THE INSTITUTIONAL CHANGE
TOWARDS A SELF MANAGING ORGANIZATION
CASE STUDY : NEL NUCLEAR ELECTRONICS COMPANY

A THESIS
SUBMITTED TO THE DEPARTMENT OF MANAGEMENT
AND
THE INSTITUTE OF BUSINESS ADMINISTRATION
OF
BILKENT UNIVERSITY IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION

By
DILEK KÖSEOĞLU
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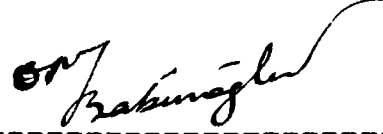DILEK KOSEOGLU

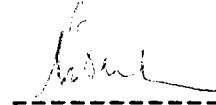September, 1992

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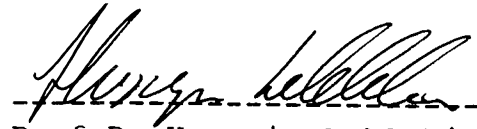--------------------------------

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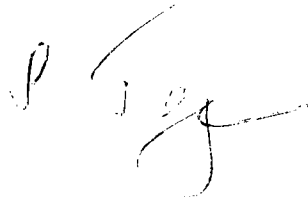

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ABSTRACT

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DILEK KOSEOGLU

Supervisor: Doc.Dr. OGUZ BABUROGLU

Toward 2000's the institution building process is a becomming phenomenon. The term institution is generally understood as a large bureaucratic organizations. From the extensive literature survey it is observed that little has been written from the human resources perspective and the issues of building a more participative democratic institutional culture in organizations.

Basically, this thesis is about the potential impact of the institutional change process on the company culture. It analyses the degrees of institutionalization and resistance to this institutional change . The change process is based on the development of a participative democratic institutional organization of NEL Nuclear Electronics Company which was choosen as a case study.

Key words: Institutional change, NEL Nuclear Electronics Company, degrees of institutionalization and resistance to change

OZET

**KATILIMCI YONETIME DOGRU
KURUMSAL   DEGISIM**

NEL NUKLEER ELEKTRONIK SIRKETI

Dilek Koseoglu

Danisman: Doc.Dr Oguz Baburoglu

2000'li yillara dogru   Turkiye'de kurumsallasma konusu giderek onem kazanmaktadir. Gunumuzde kurum sozcugu, genelde buyuk burokratik organizasyonlar olarak anlasilmaktadir. Bu tez icin yapilan literatur arastirmasina gore, kurumsallasma konusu insan kaynagi ve katilimci demokratik bir kurumsal kultur olusturmak amaciyla incelenmistir.

Bu tezin amaci, sirketlerin kurumsallasma derecelerini ve olasi tepkileri goz onunde bulundurarak, kurumsallasmanin calisanlar uzerindeki etkilerini incelemektir. NEL Nukleer Elektronik Sirketi icin onerilen degisim prosesi, katilimci demokratik bir kurumsal kultur olusturmak amacindadir.

Anahtar Kelimeler: Kurumsal degisim, NEL Nukleer Elektronik Sirketi, kurumsallasma derecesi, degisime tepki

TABLE OF CONTENTS

V. ANALYSIS

I. INTRODUCTION

Towards 2000's, the institution building process is a becoming phenomenon. The dominant organizations in Turkey claim that they are institutionalized. Koc and Sabanci Holdings are the leading ones. In popular language the term institution is generally understood as a large bureaucratic organizations like a university, hospital or prison. In general terms, the institutionalization is defined as the development of orderly stable, socially integrating forms and structures; out of unstable loosely patterned, or merely technical types of action.

Although institutionalization is in beginning period in Turkey, we can also see the same interest in many organizations other than big holdings.

From the extensive literature survey carried out on institutionalization, it is observed that most of these references deal with the explanation of building a more bureaucratic system on the way to institutionalization. Some of these references deal with definitions of institutions and institutionalization from a sociological perspective, some with institutionalization of organizations, some with degrees of institutionalization, and some others with the reactions to institutional change in organizations.

1

Regarding all these literature survey it is observed that, little has been written from the human resources perspective and the issues of building a more participative democratic institutional culture in organizations have not been studied . Yet, when institutionalization is being enacted, it is important not to ignore the impact of institutionalization on the organization culture. There will probably be some resistance to the institutional change from the participants whereas, the goal of being institutionalized can not be reached unless every individual understands the purpose and the mode of this change process. Indeed, it would not be logical to expect all the employees to understand it on their own . First of all, they must each want to "learn" it and then, the boundaries of it must be drawn up altogether in the organization.

As a case study, this thesis aims:

* to examine the current organizational culture and structure of NEL

* to articulate the first attempt of the institutional change process -the search conference of NEL

* to examine the possible impact of institutionalization on the employees

* to recommend a new design in order to achieve the goals of institutionalization for building a more democratic NEL culture.

In order to achieve the objectives, the first part of
the thesis examines the extensive literature definition of
institutions, institutionalization and institutionalization
of organizations. Then, one of the most important parts
comes; explaining how to examine the degrees of
institutionalization abnd finally the first part ends with
probable reactions to the institutional change in
organizations. In the second part of the thesis, the
institutionalization and professionalization concepts in
Turkey are discussed.

The methodology session of the thesis briefly explains
the data gathering part and the formation of the action
research group and their work design while working with
NEL company.

Then, the current organizational structure and culture
of NEL is discussed. It includes the description of their
business, organizational goals, the current position, some
organizational problems and the roles of key people in the
organization. It ends with the institutionalization
understanding of NEL which is based on personal
interviews with the general managers and the search
conference outcomes.

Next, based on the findings, the impact of
institutionalization of NEL on the employees is analyzed

through the concepts of degrees of institutionalization up to now, and the potential resistance to this institutional change.

Considering the current position, having formulated the problems of NEL, such a need for a change is apparent. Therefore, the next part of this study seemed to be the most promising part for interpreting the new design of the company. It includes some recommendations for institutional change which are interpreted through the aim of achieving a more participating democratic work place. In this part, new styles and skills of managers, integration by group work, new style of meetings, redundancy of functions, education, and some ways to solve the sales-service conflict are provided.

II. LITERATURE SURVEY

II.1. INSTITUTIONALIZATION

II.1.1. The definition of the term "institution"

The structure of most of the important groups in society is determined by shared definitions of the status and roles of their members. When such status and roles are designed to perform major social functions, they are termed institutions. In popular language the word institution generally refers to a large bureaucratic organization like a university or hospital or prison. In sociology, an institution is a more or less stable structure of status and roles devoted to meeting the basic needs of people in a society. For instance, a university includes teachers, students, executive officers, and trustees. The members of each of these groups have certain characteristic attitudes towards one another; and each behaves towards the others and towards their common academic surroundings in definite, predictable ways. Someone, however, may object that a university has an existence and a life of its own, since students, professors, and administrators leave or die and are replaced, yet the university goes on indefinitely. Even if the buildings and the equipment change, or if the university is moved to a different location, there might still be a continuity of the name, and of

respect for the name and symbols associated with it. This respect would continue from one generation to the next. A university has an existence of its own because it has the interests of its members. (19)

According to Allport (1969) the nature of institutions falls into two general classes; first, those framed in purely abstract terms which are names of classes, the second those which are expressed in metaphores. Formulas of the first class characterize institutions merely as a collection of something else, with no hint of any subtantive reality apart from the units of which the collection is composed. One writer, for example speaks of an institution as a "cultural complex" another says the term "covers", still others call an institution a "grouping of individuals", a "process", a "set of rules and practices", a "relationship", or a "means". An institution has also be spoken of simply as "ways", "established usages", "ideas", or a "system and habits and reactions." (1)

Generally people think that it is a pattern or system, a collection of something else, or else merely a mental concept. They can illustrate how an institution works, but they cannot tell of what it is composed. They can tell what it resembles, but they cannot tell what it is.

Institutions are often considered as realities, with purposes of their own, they are nothing but the purposes and the activities of the individuals themselves. (1) From the first view, we see how institutions are said to work in controlling and directing individuals, from the other we see how individuals behave in order to make `their institutions' work. The first account is in terms of how institutions operate; the other tells us, in terms of human behavior, what institutions are. The first picture shows us, in terms of leaders what institutions can do for us; the other brings us a realization of what, they are doing to us. In the first approach the success of the institution as a method of providing some particular good which is important for life is concerned; in the second approach, the effect of the institutional habits on the individuals life, the degree of which they limit the integrity, autonomy and opportunity for self-expression. Hertzler (1929), defined the institution as a complex of concepts and attitudes regarding the ordering of a particular class of unavoidable or indispensable human relationships that are involved in satisfying certain elemental desirable social ends. (9) The concept and attitudes are condensed into mores, customs, traditions and codes.

MacIver and Page (1949) defined the institutions as

rules and procedures to be distinguished from groups and organizations. Thus monogamy is an institution, whereas the family is a primary group; collective bargaining, an institution, and labor unions, an association. All associations (groups) were also classified according to their interests that are either unspecialized or specialized. Thus, institutional analysis, as with Hertzler, has no boundaries. It applies to all groups in society. (9)

Eisenstadt (1968) defined the institutions as regulative principles that organize individual behavior in society into organizational patterns that deal with basic problems of ordered social life. Institutions are close to, but not identical to, groups or roles organized around special societal goals or functions. (5)

When authors defined institutions, all of them indicated that institutions include groups and roles as well as norms and values that have purposes or functions; maintaining order, meeting social needs or social control.

II.1.2. Institutions and Organizations

While distinguishing between institutions and organizations, the basic point is, human beings are common to both. The difference lies in the reality that human

agents are primarily interested in and goal seeking entities in an organization system while in an institution system human actors become capable of transcending interests and goals. (11)

Selznick (1966) makes a distinction between institutions and being responsive, adaptive organisms as a product of social needs and pressures, and organizations as instruments of maximizing efficiency and management. However, while deliberating on institutional leadership, he expresses the view that the leader must specify and recast the general aims of his organization as to adopt them without serious corruption, to the requirements of institutional survival.

According to Selznick, institution, organizational character and distinctive competence refer to the `transformation of the engineered, technical arrangement of building blocks into a social organism.' (19)

Esman (1967) defines institutions as a `change inducing and change-protecting formal organization', concerned with the dysfunctions of bureaucratic organizations and are motivated towards planned organization development strategies. (17)

Eisenstadt (1972) identified some institutional parameters such as:

(i) innovations and crystallization of norms,

articulation of goals and mobilization of resources;

(ii) clubbing together of certain values and sanctions;

(iii) role performance

Eisenstadt makes a distinction between bureaucracy as a tool for implementation of goals and bureaucracy as an instrument of power. But he does not deal with the dynamics of the debureaucratization process. (6)

Vickers (1973) has been able to distinguish between values and norms and policies; however he too perceives institutional roles and personal roles in an organizational context. (17)

Emery (1976) says, whereas an organization system will operate on goal-seeking (rather than multiple goal-seeking) motivation with interests and corresponding behavior patterns, thereby seeking to optimize results, an institution will seek a higher level of rationality to transform a human system from goal seeking to purpose seeking to ideal seeking orientation. (17) Emery has also stated that only individuals can be ideal seeking systems and that `it is only within group life that ideals emerge.

II.1.3. Institutionalization of organizations

Lewin (1951) describes the organizational change in terms of three processes -unfreezing, moving and refreezing. Institutionalization is concerned with the process of refreezing. (12)

According to Selznick, the organization reflects its own peculiar history, the people who have been in it, the groups formed, and the way it has adopted to its environment. It becomes more or less institutionalized depending on how much leeway there is for personal and group interaction. The narrower the organizational's goals, the more specialized and technical its operations, the less opportunity there will be for social forces to affect its development.

By institutionalization, he means the development of orderly stable, socially integrating forms and structures out of unstable, loosely patterned, or merely technical types of action. However, stable highly formalized technical procedures in industry do not necessarily contribute to the formation or maintenance of a social group, therefore, not institutional.

11

II.1.4. Degrees of Institutionalization:

According to Goodman, Bazerman and Conlon (1979), an institutionalized act is defined as a behavior that is performed by two or more individuals, persisted over time, and exists as a social fact. The defining characteristics of an institutionalized act are `performance by multiple actors', `persistence', and its existence as a `social fact'. (13)

According to Goodman and Deen (1979) an act is not all or nothing, it may vary in terms of its persistence, the number of people in the social system performing the act, and the degree to which it exists as a social fact. They have reviewed organizational cases to describe them by simple labels of success or failure. For this they found various degrees of institutionalization. Their conceptualization is based on the following five facets of institutionalization. The presence or absence of these facets explains the degree of institutionalization.

1. The first is the **knowledge of the behavior.** Institutionalization is defined in terms of acts or behaviors. This facet focuses on the extent to which an individual has knowledge of a particular behavior.

2. The second facet is **performance**. In any change program there are new behaviors to be performed. One measure of the degree of institutionalization is the extend to which each behavior is performed across the participants in the social system.

3. The third facet is **preferences of the behavior**, which refers to whether the participants like (or dislike) performing the behavior. The sign and intensity of these dispositions across the participants in a social system represent a way to operationalize this criterion.

4. The fourth facet is **normative consensus**. This criterion refers to the extent to which (1) organization participants are aware of others performing the requisite behaviors and (2) there is a consensus about the appropriateness of the behavior. The wider the awareness that others are performing the behavior and the wider the consensus that the behavior is appropriate, the greater the degree of institutionalization.

5. The fifth facet is **values**. It refers to the social consensus on values relevant to specific behaviors.

II.1.5. Reactions to institutional change in organizations

According to Eisenstadt, institutionalization of any system in itself creates potentials and directions for change. The continuous implementation of these policies may affect the positions of different groups and give rise to continuous shifts in the balance of power among them and in their orientations to the existing institutional system and to the norms of exchange which it sets up. (6)

Moreover, the institutionalization of any system usually creates new collectivities. These organizations necessarily develop needs, interests, and orientations of their own which may impinge on other groups and change their attitudes toward the premises of the the system.

The contradictions and conflicts and the events leading to different processes of change are closely linked to the relations between any given institutional system and its "external environment." The possibility of conflict and potential change is always present, rooted in the various processes of crystallization and maintenance of institutional system. Just as the predilection for change is necessarily built into any institutional system, so the direction and scope of change are not random but depend on the nature of the system generating the change

14

on its values, norms, and on the external forces to which it's especially sensitive because of its systematic properties. (7)

II.2.1. TODAY'S ORGANIZATIONS IN TURKEY

In Turkey, the companies have been generally organized in an hierarchical structure that has been learned and taken from government bureaucracy. There is at least ten-fifteen administrative levels from the bottom to the top, even in large holding companies. Towards 2000's, this kind of organizational structure will be a barrier to Turkish industry while attempting a complete integration to the world economy. (29)

II.2.1. Professionalization in Turkey:

The 1990's has brought a new trend to Turkish industry: "professionalization" concept and investment in professional managers. According to the Turkish Economist periodical's research on professionalization in Turkey, the companies are in the race of hiring professional managers by paying very high salaries to them (up to 80 million TL per month.) On the other hand, they are expecting many miracles from them. The desired characteristic duties from a professional are (2):

* have to follow the most recent technological changes in the world

* have to examine the competitors' new attempts

* have to be professional in finding and investing money

* should follow the changes in society and customer behaviors

* should manage people, and have a charisma to make them follow him

* should manage his own public relations

* should have the working capacity of 14 hours per day, 70 hours per week

* should be able to plan the strategies and solutions on his own

* having experience in the government sector, is an asset also

In addition to these duties, according to Volmer and Mills the values of a professional can be stated as follows (30):

* the professional is oriented to the application of specialized knowledge

* the professional's main reference group consists of his colleagues not his clients. (the colleague reference group orientation is congruent with the orientation to specialized

knowledge, since the colleague group is the source and repository of the knowledge

* the individual professional is autonomous. He alone is thought capable of deciding the proper application of his knowledge in a given situation. Professional autonomy implies a minimum of subservience to imperative control from outside the profession.(14)

The ones who have experience in the government sector are generally preferred because of their experience in organizing and implementing these highly strict rules and regulations.

II.2.2. Institutionalization in Turkey:

The dominant organizations of our society are claiming that they have been institutionalized. Koc and Sabanci Holdings are the leading ones, but their opinions about institutionalization is nearly the same as professionalization. They do not prefer lateral organizations but on the contrary, they are consistent in their own bureaucratic design but in more professional way.

However, today "education programs" within the companies are gaining importance and this helps the

companies to develop their aim of institutionalization. Koc is claiming that they are the leader in the attempts of institutionalization. Koc holding have established an education center -Koc Egitim Gelistirme Merkezi (KOGEM)-, and they are planning to make this center a "school". This school consist of laboratories, meeting rooms, class rooms and a small hotel. The potential managers will have education programs at this hotel and the top level managers will have the opportunity to be educated by video cassettes, letters and telephones. This education program will start in september 1992 covering the concepts of organization and method techniques, decision science, quick writing techniques, development of behaviors. This school also aims to introduce the workers to the new comers. According to Ergun Zoga -the director of KOGEM- , it is to give managers the chance of having a look in a multidimensional way in many fields and try to help them to leave the traditional barriers (19).

Today, almost every organization is giving education seminars and courses by themselves. For instance, in the Sabanci group almost every factory organizes some seminars, and the most interesting one is in the Brisa company which has a partnership with Japanese. The

18

education programs are made by group works in the factory, which is similar to the Japanese model. Koc Holding is the leader in this education program. They are both giving importance to professionalization as they think unless the top level managers'quality is high, the variety in the mid and lower parts is not important.

In Turkey, there is another questionable point nowadays; how can these `family companies' be institutionalized. To argue about this topic it would be better to learn the opinions of the general managers in Koc and Sabanci Holdings based on the research of Turkish Economics periodical's about the institutionalization in these two leading holding companies in Turkey. (24)

Family companies and institutionalization:

According to Hasan Gulesci, member a of the board of directors of Sabanci Holding institutionalization can occur within family companies also. In the Sabanci group, the professionalization period has started, however it is not at the wanted speed. The builders are still working at the top and the next generation of them are at the manager level.

The companies are free to manage themselves in the light of their designed program. He is claiming that

their organization is not centralized since they prefer having quick solutions by a decentralized system. Because of the changing conditions of the world, they know they have to give more responsibility to the lower levels in order to have direct contact with the customer. The companies of the Holding are doing their daily work on their own so the agreements are made too quickly. One other important side of the holding is having partnerships with some foreign companies. They have a broad culture mosaic by having the chance of working with them.

According to Ugur Eksioglu, a member of the management committee of Koc Holding , institutionalization is at the starting point in Turkey. Most companies are open to the public but however, there is not any company having a considerable amount of shares belonging to the public. As the popularity of opening to the public increases, the importance of the professional managers in the company will increase also. He claims that although the last word is always said by the family, they never come into a solution unless a consensus occurs between them. (16)

According to Drucker (1992), one of the keys to managing today's organizations is having a new style in the culture of the organizations. He claims that, do not change the organizational's culture, use it, since it

needs not only three-five years, but even more than twentyfive years to have one more generation in the organization. By changing culture, one can not change the behavior and habits of people, so it will be easier to use the current culture to change the unwanted habits (8)."

Drucker, gave the Japanese example this concept. The Japanese prefer to protect their own culture but use some Western style in shape. By this means they have succeeded in changing some unwanted old behaviors.

Perhaps the most important notion is, having some changes with strong roots but without forgetting the fundamental characteristics of the working people. Turkish managers should get rid of their surprising effort for imitating the Western culture. It is meaningless to copy the philosophy of one of the successful companies and expect to adopt. Under the light of these considerations, the important point is to develop a "company's own style" by the participation of all the workers.

Although, institutionalization is at the beginning period, we can also see the same interest in every organization other than the big holdings. This kind of culture can be developed by the collaboration and willingless of all the workers in an organization. First of all, mutual adjustment is to be an habit of an

organization, and then it will be a part of its institutional culture. Participative democratic system is the best way to establish highly motivated, successful, long lasting companies.

There is a paradox in this concept. In one hand, Turkish managers seem to realize the importance of human resources and more a democratic structure, but on the other hand, they want professionals to build more machine like organizations. It is apparent that the professionalised (and more hierarchical) organizations are closest to the Weberian model in which he asserted the importance of strict discipline .

III. METHODOLOGY

According to Jun and Storm, in tomorrow's organizations, the orientation is towards meeting organizational needs implied by the changing conditions of our era. The complexity of both the environments and the organizations of today and tomorrow implies need for new ways to understand and respond to organizational problems. Business leaders today are challenged to meet the changing needs of the world while maintaining high levels of productivity. (15) In this study, it is a good opportunity for me to work with an organization that is aware of the "need" for a new type of organization -the new values and processes to go with it.

In this thesis, I have tried to clarify; firstly the change process of NEL based on the action research methodology covering the search conference and secondly; the recommendations for institutionalization of NEL and the potential impact of this on the company culture.

In building the new image of NEL, the major purpose is not to tackle the purpose of a one sided view; not thinking only of increasing the efficiency, but concerning the "human" side also. If the only goal is to make productivity possible, the system will be more machine like.

This study also aims to build an entrepreneurial firm having people who can use initiative and a more participative organization. Redundancy of function is another important fact as if instead of specialized simple jobs. Thus, it is better to have whole jobs in meaningful contribution. To move hierarchical control to worker autonomy and to have a mutual adjustment, are complementary goals of this change model. Sociotechnical systems, more organic or brain like organizations, and having a democratic organizational culture are new concepts in Turkey, but unavoidable. After having these systems formed, the most important point of this study comes; that is how to institutionalize this new way and having an institutional culture for the survival of the company in the long run.

It will be better now first of all, to explain some change models and try to show the distinguishable parts of our action research group's approach in this change process.

Many change processes require a systematic and programmatic approach. According to Kirkpatrick (1990), the best decisions are made by following some systematic steps in applying the change process. (18) In his model, there are seven steps to be followed: (1) determining the

24

need or desire for a change, (2) preparing a tentative plan, (3) analyzing probable reactions (4) making a final decision, (5) establishing a time table, (6) communicating the change, and finally (7) implementing the changes. Kirkpatrick claims that, there is an underlying philosophy of participation in his model.

On the other hand, Killman also defends a "programmatic" change model. His five stages of planned change is containing: (1) initiating the problem, (2) diagnosis, (3) scheduling the tracks, (4) implementing the tracks, and finally (5) evaluating the results. (17) In Killman's model, to be successful, all programs for improving organizations must devote sufficient time and effort to complete each stage. The five stages of planned change should be approached as a collaborative effort among managers, members, and internal and external consultants.

Besides these programmatic change models, Mohrman and Mohrman claim that large scale change is not the change within the organization, it is the process of changing the organization itself. (23) Furthermore, change processes themselves must be part of the emerging organizational paradigm. They state that the programmed change is based on control. Self-invention strategies are examples of the

new paradigm of change.

In this study based on the aims of NEL's change activity a programmatic change model is not chosen. Thus, this change process aim to help the organization in changing their design to adjust to the shifting conditions of the environment, defending the idea that organizations must be able to change their own design easily. Besides, this change process does not aim to develop a dependent relationships to the action research group. Otherwise it would be difficult to maintain the levels of institutionalization after the action research group leave. The goal is to develop long term organizational change process and recommend new ways of transforming themselves from their traditional form.

On the other hand, our action research group's approach is also similar to Emery and Trist's (1972) or Baburoglu's approach to action research methodology since action research is essentially a process of social change, rather than a set of techniques or a body of knowledge to be applied to particular problems.

Emery and Trist (1972), proposed a process of "active adaptive planning" which promotes adaptation to a desirable future state of the world. (4)

According to Baburoglu (1992), the normative planning

26

approaches of Emery and Trist, Ozbeckhan and Ackoff strongly emphasize that social action must proceed from an imagined, desirable future, rather than from a fragmented and problematic present. He claims that, this distinguishes them from planning approaches which are overridingly concerned with the assumed givens of the organizational environment and with very short term solutions. (4)

According to Nitish (1984), the institution building process is becoming a phenomenon. He stated that, the relevant issue is whether the search conference or any other method as a meaningful symphony can create new music for the exploration of institutional ideals for the human universe. (25)

This study also explains how the search conference approach facilitates the process of institutionalization. The participative design approach seeks to democratise work culture and the search conference of NEL is the first step that connects people and try to design their future objectives and strategies together. The class struggle vanishes because of the warm atmosphere in the search conference.

The action research process of NEL started with the first interviews with the general manager of NEL Nuclear Electronics Company. It was a kind of "problem identification" part of the process as if he had explained the major problems and basically his demand for a search conference. After having the problem identification part, have started to make diagnosis of the problems of the company. The diagnosis part started by the first interviews with the general managers, proceeds through the search conference and programming session and continues during the weekly ongoing meetings within organization and during the meetings of action research group.

During the interviews with Safak Alpay, it can be understood that he was anxious about the future life and the survival of his company. He was at a very critical time of deciding whether to leave the company or not.

It would be better now to talk about the data gathering part of the action research process in detail.

Observations of NEL company, search conference and programming session, and the depth interviews with both managers and the workers during the weekly meetings, constitute the primary data. (Exh.1)

The search conference organized in Sapanca, started

on the twentyfifth of January and lasted to the twentyseventh of January 1992. There were fortythree participants. The people were from NEL Nuclear Electronics, NEL Electronic Materials Production and Trade, SET Electronics Service companies. They were generally sales engineers, but also there were people such as production technicians, accountants, secretaries and service engineers. It was started by the world trends and followed by the trends that affect their company, evolution of their company, and finally ended by the future design and strategies. At the end of the conference each participant was asked how they would integrate the plans into their day to day activities when they returned to their work.

The search conference was organized mainly because the general manager Safak Alpay wanted to know the exact opinions and the degree of credibility of his personnel. The major purpose of this search conference is to make the participants design their future they want and formulate strategies for achieving it. He is suspicious about his employees' capacity to create the organizational philosophy, mission and goals. (Exh.2)

The outcomes of the search conference can be stated as follows:

* The strongest shared belief was, they were proud of

selling high quality products.

* There is not a very effective **integration of value differences.** There were strong arguments because of the cultural mosaic of Istanbul NEL, Ankara NEL, and SET.

* The **future goals, objectives and achievable strategies** which were drawn up by the participants are :

-   Re-organization based on participative democracy

- Seeking opportunities in both the domestic and international markets before competitors

-   more proximity to the customers' needs and wants (well developed marketing strategy

-   giving importance to external information (e.g by building agencies in foreign countries since they are thinking of Germany at first)

- building up a `we' image in the company

- creating connectivity and redundancy

- creating openness not closedness within the company

- education and training programs of the personnel from the bottom to the top

- More frequent meetings than today and try to find more innovative, creative ideas aided by brain storming,more democratic meetings

* They were all happy because of obtaining the chance of

learning from each other. Especially, during the evolution stage most of the stakeholders heard from the general managers the historical background of their company for the first time.

* The search conference was just like an **education** session. The managerial differences of Istanbul NEL and Ankara NEL were one of the popular topics, especially in the program session.

People are generally pleased with the search conference for many reasons as stated above. The people who have attended the search conference are still telling the stories to the others, which brings a closer relationship between them. However, some sales and service engineers felt anxiety. According to Toker- the salesengineer:

"...Some of our friends thought that they were in an exam and they have been tested there. They also felt the attitudes of general managers towards them had changed in a negative way after the search conference."(XI)

Program sessions were held by each company in Istanbul and Ankara, one week after the search conference. We attended the Ankara NEL Electronic company's on the fist day, and then on the second day, NEL Nuclear Electronic Companies' in Ankara. Although the program session was a continuation of the search conference, there were some

people that had not attended the search conference in Sapanca. They had great difficulty in adapting to the old participants of the search conference at the beginning. In order to solve this problem, the general manager of NEL Nuclear Electronics Company distributed a previously written copy of the strategies which were drawn up on the last day of the search conference. The program session was started by explaining the questions of the new comers about the content of the search conference, and followed up by talking about the latest world trends in a brain storming manner. This brought a closer atmosphere between the new comers and the old participants. After capturing the interests of both parties, they were divided into groups in order to design their programs under the light of previously drawn up strategies. The programming session was very tiring, since the participants had worked from nine am. to twelve pm. The tension increased sometimes because of some quarrels between the sales and service staff. The key person within the company - the general manager of SET - was also at the program session. It would have been better if he had been in the search conference also.

During the search conference and the program session, there was a great chance to be get acquainted with the

employees, and understanding the fact that whether they were happy to work in NEL or not.

After the search conference and the program session; the general manager of NEL Nuclear Electronics company organized a meeting in his company with the other two general managers and invited the action research group to talk about the newly started change program. The general managers summarized the main problems of their company under three main topics; such as:

(1) They had the "sales" concept, but unfortunately not the "marketing" notion. They could not make market research systematically and there is also lack of public relations.

(2) There is no education system in the company. Newly designed education programs are needed which is a part of the human resources concept. The education should be a culture of the company and further it should be institutionalized.

(3) There were some conflicts between the sales and service staff.

All these problems were just a short summary of the search conference's outcomes, and one of the critical topics of the meeting was the how to achieve institutionalization.

After listening to the short explanation from the general managers about their main problems and a short question and answer part, the managers had asked the concept of the change programs to the group. The action research group had explained the content and the purpose of the change program.

The importance of the less hierarchical, democratic organizations and having an institutional culture were the final topics of the meeting. One week later we had a meeting to talk about our future role in the change process. We divided into three main groups (marketing, human resource, sales-service) in order to tackle these main problems of NEL in detail.

All of these three groups had separate weekly meetings starting on the third of March 1992 and lasting until the twentyseventh of May 1992. The marketing and the sales-service group had the meetings with both the sales and service people and the general manager of NEL Nuclear Electronics Company. Besides, the sales-service group had the chance of going out with the sales and servicemen. They could observe the opinions, the capabilities of them and also their relationships with the customers. On the other hand, the human resource group had the meetings

34

with the general manager and got the chance to observe the exact opinions of him especially on institutionalization, motivation of the employees, human resources and future goals and objectives of NEL. All these three groups were well coordinated. They talked about the main topics of the ongoing weekly meetings, and also listened to each others opinions, criticisms and reflections on them. However, all the three groups prepared weekly reports covering the topics, resolutions and finally reflections of them. These reports were to be distributed to each group in order to give a starting idea about each group's work. These meetings of the action research group from March to July 1992, were the criticism hours of NEL company and a considerable amount of data was gathered for this thesis. (Exh. 3)

On the last wednesday of May 1992, the action research group gave a presentation to the general manager of NEL Nuclear Electronics company. In this presentation, the mission of the company, the environment they are in, scope of the change process, the key stakeholders, the sales-service conflict were discussed at first. Later, what changes had occurred after these weekly meetings, some resolutions, and finally the shortcomings of the groups were discussed. After the presentation, the general

manager answered the questions and the other way around. That day was also a good chance to understand the reaction and opinions of the general manager about the interpretation of the change process.

The same presentation with some improvements was also given to the three managers including the general manager of NEL Nuclear Electronics company. All three manager's opinions and explanations of some of the questions and different reactions of them were analised also.

In this study, the interviews with both the general managers and the employees beginning from February up to September 1992, constitute the most valuable data for this thesis. During these interviews the same questions were asked to the sales engineers, service engineers, administrative staff, and the managers in order to examine the degree of the role of each employee in the change process. The questions that were asked during the interviews can be stated as follows:

* What is meant by institutionalization according to you?

* Why customers are buying from NEL according to you?

* Do you think that a new education and training program is needed? In what fields?

* What are the expectations of customers from NEL according to you?

* Do you think that the search conference, program sessions and the weekly meetings are useful?

* Which programs were applied and what resolutions were achieved after the search conference and the program session?

* Are the weekly meetings forum for evaluation, and training or forum for participation according to you? How can a better style of the meetings be established?

* In what way do you think the sales-service conflict can be managed?

* How can a better coordination be established in the company?

* How is your company-customer relations?

* How more group work can be installed in the organization?

* Do you think that your company is managed by participative democracy?

* Do you have problems in communication with the managers? How can a better relationship be established between the managers and the employees according to you?

V. CASE STUDY

IV. NEL NUCLEAR ELECTRONICS COMPANY

IV.1.1. Current Organizational Structure of NEL:

NEL Nuclear Electronics Company, NEL Electronic Materials Production and Trade and SET Electronics Service company, are all included in the MIMAS Holding with another six companies. (Exh.3)

NEL Nuclear Electronics company has been established since 1967. Nel company is composed of generally sales engineers having an educational background of chemical engineers, physicists or biologists, administrative staff, and accountants. The education level of sales people is higher than the Turkish average, seeing as they are generally university graduates.

They are importing and reselling nuclear, electrochemistry, safety and medical equipment. (Exh.5) Nel tends to be market driven rather than production driven, although it has some simple production facilities.

There is both a sales department head and an administrative working head in its traditional design. (Exh.6) Because of the character of their products, their sales and service systems can not be separated from each

other. (Exh.7) But, there are many problems between NEL and SET companies as if SET has created a counter culture opposing the new goals of NEL. There are also managerial problems within the company among sales engineers, administrative staff and the top level.

NEL Nuclear Electronics company is working with both government and the private sector. In the government sector, the secretaries are following the government bids from the official gazette. They examine the list of conditions that are related to their subject. The secretaries give the list to the sales engineers. Then, the sales engineers examine the list of engineers and decide whether to join to the bid or not. If they decide to join to it, they prepare proposals. They continue examining it up to the stated date of the bid. The government bids need a lot of paper shuffling work but it brings considerable amount of money to the company (in general, it is about in billions). Besides, in the private sector, the sales engineers are arranging everything by themselves. The sales engineers already have relationships with the businees people such as doctors, the owners of the laboratories and medical centers. The sales engineers are visiting the customers in some periods or else the customers are calling the salespeople when they need. The

agreements are managed by the sales engineers and the customers face to face.

IV.1.2. Current organizational culture of NEL:

 * In defining their business, Safak Alpay says:

"...What is important for the company is first of all, the product; secondly the sales concept, and finally service."

This belief shows the reason of the conflict between sales and service since sales people are always given the first priority even in the eyes of general managers.

 * The company has a negative approach to the customers. They all thought it is too hard to please the customers as they always want more. For this the general manager says:

"...We can sell the piano but we can not teach the customers to play Mozart."

Another common belief towards the customers is something like "give your hand, loose your arm". They all agree that giving too much service is not needed.

 * According to the general manager, the quality of the customers is too low, and the peaks are generally at the ones who prefer cheap products. they have the greatest difficulty in this concept as they are selling very expensive products.

* NEL is generally working with the government, but they are all saying that they are bored with the mindless and unquestionable bureaucracy. They are loosing a considerable amount of money while working with them as the government generally do not give importance to quality, but the price.

* Nobody in the company want to take the responsibility of any problem they face, onto their own shoulders, but prefer complaining to each other. They even sometimes choose the customers to be the criminal and accuse them of being uneducated people.

* According to the employees, there is no participative atmosphere within the company. Ozden Toker the sales engineer says:

"...There has not been built any spiritual bond between the general managers and the employees. We are criticizing SET in many ways, but one good point in their organization is they are strongly connected to each other. We are separated. All of us want to be in a close relationship with our managers." (XI)

Ozden Toker is one of the most important people in the organization. She is just like a buffer zone, between Safak Alpay and the employees. Many salesmen prefer to explain their opinions to her, rather than Safak Alpay. She claimes that some of the employees do not get the chance of being introduced to some managers.

* Another important attempt to build a new NEL culture is holding weekly meetings where all the key people participate. Safak Alpay says these meetings are the first steps in building a democratic model, but on the other hand sales and service engineers think they are evaluated after that. In short, the aims of these ongoing meetings according to both sides are:

-active planning

-training session

-control

-problem identification

* Orientation and adaptation of new comers is another trouble some sight of their culture. According to Ozden Toker, there is a strong tie between the sales engineers so the new comers are not accepted quickly by them. This has of course a negative effect on the new comers and decreases their performance and morale.

* The critical role of each participant is very important in this change model also. According to Berger, all institutionalized conduct involves roles, thus roles share in the controlling characteristics of institutionalization (3). The roles of the employees are analysed according to the search conference, programming

42

session, weekly meetings outcomes and the interviews with both the general managers and the employees. The critical questions which were asked during these meetings and the interviews in order to determine the role of each group were stated previously in the methodology session of this study.(Exh.8)

The General Manager's role: Safak Alpay -the leader of the organization, exerts a major impact on the culture of NEL by transforming his vision and mobilizing the organization to achieve that vision. (Exh.9) He has an active role in institutionalizing the change process since he started it by managing a search conference. He has a proactive approach in many fields. The best example of this is understanding the need for a change in NEL before his colleagues and deciding to manage a search conference in his company after having the opportunity of being a participant in one of the search conferences.

* Bureaucracy is not his valued system, and he claims that he believes in participation. But, however he is interrupting, teasing people and interrogating them, and discriminating against some sales people, and has a controlling manner towards others He has to give a chance to develop member capability and skills freely.

On the other hand, the effect of Safak Alpay is generally positive ; such as he not strictly ordering his employees by rules and regulations and letting them decide whether to attend some education seminars or not. According to him:

"...We will not give a minus to the ones who do not want to attend these seminars, but they have to state their opinions beforehand, this must be our company culture."

* Safak Alpay's job is to read, to learn and to understand. He stated that :

"...I am doing seventy percent of my employees jobs by myself. Nobody wants to take responsibility. They are even calling me from the customers office to have the last word about price. What I want from the sales people is making their own decisions without my intervention."

But on the other hand, there is a paradox in this concept that sales engineers are angry with him about this subject. When they have an agreement with a customer,Safak Alpay can change the agreement whenever a customer wants and can decrease the stated price. The sales engineers do not want general managers to be included in the sales motion.

* The general manager has really interesting opinions about the wage and incentive concept such as:

"...An increase of a wage can occur whenever one has succeeded and innovated something rather than his routine work, such as he could be aware of a new product or can bring a new system. In Turkey workers think that the more you give to me, the more I will work."

Sales peoples role: Sales people are more respected than both the service engineers and administrative staff, since they feel they are the most important people in the company and sometimes degrade the service engineers and secretaries. On this subject, general managers are also guilty, since they give too much importance to the sales staff.

The sales people are willing to be educated in marketing. The new comers in the sales division also want to learn the characteristic policies of NEL.

Secretaries role: They do not have a very critical role in the company. Some of them are happy with their routine secretarial work but some want to contribute to the sales concept, and desire job enrichment.

Counter culture of SET Service Company: SET as a `body' seems to be aggressive individualistic and shows success by we orientation, that NEL employees do not like.

SET Service company is in a matrix relationship with

the other firms. It has established in 1983 and affiliated to MIMAS Holding. It is generally composed of electrical engineers, chemical engineers, physicians, and electrical technicians. Mr.Mehmet the general manager of SET is working in his world and closed to the outside environment. He believes that the hierarchical structure will make the company stronger since SET operates with more hierarchy than NEL. On the other hand, there is high dependence and better coordination in his company.

There is always conflict between SET and NEL, as SET personnel prefer not to obey the rules of Safak Alpay. Neither SET nor NEL want to take the responsibility of any failure. The service staff accuse sales and vice-versa. They have products consisting of important competitive advantages in the market. But according to service engineers, the salesmen can not utilize that asset satisfactorily, moreover there is no need for extra education of salesmen for the unqualified customers in Turkey. On the other hand, sales people find service people guilty of their unresponsive behaviors towards the customers. That is because the servicemen do not even bother to inform the customers about long waiting periods.

The increase in struggles between sales and service

staff is somehow like the "live and let others die" philosophy. This way of philosophy should be minimized, and some kind of loyalty should be increased among the two parties.

The conflict and disagreement is neither desirable nor essential for the achievement of optimal solutions to organizational problems. The overall problem is how to establish collaborative intergroup relations in those situations, and try to solve the problems by giving an equal chance to both parties.

IV.1.3. What is meant by "institutionalization" in NEL:

According to Safak Alpay, the institutionalization is:
* continuous adaptation
* quick transformation
* having the ability to continue its management facilities even after the manager changes
* to be rational
* have the ability to change from one subject to another in twentyfour hours.

Institutionalization is one of the future goals of the general manager, as he wants to see his company working in a professional way even after he has gone.

The general manager gives importance to human resources and he says that:

"...Human resource is of course very important, but before trying to find new sources, we have to deal with current sources and find new ways to increase their performance."

In the future, Safak Alpay is thinking about giving scholarships to university students to make them work for his company:

"...This is one of the best ways to have well educated people in the future. Koc has done this for many years as they are making these intelligent students sentenced to Koc. This will be NEL's future institutional culture I hope."

V. ANALYSIS

V.1. Degrees of institutionalization in NEL

Basically, this thesis is about the degrees of institutionalization and potential impact of the institutional change process is based on the development of participative democratic structure of NEL.

According to Goodman and Dean's degrees of institutionalization model, NEL is at the introduction phase and just started the adaptation phase. They are at the step of transmission of information to organizational members about the learning mechanisms of the change process.

The weekly meetings of NEL are great chances for me to test the degrees of institutionalization of the change process.

Knowledge: The general knowledge of the people can be stated as "intermediate-poor" since the degree to which the organizational participants understand the proposed organizational form is low. Only the general managers are able to understand and design the new system. That is why some sales and servicemen were afraid of loosing their jobs or job switching. The general managers say that every employee has an alternative, even in their own company.

The employees should urgently understand the importance of the program and the need for cooperation, especially in the change process, and how this process will affect the members, how they can help and participate in this process, what changes will occur in their job descriptions, the responsibilities and finally how the necessary training will be given.

Most of the salesmen feel that they must implement the change whether they like it or not. They feel this way either because they are afraid of alienating the boss or because they want to be a long term employee. But, they should ask themselves "why the change is being recommended?" and then their managers. They must first of all understand the reasons and the need for this change and then begin to implement it. Whenever they feel it is a bad change, they should express their thoughts to the general managers tactfully. He/she must say why the change is thought to be a mistake and what problems will cause, as well as offer a recommendation on what to do.

For building a kind of "NEL type of selling", first of all a knowledge of the sales engineers serves as a challenging and controlling force in the beginning. These must occur in collaboration with good contact, in a friendly and helpful manner with each other. As the

institution of "NEL type of selling" is crystallized and persists in time the same body of knowledge serves as an objective description of it. This knowledge will improve as sales engineers gain experience and through this time they become systematically organized as one body. Again this body of knowledge (which has been created by everybody) is transmitted to the new comers and also to the next generation of the company. It will be learned as the company's style and gain power as the passes.

One of the goals of managers is to develop this change program by building autonomous work groups. Within the concept of work groups, there is a wide range of new behavior, such as job switching, group decision making on bringing in new members, disciplining members and planning work.

On the other hand the employees do not know how can an autonomous work group can be developed in their company, since they still think that the groups will be managed by the general managers in the future also. They can not imagine forming groups by themselves. The general managers claim that the meetings are necessary especially for controlling since the employees are tested in their skills, abilities and knowledge. The general managers are also investigating the capacity and performance of the

employees in these meetings.

Complete communication is needed to keep the employees fully informed about the objectives of the change. The process of change is helped when the employees who will be affected can participate in the decision making process and in planning for the change.

One of the most interesting points is, the general managers do not prefer the style and the process of the change concept to their employees. Although this institutional change program, is still in the introduction phase, this brings some handicaps in continuing successfully. The people are womed about what is going on and what will happen next.

Performance: The intergroup communication has the potential of success in autonomous groups in the future, since the employees will probably perform this better than other behaviors.

Performance of a behavior generates experiences, rewards and punishments. The mix of rewards, such as variety or pay, may gradually decline over time. Thus, the mix of rewards (for instance, extrinsic and intrinsic) would have a better impact on the level of

institutionalization. Another important fact is the degree of equity of the reward system.

The rewards that may be given to employees are as follows:

* involvement thinking

* having a notion of what was going on

* interest

* to feel that he/she is part of the the NEL

On the other hand, it is remarkable that there is no punishment system in the organization. The general managers are able to solve the problems by their own ways methods since they are claiming that they never want to punish someone.

Preferences for the behavior: The idea of autonomous work groups is generally preferred by the employees but, however they do not know how to build this kind of groups without managers. (Exh.10)

Group decision making on bringing in new members is one of the preferred behavior which was also talked about during the search conference. The salesmen do want to choose their future colleagues by themselves; not by the order of general managers. Today in NEL the general managers are using a similar method of bringing in new

53

members since they are firstly choosing them according to their resumes and then introducing them to the salesengineers , then leaving them to get their first knowledge from the salespeople. It seems that the general managers are giving importance to the preferences of the employees so there is a potential to develop the idea of the group decision making on bringing in new members.

Besides, the idea of "planning work" is another preferred behavior. In this concept the hidden fact is that the employees do not believe the managers will leave the planning work to them, but their routine work plan.

On the other hand some behaviors are disliked by some of the sales and servicemen.   Some of the salesmen are not pleased with the integration of secretaries in the sales concept. They believe they do not have enough education background and capability. Indeed, they do not have any belief in the group work concept. Some of them are very individualistic as they do not even want to share their ideas with their colleagues.

Normative consensus: There is a "intermediate-low" normative consensus within the company especially in intergroup communication, group decision making, job switching. To a wider consensus these behaviors can not

be built if there is conflict between sales and service engineers.

Value consensus: The values of giving people more control over their environment, more freedom and responsibility will need time to be established. There is a high potential in having these values but first of all the employees must understand the importance of knowledge of the behaviors and then establishing common behavior and preferences and finally consensus is necessary.

Finally, NEL's institutionalization degree up to now can be stated as, intermediate-low ; since not every employee understands (and help from others deemed appropriate) and represented by broader value. But, if we consider how young the history of the change process, its successes can not be undermined.

V.2. Recommendations for the institutional change of NEL

Participative democratic workplace: To have a participative democratic organization is one of the most important outcomes of the search conference which is a wish of the every participant.

New styles and skills of managers: According to Eisenstadt, there need to be social mechanism and actors

that carry the change orientations into an institutional form. These actors are entrepreneurs and elites. (10)

Safak Alpay is a very nice example of an entrepreneur being an active carrier of this cultural orientation. His personal investment for building this new change can not be denied. He is perfect in controlling the goals sought by different groups, but on the other hand he sometimes forgets that there must be a limit to this controlling activity. Thus, this behavior will damage the change process as he should learn to stop categorizing people and judging them in every situation.

He seems to be proud of himself because of his great attempts, as the people prefer to build their working character around him, identify with him and become dependent on him. He has to leave his `God' image in the company and let his employees walk on their own feet.

Besides, the general managers have to develop their leadership skills. They must pay special attention to skills that increase their power to communicate, to create shared understandings. This is very important since there are great problems between sales and service staff. The managers should find new ways to increase collaboration between them by finding common values. Both parties should

learn that NEL company can not be successful unless they learn to work together.

Furthermore, another important task of the general managers is to create the climate in which people feel that the managers have empathy for them. The employees of NEL are suspicious about the fact that the general managers do not believe and trust them enough. They wonder whether the general managers know exactly their capabilities. The general managers should not forget that in order to contribute to the effectiveness of the organization, they have to get and maintain the high morale of their employees.

A new style of meetings: A new way and more energy is needed in the ongoing weekly meetings. Establishing meetings between sales and service engineers without Safak Alpay could be a solution. It is important to give them a chance to succeed themselves on some of the issues, which will increase their courage and increase their trust in the effectiveness of teamwork. Letting new engineers join in the meetings will be the first step to overcome the problem of adaptation.

One of the keys to achieve this goal is to have Safak Alpay with a participative management style. He should

encourage them to be a part of the team, promise them a share of the rewards.

Integration **by** **group** **work**: One other thing to be managed is to shift them from individualistic orientation to a group work approach. High specialization prevent skills being shared and providing a cohesive atmosphere. For this, it is better to think first of all how more group work can be installed in the organization. The system should be run by teams or groups, but definitely implies a flatter structure, fewer levels, and much less hierarchy. In order to achieve this goal there are some important points to be taken into consideration, such as:

Competition must be at the company level, the race should be external. If they compete with each other, they will not exchange information, thus it is important to encourage the collaboration. Lateral relationship must be built within the group to find a mutually agreeable path of action, because it is important to get multiple inputs from members of the group in order to manage complex programs.

As a result of the integration by group work it will be easier to organize a company wide system of information distribution and exchange.

Redundancy of functions: More active participation of secretaries in the sales concept is needed. More overlapping jobs should be built between secretaries and sales engineers. (Exh.11) This is a demand of most of the secretaries since they say their jobs should not be bounded by routine office work. This can be done only by establishing group work. If they can succeed in building this system, nobody can fall into the "it is not my job" syndrome.

Education: There should be various types of programs in the near future:

* Education in foreign languages and computer programming for the secretaries, sales and service engineers

* Education of technical people in their special topics in foreign countries.

* According to sales engineers some supporting education programs are needed also covering the topics of quick reading, communication, interview techniques, and in selling and marketing concepts. As the salesmen believe that they will benefit from training, they will probably want more in job training.

* Sales engineers should be in cross training about each other's products. Any sales engineers who learns the new

trends in the market should transfer the knowledge to his colleagues and to the top managers. Through this method the sales people will act as a market survey group.

* For education of customers they may build a user's club to promote a closer relationship with customers. What Safak Alpay says about this concept is:

"...Our goals will be achieved if we are successful in reachines customers' needs. For this reason, we have to obtain the opinions of our customers as much as we can. To understand their needs and interests we can establish customer clubs."

Sales and service conflict:SET and NEL are acting as if they are two competitors. The integration of sales and service into a single whole is needed but there is a great problem in achieving this goal: Mehmet Turken -the general manager of SET.

To deal with his resistance, it is important to make him believe that SET can also change its bad position by making service more important.

This conflict creates mistrust and antagonisms that scar relationships and reduce the ability of people to work together. Because of the stress from unresolved conflicts, the satisfaction and ability to work together diminishes. However at the same time, this conflict enables especially salespeople to voice their frustrations

and to change or improve the things that dissatisfy them. The salesmen are claiming that they try to talk with service people but they can not get a positive response from them. Despite the great efforts of salespeople in solving this conflict between sales and service people, the service people do not seem to be disturbed by the conflict, moreover they prefer continuing their old attitudes in the same manner. (Exh.12)

Besides, the salesmen are always complaining about the service people to general managers. Thus, they have to learn that complaining all the time can definitely diminish their interaction with them.

On the other hand, the service people are claiming that there is a discrimination in the sense of providing more possibilities and more resources to salesmen.

In short, this conflict between sales and service people consumes a large amount of time and energy, and also creates significant opportunity costs in terms of decisions that are neglected. The people should manage the complexity generated by sales and service people and keep the balance between them.

VI. CONCLUSION

Basically, this thesis is about the degrees of institutionalization and potential impact of the institutional change process is based on the development of participative democratic structure of NEL.

This study claims that the process of institutionalization is extremely like the process of organic growth. The organization has to deal with the striving of internal groups and the environmental conditions.

In this study, the change process is introduced through cognitive means and is started by the search conference. Initial impacts which have been taken into consideration are on individuals' knowledge about the process, behaviors and preferences. Over time, collective awareness and trust in each others roles will lead them to a normative and value consensus.

According to Goodman and Dean's degrees of institutionalization model, NEL is at the introduction phase and just started the adaptation phase. They are at the step of transmission of information to organizational members about the learning mechanisms of the change process.

In this study, the search conference is choosen to create company's own design for the exploration of institutional ideals. The search conference and the continuation of it-the program session-, facilitated the process of institutionalization in many fields. This study aims to design the participative democratic workplace by the collaboration and willinness of all the employess. Thus in the search conference the employees designed their "future they wanted" and formulated the strategies for achieving it.

Inevitably, during the search conference, program session and my interviews, some of the employees in NEL hesitated in reflecting their views and in answering the question of the possible effects of the institutional change process.

NEL Nuclear Electronics Company is analyzed as a case study in this thesis. The company has established at 1967 and are importing and reselling nuclear, electrochemistry, safety and medical equipments. It tends to be market driven rather than production driven, although it has simple production facilities. Because of the character of their products the sales and service systems can not be seperated from each other. However, there are many problems between NEL and SET Service Company since SET had

created a counter culture opposing the new goals of NEL. The important point is to shift them from individualistic orientation to group work approach. System should be run by teams or groups, but definetely implies a flatter structure, fewer levels and much less hierarchy.

In building the image of NEL, the major purpose of this study is not to tackle the purpose of one sided view, not thinking of increasing the efficiency, but concerning the human side also. This study also aims to build an entrepreneurial firm having people who can take initiative and a more participative organization.

Finally, NEL's institutionalization degree up to now can be stated as, intermediate-low ; since not every employee understands (and help from others deemed appropriate) and represented by broader value. But, if we consider how young the history of the change process, its successes can not be undermined.

The institutionalization of NEL will create the possibility of tensions, conflicts and contradictions leading to change. Building a new long lasting `NEL culture', will need a long time and it should have a participative character so that the employees will easily adopt and appreciate it.

Some groups may be greatly opposed to the premises of the institutionalization of the current system, may share the values only to a small extent. Especially, the ones who are working at SET will greatly resist this change, as they have already been left alone. To build up common values, a great desire and a want of all the participants is needed. Even if one group refuses to join this collaboration, it will not work. This intergroup tension tends to undermine the coalition which sustain the institutionalization process. So, they must firstly solve the problem of the SET-NEL hidden war.

It will be easier to make the sales engineers and administrative staff a united body as they may share some values to a greater degree, while regarding themselves as the more truthful upholders of these values. But, on the other hand they may oppose the concrete levels at which some values and norms are designed by the top managers.

This new system will not be entirely homogeneous in the sense of being unanimously accepted in its totality. There will of course be different degrees of acceptance that will cause conflict in the beginning. To overcome this conflict, first of all they have to generate changes in the distribution of power and positions. It is also important to design the patterns of

participation collectively and distribute some equal roles of this membership. Some of the conflicts which may generate problems during the change process will vanish as time passes.

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VIII. Paksoy, Enver. Sales Staff. Personal Interview. Istanbul. Store of NEL Nuclear Electronics Company. September 1992.

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X. Soyal, Ayhan. Sales Engineer. Personal Interview, Istanbul. NEL Nuclear Electronics Company.

XI. Toker, Ozden. Sales Manager, NEL Nuclear Electronics Company. Personal Interviews. April 1992.

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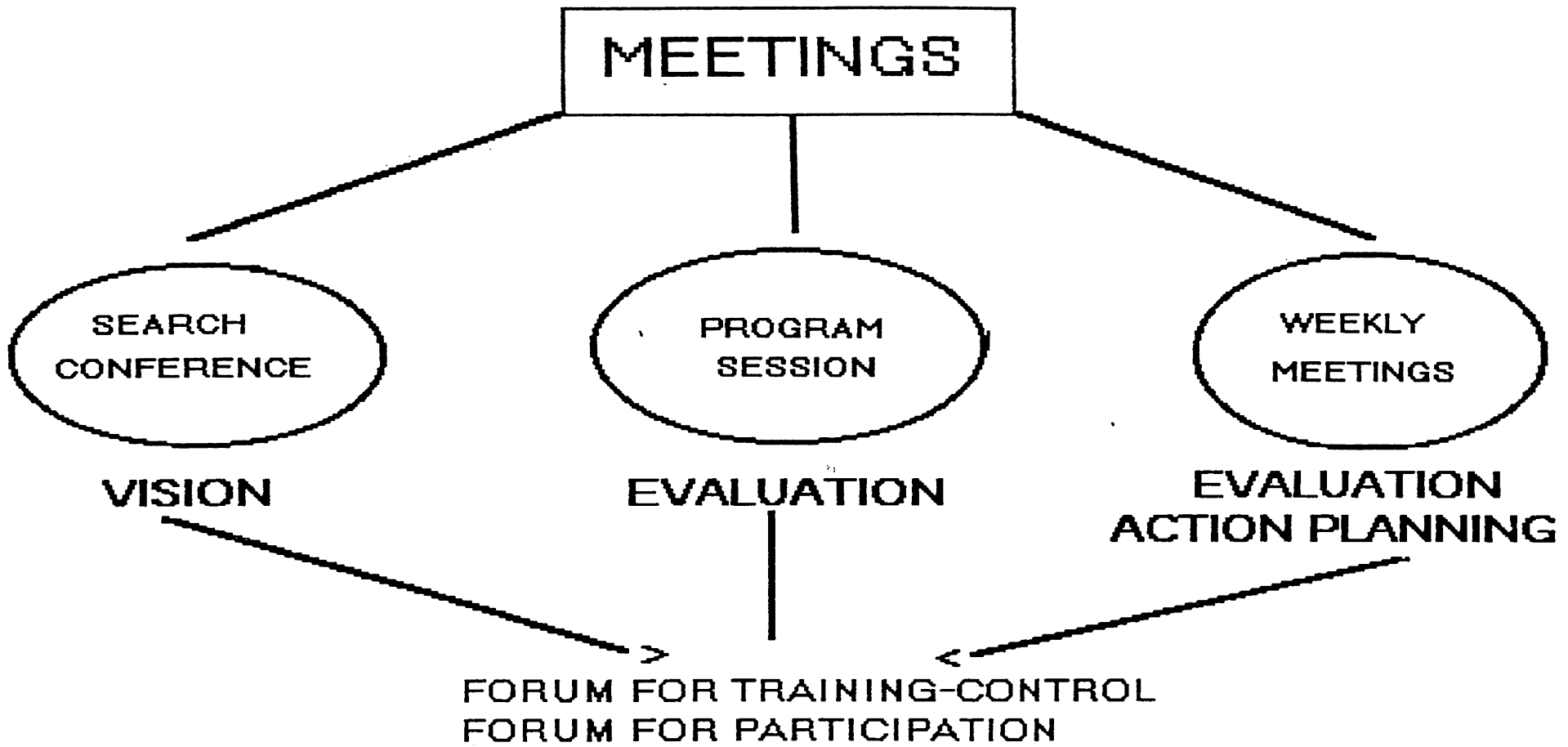
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EXHIBIT 1

MEETINGS

SEARCH CONFERENCE

PROGRAM SESSION

WEEKLY MEETINGS

VISION

EVALUATION

EVALUATION
ACTION PLANNING

FORUM FOR TRAINING-CONTROL
FORUM FOR PARTICIPATION

EXHIBIT 2

SEARCH CONFERENCE

WORLD TRENDS
DESIRABLE / PROBABLE

TRENDS THAT AFFECT
THE COMPANY
DESIRABLE / PROBABLE

EVOLUTION OF
THE COMPANY

THE FUTURE
DESIGN OF THE
COMPANY

STRATEGIES

EXHIBIT 3

	Marketing gr.	Sales-service gr.	Human Resource gr.
Top.	✳ sales strategies to be applied ✳ new product in the market ✳ are there any rivals in the related market	✳ dialogue between service and sales	✳ the general managers opinions about human resource
Reso.	✳ they will begin to sell the new product (sperm counter) ✳ NEL has bargaining power over the customers	✳ action reseach group should visit sales and service departments to observe customer-company relationship in the location	✳ the employees need motivation and rewards ✳ they can increase the productivity by giving more importance to the employees
Reflection	✳ most of the salesmen and servicemen do not know the aim of the change process (and also their roles) ✳ they have products consisting important competetive advantages in the market but salesmen can not utilize the asset satisfactorily.	✳ meeting was not participating rather controlled ✳ they have to solve the conflict between sales and servicemen ✳ there is strong resistance to change (especially some servicemen)	✳ it is too hard to obtain incentives in the company ✳ they have to change their negative attitudes toward each other (especially the servicemen) ✳ the general managers want a long term institutioal change but the employees do not have enough knowledge

EXHIBIT 3. (contiue)

	Marketing gr.	Sales-service gr.	Human Resource gr.
Top.	✗ number of bids- ✗ meeting: action planning and control.	✗ dialogue between service and customers	✗ education------>salesmen ✗ motivation servicemen ✗ orientation secretaries ✗ incentives
Resolut.	✗ product is expensive ✗ customer education before purchase ✗ competitors ✗ market is imperfect ✗ sales people to do market research	✗aware of losing market share in the long run ✗ look at customers in a negative way ✗ sales people are playing concealment games	✗ change the name of secretaries------>coordinator ✗ train customer / private sector ✗ no pressure to change ✗ more active sales of secretaries
Reflec.	✗ after sales visit intended ✗meeting at the end of the week ---->. success or failure	✗ develop cooperative system for sales staff ✗ can salesmen act without general manager as a function of these meetings	✗ there is a need of motivation (of the employees) ✗ salesmen should be trained about marketing

EXHIBIT 3. (contiue)

	Marketing gr.	Sales-service gr.	Human Resource gr.

Topics	× what they have achieved last week?
	× the reason for the sale of the product
	× the reason for discount
		× inventory or the completed tasks of the week
		
		× tasks to be completed in the previous week
			× institutionalization
			× professionalization
			  . take away president it should manage itself
			  . continuous adaptation
			  . quick transformation
			  . to be rationel

Resolut	× education on the products sold is needed ×should utilize the secretaries more efficiently ×a proposal must be prepared before the customer visit	× in the meetings salesmen are more respected than the servicemen × general manager is discriminating against some salesmen	× good contact with salesmen and secretaries is needeed × education of secretaries is wanted from salesmen × the ratio of number of salesmen will be greter than management staff
Resl	× salesmen are under pressure during the meeting × there is few but strong resistance to change	× the salesmens communication is restricted to the customers × there exists no manual	× secretaries think they can deal with important amount of work load which can reduce the workload of salesmen; but they need education

EXHIBIT 3. (contiue)

	Marketing gr.	Sales-service gr.	Human Resource gr.
Top.	✻ number of bids- ✻ meeting: action planning and control.	✻ dialogue between service and customers	✻ education------>salesmen ✻ motivation servicemen ✻ orientation secretaries ✻ incentives
Resolut.	✻ product is expensive ✻ customer education before purchase ✻ competitors ✻ market is imperfect ✻ sales people to do market research	✻aware of losing market share in the long run ✻ look at customers in a negative way ✻ sales people are playing concealment games	✻ change the name of secretaries------>coordinator ✻ train customer / private sector ✻ no pressure to change ✻ more active sales of secretaries
Reflec.	✻ after sales visit intended ✻meeting at the end of the week ---> success or failure	✻ develop cooperative system for sales staff ✻ can salesmen act without general manager as a function of these meetings	✻ there is a need of motivation (of the employees) ✻ salesmen should be trained about marketing

EXHIBIT 3. (contiue)

	Marketing gr.	Sales-service gr.	Human Resource gr.
T o p i c s	✖ which proposals were lost? ✖ most performing competitor last week ✖ is there a new potential in the market?	✖ communication between customers and service ✖ sales- service problems	✖ the general mangers opinions about organizational culture------> piano example ✖ about customers------> give your hand lose your arm
R e s u l	✖ impact of cannibalization is negative ✖ conflict about competitors product ✖ learning about market	✖ better coordination between sales and servicemen is needed but how? ✖ customer needs are crucial for figuring out potential customers and future sales	✖ the general managers view of looking at customers is negative: if all the needs of customers are satisfied they will demand more view is dominant
R e f.	✖ general manager is interrupting people as if meeting was controlled	✖ salesmen finds servicemen guilty from their unresponsive behaviors to the customers	✖ there is a potential to improve the working capacity of the employees

EXHIBIT 3. (continue)

	Marketing gr.	Sales-service gr.	Human Resource gr.
T o p.	✳ were the salesmen able to go for customers visits ✳ widely utilization of personnel	✳ the flow of business from the sales and service point of view	✳ the general managers opinions about salesmen and servicemen
R e s o l.	✳ the general managers role ------> manipulation or facilitation ? ✳ fairs are very crucial (obligatory) for the kind of products	✳ number of visit of salesmen should be increased (nine visit per week is optimum) ✳ after sales visit ----> no time ✳ general manager----> want more salesmen	✳ salesmen do not want more responsibility ✳ more active sales of salesmen is needed
R e f l.	✳ salesmen must be capable of forming the agenda of the meeting (but they are cross examined)	✳ the servicemen view the customers as being monster ✳ the dependence on SET-general manager is high	✳ the sales staff is iff an uncoorperation ✳ general manager find servicemen more guilty than salesmen

EXHIBIT 4

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┌─────────────────────────────┐
│      MİMAŞ   HOLDİNG         │
└─────────────────────────────┘

┌──────────────────────────────────────────────────┐
│  MİMAŞ Mühendislik İnşaat ve Madencilik  A.Ş.      │
└──────────────────────────────────────────────────┘

┌──────────────────────────────────────────┐
│  ELSİS Elektronik Sistemler Sanayi A.Ş.    │
└──────────────────────────────────────────┘

┌──────────────────────────────┐
│  NEL Nükleer Elektronik A.Ş.   │
└──────────────────────────────┘

┌──────────────────────────────┐
│  İNDEM Tesisat ve Ticaret A.Ş. │
└──────────────────────────────┘

┌──────────────────────────────┐
│  NÜVE Sanayi Malzemeleri       │
│        İmalat ve Ticaret A.Ş.   │
└──────────────────────────────┘

┌──────────────────────────────┐
│  NEL Elektronik Cihazlar       │
│        İmalat ve Ticaret A.Ş.   │
└──────────────────────────────┘

┌──────────────────────────────┐
│  SET Elektronik Servis A.Ş.    │
└──────────────────────────────┘
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EXHIBIT 5.

PRINCIPAL REPRESENTATIONS

* ANALYTICAL EQUIPMENT DIVISION

- VARIAN	AUS
- VARIAN	USA (CH)
- LECO CORP.	USA (UK)
- FINNIGAN - MAT	(UK)
- ORION INC.	USA (CH)
- CAMAG	(CH)
- MET ONE	USA
- BRAND	FRG
- YSI INC.	USA
- I.E.C.	USA

* NUCLEAR INSTRUMENT DIVISION

- EGG - ORTEC	USA (FRG)

* ELECTROCHEMISTRY INSTRUMENT DIVISION

- EGG - PAR	USA (FRG)

* SAFETY EQUIPMENT DIVISION

- EGG - ASTROPHYSICS	USA (FRG)

* MEDICAL EQUIPMENT DIVISION

- KODAK INC.	USA
- I.E.C.	USA

EXHIBIT 6.

MANAGEMENT PROFILE OF THE COMPANY

ŞAFAK ALPAY
GENERAL MANAGER

DİLEK KÖSEOĞLU
MARKETING MANAGER

ERTAN AKGÜNER
MARKETING DIRECTOR

ALPTEKİN KÜÇÜKÇELEN
ADMINISTRATION
MANAGER

ANALYTICAL EQUIPMENT

- **İBRAHİM AKDAĞ**
SALES MANAGER - İSTANBUL

NURÇİN TATLICAN
IMPORT
DIVISION MANAGER

- **ÖZDEN TOKEL**
SALES MANAGER - ANKARA

- **ASUMAN ÖCAL**
SALES ENGINEER - ANKARA

LABORATORY EQUIPMENT
SALES ENGINEERS

MEDICAL DIVISION
SALES ENGINEERS

- **RAMİZ TEKİN (CHEM.ENG.)**
- **OSMAN UZUNTÜRK(PYHS.ENG.)**
- **AYHAN SOYAL (CHEM.ENG.)**
- **ENVER PAKSOY (SALESMAN)**

- **DENİZ GÜVEN (BIOLOG)**
- **SİNAN ÇAĞLAYANKAYA (BIOLOG)**
- **BIRGÜL BÜBERCİ (BIOLOG)**

EXHIBIT 6. (continue)

* LEGAL STATUS OF THE COMPANY : **INCORPORATE (SOCIETE ANONTMOUS)**

* DATE OF ESTABLISHMENT :

REG NO	REG DATE
3203	6.11.1967

1967

* ISSUED CAPITAL : **600.000.000.- TL**

* TURNOVER IN 1991 FISCAL YEAR : **16.5 BILLION TL**

* BANK REFERENCES :

1- YAPI KREDİ BANKASI- ANAFARTALAR BRANCH
2- TÜRKİYE IŞ BANKASI - ANAFARTALAR BRANCH
3- ŞEKERBANK - ANKARA BRANCH

NUMBER OF DISTRIBUTORS INSIDE THE COUNTRY : **32**

DEMONSTRATION AND SALES SHOPS (OTHER THAN OFFICES) **ANKARA and İSTANBUL**

* OCCUPATION :

a) NEL NÜKLEER ELEKTRONİK A.Ş. IS MAINLY A REPRESENTATION COMPANY WITH DIVERSE LINES OF INTEREST AS PER ENCLOSED LIST.
b) NEL IMPORTS AND RESALES GOODS OF İTS PRINCIPLES

NUMBER OF PERSONEL : **45**

EXHIBIT 7.

THE SALES FUNCTION AND THE SERVICE FUNCTION

0	1	2	3
Finding customers	visits		taking orders
START			END OF THE SALES FUNCTION

	customer gets the product		guarantee for one year

3	4	5	6	7	8
Import	Import and deliver	Service Assemblage	F.O.C		Call service when needed

8	9	10	*	*	*	*
SERVICE FUNCTION	going for repair	repairement			service contacts	

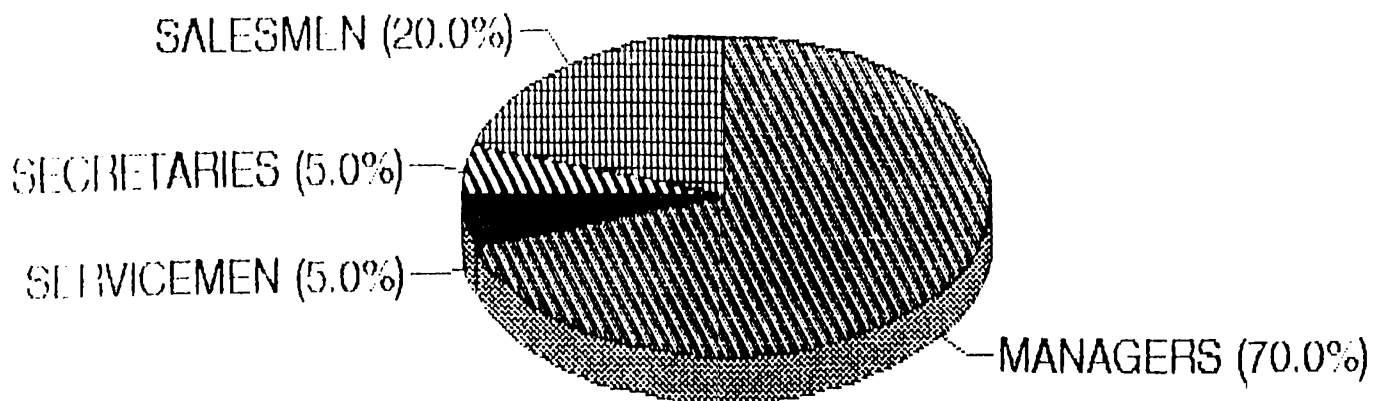9 -10 must be too short

5,6,7,*: service payment

service income : 5% of the sales price ---> one year guarantee + assemblage price

       : at the sixth point 50% of the payment is taken

       : at the seventh point the second half of the payment is taken

EXHIBIT 8.

THE ROLES OF THE EMPLOYEES
IN THE CHANGE PROCESS

SALESMEN (20.0%)

SECRETARIES (5.0%)

SERVICEMEN (5.0%)

MANAGERS (70.0%)

EXHIBIT 9.

**WHAT KIND OF
ORGANIZATION
ACCORDING TO THE
GENERAL MANAGER**

* ORGANIZATION THAT CAN OPERATE
  WITHOUT MANAGERS
* HIGH QUALITY OF WORKING LIFE
* REDUNDANCY OF FUNCTIONS
* BETTER COORDINATION BETWEEN
  THE EMPLOYEES

EXHIBIT 10.

PREFERENCES OF THE INSTITUTIONAL
CHANGE MODEL
ACCORDING TO THE ACTION RESEARCH GROUP'S DATA

FAVORING CHANGE	OPPOSING CHANGE	AMBIVALENT
* The general manager of NEL Nuclear Electronics Company	* The general manager of SET Service Company	* Most of the salesmen
* Some of the salesmen and secretaries who are in good relationship with the general manager	* Most of the servicemen	* The other two general managers of NEL
	* Some of the salesmen and secretaries	

EXHIBIT 11.

THE   DESIGN   OBJECTIVE

SALESMEN'S JOB — SECRETARIES JOB

MORE   OVERLAPPING   JOBS

EXHIBIT 12.
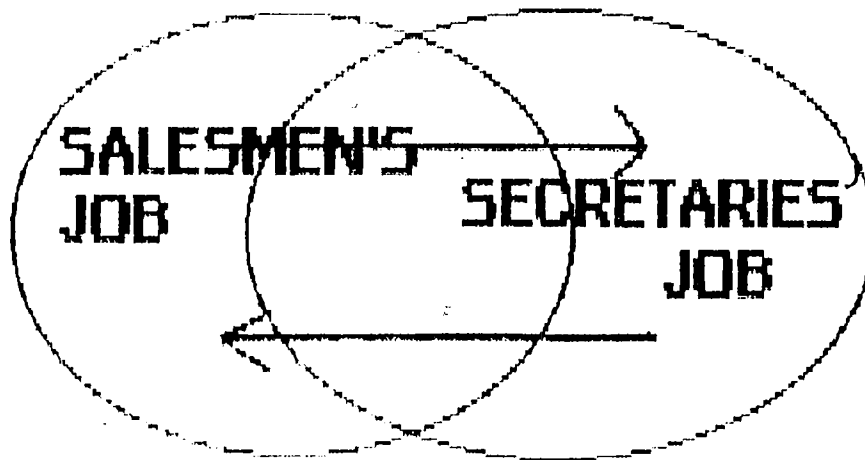
WHY CUSTOMERS ARE BUYING FROM "NEL"?

ACCORDING TO THE GENERAL MANAGER

1. PRODUCT ————————> Excellent

2. SALESMEN ————————> Very good

3. PRICE ————————> Expensive

4. SERVICE ————————> Good

5. REPUTATION ————————> Good

EXHIBIT 12. (continue)

WHY CUSTOMERS ARE BUYING FROM "NEL" ?

ACCORDING TO THE SERVICEPEOPLE

1. PRODUCT ——————> Very high

2. SERVICEMEN ——————> Very high

3. PRICE ——————> Expensive

4. SALESMEN ——————> High