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#### DEVELOPMENT AND VALIDATION OF ORGANIZATIONAL PAROCHIALISM SCALE

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#### **ABSTRACT**

**Purpose**- The aim of this study is to examine the concept of organizational parochialism, which is one of the factors that determine the present and future of organizations, and to apply validity and reliability tests by developing a scale that is thought to measure this concept.

**Methodology**- Our research was applied to 272 companies operating in the textile sector and the results were analysed in the SPSS.25 program. As a result of detailed statistical analyses, the validity and reliability tests of the developed scale were completed and it was determined that the scale statistically measures the concept of organizational parochialism.

**Findings**- According to the results of the research, it has been seen that the concept of organizational parochialism is divided into 5 different subdimensions with 25 items as namely business management, financial management, competitiveness, employment management and production management.

Conclusion- In today's intensely competitive environment, businesses focus on the present and they may miss the possible risks of the future. In addition to the possible risks, it is also possible for the organizations to make predictions about the future, to catch potential opportunities in a timely manner and to benefit the organization from them. It is possible to say that businesses that cannot evaluate such risks and opportunities are narrow-minded, especially in terms of management manner. In this study, a scale measuring the concept of organizational parochialism and its sub-dimensions, which was determined that have not been researched before in social sciences as a result of the literature review, was developed. In our research, it is possible to indicate that the concept has been confirmed by both the data obtained from the organizational behaviour literature and the statistical data on its measurement.

Keywords: Organizational parochialism, narrow-mindedness, administrative shallowness, parochialism scale, projection determination.

JEL Codes: M16, M11, M12

# 1. INTRODUCTION

Today's businesses take many consistent or inconsistent decisions in order to keep their companies in the field and to ensure their development in the intense competitive environment. These decisions may affect the future of the enterprises in a positive or negative way, as well as creating current results. It can be thought that businesses have significant problems in designing their present and future, especially in countries where economic and financial tides are intense. With the effect of periodic fluctuations, strategic and tactical decisions that businesses assume to be correct today may cause commercial losses in the future. Organizations react instantly to the tides especially in finance, raw material, energy and labour costs, and even if they meet their expectations in the short term, they can make decisions that may harm the business in the long run. Fluctuations in demand and periodic changes can also force businesses to make the wrong decisions. Companies managed at the scale of SMEs and on the axis of the individual decisions of the business owner may enter into tendencies that may put their own future at risk in the face of these sudden changes. It is possible for businesses that follow the financial and economic plans determined by the public and have to bear certain costs in the face of inconsistencies in these plans. It is important for the organization to be able to make accurate predictions about the future in such cases, where the main purpose of the enterprises may fall into weakness in terms of profitability. However, the negative impact of global economic problems on the predictability level of even the smallest enterprises can put organizations in a difficult situation. In this respect, it can be thought that businesses that can predict the

future, follow developments accurately, have high understanding and develop rational policies against developments can be more successful in the future. In this study, a comprehensive research has been carried out on the deficiencies of enterprises in determining future investments and actions, its definition, form, effects and consequences. The emergence, reflections and organizational consequences of these stages, which are defined as organizational narrow-mindedness, in terms of businesses are included.

From this point of view, in our research, it has been concluded that it is appropriate to develop a scale for this concept, considering that organizations should look at the future from a wider perspective. In this way, businesses will be able to measure their own capacity to make predictions about the future and complete their deficiencies. Especially in today's uncertainty environment, the improvement of these aspects of businesses will make their companies stronger. In this concept, the main purpose of this research in the beginning and completion processes is to develop an understanding of management in a more visionary, innovative, effective and future-oriented perspective.

Within the scope of the research, the concept of organizational parochialism, which explains the lack of ability to make predictions about the future, which is one of the most important elements that shape the present and future of organizations, has been examined. A literature review was carried out for the development of the concept, then a scale was created based on the resources reached, and the validity and reliability levels were tested by testing the scale. In the conclusion part, explanations and suggestions were made about the data obtained as a result of the application of the scale.

### 2. THE DEFINITION OF ORGANIZATIONAL PAROCHIALISM

Organizations determine their present and their future in line with the decisions of business owners and partners (Steiner, 1998; Nonaka et al, 2014; Mendell, 1977). While the right decisions are reflected positively on the businesses, the costs of the wrong decisions also return as a problem to the businesses (Bennett, 1962). In this respect, it is important for organizations to act rationally and logically in determining their ideas about the future. While drawing lessons from the past, today should be read correctly, all these factors should be integrated and a perspective on the future should be made (Hauan & Johannessen, 1993; Provost & Leddick, 1993).

It is important for organizations to have information about the future, especially in investment, employment and economic policies. In this way, they realize their investments and earn income from these investments (Meyer and Rice, 2009). In today's competitive environment, the desire to gain profit, which is the determinant of trade, pushes organizations to make the right decisions in terms of distinguishing them from their competitors. This process, which is handled in the combination of consultation and common mind, is one of the basic elements that carry organizations to the future. With the combination of many different elements such as the information obtained from the market, the future projections of the raw material suppliers, the data obtained from the domestic and international sector, the current status of the enterprise, the qualification of the personnel and the understanding of the management, the organization takes rational decisions for the future (Wallnöfer and Hacklin, 2014). . The deficiencies, misinformation, uncertainty and possible risks arising in the aforementioned elements may result in practices that will put the enterprise's own horizon at risk. In this context, businesses can make important mistakes while they are living the day and shaping their future with erroneous information obtained from incomplete information sources (Peter, 2001). These mistakes and their negative consequences for the business can be defined as organizational parochialism in terms of organizations. Apart from major developments that the organization cannot be effective in, it can be defined as shortsightedness in terms of organizations when they make important and strategic mistakes in matters within their knowledge and initiative, and these mistakes return to the business as cost or local crises (Steiner, 1998; Meyer and Rice, 2009; Hauan and Johannessen, 1993).

In such decisions or indecision situations that will leave the organization behind compared to its competitors, the organization loses power and pays for its mistakes with material or moral losses (Campbell and Campbell, 1992; Mendell, 1977). In particular, organizations that are late in making decisions, taking action and intervening in events are weak compared to their competitors. Thus, the cost of the organization's functional narrow-mindedness can be reflected in the organization as losing its competitiveness (Smith, 1994). When today's businesses are examined, it can be said that the reason for the disappearance of the businesses that have the potential to be transferred from generation to generation in the short term is the management of organizations with narrow-minded policies.

The fact that businesses managed on the axis of narrow-minded decisions are vulnerable to global risks, as well as being deprived of opportunities on a global scale, is an example of the emergence of organizational narrow-mindedness as an important cost

factor for businesses (Nonaka et al, 2014; Denis, 1994; Block and Block, 1982). These processes, which occur especially in family businesses, are also at the root of the conflicts arising between the founding partners of the businesses and the second generation. According to Stenier (1998), an enterprise that is in the grip of organizational narrow-mindedness will fall behind and have difficulty in competing compared to enterprises that can make broader and more conscious decisions. According to Smith (1994), businesses that are stuck in their own patterns in the speed, technology and dynamism of our age cannot produce correct and positive ideas about the future, and they have to face the consequences of these.

While determining the future projections of the organizations, instead of being stuck in a narrow space, it can provide great advantages for them to operate in a broad systematic that takes into account all layers and factors (Meyer and Rice, 2009; Provost and Leddick, 1993). It is especially important that today's businesses take their decisions clearly and taking into account the operating conditions within this wide range of information flow (Bennett, 1962). This is only possible with the policies that business managers will implement by including global dynamics into the equation instead of narrow-minded policies (Hauan and Johannessen; 1993; Ascher, 2000). Organizational parochialism can be explained as an enterprise's management units, decision mechanisms and policy makers' determining vicious strategies in planning for the organization and these practices dragging the organization into unwanted bottlenecks. According to Peter (2001), organizational narrow-mindedness is a set of managerial practices that can develop and harm the organization even despite the resistance of internal factors and elements. In this way, organizations can fall behind, lose their currency and disappear from sectors and markets over time. The fact that businesses have the same markets, the same suppliers and partly stakeholders as their colleagues from all over the world necessitates them to act in a global perspective in every application. According to Wallnöfer and Hacklin (2014), businesses that follow narrow-minded and incompetent policies in managerial sense may suffer economic losses over time.

### 3. THE FORM OF ORGANIZATIONAL PAROCHIALISM

Organizational parochialism is a situation that emerges among the management mechanisms of enterprises (Denis, 1994). It emerges as a result of the decisions taken by business owners, senior managers or administrative employees who take charge important managerial duties (Steiner, 1998; Smith, 1994).

Considering that the elements of the business can participate in the decisions collectively in the eyes of the SMEs, the narrow-minded practices that have spread to the business negatively affect the organization in every sense (Ilari, 2013; Bennett, 1962; Mendell, 1977).

Organizational parochialism, which can also be explained as the failure of a business to take the necessary steps in front of its customers, employees, financial resources, suppliers or the public, or instead of advancing on wrong methods, puts the business at a disadvantage in terms of all these factors (Hauan and Johannessen, 1993; Block and Block, 1982). In this context, when organizational narrow-mindedness is handled under sub-headings, it can be stated under the following headings:

- In terms of employees: Not noticing the employees who benefit the business but whose productivity is overlooked, pushing the employee out of the business with coercion, pressure or harassment policies instead of being rewarded, ignoring the rational suggestions of the employees working for the business, not paying attention to the effective employees, and knowledge, experience and knowledge that will differentiate the organization from its competitors, not preparing the working ground that will provide sufficient contribution to the organization for employees with experience
- In terms of customers: Customers who make significant contributions to the business in terms of profitability, turnover, efficiency and economy do not receive the necessary attention, the expectations of beneficial customers are not met, the commercial proposals of customers acting at stakeholder level are not taken into account, the demands for innovative products are not met, the current customer potentials are not adequately evaluated while they provide benefit to the business, customers who provide support to the organization do not see as much value as they deserve
- In terms of financial resources: The organization uses wrong financial inputs, financial instruments are not used efficiently enough, financial expectations cannot be met, financial developments cannot be followed correctly, lack of financial forecasts and applications, financial needs cannot be met at the right time, the organization is dragged into financial bottlenecks, cannot be rational in financial choices, mismanagement of financial expectations about the organization, misrepresentation of the financial situation of the organization, damage to the financial reputation of the organization

- In terms of suppliers: The demands of the suppliers who provide important inputs to the business are not adequately met, the relations with the suppliers, which constitute the most important part of the product supply-demand balance, cannot be established correctly, the buyer-seller balance cannot be fully established, the suppliers who provide the main raw material inputs used by the enterprise are not fully understood, the correct cooperation model cannot be established, incomplete execution of supplier and buyer cooperation, failure to establish the correct information flow with the supplier
- From the governmental point of view: The government, which is one of the most important stakeholders in the process from establishment to growth of the enterprise, is not fully taken into account, sufficient seriousness and the right perspective cannot be developed in governmental processes, the public costs that are likely to be reflected on the enterprise cannot be foreseen, the resources that can be obtained from the government are denied, the government input costs cannot be measured correctly.

Figure 1: Form of Organizational Parochialism



### 4. THE DIMENSIONS OF ORGANIZATIONAL PAROCHIALISM

Organizational parochialism can affect businesses in many different dimensions. Organizational narrow-mindedness, which extends to the bankruptcy processes, is one of the important chronic problems that businesses should avoid (Hauan and Johannessen, 1993, Ascher, 2000; Bennett, 1962). Organizational narrow-mindedness, which is the result of deficient practices in the communication and cooperation methods of the organization, both with its internal and external environment, turns into important damage items that may arise today and in the future (Meyer and Rice, 2009; Denis, 1994).

It is possible to say that organizational narrow-mindedness creates cost elements in different dimensions such as managerial, financial, competitiveness, employment and production (Block and Block, 1982). It is possible for a business with a narrow-minded management to take decisions that will lead many different sizes of businesses to a dead end, make losses or cause them to miss opportunities. This understanding, which spreads its own shallow views to the business, can leave the organization alone with undesirable results such as putting it behind its competitors, putting it at a disadvantage and dragging it into commercial losses (Steiner, 1998; Nonaka et al, 2014).

# 4.1. Organizational Parochialism in Business Management

The decisions taken by the organization are related to the company's high-level practices and narrow-mindedness in terms of strategic managerial principles (Hauan & Johannessen, 1993; Provost & Leddick, 1993). It can happen in the form of management levels failing to see the opportunities in front of the organization, ignoring sectorial opportunities, not realizing the approaching risks, or ignoring the processes that will push the organization to commercial losses (Smith, 1994). The inability of the management, which determines the basic route and future projection of the organization, especially in making strategic decisions, and unwilling or fanciful practices in initiatives can push the organization into undesirable positions. Enterprises with a narrow-minded structure in the managerial sense lag behind the enterprises that are more active, dynamic and can produce projects, and lose their competitive advantages (Nonaka et al., 2014). Firms stuck in the axis of managerial narrow-mindedness cannot sustain their development; lose their economic power and capacity while losing their profitability (Steiner, 1998; Ascher, 2000; Mendell, 1977). The repetition of faulty practices, especially in the repair processes of wrong decisions, constitutes the beginning of a process that will lead them to disappear from the market. Organizations that fail to realize their mistakes, learn from them and implement corrective and preventive actions, and most importantly, persist in the wrong, are likely to face irreparable losses on the basis of managerial narrow-mindedness.

# 4.2. Organizational Parochialism in Financial Management

Many businesses do not realize the global economic changes at the right time and they emerge from these fluctuations with heavy economic losses and commercial damages (Denis, 1994). Accurate monitoring of data such as exchange rates, interest rates, and inflation rates is very important for businesses (Friedman, 2007). It is important both for the present and the future of the enterprise, especially in the pricing processes, that the costs such as raw materials, energy and labor are carefully followed

and reflected in the product prices in a rational way (Wallnöfer and Hacklin, 2014). The use of the right financial instruments in trading, the creation of a financial business model that will minimize risk and keep profitability at the highest level provide significant advantages in competitiveness (Hauan and Johannessen, 1993).

In particular, the correct management of factors such as business profitability, which forms the basis of investment processes, is one of the elements that provide financial resources to the organization (Bennett, 1962). A commercial structure organization that will be least affected by the fluctuations in global trade will keep it more vigorous and strong in the face of economic tides. Foreseeing or feeling the possible shocks that may develop in the global and local axis are the factors that lead the organization to move into the future (Provost and Leddick, 1993; Block and Block, 1982). In addition, it is critical for all processes of the organization to be aware of the imbalances that may occur in the supply and demand balance. Businesses that can manage these phases correctly can be stronger and more effective against their competitors.

# 4.3. Organizational Parochialism in Competitiveness

It can be said that if the enterprise is not monopoly in the market they are in, they continue their lives with their competitors. Enterprises that can shape these competitive elements correctly, especially in the presence of customers and suppliers, can be positively distinguished (Nonaka et al, 2014; Tobias, 2004). Businesses that know what their competitors are doing, follow their strategies and are able to exhibit the necessary organizational behaviours against these moves can show significant differences in providing competitive advantage.

Businesses that are unaware of the practices of their competitors, living the day and acting according to the truth of the day, are likely to be dragged into irreparable losses in the future, even if they are successful today. According to Wallnöfer and Hacklin (2014), organizations that monitor their competitors' product, price and sales policies in detail and can provide sufficient intelligence from these areas can produce more consistent and successful works in the field.

It is possible for organizations that are introverted and have insufficient external information flow to consume their energies internally (Campbell & Campbell, 1992). In addition, they are likely to face some handicaps such as selling the products that they can maximize profits for at a lower value than they deserve, not having the value of the products for which they are the only producer (Meyer and Rice, 2009; Block and Block, 1982). It is even possible to say that this narrow-mindedness in competitiveness has turned into significant or unnoticed financial losses for businesses.

### 4.4. Organizational Parochialism in Employment Management

Although technological developments are important in today's business world, the basic element of organizations has always been human. Businesses that cannot properly manage their employment profile and cannot comprehend the importance of their current employees may encounter processes that lead to commercial losses in the final analysis. In particular, the companies that lose their qualified employees to their competitors, as well as the lack of technical and business data as well as their commercial information, return to them as big losses (Steiner, 1998; Nonaka et al, 2014; Denis, 1994; Peter, 2001). It can be said that enterprises in the sector that cannot employ qualified employees who can put organizations ahead of their competitors are narrow-minded about employment management.

It is important for organizations to correctly and rationally position their employees while determining their future strategies (Bennett, 1962). It is possible that the enterprises that cannot design the organizational positions of their employees as they should be, will fall into a disadvantageous position compared to the enterprises that put forward more successful works in this regard (Meyer and Rice, 2009; Ascher, 2000). While the importance of the individual and thinking differently increases day by day, applying incomplete administrative practices in this regard can turn into losses for businesses.

### 4.5. Organizational Parochialism in Production Management

It is essential for manufacturing enterprises to act at the optimum level in terms of machine infrastructure, stock levels, energy consumption and all other factors related to production (Friedman, 2007). Improper practices in the planning of all these elements may impose heavy financial burdens on the business (Provost and Leddick, 1993; Tobias, 2004). It is important for a manufacturing enterprise to constantly monitor its daily raw material needs, future production schedules, intermediate goods stock values, current and potential order situations, and develop policies that are compatible with the general structure of the organization.

It is vital for businesses to act in coordination with the market in determining the final stock levels, to analyze the current needs correctly in raw material purchases, to have the raw material that can meet the orders at the right time and in the right amount (Hauan and Johannessen, 1993; Denis, 1994; Campbell et al. Campbell, 1992). Errors to be made in this area may reflect on businesses as financial costs, loss of customers, unnecessary stock, lack of raw materials or intermediate goods. Businesses that cannot manage these processes simultaneously with the entire organization may have to face losses in many ways. According to llari (2013), measuring the demand that will occur in the future correctly and therefore determining the right policies on issues such as machinery, raw materials, energy and employees are the most important elements that ensure the permanence of the organization in the market.

The fact that businesses that are not managed properly and cannot read the present and the future correctly encounter many problems such as idle stock, unsatisfied customers, slowdown in production after a while, can be seen as the results of narrow-mindedness in production (Meyer and Rice, 2009). It is very important for the present and future of the organization that the producing companies determine the most suitable model for the organization in this field and test it by applying it in practice.

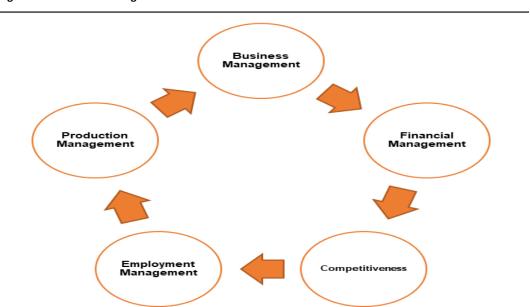


Figure 2: Dimensions of Organizational Parochialism

### 5. THE EFFECTS OF ORGANIZATIONAL PAROCHIALISM

It can be thought that organizational parochialism has many effects in terms of businesses. The positive results of the decisions taken by the business managers in terms of businesses make significant contributions to both the present and the future of the organization. However, the fact that these decisions and practices turn into wrong, shallow and harmful elements for the organization brings along important problems (Provost and Leddick, 1993; Block and Block, 1982). Especially on behalf of the business world, which is stuck in today's dynamic, global and intense competitive environment, it is of great importance for the business that business managers are forward-looking, have analytical thinking ability, prudent, rational and can make decisions in the axis of business interests (Smith, 1994; Tobias, 2004). As a result of a narrow-minded understanding in the organizational sense, it is possible to say that many levels of the organization will be negatively affected if these processes are mismanaged (Steiner, 1998). These phases, which can weaken the organization in many areas such as making profit, which is the main purpose of businesses, may also be the reason for critical changes in the market. In this context, it is important to examine and analyze organizational narrow-mindedness from two different aspects as inside and outside the organization.

# 5.1. Internal Effects

It is possible for businesses stuck in the grip of organizational narrow-mindedness to suffer from many different issues such as financial, structural, economic, employment, vision, mission and profitability. Factors such as the inability of an enterprise to understand the present correctly, to produce ideas about the future or to make wrong interpretations, to implement the decisions it has taken and the wrong ideas it has implemented within the organization will prepare critical problems related to

the internal structure of the organization (Smith, 1994; Denis, 1994; Provost and Leddick, 1993). A mismanaged financial vision will leave financial issues difficult to deal with in the future. An employment structure that cannot be managed properly will radically damage the working principles within the organization. An incorrectly executed competitive strategy will directly undermine the profitability, commercial and economic infrastructure of the organization. Errors made in the production processes may constitute the basis of important problems that can clog production mechanisms, especially the financial structure of the organization.

It is possible to say that decisions made inconsistently with the internal dynamics of the organization may bring about significant harm instead of benefiting the organization. The lack of vision that the business with a narrow-minded managerial perspective will reveal in current developments and the negative organizational climate it brings can lead to a set of negativities that affect the entire business (Smith, 1994; Mendell, 1977). The beginning processes of a series of troubles that will turn into metal fatigue can be seen in businesses that are constantly mismanaged and trying to progress in a shallow systematic. Employees who are discouraged by the wrong decisions taken by the management may experience a decrease in their commitment to the company they are in, and atrophy in their belief in the future of the organization (Tobias, 2004). From the organizational business principles to the managerial decisions and their results, wrong practices can drag the organization into a dead end altogether (Steiner, 1998). It is possible that these processes, which may result in a negative impact on employee motivation, may cause irreparable harm to the organization over time.

Organizational parochialism can turn into the beginning of a phase that can completely shake the work harmony between different departments in the organization, the spirit of understanding and working together among employees, the integrity of the organization and the information infrastructure (Hauan & Johannessen, 1993). The fact that business managers turn to decisions that are incomplete and out of the interest of the business, over time, can turn into a mechanism that consumes the energy of the organization and puts its future at risk. In this context, it is possible that these processes will adversely affect all sub-units of the organization.

### 5.2. External Effects

It is possible for businesses to be successful if they can establish rational collaborations on behalf of the organization, in harmony with all their upper and lower units, and most importantly, with their external environment in which they communicate and interact (Friedman, 2007). In this respect, it is possible to say that businesses are a whole with their internal and external environments. Business structures that act collectively in line with the general goals of the organization may have to cope with many internal and external difficulties in the grip of organizational narrow-mindedness. In this process, it is possible for the organization to have problems with its suppliers, customers, financial resources and the public (Ilari, 2013). The organization's relations with its external environment can be damaged as a result of not being able to express oneself correctly, reflecting the needs of the organization incorrectly, being insufficient in the relations that the organization should establish with its external connections, and not being able to make the necessary predictions about the future (Meyer & Rice, 2009; Tobias, 2004; Campbell & Campbell, 1992).

In particular, the inability of businesses that carry out business and trade on a global scale to make sufficient inferences about global and geopolitical developments as well as local developments can return to the organization as significant losses. It is very important for the business to accurately measure domestic and foreign demand, and to transform relations with domestic and foreign financial resources into gains for the organization (Bennett, 1962). The difficulties that businesses may experience in these matters may push them to certain restrictions in order to carry out their daily work (Ilari, 2013; Mendell, 1977). These restrictions can push the organization back in front of its competitors or leave them alone with troublesome processes leading to losing their competitive advantage. It is important for businesses to establish a cooperation model that is as compatible as possible with their external environment as much as they focus on their internal structures (Friedman, 2007). Developing narrow-minded, shallow and incomplete strategies by the individuals who manage the organization can drag them into unexpected bottlenecks. It is a very important and strategic issue for a company to develop a project on a ground that deals with the future perspective of a company with public institutions, financial resources, customers, suppliers and all institutions that it is in contact with (Nonaka et al, 2014; Denis, 1994; Provost and Leddick, 1993).

In particular, making the right inferences and collaborations about the future are developments that add value to the business. Mistakes to be made in this regard can turn into unexpected losses on behalf of the organization (Ilari, 2013). As a result of organizational narrow-mindedness, the view of the external environment of the enterprises towards the enterprise is negatively affected, while the general situation of the organization may be perceived undesirably for the future.

### 6. THE RESULTS OF ORGANIZATIONAL PAROCHIALISM

Businesses advancing in line with the narrow-minded policies of organizational managers may face many different losses over time. In particular, some undesirable results may occur that will harm the organization inside and outside the enterprise (Friedman, 2007). It is possible to list the results of organizational narrow-mindedness in businesses as follows:

- Losing valuable employees because of wrong policies
- False investments turning into permanent financial problems
- Avoiding opportunities by ignoring them
- Falling behind compared to competing institutions
- Inability to integrate new technological developments into the business
- Encountering commercial losses due to faulty planning
- Loss of valuable customers over time
- Loss of reputation before banks and the public
- Being driven to failure by drifting away from your goals
- Experiencing problems in cooperation with suppliers
- Do not lose brand value day by day

The above-mentioned results can be seen as the negative effects of organizational narrow-mindedness on the business. All these effects can push the organization away from its general goals and push it to an undesirable position. The business, which is in a very successful position in the sector it is in, may have to face losses over time with the effect of narrow-mindedness (Meyer and Rice, 2009; Denis, 1994; Tobias, 2004). In this context, even the bankruptcy of the business may come to the fore as a result of the organization's long stay in the dead-end of narrow-mindedness.

#### 7. METHODOLOGY

#### 7.1. Research Goal

The aim of our research is to test the concept of "organizational parochialism", which is not included in the organizational behaviour literature, and to see what kind of results this concept will have in the practices of organizations and businesses. In this way, it is aimed that enterprises with limited life spans, especially in generation transition processes, focus on the future and see possible risks and opportunities, and in this context, they realize their shortcomings and implement corrective and preventive actions earlier. In this research, the organizational parochialism, its dimensions, effects, results and organizational components have been studied. The assessment of the organizational parochialism measurement instrument, its reliability and validity has been tested.

# 7.2. Item Selection, Data Collection and Sample Characteristics

The scale development systems are based in six different sections:

- Literary definition of the concept in the field that research has been applied
- Identification of the concept by focusing literature
- Generation of items from the research field
- Reduction of the scale to the applicable measure
- Data collection from the research field
- Testing of the scale by using deep validity and reliability tests

After defining the concept of organizational parochialism through a literature review, we conceptualized five sub-dimensions of the concept through interviews with academics who have done research in organizational behaviour science and 11 company executives who have completed their undergraduate degree and have at least ten years of experience in the field. These dimensions and concept were combined with the questionnaire that we drafted after a detailed literature review. The draft questionnaire form was revised and sent to the same academics and company executives. As a result of these negotiations, the number of variables was reduced. In addition, in the draft part of the research, details such as possible semantic shifts and deficiencies in expression were discussed. At the end of this process, the scale was revealed with 25 items in five sub-dimensions. Likert type scale was used in the questionnaire and the following options were used in each item:

1 = strongly disagree; 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree

In the selection of the research universe, the companies operating in the textile sector of Turkey and members of the Istanbul Textile and Raw Materials Exporters' Association (ITHIB) were contacted. Random sampling system was used as a method in the research processes.

In this direction, online questionnaires were sent to 1,613 businesses with an export value of more than \$500,000 among 6,703 members, and 272 questionnaires were obtained from them. Based on these results, the rate of return to the questionnaires was 16,86%. Additionally, the rate of return to the surveys is 4,06% based on the total number of members. In order to create the data set to be used in the research, we entered all the data coming from the online system into the SPSS.25 program. According to the results obtained from data collecting processes %58,3 was male and %41,7 was female. 65,8% of the companies participating in the research has more than 100 employees, all are exporters and 81% are manufacturers.

**Table 1: Profile of Survey Participants** 

The number of participants	272
Gender	Male: 58.3%- Female: 41.7%
Age range	18-25: 28.2% – 26-40: 45.3% – 41-58: 21.3 % – 58-75: 5.2%
Position	Senior manager: 22.4% – Middle level manager: 26.3% – Department director: 8.7% –
	Marketing: 13.1% – Accountant: 14.7% – Sales: 14.8%

# 7.3. Analyses for Measurement Validity and Reliability

In order to test the construct validity and reliability of the scale, which was planned to be developed with a new perspective, "factor analysis, reliability, unidimensionality, convergent validity and discriminant validity tests" analyses recommended by Bagozzi and Philips (1982) were conducted.

Content validity is a statistical method related to the general statements that originated the scale. Content validity is based on judgments about the adequacy of the test content sample. Judgments about the adequacy of a test content sample can be seen as a way of determining the scientific validity of a measurement. These judgments indicate the extent to which test content areas are represented by test items, thereby ensuring a match between the measurement procedure definition and the actual scheduled operation (Cronbach, 2004). The expert consensus in our study indicates that these items cover the objectives of our study and the subjects to be measured, and indicate the validity of the scale content.

Reliability indicates that the measurements are free from random errors and measure the design consistently. One of the most basic assumptions in measurement theory, one-dimensionality, is the degree to which items represent one and only one latent variable (Garver & Mentzer, 1999). Convergent validity is related to the degree of consistency between applications created with different methods for the same purpose (Rao, Solis, & Raghunathan, 1999; Llusar & Zornoza, 2002). Differential validity states that the dimensions of a concept should be distinctly and independently different from each other (Bagozzi & Phillips, 1982). In other words, the design should yield different results when measuring different variables.

We added all 25 variables to the analysis to create the organizational parochialism survey. When the validity of the scale was tested for the first time, the Cronbach's alpha value was as high as 0.927. The dimensions of 25 elements were analyzed using varimax factor analysis, and the eigenvalues of six factors were greater than 1 at the end of varimax rotation. The data processing procedure took into account variables with a factor load of 0.500 or more. As a result of the SPS, five key components of organizational constraint were obtained. We then tried to test the structural validity of the scale and derived the 5 components of organizational constraint using 25 variables estimated from the scale from explanatory factor analysis. As a result of the exploratory factor analysis, data on factor loadings in the range of 0.774 - 0.869 were obtained. It shows univariate validity by assuming that the factor components are weighted on the estimation factors using 25 variables and 1 is used as the eigenvalue.

Following the results of exploratory factor analysis, data from 272 questionnaires were analyzed using maximum likelihood estimation for validation. According to the results of the Kolmogorov-Smirnov test, which should be used to test the normality of the distribution, the tmin value of each variable was higher than 4.603. This conclusion proves the normal distribution of the scale with a probability of 0.001.

After this stage, the suitability of the model was analysed and the test results obtained are presented in Table 2. These results observed the fit of the predicted model and the resulting model. The regression weights showing the factor loadings on the variables ranged from 0.881 to 0.934. These figures are sufficient in statistics. After examining the error variance, the existing variables with high error variance were not observed.

**Table 2: Model Fitness Values of Primary Confirmatory Factor Analyses** 

x2/df	GFI	NFI	IFI	TLI	CFI	RMSEA
4.673	0.913	0.974	0.918	0.944	0.961	0.081

After the primary confirmatory factor analysis model, structural equation modelling was performed with secondary confirmatory factor analysis to test whether the factor components correspond to the highest level factor structure of the organizational parochialism. According to the results obtained, five factors formed in the primary factor analysis were combined in the secondary factor analysis. According to the organizational parochialism structural factor, 25 variables and 5 components were placed. The factor loads are close to each other (from 0.849 to 0.918) and take very high values. The results are statistically significant (p<0.001). As can be seen in Table 3, the fit values of the model are sufficient and very close to the primary confirmatory factor analysis. For this reason, the 5 factor components that make up the scale were determined as factors in the general dimension of organizational parochialism. Also, there is a statistically significant relationship between all components of organizational parochialism.

**Table 3: Model Fitness Values of Primary Confirmatory Factor Analyses** 

l	x2/df	GFI	NFI	IFI	TLI	CFI	RMSEA
	4.782	0.881	0.902	0.863	0.878	0.918	0.087

According to the results obtained at this stage of the study, the dimensions of the concept of organizational parochialism are named as business management, financial management, competitiveness, employment management and production management. Comparison of very close values of model fit coefficients; The initial and final coefficients of the model obtained during our study show the fit of the obtained model with the original model. The small differences between the fit coefficients of the models are due to the difference in the independence coefficients of the scaled models. By testing the internal validity of the organizational parochialism components, if the variables are omitted, the correlation coefficients and validity coefficients between the variables, the internal validity of the secondary factor analysis model and the adjusted variables were found to be between 0.709 and 0.823. The internal reliability of the coefficients of the model is a=0.903. Thus, the existence of the convergent validity of the structural model of organizational restraint has been proven once again. The cumulative validity coefficient (Werts et al., 1974), which was recommended to be evaluated together with the Cronbach's alpha coefficient in the scale validity process, was calculated as pc=0.948 and was calculated well above the recommended cut-off value of 0.70 (Bagozzi and Yee, 1988).

Model fit indices belong to the final model obtained through the testing process, and when the internal validity of the coefficients are evaluated together, it is seen that the fixed correlation coefficients of each dimension are greater than 0.30 (Gilbert & Churchill, 1979). Overall, those recommended for reliability were greater than 0.70 (Nunnally, 1978) and none of the multiple correlation coefficients distorted the model. The values obtained from this study are above the acceptable values suggested by Price and Mueller (1986). The integrated internal reliability coefficient value (a=0.903) and the combined validity coefficient value (pc=0.948) support the acceptance of the obtained scale as an organizational parochialism scale.

# 8. CONCLUSION AND DISCUSSION

Businesses and organizations take the lead and lag behind in the intense competitive environment they live in. It is possible for businesses to survive, meet their profitability and future expectations by gaining competitive advantage. In this environment, making predictions about the future that will benefit the business will bring important advantages for them (Bennett, 1962; Denis, 1994). Accurate determination of many factors such as employee productivity, employment needs, financial expectations, customer measurements, commercial perspectives, optional principles in production management is vital for businesses (Nonaka vd, 2014). Additionally, it is valuable for organizations to make rational predictions on critical issues concerning the future of the business for their success. Businesses that take the right decisions at the right time, realize the current business burdens, verifying beneficial and harmful aspects, and position the business for the future in the most optimal way can come to the forefront compared to their competitors (Gilbert and Churchill, 1979). In the light of all these information, when organizational parochialism is considered, it has an undeniable importance for the business.

In this research, the problem of parochialism of organizations in the managerial sense was discussed, the concept was examined in depth, its sub-dimensions were determined, and an organizational parochialism scale, which is thought to measure this concept, was developed. First of all, an intensive, detailed and meticulous research was carried out in the literature on the

concept and the different sub-dimensions that are thought to be related to the concept, and the findings obtained from the literature were clearly explained.

The scale developed within the scope of the research was sent to exporting companies interested in the textile sector and the obtained data were analysed statistically. The obtained data were subjected to many different statistical analyses specified in the methodology part of the research, and the results were tested in terms of the existence, accuracy, validity and reliability of the concept. As a result of the measurements and analyses, an organizational parochialism scale consisting of 5 different dimensions was created under the headings of business management, financial management, competitiveness, employment management and production management.

As a result of the subject research, it has been seen that the organizations and businesses that make rational, logical and beneficial predictions about the future will bring significant benefits to the organization. From a different perspective, it is possible for businesses that making wrong predictions about the future in organizational terms or businesses that have no idea about the future may experience significant losses over time.

In the light of all these data, it has been seen that the scale we developed under the name of organizational parochialism can measure the concept statistically together with its sub-dimensions. In order to strengthen the validity and reliability of the scale and to express the concept more accurately, it is thought that it would be appropriate to recommend it to be applied to different sectors and different business units. In this way, it will be possible to identify one of the roots of the short-term survival issue, which is one of the biggest problems of today's businesses.

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#### **APPENDIX**

	Organizational Parochialism Scale					
	1-Strongly disagree, 2-Disagree, 3-Neither agree nor disagree, 4-Agree, 5-Strongly agree	9				
Business management			2	3	4	5
1	My organization applies modern management principles					
2	Management takes the right decisions about the future of the organization					
3	The decisions of the management in this organization affect our future positively					
4	Management leads the organization to success on a global scale					
5	The organization reaches for success with the future truths of the management					
Finan	cial management	1	2	3	4	5
6	Financial decisions made by the organization are very beneficial					
7	The organization looks positively towards the future financially					
8	The organization has no financial concerns about the future					
9	Our organization's financial management adds value to our future					
10	The organization rationally plans the future in a financial manner					
Competitiveness management		1	2	3	4	5
11	Our organization is forward-thinking in competition					
12	The organization makes strategic moves about competition					
13	The organization distinguishes itself positively from its competitors in competition					
14	The future of the organization is brighter than its competitors					
15	The organization makes the right plans for the future in competition					
Employment management		1	2	3	4	5
16	The organization knows how to retain the right employees					
17	The organization plans its future with its important employees					
18	Our organization implements a correct employment policy					
19	The organization is aware of the strategic importance of its employees					
20	The organization makes long-term employment plans					
Production management			2	3	4	5
21 Our organization implements production planning rationally						

22	The organization determines the production needs correctly			
23	The organization constructs the production model in the balance of the market and the supplier			
24	The organization takes future demands into account in production management			
25	The organization considers the element of supply in its production processes			