# Panel 23 : Public Administration

1.	Gandhi as an Icon: A Study in Context of Public Rhetoric <i>Munira Lokhandwala</i>	960
2.	Institutionalization of Small and Medium Enterprises Clustering Policy in East Kalimantan Daryono, Sataporn Roengtam, Achmad Nurmandi	961
3.	Understanding "How Religion Matters" at the Organisational Level through Examples in the Scope of Turkish Educational System <i>Oktay KOÇ</i>	970

# Gandhi as an Icon: A Study in Context of Public Rhetoric

Munira Lokhandwala

Associate Professor, Department of English Abeda Inamdar Senior College, Pune-411 001, India E-mail: muniralokhandwala22@gmail.com

#### Abstract

Language influences people, people influence language. It is argued by some that culture is 'reconstituted through language' Language is socially constructed, and depends on the meanings people attach to it. Because language is not rigid and changes depending on the situation, the very usage of language is rhetorical. Public rhetoric refers to discourse both within a group of people and between groups, often centering on the process by which individual or group discourse seeks membership in the larger public discourse. Public rhetoric can also involve rhetoric being used within the general populace to foster social change and encourage agency on behalf of the participants of public rhetoric.

As a segment of society, images can also function in the realm of public rhetoric as photographs. Photographis images recreated as such are extremely important and function as icons. As a version of public rhetoric, iconic images serve to compose meaning and persuade an audience to respond in some way.

India's association with the greatest freedom fighter in the 21<sup>st</sup> century, continued even after the death of Gandhi in 1948. Gandhi is seen on currency notes, in government offices in framed pictures, as statues in public places like streets and gardens, in museums, in tourist memorabilia. The list goes on. The question often arises as to the emergence of Gandhi as an icon not just at the national level but also international.

This paper will examine the various iconic images of Gandhi that influenced the society at the time and is etched in public memory as a social rhetoric. The richness of the Gandhi icons become highly marked for their public rhetoric. The icon of Gandhi sitting at the spinning wheel is a case in point. This paper will explore the conventional icons that Gandhi is traditionally associated with as well as the emerging modern ones. The paper will try to examine the social change that was brought about the emergence of Gandhi as an Iconic leader.

# Institutionalization of Small and Medium Enterprises Clustering Policy in East Kalimantan

Daryono<sup>1</sup>, Sataporn Roengtam<sup>2</sup>, Achmad Nurmandi<sup>3</sup>

<sup>1</sup>Departement of Public Administration, Humanities and Social Science, Khon Kaen University, Thailand
 <sup>1</sup>Department of Public Administration, Faculty of Social and Political, Mulawarman University, Indonesia
 <sup>2</sup>Department of of Public Administration, Humanities and Social Science, Khon Kaen University, Thailand.
 <sup>3</sup>Visiting Professor at Dep of Public Administration, Khon Kaen University, JK School of Government
 <sup>3</sup>Universitas Muhammadiyah Yogyakarta, Indonesia
 <sup>1</sup>Email: daryono hamdi@yahoo.com, <sup>2</sup>Email: sataro@kku.ac.th, <sup>3</sup>Email: nurmandi achmad@umy.ac.id

#### Abstract

Small and Medium Enterprises (SME) cluster policy is not a new policy approach in the development of quality and quantity of SME. In the early 1980s, the Indonesian government adopted a cluster system as a model of SME development. Methodology used in this research is qualitative research in which institutionalism theory is operationalized. The secondary data based study was conducted in the province of East Kalimantan Indonesia studied 2005 to 2015. This paper concluded that the level of cluster development is classified into three types of clusters, The first is "artisanal" or more familiar labeled the infant stage. Second "active" at the level of this SME has been able to penetrate the free market, because it has a broad market outreach. This is supported by the development of capabilities and improving the quality of the use of technology. Third "advance"cluster is already far developed than two clusters before and have had a complete and perfect structures.

Keywords: Small and Medium Enterprises, Institutionalization, cluster, policy.

#### Introduction

Government initiatives to develop SME clusters in Indonesia can be traced back to the late 1970s with the introduction to a national program called BIPIK by the Ministry of Industry (Sandee and van Hulsen 2000). Up to the mid-1990s (before the crisis), the number of SME clusters in industries that had received support from the government totaled 9,022 clusters (Tambunan, 2005:147). However, not all of these clusters showed good performace (Tambunan, 2005:147), despite obtaining government support (Tambunan, 2005:147). Many of the clusters in certain industries and provinces stagnated during the crisis period (1998–1999) (Tambunan, 2005:147). To a certain extent, this different performance was related to different internal conditions (for example, the availability of technology, capital, skills, and raw materials) as well as external conditions (for example, market opportunities and government economic policies) faced by clusters in different industries and provinces. In some industries, output markets have been distorted by monopolistic or other cartel practices by big companies or by government policies such as export tax or regulations on import of raw materials in favor of big enterprises or foreign direct investment firms (Tambunan, 2005:147)

In short, based on the previous research, it can be concluded that obstacles to develop SME cluster are weaknesses of management and economic perspectives. The obstacles and difficulties of SME institution are encountered, ranging from weaknesses in the coordination among many parties involved to the need for increasing capital funding for the system (Haris: 2015). Most SMEs agreed that government should dedicate more efforts in certain actions to eliminate SMEs institution barriers, such as security standards improvement, development programmes, good financial policy, rational energy policy, continuous performance evaluation, commitment of corruption termination, and many supporting program needed by SMEs (Tambunan, 2005:147). Most Indonesian industrial clusters have grown spontaneously from community economic activities independently of government intervention (Mawardi, 2014). However, there is limited research on how cluster and custering policy, per se, are learned from intitutional theory perspective. In this paper, we try to investigate the main research question on how national government implemented SME clustering policy in Indonesia from 2005-2015. How did policy institutionalization between national and local SME clustering policy?

#### **Theoretical Framework**

From a public policy perspective, SME development policies with a clustering approach is important because it is more effective and more efficient for government to provide technical and management supports, training, and general facilities, such as large machinery for raw material drying and processing into halffinished goods, to a group of firms located in one place then to individual firms in dispersed locations, Tambunan (2005). The government would be easier to make patterns, strategies and policies to support the development of SME-oriented cluster (Tambunan, 2005). With the concentration of business in one place it will be easier to consolidate and cooperate in managing the business and conducting supervision. Guidance and supervision by a team of coaches, i.e. the government are also easier to do. SME is a business unit that is necessary for the business climate suport from stakeholder. Officially government has to create a climate as conducive as possible to ensure the course of the business activities of SMEs. Lyon and Atherton in Haris A. (2015) mentioned that there are three fundamental points as characteristics of an industrial cluster, even though structure, size and sector are different, namely; commodity, concentration, connectivity. Furthermore, according to National Development Agency (Bappenas), cluster is industry busines group that interconnected and cluster has key element, namley: the company must be interconnected, located in one area that is easy to be recognized as an industrial center.

It is not difficult to recognize and identify concept from National Development Agency (Bappenas) related to SME cluster. They have two important concepts: firstly, interconnected each other, and secondly, business development have similar kind of business. Through similiar kind of business it will affect the provision of raw material, product marketing, production quality control, market expand, legacy of business and so on. One of the requirements in SME cluster is easy to determine business location. Business location must be close each other, easy to recognize and to reach by customers and highly relevant to strategy standard concept.

Other scholar, Haris (2015), defines cluster as collection, unit, or group of some objects that have similar characteristic and indicator. Indeed, the concept of SME cluster has similar characteristic and indicator. In short, all kinds of business have similarity in running business, interconected each other and doing their business in one business location.

However, in interconected organizations have to be institutionalized in which each organization is linked and cooperated in cohesive or solidness relations. Those relations need behavioral rules, norms and approaches (Ostrom 1999). Each company, research institution and government is actually a formal institution, but in reality they have a habit that is not written yet power and influence almost the same as a formal institution. North (1999) pointed out a code of ethics, customs, local knowledge and social expectations. Related to the concept presented North, there are some scholars who are less agree. Among them are Hodgson (2006) says that North is insufficiently clear about the distinction, (a) between institutions and organization, and (b) between "formal rule" and "informal constraints". Furthermore Hodgson (2006) say that an organization involves structures or networks, and Reviews This can not function without rules of communication, membership and sovereignty so in that case, organization must be regarded as a type of institution

To be more operationalized concept, Scott (2014) identified supporting institution called "pillars" as evolution organization to institution.

	Regulative	Normative	Cultural-			
			Cognitive			
Symbolic	Rule and law	Value experience	Categories			
system			Typifications			
			Scheme			
Relational	Governances system	Regimes	Structural			
system	Power system	Authority system	isomorphism			
			Identities			
Routine	Protocol	Job				
	Standard Operating	Roles				
	procedure	Obedience to duty				
Artifacts	Objects complying	Object meeting,	Object possessing			
	with mandated	convention,	symbolic value			
	specification	standard				
Source: W. Richard Scott, Institution and Organization, Sage, Los Angeles, 2014						

Table 1. Three Pillars of Institution

Proceedings of 12<sup>th</sup> International Conference on Humanities & Social Sciences 2016 (IC-HUSO 2016) 14-15 November 2016, Faculty of Humanities and Social Sciences, Khon Kaen University, Thailand

In industrial clustering policy, there are norms, rules and practices that form the behavior and expectations of the stakeholders. At the first stage of SME's clustering policy, government try to establish regulation, governance system, standard operating procedure and compliance system. When each stakeholder has achieved understanding and doing their convention wholeheartedly (Nurmandi, et al, 2016). They are believing in each other. In other word, thay are doing business in trust each other that cooperation among suppliers, customers and other partners should be taken more seriously in order to SMEs can achieve innovation and define the ability of an SME to innovate as its ability to choose "ever-changing environment-responsive strategies and actions to achieve corporate goals (Lee et al., 2012). The services and facilities would be very costly for the providers if given to individual enterprises in dispersed locations (Tambunan 2000; Humprey and Schmitz 1995). The obedience of each actor in internal network and external network is essential component of cluster (Ceglie and Dini 1999). The figure below illustrates the Company's large-capacity bagimana relationships with various elements to create clusters of SMEs. There are four factors that influence the development of SMEs berbass clusters include: Context for firm strategy and rivalry, Demand conditions, Related and supporting industries, Factor (input) conditions.

It is not easy to apply and implement concepts for developing SME clusters. But in essence that the cluster system will be formed if there is a minimum requirement, among others, the interconnections with one another, their similarities and availability of products or outputs strategic location. Strategic here is referring to is reasonably priced by the market, easy to reach and easy to recognize as the center insdustri. To more clearly understand the concept development of SME clusters, can be understood from the figure below:



#### Figure 1. An Illustration of Government Policies of Cluster Development

#### Source : Tambunan, 2005

964

Based on the picture above, it explained that government policies related to SMEs clusters, its hierarchy. The Policy is Aimed for large-scale business units. Surely the government has a comprehensive strategy in formulating policy. Large-scale business units are believed to have a system that is well defined. The indicator is to have a clear organizational structure, human resources sufficient and non-human resources, technology support also become the foundation for large-scale business unit. Tambunan mentioned that there are four factors that are developed in the Large Enterprises. The first is the development strategy and competition among competitors. Companies need to have a strategy in the face of fierce competition. Competition

will spur the development of kreatifias. Creativity will increase productivity, and productivity will impact posisitif Dapa profit increases. In this case sound strategy is needed in the face of competitors. The second is the demand and market conditions. Required foresight and intelligence in understanding the products according to market demand. Changes in the pattern of people's lives will affect the types of products manufactured by the company, therefore the company management needs to hold the renewal of products to suit the needs of the market. Analysis of the market is also related to the segments. The third is networking. Large industry can not possibly stand alone. He needed a partner to develop, for example, the provision of raw materials, product marketing, provision of supporting facilities and so forth. The existence of small-scale industry that became partners are business networks need to be built. Building partnerships with small and medium-scale industry is an effort in expediting the process of production and the marketing of products Fourth is the factors that influence the development of Large Enterprise. Factor is meant here is input or input from internal and external in the repair system and management companies. Input is intended for the improvement of human resources, improvement of systems or internal performance, and improved marketing system, system production and management company asset management. If these things can be achieved, it will have a positive impact on the development of the company. Basically four steps are enough in the course of corporate development. However, there is something missing: the specificity technically. The first is a special partnership and development patterns to MSMEs. And the next point is the evaluation of the existing programs

#### **Research Methods**

This type of research is qualitative descriptive. SMEs with the cluster system is finding a method developed in Indonesia at this time. Related studies of this method needs to be done for the development of better results. The institutional development approach is a new one to strengthen the development of the cluster system. The policies in this regard needs to be compiled and displayed. Therefor, the organization of SMEs would be a sound business units internally and externally. Methodology used is qualitative research in which institutionalism theory is operationalized for the East Kalimantan, Indonesia case study.

# **Result and Analysis**

SMEs cluster policy institution could be analyzed from the regulative dimension. Regarding to SMEs, the Indonesian government has issued laws, No. 20 Year 2008 describing criteria for SMEs, among others:

Criteria Micro is as follows:

- ✓ Have a net worth of at most Rp. 50,000,000.00 (fifty million rupiahs), excluding land and buildings; or
- ✓ Has annual sales results Rp. 300,000,000.00 (three hundred million rupiah).

Criteria for Small Business is as follows:

- ✓ Have a net worth of more than Rp. 50,000,000.00 (fifty million rupiah) up to at most Rp. 500,000,000.00 (five hundred million rupiah) not including land and buildings; or
- ✓ Has an annual sales turnover of more than Rp. 300,000,000.00 (three hundred million rupiah) up to at most Rp. 2.500.000.000,00 (two billion five hundred million rupiah).

Criteria Medium Enterprises are as follows:

- ✓ Have a net worth of more than Rp. 500,000,000.00 (five hundred million rupiah) up to at most Rp. 10,000,000,000 (ten billion rupiah), excluding land and buildings; or
- ✓ Has an annual sales turnover of more than Rp. 2.500.000.000,00 (two billion five hundred million rupiah) up to at most Rp. 50.000.000,000 (fifty billion rupiah).

With reference to the above criteria, then a clearly understood about the limitations of SMEs with Large Enterprises.

# 1. SME Clustering Regulative Policy

The law and Regulation are about Small and Medium Enterprises as bellow:

- ✓ Law No. 9, 1995 about Small busnises
- ✓ Government regulation No. 44, 1997 about Partenership
- ✓ Government regulation No. 32, 1998, about Guidance and Development Smal Business
- ✓ President Decree No. 127, 2001 about Empowerment of Midle Business
- ✓ President Decree No. 127, 2001 about business various that provided for small business and business various that open for Midle Business or big business with partnership requirement
- ✓ President Decree No. 56, 2002 about Debt Restructuring Small and Medium Enterprises
- ✓ Regulation of Energy and Mineral Resources Minister Per-05/ MBU / 2007 on Partnership Program State Owned Enterprises with Small Business and Community Development Program
- ✓ Regulation of Energy and Mineral Resources Minister Per-05 / MBU / 2007 on Partnership Program State Owned Enterprises
- ✓ Law No. 20 Year 2008 on Micro, Small and Medium Enterprises

Laws and regulations on a long history of forms of government support for the development of SMEs in Indonesia. SMEs need the Act as an umbrella law and require government regulation, Decree of the Minister and others, to the technical implementation in running the business of SMEs

# 2. Normative Approach and Problem of SME's Cluster

In the face of competition in 21st century, Small and Medium Enterprises are require to carry out restructuring and reorganization with the aim to meet the growing consume r demand for more specific, rapidly changing, high quality product and low prices. One of effort should be act by Small and Medium Enterprises is cooperation with the big Business. Cooperation between companies in Indonesia, in this case between Small and Medium Enterprises with The Big Business known as partnership term (Government decree No. 44, 1997 about Partnership). Partnership must be accompanied guidance by The Big Business againt Small and Medium Enterprises which to observe the principle of mutual need, mutually reinforcing and mutually beneficial.

The pattern of partnership between Small and Medium Enterprises in Indonesia is enacted, according Law No. 9, 1995 about Small Business and Government degree No. 44, 1997 about partnership, consist fifth pattern : Plasma core, Sub-contracting, Geberal trade, Agencie, dan Franchising

The potential benefits for Small and Medium Enterprises and The Big Business are doing partenership include the first, from economic standpoint, the business partnership requires efficiency, productivity, emproving product quality, reducing pruduction cost, prevent fluctuation in supplay, reducing the cost of research and development, enhance competitiveness. Second, from the moral, business partnership shows the efforts of togetherness and equality. Third, from standpoint of social-political, business partenership can prevent social inequality, social tension, in political issue. These benefit can be achieved throughout the partnership conducted base on principle mutually need, mutually reinforcing, and mutually beneficial.

The Success of a business partnership is determinant by their adherence among partners in running the business ethics. Actors directly involved in the partnership should have the basic of business ethic understood dan adhered together as starting point in running the partnership. According Keraf (1995) ethics is a critical and rational reflection moral value and norm that define and manifest in attitude and behavior patterns of human live, both as individual or as a group. Thus, the success business partnership depend on their share values, norm, attitudes, and behavior of the perpetrators who carry out these partnerships.

#### 3. SME Cluster from Cognitive Dimension

The clusters were established naturally as traditional activities of local communities whose production of specific products have long been proceeding. Various studies show the importance of clustering not only for the development of SMEs in the clusters, but also for the development of villages/towns in Indonesia. (Tambunan:2005).

Based on the study of Tambunan that there are other positive impacts that arise from this cluster system. In general that the location or place of business MSME cluster system is more oriented to rural areas. Thus, the rural development physically and mentally will lead to urban style. Increased mobility of citizens, development of infrastructure which continues to be driven and the focus of the stakeholders are shifted toward the countryside, will certainly give birth to a policy-oriented policies in the countryside. If this is maintained and if possible improved, the villages that had fallen behind the development programs will move forward into a region increasingly well-organized, especially organized economic quality.

The problem now is how the cluster system development in East Kalimantan. Observing the development of SMEs in the province, not as advanced in other areas, especially when compared to SMEs in Yogyakarta, East Java, Central Java, West Java and Jakarta. East Kalimantan province has 10 District and the City, however, to describe the development of SMEs, researchers took a few areas that have the potential progression system clusters, among others: Samarinda, Balikpapan and Kutai Kartenegara. These three areas have a significant number of SMEs; Samarinda 69 754, Balikpapan 48.874 and Kutai 45. 213.

It should be recognized that the cluster system can not be conducted in all districts of the province of East Kalimantan. The most likely is in Samarinda, Balikpapan, Kutai Kartanegara. It is based on several factors, among others: the raw materials, the business climate, human resources, marketing, network and system work from SMEs themselves, and considerable role of this program is the commitment and support of local government. Support from local government in the form of support through policies, guidance, and market expansion. An absolute requirement in the formation of clusters of SMEs with the system is independent from the others, have similar products and centralized in one area that is easy to reach the market and are easily recognized as a center of business

Samarinda is the capital of East Kalimantan province. The city has some advantages and benefits when compared with other areas in the region of the province. Advantages and benefits in question is twisted or entrepreneurial spirit that has begun to grow on the public medium, enabling business climate, a lot of SMEs that have similar products, a strategic geographical position, and the availability of raw materials and human resources support sufficient. Nevertheless, the quality and the development of SMEs clusters not as advanced in Java. SME clusters and surrounding dijawa has had national and international quality. Inlah need to develop SME clusters in Samarinda. Here is evidence that SMEs in East Kalimantan have not been able achievements both nationally and internationally.

	Tuoto 2 Douaing Thins in Some Hearte and Dynamic Clusters						
No	Cluster	Location	Leading Firm				
1	Wig and Hair Accessories	Purbalingga (Central	PTa Royal Korindah,				
		Java)	PT Indo Kores				
2	Handicrafts	Kasongan and Sleman	PT Out of Asia				
		(Yogyakarta)					
3	Textile Weaving	Pekalongan (Central	PT Pismatex				
		Java)					
4	Furniture	Jepara (Central Java)	Duta Jepara, Grista				
			Mulya, Satin Abadi				
5	Brass Handicrafts	Juwana (Central Java)	Krisna, Samarinda				
6	Roof Tile	Kebumen (Central Java)	Mas Sokka				
	~ ~ ~ ~ ~ ~ ~	· · · ·					

Table 2 Leading Firms in Some Active and Dynamic Clusters

Source : Supratikno 2002

In addition Tambunan (2005), say that other factors that have significantly contributed to the aforementioned uccess stories: (1) strong local sector associations; (2) long exposure to foreign tastes brought forward by international tourism; (3) a considerable medium-scale direct investment by western immigrants married to Indonesians; and (4) a strong role of trading houses in brokering and organizing exports.

### Conclusion

This study has three main contributions. First, the study has found that, according to their level of development, there are three types of clusters in Indonesia. The first one is called "artisinal" cluster, which dominated clusters in Indonesia, indicating that the process of clustering in the country is still at an infant stage. This type of cluster displays many characteristics of the informal sector, with level of productivity and wages being much lower than those of clusters dominated by SMEs. The second type is called "active" clusters, which have developed rapidly in terms of skills improvement, technological upgrading, and successful penetration of domestic and export markets. The third type is modern or "advanced" cluster in which many active clusters are more developed-and become more complex in structure. Finally, Institutionalization of Small and Medium Enterprises Clustering Policy is very important to support Smal and Medium Enterprises existence.

# References

968

- Asmara, A. Y., & Rahayu, S. (2013). Improving the Competitiveness of Small and Medium Industries through Innovation and Use of Social Networking: Lessons From Industry Cluster Software in India. Sustainable Competitive Advantage (SCA), 3 (1).
- Andriyanto, I., & Nurjanah, N. (2016). Industrial Cluster Strategy To Face The Global Market. Business: Journal of Business and Management Islam, 3 (1), 85-114.
- Dipta, I. W. (2015). Cluster Development For Competitiveness Smes Dealing Acfta. INFOKOP, 18 (1).
- H. Salim, "SMEs Development in Indonesia", 1st Meeting of the COMCEC Trade Working Grou, Ankara: COMCEC, (2013) June; Ankara, Turkey
- Harvie, C. (2004), "East Asian SME capacity-building, competitiveness and market opportunities in a global economy", Economics Working Paper Series, WP 04-15, University of Wollongong.

 Proceeding of 12<sup>th</sup> International Conference on Humanities & Social Sciences 2016 (IC-HUSO 2016),

 14-15 November 2016, Faculty of Humanities and Social Sciences, Khon Kaen University, Thailand

- Haris, A. (2015). Sistem Klaster Dalam Pengembangan Usaha Mikro, Kecil Dan Menengah (Umkm) Siap Mengahadapi Tantangan Asean Free Trade Association Dan Masyarakat Ekonomi Asean Tahun 2015. MONEX, 3(2).
- Irjayanti, M., & Azis, A. M. (2012). Barrier factors and potential solutions for Indonesian SMEs. Procedia Economics and Finance, 4, 3-12

Law Number 20 2008

- Lee, Y., Shin, J. and Park, Y. (2012) 'The changing pattern of SME's innovativeness through business model globalization', Technological Forecasting and Social Change, Vol. 79, No. 5, pp. 832-842.
- Mawardi, M. K. (2014). The survival of micro, small and medium enterprises (MSMEs) in Indonesian industrial clusters: A case study of the furniture and footwear industrial cluster of East Java Province, Indonesia
- M. I. Muhairat and R. Al-Qutaish, "An Approach to Derive the Use Case Diagrams from an Event Table", 8th WSEAS, "Int. Conference on Software Engineering, Parallel and Distributed Systems", (2009) February 21-23 ;Cambridge, United Kingdom.
- Nurmandi, A., Muallidin, I., Priyopurnomo, E., & Suryanto, S. (2016). The indonesia's Police Reform Police in the Reform Era New Institutionalism Perspective. Jurnal Studi Pemerintahan: Journal of Government and Politics, 7(2).
- Sandriana, N., Hakim, A., & Saleh, C. (2014). Main Regional Product Development Strategy Based On Cluster In Malang. Reform., 5(1), 89-100.
- Scott, W. R. (2005). Institutional theory: Contributing to a theoretical research program. Great minds in management: The process of theory development, 460-485
- Scott, W. Richard. (2014) Institution and Organization, Sage, Los Angeles, 2014
- Suddaby, R. (2010). Challenges for institutional theory. Journal of Management Inquiry, 19(1), 14-20.
- T. Tambunan, "Development of SME in ASEAN with Reference to Indonesia and Thailand", Chulalongkorn Journal of Economics, (2008), pp 53-83.
- Tambunan, T. (2005). Promoting small and medium enterprises with a clustering approach: A policy experience from Indonesia. Journal of Small Business Management, 43(2), 138-154
- Tambunan, T. (2006), Development of Small & Medium Enterprises in Indonesia from the Asia-Pacific Perspective, LPFE-Usakti, Jakarta.
- Tambunan, T. (2006), "Transfer of Technology to and Technology Diffusion among Non-farm Small and Medium Enterprises in Indonesia", Copenhagen Journal of Asian Studies, 24.
- Tambunan, T. (2008), Development of SMEs in ASEAN, Readworthy Publications, Ltd, New Delhi. Tambunan, Tulus T.H. (2009), SME in Asian Developing Countries, London: Palgrave Macmillan Publisher

# Understanding "How Religion Matters" at the Organisational Level through Examples in the Scope of Turkish Educational System

Oktay KOÇ

Faculty Of Economics And Administrative Science, Kocaeli University, Turkey E-mail: oktaykoc@yahoo.com

#### Abstract

This study's aim is to analyse the role of religion as an institutional sector (with neoinstitutional scholars' saying) on organisations at meso level (i.e. governance structure and functioning of organisations). Some of the organisational scholars (e.g. Tracey, Hinings) emphasize the lack of studies in the related literature, and the need of filling the gap in the body of knowledge in organisational analysis particularly in terms of the effects of religion on organisations. Moreover, Tracey (2012) claims that, "It is surprising that management researchers have not explored the intersection between religion and organization in a more meaningful and determined way". Depending on this, current study has two different aims in theoretical and practical pillars/dimensions. It is firstly focused on filling the gap in the related literature, and secondly providing insights for implementation through exploring the role of the religion as an institutional sector.

To this end, I focused on to analyse two different educational institutions within the Turkish educational system in terms of some points such as their orientations (religious vs. non-religious), structural and operational characteristics and their dependence on resources etc. Former of these institutions is Imam Hatip Schools as religion based and religiously motivated institutions and the latter is Anatolian High School as secular/non-religious institutions. I purposefully chose educational field in Turkish context, whereby dominance of Islamic-Turkish ideology and values of the state strengthen exposure of religious institutions on educational institutions to a greater degree (Kongar, 1994).

During the analysis process, I keep a qualitative research path since qualitative methods are mostly proposed as useful to analyse newly emerging and less well understood phenomenon (Myers, 2009). For collecting data I especially use two main data sources: Firstly and mostly document analysis (such as constitution, acts, by-laws, other regulative texts and strategic plans of these institutions) and in rare interviews with the directors of these two different educational institutions, and one senior manager of the National Education Ministry of Turkey (General Manager for Religion Education). For data analysis I prefer to use descriptive analysis.

In the end gathered data reveal that religious educational institutions differ from nonreligious (secular) ones particularly in the content of educational activity; the tools for the main (educational) activity; the relations with the supportive actors; the official ties with the superior actors (e.g. Ministry) and the judicial infrastructure, with the aim of keeping their mission, and in turn, securing the legitimacy. Furthermore I also explore that raison d'être of institutions require these differentiations.

Surprisingly I determine that these institutions resemble each other in some points such as the structure of organisation and management and responsibilities to the Ministry of Education.

Proceeding of 12<sup>th</sup> International Conference on Humanities & Social Sciences 2016 (IC-HUSO 2016), 14-15 November 2016, Faculty of Humanities and Social Sciences, Khon Kaen University, Thailand