

## **Participation Banks: A Suitable Environment for Workplace Spirituality**

Katılım Bankaları: İşyeri Maneviyatı (Ruhsallığı) İçin Uygun Bir Ortam

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## Abstract

Participation banking is a banking system that operates on a profit and loss sharing basis and foresees risk sharing. In this system, islamic principles are taken into consideration. Although, known as participation banking in Turkey, it is pervasively known as interest-free banking or islamic banking in most other countries. Participation Banks, which are getting more and more important in the banking system, are of great importance in terms of bringing the savings of people with interest sensitivity to the economy and attracting similar foreign funds to the country. In this study, firstly, the concept of participation banking and the concept of workplace spirituality which is a trend new concept in the field of organizational behavior that focuses on the spirituality of individuals in the workplace will be elaborated in details and then it will be tried to explain why participation banking is a suitable environment for workplace spirituality. To this end, the conceptual realities underlying these two concepts and the points of contact between them will be explained.

**Keywords:** Banking, Participation Banking, Workplace Spirituality, Spirituality.

## Öz

Katılım bankacılığı, kar ve zarara katılma esasına göre çalışan ve risk paylaşımını öngören bir bankacılık sistemidir. Bu sistemde islami esaslar göz önüne alınmaktadır. Söz konusu sistem, diğer ülkelerde daha çok faizsiz bankacılık ya da islami bankacılık olarak bilinmesine rağmen, Türkiye’de Katılım Bankacılığı olarak bilinmektedir. Bankacılık sistemi içerisinde her geçen gün daha da önem kazanan Katılım Bankaları, özellikle faiz hassasiyeti olan kişilerin tasarruflarını ekonomiye kazandırmak ve benzer nitelikteki yabancı fonları ülkeye çekmek noktasında büyük önem arz etmektedir. Bu çalışmada öncelikle katılım bankacılığı kavramı ve örgütsel davranış alanında yeni bir kavram olan ve iş ortamında bireylerin maneviyatını yaşamasına odaklanan iş yeri ruhsallığı kavramları arasında durululacak daha sonra da katılım bankacılığının işyeri ruhsallığı için neden uygun bir ortam olduğu açıklanmaya çalışılacaktır. bu amaçla bu iki kavramın arka planında yatan kavramsal gerçekler ve aralarındaki temas noktaları açıklanacaktır.

**Anahtar Kelimeler:** Bankacılık, Katılım Bankacılığı, İşyeri ruhsallığı

(maneviyatı), Ruhsallık (Maneviyat, Spiritüelite).

### **Introduction**

Banks can be considered as money factories financing modern economies (Kalaycı, 2013: 51). Participation banks carry out this mission through profit-loss partnership rather than using interest as a funding tool. Prohibition of interest in islamic religion has necessitated and encouraged the establishment of an alternative banking system in many muslim countries. The fact that interest was banned in islamic religion, funds in islamic countries are excluded from the financial system and the need to use these funds in the field of economic development led to the emergence of interest-free banking in Islamic countries. Participation banking is a financial system in which goods and services are closely tied to money, that is to say, transactions related to money are strictly based on transaction involving a good or service, and income is shared as profit and loss (Törenek and Yavuz, 2018: 458).

Today, Participation Banking is a revolutionary development in the finance sector. Participation banks are important mechanisms for transferring idle savings in the economy belonging to those kind of people who prefer interest-free participation funds due to their religious sensitivities (Kalaycı, 2013: 51). Participation banks are financial institutions that carry out traditional banking transactions within the framework of islamic rules without interest. In these banks, fund collection and disbursement operations are carried out in accordance with islamic rules. However, the finalized profit or loss at the end of the term or as a result of termination of the partnership is shared at the rates determined by the parties (Kelleroğlu, 2017: 158). Moreover, participation banks do not invest in these instruments owing to the extreme uncertainty and speculative transactions in the markets where derivative financial products are traded (Babuşçu and Hazar, 2017: 178).

The main feature of the financing instruments used by the participation banks is their inclination to ensure that the earnings and risks are distributed in a fair manner according to the profit or loss situation that will be encountered due to the absence of a predetermined gain. Participation banks carry out transactions in the fields of activity that the islamic religion considers appropriate. For instance: it is forbidden to produce, trade, and finance any products

that do not comply with Islamic moral rules such as alcohol, pig products, casino products.

Culturally, these banks are a bit different compared to conventional banks. As in the case with their customers, in participation banks as employees and as managers mostly people that have higher levels of religious sensitivity prefer working in these organizations. In these organizations, bankers that are sensitive to interest owing to religious reasons may feel themselves more comfortable and peaceful. They can experience value congruence between their own sensitivities and their organization's sensitivities since both parts prefer to avoid interest and *haram* transactions. Moreover, they can satisfy their spiritual goals by contributing to higher level goals regarding creating a more fair and equalitarian community wherein Islamic financial mentality prevails.

This religiously nourished atmosphere in participation banks is a good environment for living workplace spirituality. As Ashmos and Duchon (2000) explains, workplace spirituality is one's ability to carry his/her inner world and spirituality to the work environment, do meaningful work and feel belonging to the group he/she is in. In this study, we suppose that organizational members of participation banks can find their work more meaningful due to the value congruence mentioned before and they can feel more satisfied and more peaceful in a work environment wherein they can live their own spirituality.

### **1. Participation Banking**

The banking sector, which can be conceived as a money factory, is divided into several sub sectors, that is to say there are different methods of banking. For example, central banks issue banknotes and implement monetary policies. Other banks are intermediate stations where money is collected and distributed by different methods. Traditional commercial banks create formal money by first collecting interest and depositing loans. Development and investment banks eliminate the need for loans by issuing bonds directly and / or intermediating companies issuing bonds. Participation banks, on the other hand, transfer the savings they collect with interest-free but profit-loss partnership to the real sector as an intermediary in

accordance with the "third type banking" argument (Kalaycı, 2013: 52). According to Habib (2002), they attempt to gain higher profit and shareholder value added through the increased number of financial tools such as depository institutions, contractual and investment intermediaries.

In fact, the first institutional structures where the participation banking principles have been applied were money foundations. The first money foundation was established in 1456 by Mehmet the Conqueror with the amount of 24.000 gold right after the conquest of Istanbul. This foundation financed the butchers for the supply of meat to the janissary furnaces. The number and importance of money foundations of XIX. century, has diminished in economic life and disappeared over time (Kelleroğlu, 2018: 159). History of modern participation banking goes back to 1940s (Kalaycı, 2013: 51). But it has become more pervasive after 1970s. With the oil crisis in 1973, the capital of the Gulf countries increased. The Gulf countries' utilization of their increased capital in interest-free funds paved the way for the development of the interest-free banking system worldwide (Törenek and Yavuz, 2018: 454). In Turkey interest-free banking activities under the name of "Private financial institutions" began in 1985. After the amendment made to the Banking Law no. 5411 in 2006, they became "Participation Banks" (Törenek and Yavuz, 2018: 454). Integrated with the general banking system, and commodity trade as a system that connects fund collection to the profit-loss relationship on a risk-based basis (Apak and Açıkgöz:72).

Today, in many countries, there are financial institutions that carry out banking activities on an interest-free basis, as well as western institutions that establish interest-free units by not being indifferent to developments in this field. For example; Union Bank of Switzerland, ANZ Grindlays (Kelleroğlu, 2018: 158).

## **2. How do participation banks function?**

Participation banks, that carry out alternative fund collection and disbursement activities, contribute to saving rate and create capital accumulation and utilization. For example, SMEs (Small and Medium Enterprises) can assess the support of participation banks in their competitiveness with large enterprises (TKBB, 2009b: 250). Participation banks operate within the sector,

in line with the values and beliefs system of the Islamic religion, in line with the principles of the Islamic religion, and have a structure that provides efficient and competitive banking, investment, trade finance and commercial and real estate financial services (Ayriçay et al. 2013: 121). The use of a large portion of their resources for SMEs, which constitute the driving force in the economy, has contributed positively to the sustainability of economic growth, especially with the recent creation of SME financing (Apak and Açıkgöz, 2011:72). The main activity of participation banks is to finance the real sector. These institutions spread to the country by branching, contributing to regional development by gaining widespread and depth in fund collection and utilization. Thus, they brought the investments demanded on the social base to the feet of individuals and businesses and ensured the investment to be meticulously allocated to regional needs and entrepreneurs. Protecting account holders and providing them with stable high returns has been made possible by allocating risk to different economic sectors in the fund pools (Özsoy and Yabanlı, 2011:2). In its basic structure, participation banking means that monetary transactions and goods and services movements are tightly interconnected, and that every money movement necessarily corresponds to a good or service; on the other hand, it is possible to define income as a system in which the profit and loss partnership is divided. Moreover, in traditional banking, money is treated as a commodity. In interest-free banking, the situation is different. Money is exchanged for money only in equal amounts. So, it is borrowed without interest. If money is to be earned, it must necessarily correspond to an increase in the value of a service or good to the public. That is, an increase in the monetary side in a monetary transaction must be balanced by a real increase in the goods or services side (Özsoy, Görmez and Mekik, 2013: 188).

On the other hand, different from conventional banks, participation banks have to appoint a board of Islamic scholars called "Shari'a Supervisory Board". In participation banking Islamic Shari'a laws provide rules regarding resource allocation, management and capital market activities. Shari'a Supervisory Board is an independent body. It is also allowed to attend the board of directors meetings when the topic is something related to the religious aspects of their problems. Hence, Shari'a Supervisory Board sets policies and regulations according to Shari'a. It is an important mechanism in

approving transactions from legal side and in preparing contracts according to Islamic Shari'a (Nathan and Ribiere, 2007: 472).

### **3. Philosophy of Participation Banks**

Participation banks are principally based on Islamic law, which prohibits interest. Therefore, one of the main themes is that the Islamic religion has made interest-free earnings 'halal' and interest-based earnings 'haram'. Participation banks have to determine and regulate their fields of activity and methods within this framework. According to Islamic philosophy, the amount to be paid should be determined as a result of the performance of the debtor in his work. The lender will also be involved in the business risk of the borrower and the resulting profit or loss will be shared (Kayahan, Görkaş, Halime, 2016: 79). Due to the prohibition of interest, the person depositing the bank has the identity of an investor rather than a lender. Borrower and lender parties jointly undertake business risk to share profit or loss as a result of commercial and production activities (Tunç, 2010: 123). These banks are in compliance with the religious principles of their financial activities they seek advice from those who have specialized on these issues with the objective of examining the degree of realization and giving consent (Çelik, 2015:90). In Islam, the concept of interest as a rebound is seen as an excess of money borrowed and is banned in trade. Since there is no risk that the lender takes on while the principal increases, it is banned in Islam (Özel, 2013: 2). Entrepreneurs and financiers should share the same risks in order to obtain a profit share in participation banking. In the participation banking approach, money becomes capital only if it enters the production process together with other resources (Tuhan, 2014: 14). There are many reasons for Islam to forbid interest. Some of them are; interest leads to the exploitation of the needy by the owners of capital, the accumulation of capital in certain hands, the emergence of classes, and the disparity in income distribution between classes, leading to the deterioration of social balance. Islam has a financial philosophy that necessitates that wealth should not be left idle and not to be excluded from production and investment. In Islam, "labor" was accepted as the basic factor of production and capital was prevented from being a means of earning alone without enduring risks and losses (Tuhan, 2014: 28).

Considering the role of participation banks in the financial world, it is important to use participation banks as an important financial intermediary that should be in the system. Founded around religious expectations and concerns, these financial institutions also strive to meet current expectations as they are in the cyclical financial field (Çelik, 2015: 93). Participation banks must always act in accordance with religious expectations and orders while establishing, performing their activities and incorporating new financial practices. This necessity requires them to keep the legitimacy of the steps taken on the agenda. These institutions undertake religious foundations of their activities. They do not want to have activities that are not based on religious sources. In this sense, participation banks serve not according to time, but according to banking practices that must be based on religion (Çelik, 2015: 93).

#### **4. Workplace Spirituality**

In the 21st century, globally increasing changes and challenges in the labour market have given way to increasing demands for both employers and employees. These changes also led to a redesigning process about the essence of work. Nowadays, employees spend most of their times at work rather than at home that makes it necessary to bring their inner selves to workplace as well as their bodies and minds (Naidoo 2014:1). They now bring more of their souls and spirits to work, which created the phenomenon of workplace spirituality (Schutte, 2016:1). Workplaces are becoming the most important communities and they even replace the role of families, friendship circles and other kinds of social communities (Schutte, 2014:4).

In fact, spirituality is the search for a vision that involves service to other people, humility, compassion and truthfulness. It can be explained as a psychological pattern wherein a meaningful life, wholeness, and interconnectedness are melted in the same pot (Baykal and Zehir, 2018: 124). It can be considered highly individual and intensely personal awareness. It is a search for a state of human existence that creates a sense of connectedness with the outer world and with the unifying source of all life. Therefore, it can be conceived as an expression of individuals' need for meaning, love and joy in life (Dreyer and Hermans, 2014:3).



In parallel with this definition, the experience of spirituality at work refers to workplace spirituality. Workplace spirituality is a postmodern trend. Because of the decline in the number of worship places such as churches, mosques etc. and communities wherein a sense of community can be experienced and community can be experienced, the workplace has become substitute for spiritual areas (Van Tonder & Ramdass 2009:2).

The experiences of meaningful work and sense of connectedness are two main aspects in workplace spirituality (Pawar, 2016: 976). In fact, a more common definition of workplace spirituality encompasses three main dimensions, namely; inner life, meaningful work, and a sense of community (Chawla and Guda, 2013; Benefiel, Fry, and Geigle, 2014). In workplace spirituality literature, the concept of meaning explains individual's experience regarding the contribution of their work to the larger good of their community or society, while the concept of sense of community describes individuals' relationship with others at work and it is mostly characterized by "care, relatedness, mutual obligations and loyalty" (Duchon and Plowman, 2005: 814). On the one hand, inner life dimension suggests that work is motivating in case it matches with one's self-identity and an individual's social identity necessitates a larger social context in order to flourish (Pirokola et al., 2016: 860).

## **5. Materialist mindset and economic perspective of Islam**

Capitalism, namely, the economic and social system that prevailed in Western society since the industrial revolution and influenced other countries of the world and has survived until today. The main pillar and indispensable element of capitalism is producing more, earning more and growing continuously (Çayıroğlu, 2014: 150). Growth, development and progress such as the growth of the economy as a system, the growth of capital, the growth of earnings and revenues, the growth of consumption, the growth of agricultural and animal productivity, the growth of welfare, etc. are the sine qua non of capitalism. Therefore, the basic measure of capitalism in the evaluation of human and society has always been quantitative values. The materialist mind, which is the manifestation of modern lives has put forward an inhuman economic mentality. The materialist-capitalist mentality, with both liberal and

socialist imagination, conceptualized the human as a resource and the world as a property and built a mind and language on it and applied it to life. In the face of the attacks of the gloomy global capitalist economy which led to the consumption of the world and of the human being together with the showy desires, man was incapacitated (Hazıroğlu, 2015: 34). There has remained almost no space and value that capitalism, which has become a way of life, almost does not interfere, enter, change, commodify and objectify. Most things, including cultural products, have become trade commodities (Duman, 2014: 92). With interest, the rich get richer, while the poor get even poorer. This situation is an issue that violates social equality. With the interest system, the difference between the richest and the poorest in income distribution is increasing and turning into a gap. Another problem that interest causes is that accumulated savings are not directed to the production chain, in other words, to the real economy. Savers cannot convert their savings directly to investment due to interest. This situation decreases job opportunities in the society, prevents employment, increases unemployment and leads to social chaos (Hazıroğlu, 2015: 34).

In contrast to capitalist mentality, the economic outlook of Islam is quite humane. Islam, as in capitalism, granted individuals the right to property, on the other hand, it did not abandon this right and limited it in the direction of certain principles. First of all, restrictions on the reasons for ownership were introduced. In other words, it is forbidden to buy and sell objects that are forbidden, as well as the acquisition of illegitimate means such as rebounds, black market, bribery and gambling. On the other hand, taxpayers such as zakat, charity and infak have been put on the property and turned into a social duty tool. Furthermore, it has been enforced as a rule that one cannot use his / her property in a manner that harms others and conflicts with social interests (Çayıroğlu, 2014: 178).

In fact, making references to the science of economics in nearly a hundred verses in the Holy Quran, the existence of hundreds of hadiths in the Sunnah Sahiha and the fact that nearly half of the chapters in the fiqh books are related to the subjects of economics (Çayıroğlu, 2014: 152). Islam has a unique understanding of economics. In Islamic economics, the goal is not only making money, but also acquiring property. The main goal is to meet the econo-

mic needs of people throughout their life journey. In the Islamic economy and in Islamic banking, the aim is not only profit but service. To improve production, to increase work and to spread sharing (Haziroğlu, 2015:68). Therefore, according to Islamic philosophy there is no place in Islam for special class, such as bourgeois or territorial aristocracy. Likewise, one of the biggest problems in Islam today is the class of workers and employers. According to Islam, worker-employer relations are relative and not absolute. Again, there is no definite, continuous and absolute class distinction in the form of rulers and ruled or rich and poor. In Islamic perspective of economics, individuals living in a society wherein relations between people are based on brotherhood, not competition, will also behave towards each other with moral and compassion (Çayıroğlu, 2014: 165).

Unfortunately, although Islamic banking has been proposed as a superior alternative to the traditional banking system, it has failed to meet expectations in practice. The reason for this is that the debate in favor of Islamic economics and finance is mainly aimed at protecting Muslim identity in various parts of the world rather than being economic (Ahmed, 2018: 592).

## **6. The relationships between the concepts of participation and spirituality**

Spirituality can be conceived as a reply for the need of wholeness and integrity in both individual and community level. harmonious integrity of soul, mind and body (Narcikara, 2018:13). Unity and harmony with one's own self and environment is key to ultimate happiness and success in workplace spirituality understanding. Similarly, the concept of 'participation' a new and original concept that encompasses people, life and the universe (Haziroğlu, 2015: 89). According to Fry (2003), the architect of spiritual leadership theory, spirituality, is a concept related to the positive characteristics of the human soul, such as love, compassion, patience, tolerance, forgiveness, gratitude, sense of responsibility and harmony that provide happiness to oneself and the environment. That is to say it is an important tool in ensuring collective happiness. In parallel with this view, participation banking paves the way for human and labor, encourages the climate of right and justice, connects people to life, and has a meaning and nature that is sprinkled from the essence of

Islam (Hazıroğlu, 2015: 89).

Participation banking embraces Islamic philosophy in its transactions. Muslim scholars view Islamic economic philosophy as a free one wherein freedom is expressed more in relation to cooperation rather than competition. In fact, cooperation can be conceived as a general theme in Islam understanding of economics. In Islamic work values, struggling for the welfare of other people is viewed as the most important way of increasing one's usefulness and by this way serving and satisfying Allah. Holy book Qur'an also repeatedly emphasizes cooperative endeavors for the purpose of doing good. Whether it was in spiritual, economic or social affairs, Prophet Muhammad (peace be upon him) urged cooperation among Muslims as the bedrock of the Islamic society (Hamid, 2006:11). Having its philosophical roots in this philosophy, participation banks, operating according to the principle embracing interest-free banking, by channeling savings into the economy in the hands of people, these financial institutions are aimed to contribute to the provision of additional resources required for the development countries country (Kelleroğlu, 2017: 157).

In this point applying workplace spirituality would be a meaningful strategy in order to serve the ultimate goals of participation banks. According to Fry (2003) in workplace spirituality serving the higher good, working for the ultimate benefit of organizations are the focal themes. Similarly participation banking attempts to set up a new financial system serving the benefits of all the people in a certain community. The concept of 'participation' in the term participation banking refers to the act of caring about human will and labor. It is an approach that opens a strong door to the hope of human existence. In fact, participation is a concept that emphasizes the unity that humanity needs most and makes partnership, solidarity and cooperation a part of life. The concept of participation is a concept that encourages the movement, emphasizes participation in life, existence in life and supports existence. It emphasizes being active and being a subject on both production and sharing and consumption sides. It is a concept full of energy that stimulates activity and dynamics and produces synergy. It encourages people to behave and live humanly. It is an approach that makes people find themselves (Hazıroğlu, 2015: 89). In case workplace spirituality is embraced in participation banks

ultimate goals of creating a more humane economy will be possible easier and more comfortably. Compatibility of values between the organization and individual organizational members and higher spiritual goals of establishing a fair financial environment is meaningful for both workplace spirituality and participation banking philosophy.

On the one hand, as in the case with workplace spirituality (Narcikara, 2017), serving the common good and reaching the high order communal goals is very important in Islamic economics, establishing a balance between the needs of present and future generations is expected of human beings and society in order to achieve equality within and between generations in order to build justice and promote good (good), to develop policies to meet the needs of individuals, to develop policies that allow them to establish a respectable life for themselves, to ensure a more equitable distribution of wealth, and finally to produce policies focused on growth and stability (Asutay, 2014). As in the case in the concept of spirituality (Fairholm, 1996), the most important principles of Islamic economics are fairness and morality. In fact, Marques et al. (2005) claims that both honesty and trust as the most important topics for a spiritual atmosphere. Similarly, Daniel (2010) and Jurkiewicz and Giacalone (2004) suggests that trust is an important component of spiritual organizations. Similarly, maximization of organizational outputs is not enough in Islamic thought, rather it should be coupled with efforts that ensure spiritual well being at the inner core of human consciousness, and at all levels of human interaction fairness is needed (Al-Omar and Abdel-Haq, 1996) that is why, In participation banks, the main focus is commitment to an Islamic understanding of brotherhood and justice which contributes to the well-being of all mankind. It is believed that well-being created with this brotherhood encompasses both physical and spiritual satisfaction both in the present world and in the hereafter (Dusuki, 2008: 135). Elimination of waste, fair income distribution and the spread of wealth and property, economic independence and economic stability contribute to fairness and morality in Islamic economics (Tabakoğlu, 2008: 86). The priority in the Islamic economics is not the establishment of efficiency or profit maximization, but the establishment of justice or the abolition of existing

injustice. This is a very important paradigm difference. Islamic economics places justice, *felah*, bestowal, grace in the center and liberates man.

Moreover in parallel with the paradigms of workplace spirituality an egalitarian form of administration that support the growth of all stakeholders (Fry, 2003) is prevalent in participation banking philosophy. All the other stakeholders in the Islamic economy are as important as capital and labor. Therefore, in Islamic economics consumer rights and protection of the environment makes participation banking more stakeholder oriented, hence more customer oriented (Güngör, 2019: 25). The Islamic economy also approaches the concept of growth differently. Because growth is community-centered. Growth here means providing an environment that provides opportunities for stakeholders (Güngör, 2019: 25). This mentality overlap with the mentality of workplace spirituality in the point that spirituality can help to build better relationships and, thus, enable people to work more effectively to the benefit of all stakeholders in a certain community (Harrington et al., 2001; Kranke et al., 2003). Anyway, the basis of interest-free finance is the phenomenon of sharing and partnership. Islamic law is not against making money. Instead of interest, a profit and loss partnership through labor and trade has become a principle to earn money (Karahan ve Ersoy, 2017: 97). Since interest is prohibited in Islamic finance, in participation banking interest-free finance institutions that demand, supply and act as intermediaries are partners. From a broad perspective, both profit and loss and risk are shared between these three partners (Karahan ve Ersoy, 2017: 98). For example, in Islamic finance, it is necessary to know clearly and clearly the product or service that will be the subject of partnership between the parties. The products or services subject to purchase that do not meet these conditions are considered to be speculative because they will expose one side to risk and are prohibited (Van Greuning and Iqbal, 2008). Similarly, according to workplace spirituality perspective a transaction or administrative style can only be conceived as successful when it ensures the happiness of all stakeholders (Corner, 2009: 383).

On the one hand, as mentioned before spirituality is a search for something beyond human existence. It can be explained as creating a sense of connectedness with the outer and inner world. When experienced in a participation bank, workplace spirituality can contribute to the sense of connectedness

among employees who are advocates of this interest-free bank kind style having its roots in religious concerns which can be conceived as the spirituality of these people. Without doubt, most participation banking employees are spiritual people that are sensitive to religious issues and try to earn their lives in helal, namely, islamically acceptable ways. These people give importance to work environment wherein they can express and live their spirituality freely. They prefer to be a part of community wherein they are not condemned and demeaned because of their more conservative life style. For example many people working in participation banks want to make their daily prayers in the workplace, hence they want to have masjid in their workplaces. To give an other example, in Turkey many women employees working in participation banks prefer to wear headscarf, which is an islamic dress used by conservative muslims. Whereas this dresscode is not allowed in many conventional banks in Turkey, it is allowed in participation banks. As another example; friday prayers for male workers is an important issue in participation banks. Since most male employees wants to pray in holy hours on friday, participation banks give a longer lunch break on fridays. In fact, all these tolerances regarding religious issues and interest-sensitive application in daily transactions make employees feel more peaceful.

At individual level, workplace spirituality should be understood as the totality of one's own spiritual values that he/she brings to the workplace and it can be conceived as the harmonious integration of these individual values with the values of his/her organization (Kolodinsky et al. 2008: 466). That is why, Zafar (2010) describes workplace spirituality as the effort of employees to find 'a meaning in their work ve and focuses on the psychological characteristics and needs of people in the work environment and thus enables employees to make sense of their lives in the work environment. In other words it reflects the interaction between an individual's personal spiritual values and the organization's spiritual values. Likewise in participation banks, both employees and top managers prefer to be a part of these organizations mostly because they share the same values and worldviews. Being with people with similar values and attitudes make people feel connected to their organization with stronger emotional ties. People can develop a sense of community with like-minded people in their organizations.

Moreover, these people may find their work more meaningful since they serve organizations that have the same work values with them.

## **7. Results**

With capitalism, every way has been conceived as licit in order to maximize profit, a solid understanding of utilitarianism and personal interests have been designated as the main purpose of life, social aid and solidarity have been weakened by emphasizing the individual. Moreover, the balance in income distribution has been disrupted and development and growth has become the most important goal of the economy (Çayıroğlu, 2014: 151). The emergence of islamic economics in the last century has produced islamic finance as a field of application. An islamic perspective on the financial sector has revealed the need for islamic banking. The principle of social solidarity and solidarity in islam, the order of zakat and infancy, the inclination of labor and capital to production and investment together, the principle of profit and loss together, and similar arrangements are parts of a whole. In fact, interest, which is a fixed rate and amount, limits the productivity of capital, often leading it to short-term investments, preventing labor from receiving a sufficient share of production. For this reason, Islam opposed the capital's imposition of all risk and responsibility on labor as a fixed share of production and profit, and a reasonable balance between labor and capital by placing its share on a variable ratio (Tuhan, 2014: 28). Hence, in contrast to conventional business banks that tend to place profit as their main objectives, participation banks should give importance to both profit and social obligation. In islamic philosophy, in economy there should be a balance between profit and social objectives. So it would be unfair for participation banks if they can not provide sufficient returns to their depositors and shareholders. Meanwhile, according to Ahmad, K. (2000), participation banks are not obliged to create excessive profits at the expense of their clients by undermining and neglecting their own social responsibilities and commitments to their other stakeholders including shareholders, employees and strategic partners. Thus, creating sense of community, which is an important step in ensuring the experience of workplace spirituality, is more possible in participation banks when compared to conventional banks. Confirming this point of view, Al-Azuhaily (2003) claims that the goal of participation banks is restoring islamic community and achieving



cooperation among members of the society, while complying with fundamental norms and regulations of Islam. According to this perspective there should not be any involvement in *riba* and other prohibited contracts, and distribution of profit should be fair and balanced. This goal serves the requirements of workplace spirituality, which insists that individuals and organizations should see work as an opportunity, a spiritual path, to develop and contribute to society. From an instrumentalistic perspective it will be meaningful to claim that workplace spirituality results in increased levels of commitment, honesty, trust, kindness, morale, performance, connectedness and intrinsic motivation (Gotsis and Kortezi, 2008: 580). Thus, when inserted in participation banks, workplace spirituality can create an atmosphere of harmony and can create satisfying levels of sense of connectedness for organizational members.

### **Limitations of the Study**

In this study the concepts of participation banking and workplace spirituality have been examined from a perspective that explains the kind of points that may nourish a more spiritual atmosphere. Overlapping points in both of these constructs have been elaborated in details. In this study participation banking is handled with the version applied in Turkey. This can be considered as a limiting factor for the study.

### **Further Research Implications**

In further studies an empirical study explaining the possible effects of participation banking philosophy on workplace spirituality can be designed. Moreover, effects of workplace spirituality on possible organizational outputs in workplace spirituality can be examined. Furthermore, cross cultural studies can be designed explaining the relationships between workplace spirituality and several organizational outputs in participation banking concepts. On the one hand, these models can be designed in a comparative way comparing the results between participation banks and conventional banks.

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