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### THE ENSURING SUSTAINABILITY WITH THE REALIZATION OF INSTITUTIONALIZATION AT FAMILY-OWNED BUSINESSES

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#### Abstract

*The management style of such businesses as well as their intra-organizational communications and their approaches to corporate issues show differences compared to the other businesses. Sustainability from generation to generation takes place at low rates. From this point forth, the main purpose of the study is to reveal that there are differences between generations in providing the sustainability of family-owned businesses through institutionalization. The research sample is composed of 331 small and medium-sized family-owned businesses that has at least twenty employees and at least twenty years of history, which are members of Konya, Kayseri, Ankara and Eskişehir Chamber of Commerce.*

Keywords: family-owned businesses, institutionalization, sustainability, ability to adapt and business performance

#### 1. INTRODUCTION

It is remarkable that the subject of family-owned businesses are acknowledged as a separate discipline since 1990s despite of the fact that their activities in business life and total economic magnitudes are noteworthy. Nonetheless, although there have been many studies conducted after the above-cited period, having no exact definition of what forms a family-owned business has been considered as a problem which prevents this field from being a serious research subject for a certain period of time (Klein et al., 2005: 321). On the other hand; when examined in terms of the family relationships, family owned businesses are already acknowledged as the most complicated type of business when compared with other types of businesses due to structural problems and many different dilemmas. The concept of family-owned business gets more complicated when the activities of ownership, control and running the business are melded together in regards to overcoming the operational and strategic problems. (Craig and Moores, 2006: 2). There are many and different kinds of parameters for the family-owned businesses trying to maintain their own lives in this sophistication. The two outstanding ones among these are the maintainability and institutionalization. The maintainability and institutionalization show up themselves as both a recommended solution element and a problem source for which a solution is searched for. While these two elements are being analyzed if they are applicable and if they can be adapted in the process of transformation, success of the business relies on the corporation's ability to compete in

the market. In this study, the conceptual framework has been tried to be designated for the family-owned business primarily. Subsequently, discussing the activity of the adaptation and institutionalization underlying the maintainability of the family-owned businesses, the application response of the process has been researched. Finally, with the sample at hand, impacts of institutionalization and adaptation abilities of the family-owned businesses on the maintainability and the business performance have been researched.

## **2. THEORETICAL FRAMEWORK**

### **2.1. Theoretical Framework of the Family-Owned Businesses**

The family-owned businesses are seen as the organizations which gained importance in the world economy in the second half of the 20<sup>th</sup> century. The increase on the number of universities that teach business administration has led to increase of interest in the subject of entrepreneurship and thus the subject of family-owned business which constitutes one of the most important subjects of the entrepreneurship applications has become an important value. (Güney, 2008: 96).

It is known that the concept of family-owned business has appeared in the USA in the late 1960s and in Europe in late 1980s (Neubauer and Lank, 1998:4). There are many factors that affect the structure, formation, and the development of the family-owned business which includes the way the family-owned business has been founded, personal characteristics of the leading entrepreneur, idiosyncratic cultural values of the family, extensiveness of the family and the sector in which the business is involved. So, setting standards for the family-owned businesses and gathering them in one definition is relatively hard. In a sense, it is possible to form a different definition for each family-owned business (Taşkır and Şimşek, 2008:204). 204). Although making a comparison over the definitions is not the purpose of this study, meaning of the family-owned business has importance in terms of the conceptual framework of the study at hand. Moreover, when 43 of the definitions made over the family-owned businesses since Donneley is analyzed, following common points of presence for the family-owned businesses stand out:

- The presence of the family-owned businesses has been developed for the property, control, being a policy maker and the right to manage.
- Within the context of the relationship of the fortune and fund with the company, the impact of the members of the family on the above-cited elements and their relationship with the future rights in the context of inheritance are considered.
- Consanguinity relation between the parent-child, cousins, nephew-niece, brother-sister etc. is the basis.
- For at least two generations that will follow, the maintainability of the future consanguinity is stipulated.
- The concept of family and/or family-owned business about the maintainability is at the focus of the process.
- Although there is not any emphasis in definitions in the literature, the possessed value judgments, the emergent problems and conflicts, and the suggested solutions/offers should be considered in the context of the family and business.

Based upon all these discoveries, in a broad definition, the family-owned business is the business which was founded and managed on the purpose of providing economic benefits to one or some members who belong to the same family, whose maintainability is desired to be continued successfully at least for two generations, where the values, beliefs and attitudes of the family are

effective on the business purposes and where the property and the family members are effective on the important part of the line management.

## **2.2. Institutionalization Extent in Providing the Maintainability**

The maintainability of the family-owned businesses stands out as an important area of investigation. Because being afloat, growth and future success of a family-owned business, hence being alive for generations is possible with the ability of maintainability. Stafford et al. (1999: 197), it is specified that the maintainability is possible through the success of family and business as well as the analysis and the management of conflicts. Consequently, the research results show that the maintainability is a serious problem in family-owned businesses. According to a research done, it has been determined that %24 of the family-owned businesses in England are handed down to the second generation and %14 are handed down to the third generation (Bjuggren and Sund, 2002:123-133). In another study, it is expressed that entrepreneur companies survive about 25 years and only three out of ten businesses are handed down to the second generation while only one out of ten businesses are handed down to the third generation (Kets De Vries, 1993:61). According to the results of another research, while the transfer to the second generation is achieved only in %25 of the businesses, only %5-15 of businesses survive until the third generation. Accordingly, intergenerationally switching within the family-owned businesses is one of the most important difficulties that these kinds of businesses encounter (Neubauer and Lank, 1998:5). On the other hand, Goldwasser (1986) states that the average lifetime of a family-owned business is about 24 years, and this number coincidences with the average career period of the company founder. He determined that entrepreneurs being in the leadership position is longer than other types of director generals in the family-owned businesses. While the institutionalization and adaptation ability is extremely important for the maintainability, it should be noted that, for the success of the maintainability, actually these three elements specify the lifestyle of the business.

Concordantly, in terms of the relationship of the business with the environmental factors, abilities that are useful in providing the adaptation of the business to the environment gain importance. The adaptation period of the family-owned businesses to the environment is complicated. The generic requirements arising from the family relationships and characteristics of the family and those arising from the intimacies of the founder ease or make difficult the adaptation of the business to the external environment. This situation which is effective in terms of maintainability has been a significant topic in recent years in terms of analysis of an organizational wealth. Thus, the ability to adapt is proposed as two concepts related to success in the literature and it is envisaged that the organizational structures whose ability to adapt high provides advantages for the maintainability (Glynn, 1996; Staber and Sydow, 2002; Yolles, 2005). On the other hand, the institutionalization is acknowledged as a basic condition for the maintainability. The institutionalization consists "the transfer process of the truth defined socially by the individual actors and the less or more insured side of the social truth in any point of the process expressed as an action" (Zucker, 1991:85).

According to another approach, institutionalization is the automatic application of the structuring below and approach types bounded to this, to get organizational stability, legality, foreseeability, many sources and adaptation; settling a structuring which is neat, decisive and integrated to the institutional environment socially out of the actions and structures which are non-stable or loose-organized and urgent-technical; making this internalized of this and make this reached to the same perception level by all the employee and managers; in different conditions and areas

(Meyer and Rowan, 1977: 340; Zucker, 1977: 64; Kimberly, 1979: 447; Di Maggio and Powell, 1983: 147-148; Scott, 1987: 494; Holm, 1995: 398; Selznick, 1996: 273; Lawrence et al., 2001: 625; Park and Krishnan, 2003: 268). Concordantly, institutionalization is the conversion of the current business structure and business processes into the new structure and changing the business processes (Kimberly, 1979: 447; Buller and McEvoy, 1989: 34). So, institutionalization process starts with the growth and development of a business. However, the speed and scope of this process change from business to business. While in some of them it is more limited and slow, in some of them it becomes comprehensive and fast. For this reason, the level of institutionalization changes from business to business (Kimberly, 1979:447). The businesses that make the institutionalization fast and whose institutionalization level is high have advantage against their rivals (Apaydın, 2007:5).

While the business owners or managers define institutionalization as 'the ability to be afloat for years and set the bureaucratic structure of the businesses independent from the individuals', the employees attribute the institutionalization as 'the provision of moral and material trust to the business, the image of the business on the employee and the ability to motivate the employee'. The individuals or establishments with whom they have business relationships identify the institutionalization of a business as 'the strength and maintainability of the activities of that business and their ability to fulfill the rights and liabilities towards themselves'. Clients evaluate institutionalized business according to the trust on its properties and services, ability to compensate for the faults in time, maintainability and the values that it gives to the environment. The public however evaluates the institutionalized business whether 'the property and services of the business are useful and legal, it has a safe service network, and the business fulfills some requirements to the society' or not. In light of all these information and definitions, the institutionalization can actually be defined as the acceptance of a business by its employees, customers, suppliers and public with affection and respect (Atılğan, 2003:101).

The main objective of institutionalization as the main factor of maintainability is the economic business firms' efforts for a resource increase. Owing to the fact that the theory of resource loyalty (to provide the resource needs from other organizations where the resources are insufficient) considers the environment as a resource-providing element, this shows that the business is dependent to external sources (Greening and Gray, 1994: 469; Koberg, 1987: 798). For this reason the businesses are obliged to respond to the demands from their environments. The businesses encounter with the regulatory, cognitive, normative oppressions and various expectations by the entities like government agencies, rivals, clientele, and consumers in the environment that they operate (Scott, 1987: 493-511; Zajac and Westphal, 2004: 433).

Di Maggio and Powel (1983: 148) categorizes these elements as compelling, normative and imitation oppressions. These elements affect the attitudes, processes and structures of the businesses through various mechanisms (Grewal and Dharwadkar, 2002: 82-89; Lawrence, et al., 2001: 624-630; Hoffman, 1999: 351-354). Institutional factors lead to several changes in the businesses (D'anno et al., 2000: 679-681). There are various reasons for this fact. Institutional factors should be effective since those businesses have to do business with other corporations in a certain environment. The organizational area includes the market that the business is active and the actors there (Boons and Strannegard, 2000:7-15). These actors are composed of suppliers, agencies that arrange the resources and the products, government agencies, customers and other organizations that serve the same products and services.

Scott group under three headings the elements around the market which brings legality to the businesses. These are regulatory elements (statutes), cultural-cognitive elements (habits) and normative elements (the professionals). These affect the attitudes, processes and the structures of the businesses through various mechanisms (Grewal and Dharwadkar, 2002: 85; Lawrence et al., 2001: 632; Greening and Gray, 1994: 471; Koberg, 1987: 799). While the regulatory ones win the regulatory process, the normative ones validation process, the cognitive ones should drop into habits. These institutional processes constitute institutional oppression and have various functions. The oppressions caused by the institutional processes affect the processes and the structures of the businesses. The reason for institutions' effects on the businesses, as stated beforehand, is the legality anxiety of the businesses. One of the environmental oppressions sometimes can be more dominant. These environmental oppressions can appear at the same time and can be related to each other. These three oppressions constitute the social dynamics and they implement various mechanisms to the businesses (Hoffman, 1999:353).

Consequently it is seen that the businesses gain legality, adaptation, stability and foreseeability by institutionalization due to the regulatory, normative and cognitive oppressions; and they also take after the other businesses (Isomorphism). Thus the businesses gain the opportunity to reach more resources. The businesses make the institutionalization real by being formal, professional and through developing powerful culture as well as being accountable and coherent.

### **3. MATERIALS AND METHODS**

#### **3.1. Research method and sampling**

When the concept of the research is considered, the extensiveness of the content of the data which will be gathered requires getting the data from an important sample. For this reason, the businesses that are registered to the Chamber of Industry in Konya, Kayseri, Eskişehir and Ankara which are located in the Central Anatolia Region have been taken into the scope of this research since the Chambers of Commerce of these cities are separated from the Chambers of the Industry there. The number of businesses registered to the Chambers of the Industry is 1391 in Konya, 900 in Kayseri, 4967 in Ankara and 550 in Eskişehir and the total number is 7808. 'At least 20 years of activity period' is required in terms of seeing whether there are generational differences at the perspective to the variables on the conceptual model of the family-owned businesses. The magnitude of the family-owned businesses is an important element in approaching institutionalization. For this reason, the micro businesses have not been involved in the scope of this research. In line with the purpose and hypotheses of the study, the sample in the study;

- is registered to the Chambers of the Industry in the Central Anatolia Region,
- has a 20 years-past,
- has at least 20 employees,
- being active in production sector,
- founded as a corporation or as limited,
- is aimed at being managed by the different generations and as family-owned business.

Either in the consequence of telephone calls or after the examinations done which are in line with the information taking place at the websites, some of 985 businesses belong to the public (for example 9 of the businesses in Konya), some of them were closed or passed in other hands. There are some businesses which turned into one-boss company during especially the generational

switching. For these reasons, the number of the family-owned businesses which suit the specified criteria has been found out as 650.

The transmittal process of the questionnaires to the 650 family-owned businesses, having contact addresses, started in December however ended in April because of the seasonal conditions. Since the research results are confidential, minimum number of data which will be assessed statistically has been specified. Accordingly, to be able to come up with statistical estimations while the universe number is 650, among the %95 confidence interval, with  $\pm 5\%$  sampling fault, the least suitable sample extensiveness has been calculated as 241,7. In order to be able to represent the universe, the required observation number should be at least 242.

Consequently, the data obtained from **33** family-owned businesses were used in the scope of this research. For this reason, the rate of the data assessed is found to be %51 and it is seen that the representation power of the universe of the businesses included in the study is high. Also in the study, the questionnaires have been implemented face to face by the researcher in Ankara and Konya cities, and in Kayseri and Eskişehir, they have been done by the pollsters. It has been analyzed whether the answers which are related to the primary variables (the scales) become different according to the implementation method in order to identify whether there is a difference between the answers obtained through face to face meetings and pollsters. As it is seen on the Table 1, no meaningful difference has been found in terms of statistics except for one variable (the independent management) among the results obtained from each two methods. So, conclusion has been reached that data obtained from each two methods are valid and safe.

From the 5-likert typed scale is made use of in the questionnaire implementation and 1 means 'it is never implemented' and 5 means 'it is completely implemented'. The information related to the basic scales used in the questionnaire form can be summarized as below:

**Institutionalization:** Institutionalization is prepared as 29 propositions developed by Allred and Allred (1997), Chua et al. (1999), Karpuzoğlu (2000), Miller et al. (2003), Alayoğlu (2003), Findıkçı (2005), Özuysal (2006), Apaydın (2007), İçin (2008). Professionalization and formalization were surveyed with 17 propositions, the family council with 5 propositions, and the family constitution with 4 propositions and the shareholder contract with 3 propositions.

**Maintainability:** Maintainability is prepared as 13 propositions developed by Chua et al. (1999), Ateş (2001), Sonfield and Lussier (2004), Özuysal (2006), İçin (2008), Mustakallio (2002). The dependent management was surveyed with 5 propositions, the handing over with 5 propositions, and the conflict management with 4 propositions.

**The Ability to Adapt:** The ability to adapt has been prepared as 9 propositions by making use of the articles developed by Karpuzoğlu (2000) and Alpay et al. The flexibility was surveyed with 3 propositions, the customer orientation and organizational learning with 3 propositions.

**The Business Performance:** The performance has been prepared as 6 propositions by making use of the articles developed by Alpay et al (2008). The quantitative performance was surveyed with 3 propositions and the qualitative performance with 3 propositions.

### 3.2. Research Findings

#### 3.2.1. Sampling Characteristics

In this part, summary information like the foundation places, sectorial allocations, activity period, judiciary structures, number of the employees, association structures of the family-owned businesses joining the study have been presented.

The distribution of the sample group in the scope of research is based on the following figures: %24,2 of it (80) in Kayseri, %22 of it (73) in Eskişehir, %23,6 of it (78) in Ankara, %30,2 of it (100) in Konya, and the number of the businesses joining the study on the basis of the cities is close. The businesses joining the study are active in 12 different branches of industry, the biggest attendance is constituted by the businesses taking place in the machine sector with %22,7 (75 family-owned businesses). Later, the iron and metal works industry is represented by 60 businesses (18,1), spare part sector's contribution is 47 businesses (14,2), casting industry is 26 businesses (%7,8), food industry is 25 businesses (%7,6), building trade is (7,3), agricultural machinery and tools is 20 businesses (%6,0), furniture industry is 19 businesses (%5,7) respectively. The electricity industry is 12 businesses (%3,6), plastic and plastic products industry is 12 businesses (%3,6), rubber and rubber products industry is 7 businesses (%2,1), glass and the glass products industry is 4 businesses (%1,2).

The time that the family-owned businesses took place in business life is at least 20 years, the oldest of which is active for 75 years. The distribution of them according to the activity period of the sample group; 121 (% 36,6) of them is 20-25 years, 62 (%18,7) of them is 26-30 years, 42 (%12,7) of them is 31-35 years, 42 (%12,7) of them is 36-40 years, 64 (%19,3) of them is more than 40 years. These rates show us that the businesses that joined the study had a past in the various sectors of the manufacturing industry compose of well-established family-owned businesses.

The distribution of the family-owned businesses joining the study according to the number of employees; 221 (%66,8) of them is 20-50 people, 55 (%16,6) of them is 51-100 people, 25 (%7,6) is 101-150 people, 4 (%1,2) of them is 151-200 people, 26 (%7,9) of them is more than 200 people. %66,8 of the businesses are small-scaled businesses in which there are 20-50 employees.

%39 (%11,8) of the family-owned businesses joining the study is the 1. generation, 176 (%53,2) of them 1-2. generation (Father-Son), 61 (% 18,4) of them is the 2. generation (the brothers), 30 (%9,1) of them is 1-2-3. generation, 23 (% 6,9) of them is 2-3. generation, 1(% 0,3) of them is 3. generation, 1 (%0,3) of them is 3-4. generation. It is seen that within the sample, these family-owned businesses are operating mostly as generation 1 and 2. The basic reason of this, as based on the first part, is the foundation years of the Turkish family-owned businesses. As mentioned in the sample, as the switching of the generations goes further (3.-4. generations), number of businesses decrease.

#### 3.2.2. Research Model and Hypotheses

At the direction of the main purpose of the study, the developed conceptual model and hypotheses are shown on Image 1. Six hypotheses have been developed suitable to the conceptual model of the study, and these hypotheses are sorted below:

*Hypothesis 1:* The institutionalization affects positively the maintainability of the family-owned businesses.

*Hypothesis 2:* The institutionalization affects positively the ability to adapt of the family-owned businesses.

*Hypothesis 3:* The institutionalization affects positively the performance of the family-owned businesses.

*Hypothesis 4:* The maintainability affects positively the performances of the family-owned businesses.

*Hypothesis 5:* The maintainability affects positively the ability to adapt of the family-owned businesses.

*Hypothesis 6:* The ability to adapt affects positively the ability to adapt of the family-owned businesses.

### 3.2.2.1. Data Analysis

The reliability analysis and Exploratory Factor Analysis (EFA) have been made firstly on this research model. At the second stage of the analysis, the Confirmatory Factor Analysis was made in order for confirmation of the extents determined with the exploratory factor analysis.

As a result of exploratory factor analysis, the condition *'the factors should have eigenvalue more than 1 and the factor loadings of them should be more than 0.50'* was sought. Also, when considering the eigenvalues are more than one, the number of the factor does not clarify the 2/3 of the total variance, about the variables included in the analysis, it has been considered that *the rate of the clarified variances are the number of the factor of the 2/3 amount of the total variances*. Firstly, it has been expected that the load point in the factor that the materials took place is high, and the materials that have under the 0.50 value load point have been extracted from the analysis. However, it has been expected that the materials have high load point in one single factor, and have low load point in other factors. Here, it has been expected that the difference between the two high load points is at least 0,40. If the difference is less, the material has been extracted from the analysis. The varimax and the axis spinning technique was used on the purpose of providing independence, clarity and meaningfulness in interpreting in the factor analysis (3. 9. 13<sup>th</sup> 14<sup>th</sup> and 17<sup>th</sup> questions have been extracted from the institutionalization scale). The factor analysis results made for the institutionalization scale have been summarized in the Table 2.

There have been 6 factors having total variances of %75,681 on the result of the factor analysis. It was tried to give names to the factors considering the contents of the materials. To the materials taking place in the first factor, the name "The Family Council/Parliament", to the materials taking place in the second factor, the name 'The Family Court', to the materials taking place in the third factor, the name 'Professionalization', to the materials taking place in the fourth factor, the name 'Formalization', to the materials taking place in the fifth factor, the name 'Shareholder Contract/Property Plans' and to the materials taking place in the sixth factor, the name 'Objectivity' were given.

The general solidity of the maintainability scale is found as 0,858. As a result of the KMO and Barlett analysis, it was seen that the KMO value is 0,801 and the Barlett value is less than 0,05 and the factor analysis can be done. In the result of the factor analysis, there have been 3 factors whose total variances are % 68,926 (Table 3). The maintainability scale, the varimax and the axis spinning technique was used on the purpose of providing independence, clarity and meaningfulness in interpreting in the factor analysis. The two materials that do not provide the standards (the 41-42.materials) have been extracted from the scale. It was tried to give names to



the factors considering the contents of the materials. A similar denomination was offered to the first used denomination. To the materials taking place in the first factor, the name 'Independent Management', to the materials taking place in the second factor, the name 'Transfer Plan/Heir Plan' and to the materials taking place in the third factor, the name 'The Clash Management' were given.

The general solidity of the 9 materials in the ability to adapt has been found as 0,913. As the result of the KMO and Barlett analysis, it was seen that the KMO value is 0,801 and the Barlett value is less than 0,05 and the factor analysis can be done. The factor analysis results made for the ability to adapt scale were summarized at the Table 4. There have been 3 factors in the factor analysis of the ability to adapt scale having total variance %75,737. It was tried to give names to the factors considering the contents of the materials. A similar denomination was offered to the first used denomination. To the materials taking place in the third factor, the name 'Flexibility', to the materials taking place in the second factor, the name 'Customer Orientation' and to the materials taking place in the third factor, the name 'Eagerness to Learn' were given.

The general solidity of the business performance scale has been found high as 0,854. As the result of the KMO and Barlett analysis, it was seen that the KMO value is 0,826 and the Barlett value is less than 0,05 and the factor analysis can be done. There have been 2 factors having total variances % 75,890 as the result of the factor analysis (Table 5).

It was tried to give names to the factors considering the contents of the materials. A similar denomination was offered to the first used denomination. To the materials taking place in the third factor, the name 'Quantitative Performance', to the materials taking place in the second factor, the name 'Qualitative Performance' were given.

### **3.2.2.2. Confirmatory Factor Analysis (CFA)**

The CFA which was used in confirmation of the factors and/or extents defined in EFA and in testing the reliability and the validity of the scale calculates some values showing the meaningfulness and the adaptation of the recommended model statistically. Firstly, first and second level confirmatory factor analysis was made in order to see the accuracy of the factor structures formed as the result of the literature research and exploratory factor analysis. In this stage, primarily the factor structures (with their sub factors and observed variables which of them take place under which) were transferred to the LISREL program. Later, some modification indexes by the program were found necessary. Then, the observed variables which are 33-34-38 numbered were extracted from the maintainability scales for the fault variances are more than 1,00 and the standard regression gap values are under 0,50. Later, the values have been reexamined and solution has been reached that they can be valid conceptually. The Institutionalization and Maintainability in Table 6, The Ability to Adapt and the first level confirmatory factor analysis with observed variables of the sub latents (factors) constituting the Business Performance scales in Table 7 below.

After each latent variable examines the relationship with its own sub variables, it has been moved to the second level confirmatory factor analysis in which four latent variables are examined together (see also Table 8). In this stage, the Family Council among the sub latent variables has shown standard estimation value as (18-19-20-21-22) 0,40. Values under 0,50 were eliminated, this sub latent variable was extracted from the model and an ascent in the model values was provided.

At the Table 9, the standard estimation values of the variables taking place in the surveying model (the factor loads in a sense), the standard faults,  $t$  values and solidity values are shown. The structure solidity should be  $\geq 70$  and the clarified variance should be  $> 50$  (Fornell and Larcker, 1981: 45-46; Hair, et al, 1998: 612; act. Türkmen, 2010: 273).

The goodness of fit values of the surveying model was examined at the Table 10. It is seen that the other indexes apart from the GFI and AGFI indexes generate good and perfect good adaptive values. That the number of the sample and their high sensitiveness to the model complex of these aforesaid two indexes (GFI and AGFI) lead to the loss of their significance in the studies done so far, and even, some opinions over disusing of them were held. Hooper, et al., 2008: 54). For the surveying model gives valid goodness of fit values, it has been moved to the structural model.

### 3.2.2.3. Structural Equality Analysis

For the confirmation, it has been moved that the surveying model and the structural model; which were formed as a result of the corrections made with the values which were made stable on the model and the goodness of fit values of which are in the desired limits, being tested with path analysis stage. The  $t$ -values (the critical value is 1,96 at %5 meaningfulness level) was examined on the purpose of determining the meaningful relationships ( $t > 1,96$ ). The research model has aimed at researching the relationship among the major latent variables. The discoveries obtained as the result of the analysis done have been presented in Image 2. In the context of the research model, the evaluation of the hypotheses has been presented in Table 11.

When the Table 11 examined, *The Hypothesis 1 (the institutionalization affects the maintainability positively)* which constitutes the first step of the model and which asserts that the institutionalization affects the maintainability positively has been accepted. There are some studies in literature which take after this result. For instance Karpuzoğlu (2000: has clarified that the institutionalization has a significant role on the maintainability of the family-owned businesses in his/her study. Sonfield and Lussier (2004: 191), examined the point of views of the generations which are being institutionalized and they came up with the conclusion that institutionalization increases and this increases the maintainability of the business as the generations get further. İçin (2008: 188-194) in his study, as the result of his analysis made in order for specifying the relationship between the basic elements of the institutionalization and the management functions, the applicable level of the management functions increases as the applicable level of the basic elements of the institutionalization increases.

The *hypothesis 2*, which takes place in the second step of the model and which asserts that the institutionalization affects the ability to adapt positively, was accepted. There are various studies that share similarities with this result in literature. According to Scott (1987: 493), the institutionalization and the businesses should attune each other, and the adaptation with the environment increases the business performance. Kostova (1999: 310) in his study, asserts that the professional managers' presence in the businesses increases the learning and innovation. Apaydın (2007: 220) in his study, details that institutionalization of the businesses increases the ability to adapt.

The *hypothesis 3*, which takes place in the third step of the model and which asserts that the institutionalization affects the business performance positively, was accepted. There are various studies that share similarities with this result in literature. According to Frazier (1999: 230-239), the coordination increases with formalization, the control system is used effectively and thus the conflicts decrease and the performance increases. For the professional managers who become

experts in certain fields, they increase the business performance by using these specialized knowledge (Wallace, 1995: 235). At the process of the institutionalization of the family-owned businesses, constituting an appropriate organizational structure, changing the values coming from the family, and redrawing the lines between the family and the business, the professional managers play important roles (Parada, et al., 2010: 364).

When Table 11 is examined, *The Hypothesis 4* which constitutes the fourth step of the model and which asserts that the maintainability affects the business performance positively was accepted. There are various studies that share similarities with this result in literature. For instance Chua et al (1999: 34) in his study, deduced that the key provision on professionalization of the management in the family-owned businesses is managers' out of the families taking place in the management. Also they asserted that these individuals should take an effective role in making strategic decisions. Anderson and Reeb (2004: 229) as well as Lussier and Sonfield (2004: 50-52) in their studies, deduced that, in the family-owned businesses, the independent managements formed by the members out of the family, increase the business performance. Westhead and Howort (2006: 310), in their studies about the English family-owned businesses portray that a growth in the sales and an increase in the firm performance and in the direction of the family purposes, an attempt made for the shares to stay among the family members as the managements grow and the members out of the family take place.

When the Table 11 is examined, *The Hypothesis 5* which constitutes the fifth step of the model and which asserts that the maintainability affects the ability to adapt positively was rejected. There are studies about this topic in literature. However, in these studies, the effects of the ability to adapt are laid interest considering the maintainability in the context of the characteristics of the family. The denial of the Hypothesis 5, shows that there is a need for professional guides about the field. In the businesses in the context of the research, it is seen that it is not leaned towards the advisor support.

When the Table 11 is examined, *The Hypothesis* which constitutes the last step of the model and which asserts that the ability to adapt affects the business performance positively was accepted. There are various studies that share similarities with this result in literature. For instance Noble et al. (2002: 27) in his study, he deduced that the customer orientation increases the business performance by enhancing the rate of return of the wealth. Alpay et al. (2008: 443-444) asserts that the ability to adapt affects the business performance positively. According to Lief and Denison (2005: 60-64), the ability to adapt is an attempt to survive of the family-owned businesses by balancing the internal and external environment. The ability to adapt is composed of three factors. These are *flexibility, customer orientation and eagerness to learn*.

The organizational cultures affect the business performance positively. The organizational learning leads to the increase in the performance of the businesses by increasing their activity. Learning causes the increase of the performance by providing that the employees develop their behaviors and become functional for the businesses (Slater and Narver, 1995: 64). The customer orientation deduces positive results on the business performance by providing sustainable competitive advantage. The sustainable competitive advantage is defined as the ability to create long run value for the customers of the business. The customer orientation has a positive effect on the performance outputs like product development, product quality, increase the business' market share and profits. Due to the fact that well understanding the customers enable the business to develop suitable products based on the needs of the customers which increases the sales and the market share. Due to the fact that the customer orientation provides the satisfaction of the

customers, it increases customer keeping rate and this increases the business performance leading to the increase in sales and decrease in costs. (Pelham and Wilson, 1996: 31). The customer orientation affects the performance positively by increasing the rate of the return of the wealth (Noble et al., 2002: 27).

#### 4. CONCLUSION

The Structural Equation Model was utilized in testing the conceptual model of the research. While making the structural equation model analysis, the phased approach was used. The phased approach is based on the logic of analyzing surveying and structural model separately.

The first assertion of the research model is that the institutionalization affects the maintainability positively. According to the results obtained by making use of structural equation model, ( $t=3,70$  and  $p<0,05$ ) was accepted as the hypothesis 1 which asserts that the institutionalization affects the maintainability positively. The second assertion of the conceptual model is that institutionalization affects the ability to adapt positively. According to the analysis results, ( $t=2,85$  and  $p<0,05$ ) was accepted as the hypothesis 2 which asserts that the institutionalization affects the ability to adapt positively. The hypothesis 3 which takes place in the third step of the conceptual model and which asserts that the institutionalization affects the business performance positively was tested by making use of the Structural equation model and ( $t=2,03$  and  $p <0,05$ ) was accepted. The hypothesis 4 which takes place in the fourth step of the research and which asserts that the maintainability affects the business performance positively, according to the analysis results ( $t=3,50$  and  $p <0,05$ ) was accepted. The hypothesis 5 which takes place in the fifth step of the research model and which asserts that the maintainability affects the ability to adapt positively was tested by making use of the Structural equation model and ( $t=0,80$  and  $p <0,05$ ) was rejected. The hypothesis 6 which takes place in the last step of the research model and which asserts that the ability to adapt affects the business performance positively was tested by making use of the Structural equation model and ( $t=3,15$  and  $p <0,05$ ) was accepted.

The family-owned businesses which constitutes a leader dynamic factor in all the world national economics like in our country, apart from their accretion value to the national economy and the massive economic burden that they have taken, constitute the building blocks of the national economies being social and political balance factor with their positive effect. (Yelkikalan and Aydın, 2004: 333-334).

The continuum of the activities of the companies by developing has a great importance for the national economy. This importance, when considering the current conditions of competition and the necessity to use efficiently the insufficient resources, has much more importance. Due to the crises and instabilities experienced in our country, while many companies' inability to carry on their continuum is a truth, the number of the family-owned businesses which could not be handed over to the next generations and which was vanquished for this reason losing their competitive power is not less at all. It must be known that these family-owned businesses which could not be institutionalized and vanquished by losing their competitive powers, is not just the family's problem but all the country's problem and for this reason it is an important topic to be laid stress on.

Family-owned businesses grow by passing a range of life cycle and show different characteristics in each stage of the life cycle. The founder has a great effect on the business. The business has become almost integrated with the founder. For this reason, the founders have a great eagerness to make their businesses perpetual. However, another point needed to be specified is the growing

difficulty of the management of the business in a modern understanding as the result of the founders', called the first generation, actions in the direction of the labor of themselves, generally appropriation of the company, adoption a centralist management understanding and distrust to the professional managers. Moreover, the businesses taking place within the scope of the research begin to move after the first generation now. In this sense, it is thought that presentation of the perception types of the institutionalization by upcoming generations is going to have a great importance in terms of providing the development of the family-owned businesses in our country and maintainability of them.

As it is known, there are some advantages and disadvantages (the presence of closed culture understanding against the change, the nepotism, the conflicts etc.) of the family-owned businesses. Strategies that put forward the better sides and keep the worse sides low of the family-owned businesses for the maintainability should be implemented. For this, fundamental changes should be done in the point of views to the business and to the world, and the attitudes and behaviors especially of the family members. The family should well draw the limits of the business and property systems, the confusion of the roles should be prevented. At necessary times, a professional guidance support should be taken.

A professional management and institutional structure in and upon which the consistent and standards reign in terms of time and conditions; grounding on not the emotions but the mind and business requirements in decision making; coming into prominence of not the individuals, traditions but the business, processes, the rationality, the ability, the talent and the education; taking responsibility and accounting, should be founded in the family-owned businesses. This can be made only with institutionalization. The problems that family-owned businesses faced are universal where they are completely independent from the culture of one country or region.

The maintainability can be made real by having an independent management, preparing transfer plan and controlling the conflict management. It is quite tough and long period. Support of professional guidance is so important in achieving this. Thanks to independent management, the professional managers become active in management and act freely from the family members. By this means, an increase is obtained in long term strategic decision making and also in the ability to adapt. In the current business life in which there is a fierce competition, this is so important. It is decided together with the transfer plan by whom the business will be run and the heir is raised in a necessary way. In this process, the shareholders' knowledge on who will take over the management will prevent conflicts. The ability for effective management of the conflicts among the family members can be possible by forming some rules and principles before the conflict breaks out for the problems that might be a conflict topic. Especially the family court and the transfer plan will solve the problems that are gotten through in the family. Apart from that, to be able to prevent the probable conflict situations; giving importance to the communication in the organization, implementing a democratic and participative management, and being free to talk bluntly about the problems with the related parties, might decrease the probability of conflict. So the family-owned businesses gain maintainability by flowing from generation to generation.

With the benefices of the results in this study, some limitedness may lead to the problems in validating and generalizing the discoveries. These can be summarized as below:

- ✓ Apart from the businesses joining the study have the proficiency to represent the bulk sample, the power of generalizing of the research results has remained limited. Because, members of Chambers of Industry only in Konya, Kayseri, Ankara and Eskişehir took

place in the research sample. The common characteristics of these businesses are that they have 20 years past and at least 20 employees. In this respect, the research has been made real by passing over small and middle scaled 331 businesses which have a radical past. In the studies done with the big scaled businesses, different results can be obtained. However, this research was made in the Central Anatolian Region cities: in Konya, Kayseri, Ankara and Eskişehir. Different discoveries can be obtained in the studies done throughout Turkey.

- ✓ The research was evaluated only over the data which belong to a certain period of time. When considering the questions whose answers are sought and the hypotheses brought forward, making a periodic study as a data acquisition method can be evaluated as more suitable attitude. However, since the time and cost are important constraint, a cross sectional was carried out in which retroactive information are desired from the participants. For this reason, the presence of the problems caused by remembering related to the previous executions is one of the limitednesses.
- ✓ Answering data collection tool was used in the survey but only one of the business owners/managers took advantage of it. When surveying the variables in the scope of the corporation, since the collected information can carry the provisions of the repliers (managers), collecting information from one replier may cause faults. The prejudiced behavior of the managers prevents the validity of the answers. Thus, apart from getting a high answer rate in the research, it has not been completely possible to control the answer prejudices in the questionnaires implemented via especially the pollsters.

In this study, maintainability of the family-owned businesses was analyzed in the scope of being institutionalized. Finding answers to questions related to the adaptation and performance of family-owned businesses was also the aim of this study. It is believed that the research has a qualification that it will be pathfinder to the studies that will be done in the future; the limitednesses expressed above and some new questions showing up during working can be topic title for the studies that will be done in the future. These can be sorted as below:

- ✓ That the small and middle scaled businesses being intense is an important limitedness of the research. In the future researches, as a research on only small scaled businesses will be able to be done, an implementation based on a comparison of the small, middle and big scaled family-owned businesses can be made real.
- ✓ That the implementation includes only the Central Anatolian Region family-owned business industrialists is an important limitedness. For this reason, a research which includes the other regions and in which a comparison can be made among the regions can be possible.
- ✓ In this study, the effect of the institutionalization and the maintainability on the ability to adapt was evaluated. In the future studies, the effect of each element which constitutes the institutionalization and the maintainability on the ability to adapt can be an independent research topic.
- ✓ In this study, the effect of the institutionalization and the maintainability and the ability to adapt on the business performance was evaluated. In the future studies, the effect of each sub element which constitutes the institutionalization and the maintainability and the ability to adapt on the business performance can be an independent research topic.

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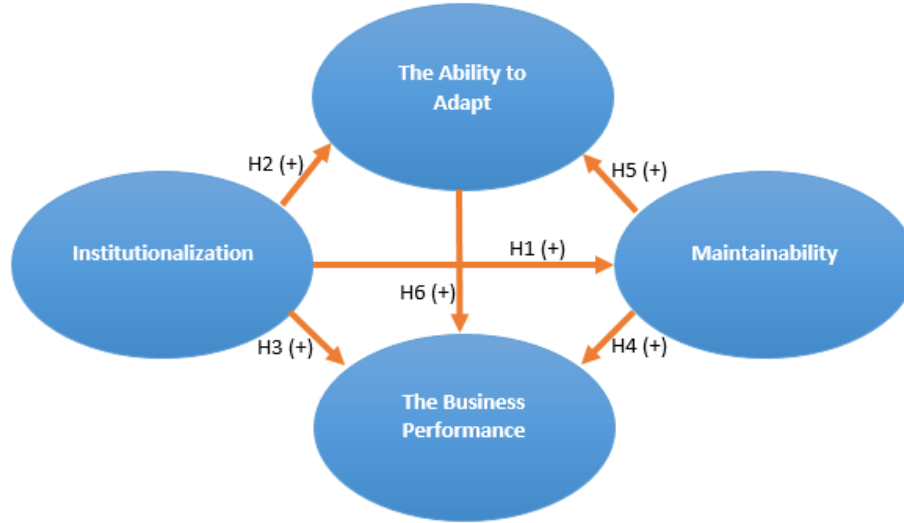


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**Table1. The Independent Sample T Test Comparison between the Questionnaires Implemented Face To Face and the Questionnaires that Pollsters Implemented**

			NUMBER	MEAN	S.D.	T	p	DİF.
Institutionalization	The Family Council/Parliament	Ankara/Konya	178	3,16	1,12	-	0,13	NO
		Kayseri/Eskişehir	153	3,24	1,24	2,17		
	The Family Court/Constitution	Ankara/Konya	178	1,66	1,02	-	0,28	NO
		Kayseri/Eskişehir	153	1,81	1,36	1,09		
	Professionalization	Ankara/Konya	178	4,00	0,71	0,24	0,81	NO
		Kayseri/Eskişehir	153	3,98	0,74			
	Formalization	Ankara/Konya	178	3,94	0,79	0,75	0,23	NO
		Kayseri/Eskişehir	153	3,95	0,81			
	Shareholder Contract/Property Plans	Ankara/Konya	178	4,36	0,89	0,80	0,32	NO
		Kayseri/Eskişehir	153	4,28	1,23			
Objectivity	Ankara/Konya	178	3,53	0,81	-	0,82	NO	
	Kayseri/Eskişehir	153	3,55	0,87	0,23			
The Ability to Adapt	Flexibility	Ankara/Konya	178	4,43	0,75	0,80	0,42	NO
		Kayseri/Eskişehir	153	4,36	0,81			
	Customer Orientation	Ankara/Konya	178	4,55	0,55	0,91	0,36	NO
		Kayseri/Eskişehir	153	4,49	0,71			
	Eagerness to Learn	Ankara/Konya	178	4,24	0,77	0,33	0,74	NO
		Kayseri/Eskişehir	153	4,21	0,81			
Maintainability/Sustainability	Independent Management Board	Ankara/Konya	178	2,43	0,98	-	0,00	THERE IS
		Kayseri/Eskişehir	153	2,90	1,06	4,15		
	Transfer Plan/Heir Plan	Ankara/Konya	178	3,10	1,02	-	0,38	NO
		Kayseri/Eskişehir	153	3,21	1,22	0,88		
	Conflict Management	Ankara/Konya	178	3,99	1,02	-	0,01	NO
		Kayseri/Eskişehir	153	4,08	0,91	2,65		
Business Performance	Quantitative Performance	Ankara/Konya	178	4,18	0,83	1,52	0,13	NO
		Kayseri/Eskişehir	153	4,04	0,83			
	Qualitative Performance	Ankara/Konya	178	4,39	0,62	-	0,24	NO
		Kayseri/Eskişehir	153	4,47	0,67	1,17		

**Image 1. The Conceptual Models and Hypotheses**



**Table2. The Factor Structure of the Institutionalization Scale**

Size	Material	Factor Load	Variance	Cronbach's Alpha	Eigenvalue
Factor 1	q18	0,859	17,437	0,941	8,272
	q19	0,895			
	q20	0,870			
	q21	0,887			
	q22	0,875			
Factor 2	q23	0,918	15,190	0,968	3,572
	q24	0,911			
	q25	0,914			
	q26	0,842			
Factor 3	q6	0,582	12,512	0,929	2,462
	q7	0,762			
	q8	0,648			
	q15	0,713			
	q16	0,711			
Factor 4	q1	0,771	11,498	0,800	1,581
	q2	0,711			
	q4	0,691			
	q5	0,679			
Factor 5	q27	0,910	10,944	0,922	1,173
	q28	0,900			
	q29	0,855			
Factor 6	q10	0,554	8,100	0,743	1,096
	q11	0,797			
	q12	0,787			
n= 24 KMO= 0,883, Barlett Sph. Testi Chi-Square= 6485,684 Total Variances = %75,681, Cronbach's Alpha: 0,915, Factor Loadings ≥ 0,50					

**Table 3. The Factor Analysis of the Maintainability Scale**

Size	Material	Factor Load	Variance	Cronbach's Alpha	Eigenvalue
Factor 1	q30	0,817	27,730	0,835	4,570
	q31	0,905			
	q32	0,895			
	q33	0,600			
	q34	0,500			
Factor 2	q35	0,861	25,677	0,835	1,874
	q36	0,827			
	q37	0,833			
	q38	0,637			
Factor 3	q39	0,770	15,519	0,650	1.137
	q40	0,850			
n= 11    KMO= 0,801,    Barlett Sph. Testi Chi-Square= 1881,845 Total Variances = %68,926,    Cronbach's Alpha: 0,858,    Factor Loadings ≥ 0,50					

**Table 4. The Factor Analysis of the Ability to Adapt**

Size	Material	Factor Load	Variance	Cronbach's Alpha	Eigenvalue
Factor 1	q43	0,729	33,932	0,869	5,421
	q44	0,732			
	q45	0,775			
Factor 2	q46	0,778	24,452	0,796	0,774
	q47	0,780			
	q48	0,657			
Factor 3	q49	0,680	17,353	0,802	0,721
	q50	0,670			
	q51	0,858			
n= 9 KMO= 0,922, Barlett Sph. Testi Chi-Square= 1737,444 Total Variances = %75,737, Cronbach's Alpha: 0,913, Factor Loadings $\geq$ 0,50					

**Table 5. The Factor Analysis of the Business Performance Scale**

Size	Material	Factor Load	Variance	Cronbach's Alpha	Eigenvalue
Factor 1	q52	0,890	59,316	0,859	3,559
	q53	0,897			
	q54	0,737			
Factor 2	q55	0,747	16,574	0,780	0,994
	q56	0,847			
	q57	0,803			
n= 6 KMO= 0,826, Barlett Sph. Testi Chi-Square= 969,842 Total Variances = %75,890, Cronbach's Alpha: 0,854, Factor Loadings $\geq$ 0,50					

**Table 6. The First level Confirmatory Factor Analysis Results for the Institutionalization and Maintainability Latent**

	Sub Factors	Mat. No	Standard Regression Gap Values	<i>t</i>	<i>P</i>	$\rho_n$	<i>V.E.</i>
<b>Institutionalization</b>	Formalization	q1	0,73	-	<0,001	0,81	0,53
		q2	0,68	11,14	<0,001		
		q4	0,73	11,92	<0,001		
		q5	0,75	12,13	<0,001		
	Professionalization	q6	0,68	11,56	<0,001	0,83	0,52
		q7	0,78	-	<0,001		
		q8	0,76	12,84	<0,001		
		q15	0,63	10,66	<0,001		
		q16	0,66	11,22	<0,001		
	Objectivity	q10	0,55	9,85	<0,001	0,78	0,55
		q11	0,85	-	<0,001		
		q12	0,80	14,46	<0,001		
	The Family Council/Parliament	q18	0,86	23,11	<0,001	0,76	0,50
		q19	0,91	-	<0,001		
		q20	0,87	23,70	<0,001		
		q21	0,85	22,39	<0,001		
		q22	0,84	21,49	<0,001		
	The Family Court/Constitution	q23	0,99	-	<0,001	0,97	0,90
		q24	0,97	64,49	<0,001		
		q25	0,97	57,85	<0,001		
		q26	0,86	29,23	<0,001		
	Shareholder Contract/Property Plans	q27	0,90	-	<0,001	0,91	0,76
		q28	0,89	21,81	<0,001		
		q29	0,83	19,60	<0,001		
<b>Maintainability/Sustainability</b>	Independent Management Board	q30	0,72	16,44	<0,001	0,90	0,75
		q31	0,94	-	<0,001		
		q32	0,92	24,87	<0,001		
	Transfer Plan/Heir Plan	q35	0,82	-	<0,001	0,85	0,66
		q36	0,84	15,29	<0,001		
		q37	0,78	14,53	<0,001		
	Conflict Management	q39	0,83	8,03	<0,001	0,70	0,54
		q40	0,63	-	<0,001		

**Table 7. The First level Confirmatory Factor Analysis Results for the Ability to Adapt and Business Performance Latent**

	Sub Factors	Mat. No	Standard Regression Gap Values	<i>t</i>	<i>p</i>	$\rho_n$	<i>V.E.</i>
The Ability to Adapt	Flexibility	q43	0,81	17,71	<0,001	0,86	0,67
		q44	0,86	-	<0,001		
		q45	0,77	16,40	<0,001		
	Customer Orientation	q46	0,74	-	<0,001	0,79	0,56
		q47	0,77	12,96	<0,001		
		q48	0,74	12,42	<0,001		
	Eagerness to Learn	q49	0,80	-	<0,001	0,81	0,59
		q50	0,81	15,11	<0,001		
		q51	0,68	12,54	<0,001		
The Business Performance	Quantitative Performance	q52	0,89	-	<0,001	0,87	0,69
		q53	0,85	18,40	<0,001		
		q54	0,75	15,64	<0,001		
	Qualitative Performance	q55	0,85	-	<0,001	0,82	0,61
		q56	0,70	13,12	<0,001		
		q57	0,78	14,79	<0,001		

**Table 8. The Second Level Confirmatory Factor Analysis of the Surveying Model**

	<b>Sub Factors</b>	<b>Standard Regression Gap Values</b>	<b><i>t</i></b>	<b><i>p</i></b>
<b>Institutionalization</b>	Formalization	0,76	10,94	<0,001
	Professionalization	0,89	12,74	<0,001
	Objectivity	0,77	12,68	<0,001
	The Family Court/Constitution	0,51	9,21	<0,001
	Shareholder Contract/Property Plans	0,60	10,24	<0,001
<b>Maintainability/Sustainability</b>	Independent Management Board	0,50	7,87	<0,001
	Transfer Plan/Heir Plan	0,50	7,42	<0,001
	Conflict Management	0,72	7,32	<0,001
<b>The Ability to Adapt</b>	Flexibility	0,94	16,96	<0,001
	Customer Orientation	0,90	13,13	<0,001
	Eagerness to Learn	0,89	14,51	<0,001
<b>The Business Performance</b>	Quantitative Performance	0,73	11,83	<0,001
	Qualitative Performance	0,94	14,00	<0,001

**Table 9. The Extents Taking Place in the Surveying Model**

Factors	Sub Factors	Observed variables	the standard estimates	the standard faults	t values
Institutionalization	Formalization (the standard estimates=0,76 the clarified variance =0,53 factor reliability coefficient=0,81)	q1	0,73	0,47	-
		q2	0,68	0,54	11,14
		q4	0,73	0,46	11,92
		q5			12,13
	Professionalization (the standard estimates =0,89 the clarified variance =0,52 factor reliability coefficient =0,83)		0,75	0,44	
		q6	0,68	0,53	11,56
		q7	0,78	0,47	-
		q8	0,76	0,42	12,84
		q15	0,63	0,60	10,66
	Objectivity (the standard estimates =0,77 the clarified variance =0,55 factor reliability coefficient =0,78)	q16			11,22
			0,66	0,56	
		q10	0,55	0,68	9,85
	The Family Court/ Constitution (the standard estimates =0,51 the clarified variance=0,90 factor reliability coefficient =0,97)	q11	0,85	0,31	-
		q12			14,46
			0,80	0,37	
		q23	0,99	0,02	-
	Shareholder Contract (the standard estimates =0,60 the clarified variance =0,76 factor reliability coefficient =0,91)	q24	0,97	0,05	64,49
q25		0,97	0,07	57,85	
q26				29,23	
Maintainability/ Sustainability	Independent Management Board (the standard estimates =0,50 the clarified variance=0,75 factor reliability coefficient=0,90)		0,86	0,26	
		q27	0,90	0,19	-
		q28	0,89	0,21	21,81
		q29	0,83	0,32	19,60
	Transfer Plan/Heir Plan (the standard estimates =0,50 the clarified variance =0,66)	q30	0,72	0,48	16,44
		q31	0,94	0,12	-
		q32			24,87
			0,92	0,15	
		q35	0,82	0,33	-
		q36	0,84	0,30	15,29
	q37	0,78	0,39	14, 53	



	factor reliability coefficient =0,85)				
	Conflict Management (the standard estimates =0,72 the clarified variance=0,54 factor reliability coefficient =0,70)	q39	0,83	0,31	8,03
		q40	0,63	0,61	-
The Ability to Adapt	Flexibility (the standard estimates =0,94 the clarified variance=0,67 factor reliability coefficient =0,86)	q43	0,81	0,34	17,71
		q44	0,86	0,26	-
		q45	0,77	0,40	16,40
	Customer Orientation (the standard estimates =0,90 the clarified variance =0,56 factor reliability coefficient =0,79)	q46	0,74	0,46	-
		q47	0,77	0,41	12,96
		q48	0,74	0,46	12,42
	Eagerness to Learn (the standard estimates =0,89 the clarified variance =0,59 factor reliability coefficient =0,81)	q49	0,80	0,35	-
		q50	0,81	0,35	15,11
		q51	0,68	0,53	12,54
	The Business Performance	Quantitative Performance (the standard estimates =0,73 the clarified variance =0,69 factor reliability coefficient =0,87)	q52	0,89	0,22
q53			0,85	0,27	18,40
q54			0,75	0,44	15,64
Nitel Performans (the standard estimates =0,94 the clarified variance =0,61 factor reliability coefficient =0,82)		q55	0,85	0,28	-
		q56	0,70	0,51	13,12
		q57	0,78	0,39	14,79

**Table 10. The Goodness of Fit Results of the Surveying Model**

<b>Compliance Index</b>	<b>Criteria</b>	<b>Breakpoints to accept</b>	<b>Goodness of Fit Results</b>	<b>The result</b>
$\chi^2$	P=0,05	-	<b>1520,79</b>	
$\chi^2 / df$		$\leq 2$ = perfect fit	<b>1,900</b> df= 800	<b>Perfect fit</b>
<b>GFI</b>	0 (does not fit) 1(perfect fit)	$\geq 0,85$ = Acceptable compliance $\geq 0,90$ = good fit $\geq 0,95$ = perfect fit	<b>0,84</b>	<b>Acceptable compliance</b>
<b>AGFI</b>	0 (does not fit) 1(perfect fit)	$\geq 0,80$ = Acceptable compliance $\geq 0,90$ = good fit $\geq 0,95$ = perfect fit	<b>0,80</b>	<b>Acceptable compliance</b>
<b>RMSEA</b>	0(perfect fit) 1 (does not fit)	$\leq 0,05$ = perfect fit $\leq 0,06$ = good fit $\leq 0,07$ = good fit $\leq 0,08$ = good fit $\leq 0,10$ = poor compliance	<b>0,05</b>	<b>Perfect fit</b>
<b>SRMR</b>	0(perfect fit) 1 (does not fit)	$\leq 0,05$ = perfect fit $\leq 0,08$ = good fit $\leq 0,10$ = poor compliance	<b>0,06</b>	<b>Good fit</b>
<b>CFI</b>	0 (does not fit) 1(perfect fit)	$\geq 0,90$ = good fit $\geq 0,95$ = perfect fit	<b>0,97</b>	<b>Perfect fit</b>
<b>NFI</b>	0 (does not fit) 1(perfect fit)	$\geq 0,90$ = good fit $\geq 0,95$ = perfect fit	<b>0,95</b>	<b>Perfect fit</b>
<b>NNFI</b>	0 (does not fit) 1(perfect fit)	$\geq 0,90$ = good fit $\geq 0,95$ = perfect fit	<b>0,97</b>	<b>Perfect fit</b>
<b>AIC</b>	AIC< Saturated and independent models AIC value		<b>1726,79 &lt; 26404,38</b>	<b>Perfect fit</b>
<b>CAIC</b>	CAIC< Saturated and independent models CAIC value		<b>2221,41 &lt; 26606,07</b>	<b>Perfect fit</b>
<b>ECVI</b>	ECVI< Saturated and independent models ECVI value		<b>5,23 &lt; 80,01</b>	<b>Perfect fit</b>

**Table 11. The Hypotheses Results in the Context of Research Model**

Hypotheses	The Estimation	SH	<i>t</i>	<i>p</i>	The Result
1-Institutionalization affects the maintainability positively.	0, 86	0,22	3,70	<0,05	Approved
2-Institutionalization affects the ability to Adapt positively.	0,60	0,13	2,85	<0,05	Approved
3-Institutionalization affects the business performance positively.	0,51	0,43	2,03	<0,05	Approved
4-The maintainability affects the business performance positively.	0,80	0,14	3,50	<0,05	Approved
5-The maintainability affects the ability to adapt positively.	0,20	0,61	0,80	>0,05	Rejected
6-The ability to adapt affects the business performance positively.	0,62	0,36	3,15	<0,05	Approved

**Image 2. Results of Structural Equation Analysis on the Research Conceptual Model**
