

## **The Role Of Retorical Strategies On The Process Of Institutionalisation: A Qualitative Analysis Of Insurance Industry in Turkey**

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### **Extensive Summary**

Institutions can be defined as programmed social actions to enable some behavioral patterns to be exhibited under certain conditions (Jepperson, 1991). The institutional logics, on the other hand, reflect the body of rules on the basis of the organizations they represent and we face with them in every single sphere of the life as the social structures. The logics which provide the formation of the social behavior patterns are activated within the scope of particular contexts and in case an individual is in this particular context, it affect the point of view, attitudes, preferences and tendencies directly (DiMaggio, 1997).

The researches focusing on the relation between the individual and the context are generally concentrating on cultural differences and they miss the social patterns as a result of the micro actions of the entrepreneurs. However, there may be new social structures as a result of intended actions of institutional entrepreneurs and these structures may reflect the ideas and point of views (DiMaggio, 1988). The entrepreneurs use various rhetorical strategies during the institutionalization of a new model aiming to meet a societal requirement (Suddaby and Greenwood, 2005). The rhetorical strategies are classified as Pathos, Logos and Ethos (Aristotle, 1991). While the Pathos strategy is producing texts for emotional perceptions of people like fear, trust, mercy; the Logos states the reasonable perception such as efficiency, productivity and performance, and the Ethos mentions the moral elements like traditions, just, right to form texts (Aristotle, 1991).

This study examines the institutional entrepreneurs producing texts through rhetoric so the relation of these texts with local contexts gains importance (Barley and Kunda, 1992). The studies on the relation of rhetoric with the context state generally that the concepts to be examined are institutionalized by following the Pathos, Logos

and Ethos sequence in addition to the formation of different institutionalization processes in different contexts (Green et al., 2008). When it is looked from the perspective of institutional effort, the insurance sector example takes its place among the various institutional logics generating the social programmes of the society (Jepperson, 1991). Therefore, for the insurance sector where the contextual characteristics are changeable, consideration of the role of the rhetoric strategies on that change is accepted as significant for our study.

The study examined the interactions between the government and insurance companies in Turkey by employing the document analysis and rhetoric analysis as the qualitative research methods. In this scope, the documents and academic studies were scanned to understand the development of insurance logic and the institutionalization of the insurance sector was examined historically. The very basic reason of this analysis is to manage the participants to the interviews successfully in the next phase of the research.

Following the phase, the rhetoric analysis was performed through 7 sector representatives and 4 academicians. The sector representatives were chosen among people who have at least 10 years experiences in the industry. The findings to be gained define the rhetoric strategies of each participant and explain the relations of this strategy with local context.

For analyzing the textual analysis of the interviews with the participants, it is firstly necessary to determine the texts reflecting dominantly which rhetoric strategy in terms of the classification of Pathos, Logos or Ethos. The way of legitimizing the insurance concept by using any one of these rhetoric strategies is seen important to examine the relation between the rhetoric and the context. An encoding template based on previous researches in the literature was generated (Green et al., 2008). The determination of which the participants used strategic persuasion elements according to the context they were in, necessitated a deductive analysis process. Thus, if the entrepreneur strategies consider the insurance concept as the assurance of the workers future and providing the state protection, the Ethos; if consider as a tool to increase the efficiency and productivity of the workers, the Logos; and if consider as the emotions towards the removal of social inequalities and social injustices, the Pathos were accepted.

The institutionalization of the insurance industry in Turkey was examined as three periods by Ezerdi (1998) and Kazgan et al., (1998). Since both periodization defines almost the same periods, this study also accepts the same periods for the assessment.

For the analysis of the benchmarks in Turkey during the development of the insurance industry, the interviews to be conducted were benefited. On the examination of these face-to-face interviews, the rhetoric analysis was benefited. In that respect, the Pathos, Logos and Ethos are the thinking systems to be searched in the study. As a result of the analysis of the frequency of representation of any rhetoric with keywords, the encoding template was formed. The encoding templates consist of keywords reflecting the rhetoric and define which important event can be associated with the rhetoric. The important phases in these developmental stages in the study were defined and the incidental sequencing was used to present dominant rhetoric.

The birth of the insurance idea in our country goes 1870s. It is the starting point of institutionalization stage. In this period, people were frightened through religions and it

prevented the insurance basically from institutionalization. Moreover, since the foreign insurance companies used their privileges coming from capitulations within the insurance system, the insured people were prevented to ask for their lawful rights and caused many problems. Therefore, the frequently repeated rhetoric during the interviews were the concepts such as “fear, sharia, sin, allowable in terms of the religion, suppress, aliens, inequality and just”. Thus, this early stage is a period when the emotional Pathos strategy is dominant.

The role of the government had been changed from the proclamation of the Republic to mid-80s. It was seen that the government reacted to the unfair and unreasonable implementations during the first period and aimed to establish a moral and ethical structure in the industry. The deliberate and far position of the government in the previous period turned into the mission of development and progression. Therefore, the ethical rhetoric of “morality, national, appropriate, domestic, government, authority, speciality, peace and war” were mentioned more in this period. In this period, it was considered that the moral act of the companies was important for the development of the industry and the government would be the guarantor of this consideration.

Third period of institutionalization is the period when the rational acts took place. This period came up with the European Union adaptation process. Turkish insurance industry that was defined as underdeveloped until this period, has accepted modern and unique applications until end of 2000s and achieved the required legal infrastructure. In this period, the government again made its authority and regulative power on the companies. However, the main distinction of this period with compare to others was the great increase in the expectations of the governments from the industry. The expectations of the government increased depending on the activities of the insurance companies of the developed countries in the world financial system. The basic aim of the government in this period was to re-structure the insurance industry in order to reach a level or reason in developed countries. Since, the very basic expectation of the government was to create a market having the international competition ability together with profitability. As a result, the concepts such as “performance, efficiency, effectiveness, competition, market, liberalism, valid and scientific” were pronounced more frequently.

The rhetoric strategies exhibit continuity for the placement of some social phenomena in the society and they are categorized as Pathos, Logos and Ethos (Aristotle, 1991). When it is considered in that perspective, the institutional entrepreneurs representing the important layers of the society produce effective texts with the rhetoric they use and they enable the thoughts on social phenomena they defend to separate. The study examined the separation in terms of the rhetoric strategies which accompanied and discovered that the insurance phenomena had been institutionalized by using three of the strategies which are Pathos, Ethos and Logos. Also, it was observed that the separation of the thoughts on what the insurance is and its importance required the employment of different rhetorical strategies in different periods. When the studies in the literature on the relation of the context with the rhetoric are examined, a certain sequence for the use of rhetorical strategies is seen to be claimed. The sequence is given as Pathos, Logos and Ethos but the different institutionalization processes for different contexts are also seen as possible (Green et al., 2008).

The findings of the study refer a different appearance for the institutionalization process of the insurance industry in Turkey than the sequence in the literature. Since it was not allowable in terms of the religion in pre-Republican era for a long time, non-Muslims were dominant in the insurance industry in the Ottomans. In that era, the insurance was explained with reference to the religion, therefore, the social emotions like sin and fear directly affected the institutionalization of the insurance that was accompanied by Pathos rhetoric. Following the proclamation of the Republic, termination of the foreign dominancy in insurance industry and the dominancy of domestic companies were aimed. In this period, government authority and the idea of nationalization became prominent and the idea of the nationalization of the insurance industry by the government, increasingly separated. Another characterization of this period was the elements complying with the state features such as specialty and appropriateness to gain importance. In the period after 1980, on the other hand, the insurance was perceived as a matter of competition as the market mechanism became stronger. Together with the Logos rhetoric, technical values such as efficiency and productivity became more and more prominent for the minds, so a scientific approach to the insurance was developed.

There is a support in the study for previous studies searching an answer to the question on which rhetorical strategies are followed for the institutionalization of certain social facts. In addition to the idea that different rhetorical strategies may be more dominant in different contexts, the insurance has been institutionalized by following the sequence of Pathos, Ethos and Logos rhetorical strategies in Turkey. It can be said that the change in the sequence may be the result of the nature of the insurance industry. The insurance was firstly emerged in countries like the UK or Germany and then transferred to Turkey. The insurance as the transferred social phenomena was institutionalized in Turkey by following the Pathos, Ethos and Logos strategies that is different than other contexts; thus, the features unique to the context where the insurance was in became prominent. When the insurance is examined as a social fact, it can internalize the characteristics of the context where it is in and also can protect its international features for the applicability at a certain level no matter what the context is.