

As for the limitations, having the sample from one city might have been inadequate in revealing possible managerial subcultures in Turkey. To decrease the social desirability, participants could have responded the surveys anonymously. It would have been useful to include a social desirability scale in the survey. In such studies, obtaining data from one source has some disadvantages. Especially the assumptions about employees and managerial practices could be gathered also from the employees in future studies. Perhaps most importantly, future studies must test whether different groups perceive the item contents similarly or not by using qualitative approaches, such as the talking out loud technique.

Despite the limitations and the descriptive nature of the study, it is an important first step to understanding the managerial values and assumptions in Turkey. The major theoretical contribution of the study was to demonstrate that membership in a professional business association did not have an important bearing on organisational culture, above and beyond other institutional contingencies. From the practitioner point of view, knowing that managerial values and assumptions in IIBA member organisations did not differ significantly from the rest of the business community may help alleviate the concerns about the pro-Islamist movement in society and increase the likelihood of collaboration among various groups.

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