INVESTIGATING THE INFLUENCE OF RELIGION OVER THE BUSINESS PRACTICES OF TURKISH SME OWNER-MANAGERS

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Abstract:

The aim of this study is to explore the influence of religious beliefs over the business practices of Turkish SME owner-managers. In this research, the emergence of religious business people is considered as a phenomenon, and special emphasises made on the religious transformation and secularism in Turkey. Both concepts, religion and secularism, are considered within the Turkish context. Achieving the goal of this research, in-depth interviews were applied to thirty-two Turkish business people from religious and secular backgrounds. In near future, these interviews will be analysed within our theoretical framework which consists of Max Weber’s Protestant ethic thesis and Anthony Giddens’ theory of structuration.

INTRODUCTION

Turkish has been facing a significant transformation in its social structure for two decades. This transformation process might be classified under several subheadings; however, we intend to focus on the newly emerging business class and its economic activities and dynamics. While we were examining relevant literature to find out a meaningful research question, a point always captured our attention: Newly emerging business class (SME owner-managers) and their new entrepreneurship culture were, usually, mentioned along with their being religious or connected to some religious movements in Turkey. It has been considered as a new attitude regarding worldly activities, especially modern business practices for religious people, because religious people, for long time, were not interested in doing economic activities in a rational and modern way. Basically, Turkish business elites, who are mostly Istanbul-oriented,
have been the prominent representative of Turkish private business sector from the very beginning of the Republic.

In this study I formulated my research question as follow: How does the religion affect Turkish SME owner-managers’ business practices? As known, more than 95 percent of the population is Muslim in Turkey, and it is the only Muslim country that put secularism into its constitution. The state shows strict reflexes to guard country’s secular construct. Secular ideas are shared and embraced by the majority of the Turkish citizens. Therefore, in this study I applied in-depth interview to both groups; secular and religious business people in Turkey. By this way, I intend to investigate to what extent religious beliefs affect business practices and the other possible sources behind business practices of Turkish business people. However, the secular part of the sample in my study is not only a control group, but in terms of secular way of living it is also a theoretical issue in this study. In any religious way of living, the set of rules and their sources are clear and understandable (in terms of what is forbidden or prohibited). But, as for secular way of living, it is more complex and unclear. The sources of secular rules might be related to several elements; such as traditions, politics, culture and even religion. Therefore, in this study, I assume that religion and secularism are not completely separate entities. For instance, most of the secular people in Turkey consider themselves Muslim. It can be said that a particular interpretation of secularism exists in Turkey. In this respect, I separated my sample on the basis of these criteria: People who have daily religious practices and have connection to certain religious movements are considered as religious; and people who has no daily religious practices and have no religious group connection are considered as secular in this study.
However, it is not certain that religious business people have different or unique work ethic values. In other words, we are not sure whether Islam requires a certain type of economic order or business practices. Daily business practices or values of religious people might also be important values for secular business people. Additionally, we also need to explain how some Turkish cities, known by their conservative and religious leanings, created a strong enterprise culture without the support of the state. For this reason, in five Turkish Anatolian cities, I conducted thirty-two semi-structured in-depth interviews with both groups to get individuals’ point of view on this subject.

THE RELEVANT LITERATURE AND THE THEORETICAL FRAME

This newly emerging Anatolia-oriented religious business people are regarded as a phenomenon by Turkish intellectual circles. The number of academic studies concerning Islam and business are also increased substantially in the last decade. While interpreting religious business people in Turkey, mainly, we face two different approaches. The first one, as in Weber’s Protestant ethic thesis, basically stresses the relationship between the religion (Islam) and business activities, in particular the *Islamic ethic* concerning business activities (i.e. Arslan, 2001; Turkdogan, 2002; Yousef, 2001; Ozdemir, 2006). On the other hand, the second opinion, with a Marxist perspective, claims that this phenomenon has nothing to do with Islam. The rising of religious business people is the result of shifting from state-oriented economy to free market after 1980s and, of the liberal politics of Turgut Ozal, the 8th President of Turkey. Based on the idea that Islam was abused by religious business people to accumulate more capital, the second opinion also argues that the rising of religious
capital would be threat for the secular structure of the state (i.e. Bulut, 1997; Dogan, 2006). Even though I intend to use Weber's Protestant ethic thesis as a theoretical framework, I find both above mentioned approaches naïve itself. I consider my own situation between these two approaches and presume that Gidden’s *theory of structuration* will support my positioning. In a way, his theory might be regarded as a mixture of Weber and Marx. In the light of interpretive sociology, in-depth interviewing seems to be the most suitable tool to grasp business people’s own point of view and to understand how they construct their own understanding of Islam and how does this construct affect their business practices.

**Using Weber’s Protestant Ethic Thesis**

In this study, I intend to use a particular Weber interpretation made by Wilhelm Hennis. Max Weber’s “Protestant work ethic” thesis has been a widely studied subject for many years by considerable amount of researchers from a variety of fields. Naturally, we encounter many different interpretations of Weber’s study with different perspectives. Most of the researchers agree about his claim: that ascetic Protestantism played a vital role in the formation of modern, rational capitalism (Weber, 2004). However, this claim might seem vague in itself, and may need to be elucidated by the question *how*? For this reason, we face many different interpretations explaining how Protestant ethic shaped modern capitalism, and under what circumstances it happened.

It is a gripping point that Weber stresses: all of the economically developed countries have already done a series of requisite reformations in relation to the Catholic Church (Weber, 2004). When we examine ascetic Protestantism, we can easily see that
ascetic Protestantism shaped a frugal life style, strongly encouraging people towards hard work. Studying Weber on Protestant work ethic (PWE), we encounter two main aspects: one that in psychological, and another that in sociological. In management and psychology literature there are plenty of studies regarding psychological aspect of PWE. This body of literature is mainly about work related values, attitudes, job satisfaction etc. In this respect, the PWE seems to have been converted to personality dimension separated from its socio-political and religious background that Weber proposed (Niles, 1999). In other words, we can assume that the PWE has become secularized, and it can be considered as “work ethic” itself without its religious aspects. Furnham (1990:32) explain this situation as follows: “…so it could be claimed that the PWE is not exclusively Protestant, about only work, nor exclusively concerned with ethics. It may therefore be more accurate to talk about work values and beliefs rather than the PWE itself”. For instance, in an insightful study, Mahmut Arslan (2001) compares work ethic values of Protestant British, Catholic Irish and Muslim Turkish managers in terms of PWE. According to his research, Muslim Turkish managers (specifically selected from a religious movement), show higher PWE values than their Protestant and Catholic counterparts (Arslan, 2001). The author explains his findings with the minimisation of the Ottoman despotism through democratic reforms and transformation of traditional Sufism into a kind of entrepreneurial ideology (Arslan, 2001:335). In another important study utilising a Weberian interpretive perspective, Ozdemir (2006) focuses on the members of a religious businessmen association, MUSIAD (Association of Independent Businessmen). She interprets this phenomenon as an attempt towards creating an indigenous Muslim ethic compatible with the necessities of the modern world (Ozdemir, 2006).
We presume that PWE values such as thriftiness, hardworking, honesty could also be important values for secular businessmen in Turkey. Therefore, it is hard to claim that religion, in particular “Islamic work ethic”\(^1\) (if there is such a thing), is the only reason for the emergence of successful religious businessmen. However, doing business in a rational and modern way is a new attitude for religious people in Turkey, and this is what we really need to explain. In this regard, we intend to focus on Hennis’s interpretation of Weber on the influence of religion on individuals’ way of living in terms of economic activities.

Hennis (2000) appears to offer a distinct interpretation of Weber in this regard. According to this reading, every social order requires a certain kind of individuals. Consequently, Hennis claims that Weber’s investigation centres around, not a ‘spirit’ at all, but a ‘habitus’. Habitus is a complex concept referring non-discursive facet of culture, particularly manner of leading one’s life within the social orders of life, such as family, community and economic activities in life. Weber considered all these as ‘sphere’ which means a particular aspect of life or activity.

**Using Giddens’ Theory of Structuration**

Giddens’ *theory of structuration* starts with criticising structuralism in social science researches. Basically, structuralism regards human behaviour “as a result of forces that actors neither control nor comprehend” (Giddens, 1984:xvi). His theory focuses

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\(^1\) According to Yousef (2001:154) "both the Islamic work ethic (IWE) and the Protestant work ethic (PWE) place considerable emphasis on hard work, commitment and dedication to work, work creativity, avoidance of unethical methods of wealth accumulation, cooperation and competitiveness at the work place. However, unlike the PWE, the IWE places more emphasis on intention than on results. For example, Prophet Mohammed stated ‘actions are recorded according to intention, and man will be rewarded or punished accordingly’.”
on the role of human agency in the production and reproduction of societal structures through social practices. Giddens mentions about the duality of “actors/agents” and “structure” proposing that “the constitution of agents and structures are not two independently given sets of phenomena, a dualism, but represents a duality” (Giddens, 1984:25). We consider religion as such a “structural feature” that is available in the individual’s social setting and that contains rules and resources which might inform the individual’s values and practices. In this regard, the theory seems appropriate for us to explore the influence of religion on economic activity at the level of the individuals in Turkey.

In my research, I am also trying to grasp individuals’ own understanding of the social reality. As an ontological positioning, I, as a knower (researcher), will try to cocreate the understanding with the respondents. Therefore, this study intends to explore this phenomenon in its natural setting, and it attempts to interpret the phenomenon in terms of the meanings people bring to them. Thus, ontologically this study is not after an “objective truth”, rather I am trying to construct the subjective meaning that religious and secular business people bring into the social reality.

**METHODOLOGICAL CONSIDERATIONS**

It could be characterised that the aim of this study is to explore the impact of religion (Anatolian or Turkish interpretation of Islam) over economic activities, particularly enterprise culture, of small and medium sized owner-managers in Turkey. I should note that Max Weber’s Protestant ethic thesis should not be directly related to this specific study. What I intend to do is using his sociological point of view as a useful conceptual/theoretical frame. In his important essay titled “Economy and Society” he
suggests that “real empirical sociological investigation begins with the question: what motives determine and lead the individual members to behave such a way?” (Weber, 1978: v.1: 13)

In this study, our main concern is also people’s way of living, specifically their attitudes toward economic activities. Therefore, this study will be based on Weber’s main concern which suggests that religion has certain effects on people’s way of living, rather than setting up some causal relationships between religion and economy. The study’s main concern is how religion affects people’s way of living in general and how does this way of living shape their attitudes towards economic and business activities, particularly their enterprise culture. In this respect, Anatolian interpretation of Islam is considered only as a sample, like Calvinism in Weber’s Protestant ethic thesis.

Briefly, in this study, we are trying to understand respondents’ point of view. Understanding is a key concept in the methodology of this study. I use this word in the meaning of Weber’s Verstehen approach. It seems that Weber’s definition covers both explanation and understanding here, however the important point is that the task of “causal explanation” is undertaken with reference to the “interpretive understanding of social action” rather than to external forces which have no meaning for those involved in that social action (Bryman and Bell, 2003).

As for the analytical tools, I intend to apply different interpretive techniques that will help me to analyse the interviews. In the interview process I asked variety of questions which could be categorise into four:
1. Introduction and demographic questions

2. Questions related to business practices and organisational behaviour

3. Questions related to world view and opinions.

4. Private questions concerning the conduct of life.

In this research, I intend to use more than one analysis technique and I assume that analytical diversity would help me to acquire more insight regarding my research question. Gadamer’s hermeneutic approach might be considered as an umbrella tool, and other interpretive techniques could be regarded under it. Hermeneutics, when specific cultural settings and complex social textures are in question, seen as the most useful method (Ozdemir, 2006). However, I should note that hermeneutics is not considered as a theory, but a useful tool in this study. It is also very compatible with Weberian sociology and the theory of structuration. In particular, I presume that, for example, discourse analysis will help me to understand the main idea of the text that I transcribed and to cluster the responses; and narrative analysis could be helpful while dealing with the personal stories of the interviewees.

Note: This research is at the level of analysing. The result of the analysis will be revealed in three months time, I expect.

Bibliography:


