

## **A New Path for Organizational Ecology Theory: An Empirical Study at Textile Industry in Istanbul**

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### **Abstract**

In the study; it is aimed to analyze the level of effects of organizational culture and external factors on the organizational performances of firms in the textile sector in Istanbul, named as the megapol city of Turkey, within the framework of organizational ecology approach. In the investigation which is especially over small and medium sized textile firms in the European side of Istanbul, a categorization is made between the firms that do not continue their operations and the ones that stopped operating, and with the help of the classification, a new research model is being presented. In the extent of the model, workers of these firms are being asked a questionnaire of 69 items, including 12 questions over the organizational performances, 27 over the organizational culture and 30 on the external factors. The questionnaire has filled in by the senior & middle managers, owners and shareholders of small and medium sized textile firms operating in the European side of Istanbul. The goal of the analysis is determine the role of organizational culture and external factors effects over the performances of the firms. The existence of relation between the dependent variable of firm performance and the independent variables of organizational culture and external factors links between the sub-factors of these variables are presented as statistical data. In the light of the produced output, the results are discussed, as a contribution to the future scientific studies in the academic area and to the managers, various suggestions are proposed.

**JEL classification numbers:** M10, M14, M20

**Keywords:** Organizational Ecology, Population of Organizations, Inertia

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## **1 Introduction**

The theory of organizational ecology, which is coming into prominence in the world has become the center of many researches in terms of social sciences, theoretical and practically in recent years. Organizations arise and disappear continually. Organizational ecology is working on to understand and explain how organizations emerge, grow and eventually die via statistical techniques and combining the ideas taken from the science of biology, sociology and economy. It has been clearly seen that organizations which has reliable management models and accountable structure, stay alive longer period of time in dynamic environments and selfly determine their life expectancy of the market depending on the use of the capabilities of dynamic equilibrium. Organizational ecology is not only but also directly linked to the management of innovation, usage of enterprise resource and experiences gained at the life of work. Approach mentioned has been developed to measure and evaluate how social, economic and political conditions affect the current status and the structure of the companies in time. For this reason, first of all the structure of the organizations needs to be analyzed, at a later stage the adaptation of enterprises should be observed at a vague environment and finally at the last phase, which type of companies are developing and which types disappear, should be determined. All of these results may vary continuously due to a single variable: "Human Behavior".

In this study, an empirical research was made to determine the extent of how much the organizational ecology theory is applicable in the textile industry and how much it is perceived by company managers. Age, size, adaptability to the near and distant surroundings, the risks of commercial transactions, the ability to thrive in a dynamic environment, and finally the learning capability of enterprises in the textile sector are the determinant factors of organizational ecology. In order to generalize the organizational ecology theory for all the companies a more realistic scale, measurement techniques has been used; attention is given to clarity, and two-sample measurements groups formed (as those which continue to operate and which do not) in this direction.

Result of the study findings are evaluated and interpreted in the light of the existing literature and a variety of suggestions made to academics as well as professional managers.

## **2 Organizational Ecology and Theories**

Organizational ecology theory has emerged at the second half of the 1970s, in the form of a fundamental criticism to organization focused perception and research programs until that time (Sargut and Özen, 2010, p.133). Michael T. Hannan, in his article entitled *Ecologies of Organizations: Diversity and Identity* (2005), is asking the question "Why are there so many kinds of organizations?" referring to famous article of Evelyn G. Hutchinson's *Homage to Santa Rosalia, or "Why are There So Many Kinds of Animals"*, implying a discussion with John Freeman in 1977 in parallel with the main goal of organizational ecology question which needs to be responded. Hannan and Freeman concluded that incomplete answers given to this question in Social science literature. Therefore in order to answer the question properly and completely they proposed a research on organizational ecology on the interaction of organizations between each other and working communities.

Hannan and Freeman find the efforts of organizations insufficient, in terms of diversity

and change in organizations, in the short term, the event should not be required to look at in terms of environmental selection. According to this understanding, a number of organizational and environmental factors, makes it difficult for organizations to react quickly enough to changing environmental conditions. Moreover, the direction of the unpredictability of environmental changes, with the aim to adapt to the changing environment, the organizational relationship between the results of these decisions has been suggested that it would be a significant random. These two points, reveal the inadequacy of efforts to transform the organizations themselves. The main thesis of this theory is that, organizational evolution is subject to environmental selection, in other words, is compatible with the surrounding properties when new conditions arise, and can occur with the proliferation of organizations and bodies to adapt to the changing environment (Sargut and Özen, 2010, p.133-134). According to Baron (2004, p.4-5), the Ecological Tradition has had a profound impact on the research of organizations in large part because of the precision of its models and measures. It includes enterprise's industry, product, scale, age, employees, customers and other different constituencies. According to Kenneth et al. (2013) study, Hannan and Freeman (1989) point that "Organizational ecology focuses on populations of any kind of organization. The core theory emphasizes the process of selection, it is concerned with factors that affect the 'vital rates' of organizational forms within particular populations – especially their rates of 'birth' (founding) and 'death' (dissolution or fall)". In addition, the institution may have some strategies including competition, adjustment or adaptation. These strategies are shaped by two main factors: Relative power and adaptive opportunities. Where power disparities among organizations are large, powerful organizations can seek to dominate their domains (or compete with rivals of similar power), but will barely need to adjust or to adapt itself to the environment or rivals. At different point of view, Witteloostuijn et al. (2003) define the organizational ecology as "a sociological theory of what happens to and within populations of organizations".

Organizational ecology approach has highlighted the concept of organizational communities rather than a single organization like adaptation approaches do. According to Hannan and Freeman, a lower-level unit of analysis cannot be done by a full understanding of the unit of work at a higher level. On the basis of this point of view, it reflects the opinion of basic systems approach (Koçel, 2011, p.361). Oertel and Walgenbach (2009, p.252) point that the organizational ecology approach is based on the assumption that organizations are selected by the environment, i.e., organizations that closely fit with environmental requirements survive, while organizations that do not fit disappear. Organizational environments prefer organizations that have a high degree of reliability and accountability. Organizational ecology theory is defines as examination of organizational communities in relation to the intra-community and inter-community processes, such as the age and size of changes in a number of organizational characteristics and the social organization of the community-level conditions, the "birth" and "death" rates and their relation. Although, the studies and theoretical development focused on the first two of these issues rather than others. External nature of social, political and economic factors has been limited with the investigation of the effects of organizational communities. Demographic processes and intergroup relations, organizational Examination of births and deaths, developed a number of new theories (density dependence, cutting width, and the division of resources theory) to be based on. These theories significantly re-defined organizational ecology, the competition between the two major social process-organizations and are based on organizational form-gain

legitimacy. But since these theories are partly related to different problems, in part, relied on each other for different assumptions, they do not fully match with each other (Sargut and Özen, 2010, p.135).

As with all the other theories and theories on organizational ecology has been the subject of some criticism and lack of discussion. Some theorists think that a consistent explanation for the Darwinian biological evolution assortment, created some problems in the process of socio-cultural evolution. According to this thought, organizations are having a superiority based on biological organisms, because they can change their formats. The debate rises between adaptation of ability to change format even though it is hard or just elimination (Sargut, 2010, p.120). Moreover underestimating the role and efforts of the members of the organization also depends on it is also an important point of criticism (Ataman, 2002, p.205-206).

Inertia is one of the most important theories of organizational ecology theory, or the organization of a living organism in the environment not able to respond to changes required, it refers to changes in the lack of flexible and mobile structure (Erdil et al., 2010, p.24).

In other words, if organizations could fully and continuously adapt to changing environmental conditions, learn and develop response, they would have spent all their energy in a dynamic environment to make them. This would bring intolerable costs to the organization. This, however, is completely static or organizations to mean that there should not have the capacity to change (Sargut and Özen, 2010, p. 142). Rather, it should be thought such as those organizations show slower reflexes to threats and opportunities coming from the environment. As a matter of fact, particular type of organizations collective reflexes is much more important than individual reflexes of organizations to the environment (Lelebici, 2005, p.6).

Inertia consists of circumstances related with organizational structure and environmental constraints. These include information and data to the external environment in a manner that cannot be obtained or incomplete, branch of industry, barriers to entry and exit, the balance of power in the organization, personnel structure, communication problems and concerns about rationality (Erdil et al., 2010, p.24).

The concept of inertia is theoretically developed by reference to two important properties of social communities compared to other organizations. The first of these is that they are reliable and accountable. And the second is related with the results obtained for the organizations to produce rational justifications related to studies. According to Hannan and Freeman, an organization in the same way he is able to produce a continuous, stable performance means that the layout can protect. Institutionalization, and thus brings about organizational change in order to constantly re-production becomes relatively smooth. But being corporate also brings resist to change in other words enables inertia (Sargut and Özen, 2010, p.144). Some researches indicate that, while momentum – and sometimes inertia – constrains organizations, they do initiate substantial change in response to environmental shifts in dynamic industries (Baum, 1996).

In addition, structural inertia refers specifically to the core features of an organization. The Changes in the core of an organization or firm are negatively evaluated by the organization's environment while changes in the periphery are in general evaluated positively (Hannan and Freeman, 1984). A view of organizational change helps to explain characteristically high levels of organizational inertia. The process effect of organizational change is always negative; assume for the sake of argument that, on average, the content effects of organizational change are small or equals zero (Hannan et al., 2004; Hannan,

2005, p.62).

In other words it is quite difficult to change structures which are trusted in their operation and accountability after a certain point. When assessed from this point of view, the natural selection for organizations would be towards structures that display high inertia. Inertia of organizations increases depending on their ages (Lelebici, 2005, p. 7). Organizations would develop trust in themselves, routine practices would be learned better and the employees would expert better on the practices as they age. Besides, the organization would gain legitimacy making better relationships with other organizations around. These developments in and out of the organization would increase the reproducibility of its order and make the organization more stable. Yet, attempting to change would create issues such as redeveloping trust, learning new practices and legitimacy problems therefore put an end to the organization. In this context, according to Hannan and Freeman, there is no difference between an organization that attempts to change its basic aspects and one just founded. Thus, reorganization would be a factor increasing the risk of demise (Sargut and Özen, 2010, p.144). In other words reorganization attempts would decrease trust on the performance of the organization, increase demises. Organization demises would happen correspondingly.

According to the density dependence theory, another theory of organizational ecology, the birth and demise rates of the organizations are related to the organization density in organization communities. According to this theory, density in organization communities differs with competition they are in and their legitimation processes (Kalemci and Duman, 2007, p.86).

Density indicates the number of organizations that form an organization community. In other words, it indicates the number of organizations competing for the same resources in a specific market. In some researches conducted before this theory came into existence, it has been suggested that different organization communities have a common development line. Firstly, organization communities show a slow development after their birth, then the number of organizations forming the community increases rapidly and reaches the peak, then a small decrease from the peak occurs and after that point for many years no change occurs in the number of organizations forming the community (Yurteri, 2008, p.8).

According to the density dependence theory, as density rises so does the effects of competence and legitimacy. The theory considers functioning of these processes in times where density is high and low differently. Competence in the community is low when the organization community was just born, i.e. the density was low. Because in these period resources are abundant. Increasing density in this period does not create much pressure on resources and does not prevent the organization community from growing more. This growth brings the legitimation along. By this means those who want to form an organization without spending too much money or time, imitate or copy already existing legitimate organizations (Sargut and Özen, 2010, p.147-148). Accordingly, competence process begins to surpass legitimation process as number of organizations rises. The resources begin to be insufficient and organization founding rate decreases, demise rate increases. After a while from the slowing down of the growth rate, it stays stable at the level which is called density bearing capacity (Yurteri, 2008, p.9).

Another organizational ecology theory is peripheral segment dynamics. According to this theory, existence of organizations is directly proportional to their access to resources they need, and its periphery is the only possible energy source. The biggest problem in economics appears as scarce sources and their distribution (Tomanbay, 2001, p. 43). This critical need for resources such as raw material, labor, capital, equipment, information etc.

in their periphery is an indicator of how sensitive they are on this matter. Thus, periphery is a significant constraint and organizations maintain their activities depending on power and dependency relationships under peripheral control (Çakar, 2007, p. 57). Hannan mostly notices that organizational density and causes of mortality shape the firm's success and life. As he told, "organizational ecology builds on a different assumption, that core structures of organizations are subject to strong inertial pressures and efforts at changing such structures substantially increase the chances of failure" (Hannan, 2005, p.56-58). Lastly, age and size dependency theories, one of the most important theories of organizational ecology and examined based on demographic processes is discussed. According to these theories, the demise probability of organizations that have the advantage of age and size is lower. The ideas lying behind this thought are that young organizations suffer from recency, and small organizations suffer from pettiness problems. Intra-organizational regulations and extra-organizational relationships of new organizations are less settled. Besides, new organizations get in significant struggles in order to adopt their roles, settle their organizational practices and rules, build relationships with other organizations in their periphery and become known (Sargut and Özen, 2010, p.162-163). Briefly, young organizations are affected from their peripheral conditions quicker than old organizations and thus react faster (Bilgin, 2007, p. 39). Old organizations have already solved these problems mostly. Their survival is the sign of them having solved their resource and legitimacy issues. Moreover, young organizations are obliged to solve these issues with scarce resources. Therefore demise probability of young organizations is higher than old organizations (Sargut and Özen, 2010, p. 162-163). Briefly, the reality that organization size and age are in a positive relationship with its survival probability appears as a fact having acceptance in the literature as well (Erdil et al., 2010, p. 19). Organizational ecology approach when examined in perspective of these theories, it is seen that the chosen organizations are protected and institutionalized by the periphery. These organizations become the dominant segments of the periphery. The most significant instances for this development are governments, schools and producers of products and services which became a part of the life. Old organization communities are seen to institutionalize in three methods. First, developing infrastructures according to their community. Second, becoming a part of organizational infrastructures of communities in their periphery. And third, to be recognized as legitimate by segments which would decide on their future. In conclusion, organizations that prove their survivability until that point are institutionalized and protected. When the process is examined in the scope of diversifying, selection and protection, the significance of cultural periphery becomes clear. Elements of socio – cultural periphery affects the entrepreneur who bears an important task in diversifying the organization communities. It is quite important to examine interaction between genetic and cultural information in human populations to understand the innovativeness caused by the entrepreneur (Sargut, 2010, p.121-122). In order to complete all that have been told so far, it is essential to emphasize that one of the basic principles of the organizational ecology model is "struggle for existence". Organizations and organization communities undertake a competitive struggle for getting essential resources. This is a fight to survive. The periphery would determine the results of the competition. Winners would keep marching, and losers would come to the end of their lives (Sargut, 2010, p.123).

### 3 Methodology

As a result of detailed examinations on the “organization” literature related to this research, it is observed that many studies explaining how present organizations survived and for what reason the demised organizations ended have been conducted. In this research, scales thought to be effective for Turkey are included. Thus scales of factors related to updated and internationally accepted research scope are combined in a detailed survey. The first part of the survey consists of demographic factors formed in order to determine the general specifications of the participators. Just after that comes the company performance sections consisting of 12 questions, which will help to gather information about the performances of organizations. Then comes 27 questions for getting information on organization culture of businesses. Lastly, there is outer periphery factor which is of 30 questions. 7 points Likert manner scale has been used for answering surveys in this research. Assessment options for statements regarding all the dimensions in the survey are as following: (1) Completely disagree, (2) Mostly disagree, (3) Partly disagree, (4) Neither agree, nor disagree, (5) Partly agree, (6) Mostly agree and (7) Completely agree.

In this research focused on textile companies, sampling have been done on companies which are active in İstanbul European Side. Especially companies in Şişli, Laleli and İkitelli regions have participated in this research. Surveys have been done by e-mail and face to face, and a total of 208 surveys have been reached. In these researches conducted depending on Organizational Ecology subject, a portion of the surveyed companies should have survived and a portion of them should have lost their lives. Accordingly as seen in Table 1, 82,2% of company employees who participated in the survey maintain their activities; as 17,8% of them do not.

Table 1: Activity Conditions of Businesses in Scope of Research

<b>Activity Conditions</b>	<b>Frequency</b>	<b>Ratio</b>
Active	171	82,2
Inactive	37	17,8
<b>TOTAL</b>	208	100

Activity periods of companies are another significant matter of the research. As seen in Table 2 among the companies maintaining their activities, those who maintains between 0–9 years are in a portion of 9,4%. Those who have survived for between 10-24 years are 36,8%, and those who survived for 25 years or more have an astonishing ratio of 53,8%. This signifies how companies with an old history strengthen and survive depending also the effect of institutionalization.

Table 2: Activity Periods of Businesses in Scope of the Research Who Maintains Their Activities

Activity Period of Company	Frequency	Ratio
0-9 Years	16	9,4
10-24 Years	63	36,8
25 Years and above	92	53,8
<b>TOTAL</b>	171	100

According to Table 3, in the companies that are in scope of research but does not maintain their activities; those who have been active for 0-9 are seen as 48,7%, those who have been active for 10-24 are seen as 43,2% and lastly those who have been active for 25 and more are seen as 8,1%. According to these data it can be said that long-life businesses who had gained their legitimacy does not easily collapse. These businesses which are stable, change-resistant but have a specific organization culture, distribute the risk and survive with the organizational approach originating from being in different fields also appear to be the biggest competitors of the new founded companies. Small and middle scale companies which so to say fall prey to current environment conditions and big companies, lose their lives despite the fact that they are newly founded due to the factors such as scarce resources, difficulty in competitiveness, problem of finding qualified employees, high number spent on advertising because of being unknown. Therefore, having a ratio of 48,7% of companies with a lifespan of 0-9 years appears as an expected result of the research.

Table 3: Activity Periods of Businesses in Scope of the Research Who Do Not Maintain Their Activities

Activity Period of Company	Frequency	Ratio
0-9 Years	18	48,7
10-24 Years	16	43,2
25 Years and Above	3	8,1
<b>TOTAL</b>	37	100

States of education of employees of the companies in scope of the research who maintain their activities are shown in Table 4 as: 52,6% elementary school, 38,6% high school, 8,2% university and 0,6% of master's degree. In light of these data, power of the sector is mostly in the hands of elementary school graduates. Administrators have begun working in this sector in young ages and developed themselves laboriously. There are many elementary school graduates especially among middle aged and older administrators. In some companies which pass from father to son, people are seen to be elementary school

graduates despite their young ages. Especially in this sector, it is also a reality that young people are employed, thus the labor costs of businesses are reduced.

Table 4: States of Education of Employees of the Companies in Scope of the Research Who Maintain Their Activities

<b>Education Level</b>	<b>Frequency</b>	<b>Ratio</b>
Elementary School	90	52,6
High School	66	38,6
University	14	8,2
Master's Degree	1	0,6
<b>TOTAL</b>	171	100

States of education of employees of the companies who do not maintain their activities are stated as, 32,4% in elementary school and 67,6% in high school. Based on the data in Table 5, it is possible to say most of the participators in scope of the research are high school graduates who could not maintain their businesses after they found it. It is possible to say that in this sector high school graduates are unemployed, change job or switched to another sector. It is not difficult to understand why high school graduates cannot find jobs compared to elementary school graduates in the sector when the cost of elementary school graduates to businesses is taken into consideration.

Table 5: States of Education of Employees of the Companies in Scope of the Research Who Do Not Maintain Their Activities

<b>Education Level</b>	<b>Frequency</b>	<b>Ratio</b>
Elementary School	12	32,4
High School	25	67,6
University	-	-
Master's Degree	-	-
<b>TOTAL</b>	37	100

Reliability analyses have a very significant role in conducted researches. Firstly the Cronbach value ( $\alpha$ ) is checked including the variables in the first scale into the variable they depend on with the purpose of testing the whole research scale. When these values are checked, variables shall be higher than the value of 0,700 which is accepted in the literature. As seen in Table 6, values of variables in the research are pretty above this value.

Table 6: Reliability Analysis's of the Research

<i>Type of Business</i>	<i>Cronbach (<math>\alpha</math>) Values</i>
Active Businesses	0,954
Inactive Businesses	0,959
All Businesses	0,950

When active, inactive and all businesses are separately analyzed for factor, correlation and regression, it is seen that many factors and results in various numbers and different from each other appear. But meaningful results have been acquired only in analyses concerning all businesses, other analyses have been considered coincidental.

In the correlation analysis including all firms active and inactive, it is seen that adaptation factor affects motivation, look on customer services, self look, reliability, financial and growth performances directly and densely; but look on competitors directly and in low level. It is seen that motivation factor directly and densely affects adaptation, look on outer elements, competitors and self, financial and growth performances. It is seen that the factor of look on customer services directly and densely affects adaptation, motivation, self look, financial and growth performances. It is seen that the factor of look on competitors directly and densely affects motivation and reliability; while it affects adaptation and growth performance directly and in low level. It is seen that reliability factor directly and densely affects adaptation, motivation, look on customer services, look on competitors, financial and growth performances. It is seen that self look factor directly and densely affects adaptation, motivation, reliability, look on customer services, financial and growth performances.

It is seen that the factor of financial performance directly and densely affects adaptation, motivation, reliability, look on outer elements and self and growth performance. And the growth performance factor directly and densely affects adaptation, motivation, look on outer elements and self and financial performance; while it affects look on competitors and reliability factors directly and in low level.

Table 7: Correlation Analysis of All Companies

<b>Factors</b>	1	2	3	4	5	6	7	8
Adaptation	1	,746**	,627**	-,178*	-,629**	,606**	,502**	,546**
Motivation	,746**	1	,654**	-,240**	-,508**	,583**	,310**	,352**
Look on Customer Services	,627**	,654**	1	-,103	-,453	,617**	,372**	,345**
Look on Competitors	-,178*	-,240**	-,103	1	,299**	,043	-,065	-,164*
Reliability	-,629**	-,580**	-,453**	,299**	1	-,437**	-,573**	-,633**
Self Look	,606**	,583**	,617**	,043	-,437**	1	,299**	,264**
Financial Performance	,502**	,310**	,372**	-,065	-,573**	,299**	1	,894**
Growth Performance	,546**	,352**	,345**	-,164*	-,164*	,264**	,894**	1

In regression analyses of active and inactive companies it is seen that financial and growth performance related variables are in mutual interaction with adaptation and reliability independent variables. No meaningful effect between dependent variables and other independent variables appeared as a result of the analyses conducted. This means factors like motivation, look on customer services, look on competitors and self look does not affect financial and growth performances. Administrators of the companies in scope of the research do not think these very significant elements necessary for the company's growth and strengthening. Either administrators are unaware of this fact; or textile sector in Turkey are far away from concepts like professionalism, institutionalizing and organization culture in administration and management. Briefly, the country's textile sector is not ready for these structuring strategies neither as organization nor as person.

When we look at the effect of adaptation factor, being the first model, on financial and growth performances,  $R^2$  values were found as 0,395 and 0,461. In these premises independent variable of adaptation affects 39,5% of financial performance and 46,1% of the growth performance in changes in the company's performance. In the results of the regression analysis conducted, upon examining the effects of the adaptation factor on financial and growth performances, it is seen that it has a direct and positive effect on financial ( $\beta$ : 0,336) and growth ( $\beta$ : 0,391) performances.

When we look at the effect of reliability factor, being the second model, on financial and growth performances,  $R^2$  values were found as 0,395 and 0,461. In these premises independent variable of reliability affects 39,5% of financial performance and 46,1% of the growth performance in changes in the company's performance.

In the results of the regression analysis conducted, upon examining the effects of the adaptation factor on financial and growth performances, it is seen that it has a direct and negative effect on financial ( $\beta$ : - 0,336) and growth ( $\beta$ : - 0,391) performances. But since all the questions measuring the reliability factor in the scope of the research were reverse-scaled, Beta coefficients with negative values should be interpreted by converting to positive. Thus, as reliability increases, the financial and growth performance of the company are affected positively.

Table 8: Regression Analysis of Financial Performance Factor of All Companies

<b>Factors</b>	<b>Significance (Sig.)</b>	<b>t</b>	<b><math>\beta</math></b>
Adaptation	0,001	3,509	0,336
Motivation	0,035	-2,119	-0,193
Look on Customer Services	0,079	1,763	0,141
Look on Competitors	0,080	1,757	0,106
Reliability	0,000	-6,331	-0,466
Self Look	0,265	-1,117	-0,087

Table 9: Regression Analysis of Growth Performance Factor of All Companies

Factors	Significance (Sig.)	t	$\beta$
Adaptation	0,000	4,334	0,391
Motivation	0,105	-1,630	-0,140
Look on Customer Services	0,439	0,775	0,058
Look on Competitors	0,513	0,656	0,037
Reliability	0,000	-7,328	-0,510
Self Look	0,040	-2,065	-0,152

The primary reason why adaptation and reliability factors affect company performance so much is that the sense of trust of the employees towards each other and towards the management in their work environment alongside with the ability of fast adaptation to rapid changes in the dynamic periphery creates a synergy that increases the company performance. When all active and inactive companies are subjected to correlation analysis without being separated to their sub-factors, the situation in Table 10 appears. According to this it is seen that company performance dependent variables directly and densely affect organization culture independent variable. Yet it is stated that there is no significant result between company performance dependent variable and outer periphery independent variable. In the light of these data the importance of organization culture for companies' survival and maintaining their activities is seen. Moreover organization culture variable and outer periphery factors are stated to affect each other directly and densely. This shows that companies with dense organization culture do not refrain from competition and are more advantageous in providing the customer with better products and services.

Table 10: Correlation Analysis of All Companies without Being Separated into Their Sub-Factors

Factors	Company Performance	Organization Culture	Outer Periphery
Company Performance	1	0,452**	-0,065
Organization Culture	0,452**	1	0,288**
Outer Periphery	-0,065	0,288**	1

\* it is the level of  $p < 0.05$ , \*\* it is the level of  $p < 0.01$

When all active and inactive companies are subjected to correlation analysis without being separated into their sub-factors, the situation in Table 11 appears. In this it is seen that company performance dependent variables affect organization culture independent variable directly and positively, while it affects outer periphery independent variable negatively.  $R^2$  value has been found to be 0,246. This means organization culture and outer periphery factors affect company performance factor in 24,6% ratio. Hereunder, it is seen that the administrators who participated in the survey were unable to analyze the survey into its sub-factors and answered every question in the survey without distinguishing them according to their titles. Especially age, education and sex of the

administrators are parameters of this result. After these analyses it is seen how important the organization culture is for companies. Moreover, through the data below it is seen that country performance factor has a negative effect on outer periphery factor. According to this, companies are afraid of competing with their competitors, and hesitate to collaborate with them. The idea of outer periphery factors harming the company is generally adopted by administrators.

Table 11: Regression Analysis of All Companies without Being Separated into Their Sub-Factors

<b>Factors</b>	<b>Significance (Sig.)</b>	<b>t</b>	<b>β</b>
Organization Culture	0,000	8,116	0,514
Outer Periphery	0,001	-3,371	-0,213

#### **4 Conclusion and Suggestions**

Organizational ecology theory and its content is a brand-new approach in social sciences, hence it is hard to find empirical researches. Further it is about the companies in the dynamic environments how they stand tall or fall apart. If the data appeared in the context of organizational ecology are to be interpreted, it is possible to say that the companies which care about the adaptation of their employees, invoke trust and have a solid organization culture are more advantageous to other. Because people who work in organizations having such properties, become more productive by adapting fastly to works shortly after they begin, in other words using the learning curve. The trust they have for their company enables them to be devoted to their organization and successful. Besides, existence of a strong organization culture in the company would allow the employees there to benefit positively from many elements varying from intra-organizational communication to their motivation, from their productivity to self-improvement. Briefly, it is possible to say that organizations with such properties are more advantageous on the issues of surviving and growing than their competitors who lack such properties, although the selectivity of periphery factor will be the last determiner.

First suggestion in general meaning to researchers who are going to do a research on organizational ecology would be that before they begin to work, they should be aware of the scarcity of references in both Turkish and foreign languages. Beyond studying the subject as organizational ecology and its theories, adopting or questioning the organizational ecology approach conditionally, preparing the hypothesizes accordingly, examining the theories with criticism would help both overcoming the reference problem and producing a resource from which future researchers would benefit.

At last, suggestions to administrators of the textile companies in Turkey would be attaching importance to their own academics and professional educations. The administrators whose ideas and thoughts will gain depth by this means, can be more beneficial to themselves and their organizations. Besides, this is of great importance for their own personal improvement and careers. Except this, trainings in organizations for employees (orientation, sales and marketing, self-improvement, coaching training,

teamwork etc.), would make the companies' future sit on a more solid basis. Using contract workers and child labor seasonally, employees' lack of education, problems in shifts, wages and social rights stands out to be the biggest problems of the sector. Positive steps that can be taken in these matters are quite important for the sector's survival and improvement. It should be remembered that in recent standards more professional and well-trained administrators and qualified employees who are educated not only in their jobs but also personally are urgently needed by the sector.

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