Characteristics of Top Management Teams in Turkey

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Abstract

This study aims to describe the structure, composition and functions of the top management teams in Turkey within the context of its national culture. With this end, Turkish cultural characteristics, leadership behavior and the model of corporate governance in Turkey are explained through an investigation of existing literature concerning cultural characteristics and leadership behavior in Turkish society. Following this, for the sake of demographic analysis, the top management teams of the top 30 enterprises included within the Top 500 Industrial Enterprises determined by the Istanbul Chamber of Industry are included within the scope of the present study. The results of this research have shown that the top management teams in Turkey present a one-tier structure; that the average size of each management team consists of 9 members; that the average age of the team members is 42; that the tenure of the team members within the organization is high; that about one half of the team members have an engineering background; finally, that the number of female members in the management teams are far below that of males.

JEL: M10

1. Introduction

Research relating to the top management teams has undergone continuous improvement since the 1980’s, with the number of such reports significantly increasing particularly during the last decade. The reason underlying this increase is that, in today’s large-scale, complexly structured organizations, the delegation of all managerial responsibilities to a single individual is practically impossible. The changes that have occurred with the environmental conditions of the globalization of the world economy preclude individual managers from possessing all the qualities required for the long-term navigation of corporations. Consequently, the focus of research conducted in the area of leadership has evolved from a relatively limited scope concentrated on the investigation of the traits of a single leader towards a broader perspective that focuses on the investigation of the entire top management team. Since the “Upper Echelon” approach formulated by Hambrick and Mason (Hambrick and Mason, 1984), the values, professional experience and demographic characteristics of managers who actively participate in strategic decisions has emerged as major topics of research.

An important subject matter that is generally emphasized in research concerning top management teams and leadership is the effects of their social cultures. From the results of scientific studies conducted on this matter, it has been noted that culture is directly interrelated with management and leadership (Hofstede, 1980, Brodbeck et al., 2000, Sargut, 2001). As indicated by cross-cultural studies, management and leadership processes vary from one country to another. Therefore, different social values and applications exhibit different leadership profiles and applications. At the same time, such values also differentiate the organization and the functions of the top management teams. By taking this subject matter as its starting point, the present study aims to present the formation and characteristics of the top management teams in Turkey. For this purpose the present study was developed by using as its reference a joint study conducted by Glunk, Heijltjes and Olie in 2001. This study focused on the organization and the functions of the top management teams in the United Kingdom, Denmark and The Netherlands, and the traits of the managers in those countries. Based on this methodology, the present study also aims to present the traits of the top management teams in Turkey.
in three dimensions: (1) The structure of the top management teams; (2) The sizes of the top management teams and (3) The combination and functionality of the top management teams.

The present study primarily presents a summary of research on management teams. Feedback is then used from studies that examined the cultural values and leadership attitudes within Turkish society and the structure of top management teams in Turkey. Finally, through the surveys distributed among the companies, and based on the feedback derived from journals and bulletins that provided information regarding these companies, the traits of the top management teams of the top 30 corporations operating in Turkey are presented.

2. Literature Review

Research conducted on top management teams is based on two basic theories. The first is the Upper Echelon Theory, where the observable demographic characteristics of managers are interrelated with organizational processes and outcomes (Hambrick and Mason, 1984). The second is group process theory, which shows how interpersonal processes affect various outcomes at the group and/or organizational level, such as company performance (Shaw, 1976). The majority of research based on these two basic theories focuses on demographic characteristics. Within this framework, various factors such as age, education, organizational tenure, functional areas or areas of specialization are examined. The reason underlying the examination of all these factors can be explained in terms of Pfeffer's demography theory (Pfeffer, 1983). According to Pfeffer, the motive for the accumulation of demographic data is due to the inherent difficulties regarding the identification and reliable measurement of mental processes. The fact that demographic characteristics are more objective and can be subjected to tests more easily is the most important factor in explaining the changes that occur in the interdependent variables (Wiersama, 1992, p.94). The conceptual foundations of persons emerge from their personal experiences, their level of education and their personal histories (Cyert ve March, 1963). Therefore, demographic characteristics are accepted as indicators of the cognitive approaches, perceptions and interpretations of team members. In most research, the demographic data is used to speculate on the beliefs, values and viewpoints of team members (Wiersama, 1992, p.94).


The third group of research emphasizes that diversity amongst the top management team members may indirectly affect organizational outcomes through team processes. [Smith et al., (1994); Knight et al., (1997); Simons, Pelled and Smith, (1999); Finkelstein and Hambrick, (1996); West and Schwenk, (1996)]. While the explanations of the effects of demographic characteristics on organizational results remain limited, team processes provide much more significant contributions to this relationship (Besler, 2004).

The fourth group of research includes studies conducted to reveal or examine comparatively the formation and characteristics of top management teams in different countries. However, most of this research has been conducted on enterprises operating in the United States. The amount of research performed outside the US is rather scarce (Norburn, 1987; Wiersema and Bird, 1993; Mayer and Whittington, 1999; Glunk, Heijltjes and Olie, 2001).

Both on the basis of results derived from the abovementioned studies, and cross cultural studies in the area of man-
management, it is understood that national culture has a significant effect on enterprises. When we examine enterprises as a sub-system of the national culture by taking the concept of the system as a starting point, it is conclusive that the function and structure of top management teams are reflections of the national culture. Hence, managerial behaviors, values and beliefs are shaped by the national culture, and vary from one country to another. The characteristic traits of the managers, the roles they undertake, their leadership behaviors, governance systems and team structures vary from one country to another. This study aims to describe the nature and the formation of the structures of the concept of top management teams in Turkey. In order to accomplish this goal, this study will seek answers to the following three questions: (1) How is the level of top management organized in Turkey? (2) What are the particular processes and characteristics of the management style? (3) What are the characteristics of top level managers in Turkey?

3. Leadership Style of Top Management in Turkey

Studies conducted in the area of leadership can be divided into two groups. While one group of studies focuses on the examination of the traits of leaders who currently occupy their positions, the other group of studies focuses on desirable leadership behaviors. As shown in Table 1, in one study that examined both aspects, the authoritarian leader type is dominant in Turkish culture, followed by paternalistic, consultative and democratic leaders (Esmer 1997). The reasons underlying these preferences can be attributed to a multitude of factors. However, the most important motive can be justified in terms of the dominant cultural characteristics.

According to the study GLOBE (Globe Leadership and Organizational Behavior Effectiveness), which covered 700 corporations and 20,000 participants from 61 countries, Turkish society is characterized by collective behavior. In other words, in Turkish culture, collective behavior precedes individualism (Sargut, 2001). While personality traits such as competitiveness, autonomy, and personal efficiency are dominant in individualistic cultures, values such as group behavior, interpersonal harmony and group solidarity emerge as important values in societies characterized by collective behavior. As indicated by Sargut (2001), this interrelation may play a decisive role in the full operability of democracy in societies that adopt collective behavior.

Turkey is situated among countries in which the power distance is high (Sargut, 2001, p.182). In societies where the power distance is high, employees accept the wide and unquestionable authority of their superiors, and take for granted that their superiors are bestowed with a very broad authority and power, as well as leadership characteristics (Smith and et al, 1998, p.352). Societies that possess a high level of power distance are also characterized by a high degree of centralization and an effective organizational hierarchy (Brock and et al, 2000, 694). Accordingly, in societies that are dominated by widespread and high power distance, the implementation of democratic leadership is very rare. In Turkish society, an excessive power distance rests on the basis of titles and positions, inflexible hierarchies and authoritarian management styles (Sargut, 2001, p.230).

Another important characteristic of Turkish culture is its deep attachment to tradition. The fact that the second most popular leadership type is paternalism can only be explained in light of this fact (Aycan, 2000, p.353). Paternalism is a phenomenon that is frequently observed in cultures that are characterized by collective behavior and rigid hierarchies. In paternalistic societies, the relation between a superior and a subordinate is similar to the relations between a father and a child. In most of the corporate entities in Turkey, the employees succumb to the authority of their leaders under the influence of paternalistic culture.

Another cultural dimension concerns uncertainty avoidance. In Turkey, the tendency for uncertainty avoidance is rather high. In cultures that possess a high tendency to cope with uncertainty, the application, formalization and standardization of written and formal rules is a dominant element. In fatalistic societies such as in the Arab world and Turkey, however, it is inconceivable for individuals to be able to change their immediate environment. This characteristic of Turkey can be explained in terms of Islamic ideology, which strongly influences Turkish society. On the other hand, it has been noted that corporate culture in Turkey is somewhat immune to Islamic ideology when compared to Turkish society as a whole (Kabasakal and Bodur, 1998, p.16); the norms of the business community in Turkey entail professionalism. Consequently, the dominance of the authoritarian leader type in Turkey can be attributed to an overall tendency towards uncertainty avoidance.

<table>
<thead>
<tr>
<th>Dominant leadership style</th>
<th>Authoritarian-paternalistic consultative-democratic</th>
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<tr>
<td>Desired leadership behavior</td>
<td>Consultative-paternalistic democratic-authoritarian</td>
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When we examine the second group of studies focused on defining the profile of the ideal leader, we first note that the most desired type of manager was of the consultative type (Esmer, 1997). This type is followed by the paternalistic, democratic and authoritarian types (Kabasakal & Bodur, 1998, p.13). The consultative leader type can also be construed as the reflection of a culture that is characterized by collective behavior. In this pattern, the employees anticipate consultation in decisions relating to the work they perform, and presume they can influence decisions. The fact that the authoritarian type of leader is last in the rankings of desired leadership profiles confirms this anticipation and indicates that in practice, employees are not happy with the authoritarian type of leader.

Meanwhile, according to the GLOBE study, the most effective leadership styles in Turkey are charismatic and team-focused leadership. In other words, the qualities of inspiration and having a vision (possession of a decision-focused, performance-focused, cohesive power and willingness to sacrifice, or altruism) are important requisites for becoming an effective leader. Moreover, the capability to build teams, to encourage solidarity and the possession of diplomatic qualities are also important assets. These characteristics are consistent with the high power distance and family-focused culture that characterize Turkish society.

At the same time, when we examine the extent of discretion of the top management teams in Turkey, it is significant that the most limiting factor is tied more to the interests of shareholders than the social obligations of the board. While in UK and US corporations, the top priority is given to safeguarding the interests of shareholders, in continental Europe, the top priority of corporations is to ensure the continuity of the company's existence and the integration of the interests of their stakeholders. It is an undeniable fact that the implementation of the shareholding approach in Turkey has incurred certain adverse consequences. A substantial effort must be exerted to ensure consensus among the shareholders and management and to facilitate the processes of negotiation and consultation. This, in turn, will create major problems in cases when the making of certain urgent and sometimes radical decisions is necessary. A decision making mechanism that is based on consultation may at times be rather time consuming and impede the most appropriate decisions.

Table 2: The Structure of Top Management Teams in Turkey

<table>
<thead>
<tr>
<th>Governance system</th>
<th>One-tier</th>
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<tbody>
<tr>
<td>Dominant orientation</td>
<td>Shareholder</td>
</tr>
<tr>
<td>Boundaries of TMT</td>
<td>Unspecified</td>
</tr>
<tr>
<td>Team leadership</td>
<td>CEO</td>
</tr>
<tr>
<td>Managerial discretion</td>
<td>Restricted by shareholders</td>
</tr>
</tbody>
</table>

4. Leadership Style of Top Management in Turkey

The corporate governance system in Turkey consists of a one-tier structure very similar to the board of directors of the major corporations operating in the UK and the US. This model encompasses the relations between the top management teams of the enterprise and the shareholders. Accordingly, as the representative of the shareholders, the board of directors is charged with the responsibility of administering the company's affairs to ensure the interests and objectives of the shareholders. The managers are responsible to the board of directors, and the board of directors is responsible to the shareholders (Ülgen and Mirze, 2004, p.435). In this one-tier structure, executive and non-executive directors cooperate within the structure of a single board. Starting from the early 1980's, this structural formation has resulted in the appointment of an increasing number of non-executive members within the board of directors. Examination of the responsibilities of the board members reveals that, while the executive members are assigned with the performance of the daily activities of the company, the non-executive members act as professional consultants, assuming a supervisory role. The rationale behind the one-tier structure is that supervisors have easier access to the information they need to perform their role. Separation of supervision and management would prevent such easy access. Although a combination of these two roles clarifies the source of authority, at the same time it problematically separates decision management and decision control.

Turkey is exposed to problems arising from this structure to a considerable extent. The board of directors in Turkey is unable to operate in a fully professional manner. The principal duties of the Board of directors include representing the shareholders, formulating corporate strategies and monitoring performance. The board of directors is a type of organ that provides guidance to management, takes interest in strategic issues, and assigns the management with operational issues. However, the boards of directors of most of the enterprises operating in Turkey are unable to fulfill these duties. In Turkish corporations, the CEO and Board Chairman is generally the same person. Consequently, this creates certain problems regarding the supervision of operations, as the person in question is charged with supervising him/herself. A board of directors should have a member who is accountable, and this person is usually the general manager of the CEO. In Turkey, the person who is required to give an account is the "boss." No board member is authorized to ask their superiors to account for their decisions or behavior, nor criticize their actions. The structure of the top management teams in Turkey is outlined in Table 2.
However, during the last decade, there has been an increase among Turkish companies to appoint independent members to their boards of directors. Such independent members are appointed in major holding companies and in some of the closely held (family owned) companies having reached a certain size. For several decades it has been the usual practice in Turkey for retired members of the armed forces to be taken on as consultants, or for former management of a company to be subsequently appointed independent board members. An independent board member should have no affiliations with the company, should not be included among the principal clients of that company, and should not provide consulting services to the company. In Turkey, however, many of the independent board members have ongoing relations with the company. The reason underlying this affiliation may be explained in terms of psychological factors. Sensitivity in matters of confidence, and certain negative events deriving from breach of confidence, has affected the growing emphasis on confidence. Consequently, the owners and partners of corporations prefer to recruit individuals who have previously worked with the corporation; closely-held-corporations prefer to recruit individuals who have close relations to the family. The results of research conducted in this area by Ergüder, Esmer and Kalaycıoğlu (1991) support this presumption. At the end of the survey, it was noted that only 10% of the respondents have confidence in individuals who are not among their family members. Of the total respondents, 90% have indicated that they always act cautiously in their relations with other people and in their actions. It is generally believed that the individuals, who know the company and who are well acquainted with the corporate culture and procedures are more successful in the management of the company. However, it has also been noted that this general outlook has recently changed in line with the management principles of the Capital Market Board. Whereas in cases when the number of independent, non-executive members are below this limit, or when they comprise less than a third of the total board members, the company is requested to account for this situation in its annual activity report. Consequently, the demand and search for independent members is gradually increasing in Turkey.

**5. Methodology**

The sample used in this study is composed of the companies from the Top-30 of the ISO 500 *(2004) list. These Top-30 companies have had a great impact on the Turkish economy either because of their income or export quantity. Another reason for this selection is because of prior research. As was mentioned earlier, Glunk, Heijltjes and Olie (2001) searched the top management teams from the Top-30 companies in United Kingdom, Denmark and Holland. Given the different contexts of these studies, the companies were used as a sample for the sake of cross-cultural research. Questionnaires were posted or e-mailed to top-30 companies CEOs or top managers and every member of the top management team. At first, 20 questionnaires were returned. The unanswered questionnaires were pursued and companies that did not complete them were called or contacted personally to request their completion. For various reasons 5 of the questionnaires were excluded from the sample. For instance, if only two of the members responded, their results were not evaluated. Another 5 companies from the ISO 500 list were contacted and as a result, 30 companies were reached. In the end 143 questionnaires were returned from top management teams, including CEOs. The questionnaire return rate was 4.5 per company.

The questionnaire forms used in this survey consisted of information related to the demographic characteristics of the top management teams; data relating to their ages, titles, tenures both within the company and within the management team, level and scope of education, gender and functional areas. The surveys also included questions related to the size of their teams and the age of their enterprise. Incomplete information was compiled from annual reports, articles published in newspapers and journals, and company documents. Research focused on characteristics of Turkish culture and leadership behavior was also scanned in order to have access to desired data and information. Certain principal figures relating to the top 30 companies operating in Turkey are provided in Table 3.

**Table 3: Characteristics of the Top 30 Companies in Turkey in 2004**

<table>
<thead>
<tr>
<th>Sales from production (in US$)</th>
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</thead>
<tbody>
<tr>
<td>29,911,439,135*</td>
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</table>

<table>
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<tr>
<th>Percentage of foreign sales (%)</th>
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</thead>
<tbody>
<tr>
<td>50.63</td>
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<table>
<thead>
<tr>
<th>Number of employees</th>
</tr>
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<tbody>
<tr>
<td>55,765</td>
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<table>
<thead>
<tr>
<th>Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>23% automotive</td>
</tr>
<tr>
<td>23% iron and steel</td>
</tr>
<tr>
<td>20% electronics</td>
</tr>
<tr>
<td>13% energy-oil</td>
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</tbody>
</table>

Reference: ISO Databank

Table 3 illustrates figures related to the sales from production realized by the top 30 companies operating in Turkey, the percentage of the export sales within this figure, the number of employees and their distribution within the industry. The total export sales realized by these companies correspond to approximately 50% of the total sales from production realized by the companies. In terms of employment, the total number

* ISO (Istanbul Chamber of Industry): The most dynamic and the strongest representative of Turkish
of persons employed by these corporations amounts to 55,765. About 70% of the top 30 corporations operating in Turkey are active in the following 4 industries: Automotive: 23%; iron-steel facilities: 23%; electronics: 20%; energy-oil: 13%. The remaining companies operate in a great diversity of industries.

6. Findings

6.1. Size and Composition of Top Management Team

The average top management teams in Turkey consist of 9 members. The average age of the top management team members is 42. The tenures of board members of the companies averaged 18.7 years. It is noteworthy that the average tenure within an organization is rather extended. This is indicative of the fact that members who take part in the upper echelons of corporations in Turkey are highly motivated to continue their careers within the same corporation. Moreover, the average tenure of the top management team members within their own teams at 9.87 years is noteworthy. As can be seen in Table 4, the distribution of the top management teams among functional areas are as follows: production (25.2%); marketing (21.2%); general management (16.6%), finance (7.3%) and human resources (6%). Examination of the educational backgrounds of team members revealed that a significant part of the top management team members have been educated in the area of engineering (45.7%); followed by business administration (31.8%) and economics (9.3%). The level of education of the team members are as follows: of the total members, (57.6%) hold a BA/BS Degree, and (40.4%) hold a post-graduate degree. Finally, among the top management members, the gender distribution is concentrated among males. The number of female top management team members remains significantly below that of males.

6.2. Management Team Functioning

The behavioral features and functionality of the top management teams in Turkey can be explained by considering two factors. The first factor is tied to the demographic data of the survey. The other factor, as mentioned above, concerns fundamental leadership styles and features.

When we consider the demographic figures of Top-30 companies, team functionality can be interpreted both negatively and positively. When the number of team members is considered, the high average number of team members shows that these companies have a large span of management. The disadvantages of having a large span of management are very limited when compared with its advantages. A large span of management can increase the diversity of approaches to strategic issues, catalyze change, generate new ideas and trends and in the end improve organizational performance. A high number of team members can have a positive effect on team functionality.

Research has shown that flexibility is related to a low age level. On the other hand, a high level of resistance to change and rigidity is related to a high age level among employees. Older managers give greater importance to security, financial and career issues and may avoid making risky decisions. On the contrary, younger managers can be risk-oriented (Wiersama and Bantel, 1993, p.97). Therefore, a low age level can be regarded as a means of facilitating team functionality. Additionally, when organizational tenure is investigated, tenured teams are found. According to research focused on the effects of organizational tenure on organizational output and process, a high level organizational commitment to the status quo and company values is related to a high level of organizational tenure. For instance, Miller stated that companies which have long tenured CEOs are found to have a diminished capacity to adapt their strategy and structure to their environment (Miller, 1991, p.45). Some research has found that long tenured teams are very committed to the status quo, organizational culture and norms (Michel and Hanbrick, 1992, p.30). As a result, organizational tenure is regarded as an impediment to team functionality. Team tenure strengthens this argument. Long tenured teams, as will be explained later, conform to features of Turkish Culture (uncertainty avoidance-collectivism). Being in the same team with the same members for an extended period arises from a low level of trust.

Functional field is another demographic variable used

| Table 4: Size and Demographic Characteristics of the Top Management Teams in the 2004 |
| Size of TMT | 9 |
| Average age | 42 |
| Company tenure | 18.7 |
| Board tenure | 9.87 |
| Functional area | 25.2% production, 22.2% marketing, 16.6% general management, 7.3% finance, 6% human resources |
| Education scope | 45.7% engineering, 31.8% business administration, 9.3% economics |
| Education level | 57.6% BA/BS, 40.4% post graduate |
| Gender (% female) | 9.87 |
Characteristics of Top Management Teams in Turkey

7. Discussion

Cultural characteristics have a significant effect on the structure and formation of organizations, particularly top management teams. Cultural characteristics define the environment that determines and demarcates managerial activities. For example, strategic operations and orientations can only be determined in light of their cultural context. Accordingly, the composition and limitations of teams vary from one country to another. For example, while the stakeholder group approach is effective in corporate governance issues, particularly in countries such as Japan, Germany and France, in Anglo-American countries, such as the US and the UK, where capital markets based on market economies are particularly effective, the shareholders approach is widely applied (Ülgen and Mirze, 2004, p.424). In the comparisons made by Glunk et al. related to the structure and operation of the top management teams in the UK, Denmark and The Netherlands, there was marked variance between the three countries (Glunk, 2001). While in Great Britain the system of corporate governance is very similar to that of the US, where boards are characterized by a one-tier structure, corporations in the Netherlands and Denmark have a two-tier structure. According to the two-tier structure, the executive and non-executive members are organized as two separate organs within the corporation. In this structure, there is an executive board which undertakes the normal managerial functions of the enterprise, and a supervisory board which elects and appoints executive members, and monitors and guides their operations. The roles of the members of the Executive Board and the Supervisory Board are generally separated for the sake of dividing management and control. Members of the supervisory board are generally appointed from experienced (and usually retired) managers who have previously taken part in supervisory positions in other corporations.

In Turkey, the boards of directors have a one-tier structure. Both the cultural characteristics of the country and the current legal regulations necessitate the continuity of this structure. Under these conditions, the problems that have been introduced or likely will be by this structure can be overcome through ensuring a balance of power and authority between an effective board of directors under the leadership of a board chairman, and an effective top management team under the leadership of the CEO. In other words, a clear division of roles must be ensured between executive and non-executive members.

This Unitarian (one-tier structure) board system also precludes the determination of the definite limits of the top management team. Generally the concept of “top management team in Turkey” implies a group consisting of the most influential senior managers at the top of the organizational hierarchy. In large corporations that are structured as holding companies, the top management team consists of the board of directors of the company, a CEO at the head of the company, and managers of the affiliated strategic business units. In small and medium sized enterprises, the top management team consists of a general manager who is responsible for the enterprise as a whole and his assistants. Accordingly, the sizes of the enterprises also modify the definition of the team concept. Particularly in Turkey, where 99% of the enterprises consist of SMEs, the share of family owned (closely held) companies is very high. Certain difficulties introduced by family owned companies have highlighted a number of very important problems in the determination of the limits of the top management teams and in the composition of such teams. As is known, the participation of family members in management regardless of their level of education and professional expertise adversely affects team performance, and indirectly, the performance of the whole enterprise. The conflicts of interest amongst the family
members, struggles for position and fabricated rumors expose the enterprises to certain problems that cannot be resolved, and in certain cases, even cause the demise of the company. Hence, it is noted that except for major corporations and holding companies, a professional management philosophy cannot be implemented on a full scale in Turkey. The fact that family members have an upper hand in the management of companies in Turkey rather than professionals is in line with its cultural values and characteristics, and can be construed as an indication of a considerable lack of confidence and prevailing collective behavior norms.

By taking this issue as a starting point, it can be asserted that the one-tier-structure may create certain impediments to the building of real teams. To what extent can the top management teams in Turkey be considered “teams” or top management groups? If we try to answer this question for holding companies or large corporations, we can assume they are considered “teams” in the true sense of the word. However, this does not hold true for other enterprises. It can even be asserted that major corporations are exposed to numerous problems regarding the composition of their board of directors. As is known, high performance by an enterprise is dependent on the existence of a board of directors who influence the strategic direction of that enterprise. The board of directors has direct effects on numerous significant issues including but not limited to mergers and acquisitions, diversification, discharges, research and development expenditures, remuneration of managers, and obviously, the dismissal of the top management team members. At the same time, the board of directors is also charged with responsibilities for ensuring a balance between the interests of the employees, customers and the public. In Turkey, however, such boards do not function as an organ of the company in the true sense.

By taking the Upper Echelons perspective as a starting point, an adequate level of significance should be given in Turkey to the team concept itself, the factors that constitute a team and the extent to which the members of a given team will function as members. As indicated at the beginning of this study, in today’s competitive environment, team members must not act as individuals, independent of their teams. The positive synergy that emerges from the interaction of group members, the combination of personal and reciprocal responsibilities and the skill of team members in complementing each other, all are key factors in the success of an enterprise. Consequently, top management teams should be able to exceed their expectations as ‘quasi teams’ with the qualifications they possess.

Global competition and principles of corporate manage-

ment open the doors to a new epoch at the zenith of corporations. In Turkey, the boards of directors remain incompetent in their efforts to possess independent members in line with the principles of corporate governance. In Turkey, the number of enterprises that fully comply with a fully independent board of directors is very small. Conformity to this profile generally occurs in major holding companies. It should be noted that most of the non-executive board members are dependent on the company because of prevailing cultural values. This situation creates certain difficulties for enterprises from the standpoint of the new rules of the business world and the pressure of the investors. Assessing this situation from the standpoint of the boards of directors of corporations, it becomes evident that Turkey should implement certain new regulations. It should not remain confined to major corporations or holding companies, and all companies should have a board of directors consisting of members from within the corporation or from outside who can define strategic alternatives and grant authorization to the top management for the formulation and implementation of such alternatives. For the accomplishment of this, companies should have fully independent members in their board of directors, and should create a board that can derive real value and function as a true organ of the corporation.

8. Conclusion

The object of the present study was to present the characteristics of the top management teams in Turkey within the context of their national conditions. For this purpose, the structure, composition and function of the top management teams were examined. As emphasized by Kabasakal and Bodur (1998) the Turkish leaders present a harmony between a professionalism derived from Western values and a traditionalism derived from Orientalism/national values. The dichotomy between the pressures of the Western world and traditionalism is also reflected in leadership behaviors and at a social level. Consequently, this dilemma plays a very important role in the strategic preferences and decisions of top management. Within this context, a clear cut distinction should be made between the persons who possess general responsibility within the organizations in Turkey.

This study asserts that the top management teams in Turkey are unable to function properly due to the legal, social and cultural environment prevailing in the country. In Turkey’s board of directors system, adherence to collective responsibility and the delegation of authorization are ineffective in the creation of a concept of a “team” in its true sense. Although the board of directors assume most of the responsibilities, and
the CEO is responsible to the Board of Directors, the CEO is still the most influential person within the corporation, with the authority to control the allocation of resources, appoint and award executive members and top management team members within the corporation, and to determine incentives to be granted to company personnel.

Enterprises must undertake significant responsibilities regarding the adoption and successful implementation of corporate governance. Success in international competition is directly related to the corporate governance of the companies. Therefore, the boards of directors of companies should adopt the principles of corporate governance in the determination of the structure and operation of the company. Within this context, the present study has clarified the parties whose interests and objectives the top management teams represent. In other words, an attempt was made to answer the question of whether a corporation in Turkey should safeguard the benefits of its shareholders in a narrow sense, or whether it should safeguard the benefits and interests of its shareholders, its employees, its directors, as well as the benefits of the society in a broader sense. In other words, the interests of the shareholders were granted precedence over the benefits of the stockholders on the whole. However, in line with the principles of corporate governance, in addition to the interests of its shareholders, a corporation should also take into consideration the benefits and interests of its employees, suppliers, creditors, consumers, and other social stockholders. The operations conducted by a corporation expose all of its stockholders to a certain risk. The readjustment of this understanding in Turkey towards the interests of stockholders shall benefit both the enterprises themselves and the entire country as well.

Nevertheless, progress has been achieved in Turkey regarding this matter. During the last couple of years, a growing interest has appeared in Turkey towards the implementation of the principles of corporate governance. In fact, the growing emphasis on independent board members in Turkey confirms this new trend. Even if a corporation is based on a one-tier structure, the appointment of independent members in the board of directors is highly important from the standpoint of the accurate and objective application of the principles of corporate governance. It has also been noted that this issue is emerging in the agendas of a growing number of corporations and that particularly family owned companies of a certain size are gradually taking interest in this issue. The level of skills, competencies, experience and independence of the top management team members are amongst the determinant factors of team performance. Therefore, developments in Turkey regarding this issue give cause for optimism.

Due to the fact that the sampling was based on a certain cross-section, and that the type of corporations selected as samples were limited to those that basically operate in the same geographical territory as strong companies financed by foreign capital, our interpretations, based on the existing data, are limited in scope. A longer period of time would be required to discern patterns related to the specific national structures of the composition of the top management team members within the concrete data. However, from the available data, it can be asserted that the top management teams in Turkey on the whole possess a heterogeneous structure.

As emphasized at the beginning of our study, in the available literature there are only a limited number of sources that examine in detail the structure and functions of the top management teams in countries other than the USA. It is hoped that the present study will be able to contribute to this broad area, and an appropriate platform for research comparing different countries on a cross-cultural basis.

The impacts of national culture on management and managerial applications should not be overlooked. The social and educational backgrounds, skill and competency levels, and the value judgments of individuals who take part in the top management echelons of different countries vary from one another greatly. By using the findings derived from cross cultural studies between countries as a starting point, the diverse preferences of top management team members of different countries yield diverse results.
References


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