CAN BUSINESS EDUCATION CHANGE MANAGEMENT PRACTICES IN NON-WESTERN SOCIETIES?

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Abstract: *The purpose of this study was to determine the degree to which students from an American-style Business School in Lebanon expect the managerial behaviors that they are taught in the classroom to actually be applied by managers in the Lebanese workplace. Broadly categorized as accountability, gender equity, religious tolerance, consultation and transparency, the authors found little indication that such expectations existed. Even when they could be identified such as with racial equality, their relative strength was so weak that they were barely above neutral on a 10-point scale. What was perhaps most troubling was that expectation for the elimination of bribery and corruption actually declined as students matriculated through the curriculum. At least for the time being, it appears that Lebanese business students do not anticipate encountering American-style management practices, which have formed the core of the Business courses, when they enter the workforce.*

Background: The issue of globalization often centers on the concept of "hegemony" and can be traced to the writings of Antonio Gramsci (1971, 1975) regarding the ability of dominant powers to infuse their values into the cultures of developing countries. From a management point of view, the "chief instigator" in all of this seems to be "American style" business education and its proponents quickly argue that appropriate business practices can only enhance the economies of foreign countries if these societies would only accept the logic of the American mode of conduct (Mir, 2003; Grey, 2002, 2004). Of course, the influence of American-style business education is not restricted to the third world. As Julian Birkinshaw (2011), a Professor at the London Business School, noted in *Fortune Magazine*:

> "Consider a few basic facts. At London Business School, one of the top B-schools outside North America, more than 90% of the faculty received their PhDs in North America. The same is essentially true at Insead (France), IESE (Barcelona), the Indian School of Business (Hyderabad), and CEIBS (Shanghai). The top management journals, from Fortune to Harvard Business Review to Administrative Science Quarterly, are all based in North America. The top management consultancies, from

McKinsey to BCG, Bain and Booz Allen, all have deep American roots. Management ideology is, in essence, the last bastion of American hegemony."

Business education goals and objectives: In business education, this "benign approach" to hegemony is couched as "leadership" with the end-goal being to improve the way business is currently conducted in foreign societies. Yet there are those who argue that there is a hidden economic motive. According to Turnbull (2010) "the current model of business education preserves the status quo of twenty-first century capitalism and leaders appear to be powerless to act against a dominant ideology that reveres shareholder value above all else."

Within the business school environment, American values are considered to be sacrosanct since they are backed up by statutory law and this is reflected by the faculty members' tendencies to select instructional materials that are founded on the American management ideal. In fact, work place realities are given "short shrift" since the possibility of reverting to "pre-modern" approaches to leadership would be unthinkable (Kjonstad & Wilmott, 1995).

Management from an Arab perspective: Managerial approaches in the Gulf States arose from a unique set of cultural factors stemming from tribal influences and desert survival. Often portrayed as being at odds with "progressive" Western values, at least one study revealed that Muslim workers are more contented and productive in a company run by Muslims and based on Islamic ideals (Hashim, 2010). Branine and Pollard (2010, 718-21) have gone so far as to suggest a "utopian" vision of Arab leadership based on Islamic values based upon their contention that Islam provides the structure for its own unique management approach founded on the following Islamic principles: *Intention*, *Mindful of God, Kindness and care*, *Justice, Truthfulness, Conscious of self-improvement, Sincerity and Keeping promises, Consultation*, and *Patience.*

What is interesting is that if one did not know that these values were taken from the Quran, they could just as easily be viewed as prime examples of American ethical values. Branine and Pollard (2010) go on to argue that not only would multi-national corporations benefit from following these tenets, Arab countries would improve their ability to attract foreign investment.

The Situation in Lebanon: Often viewed as a microcosm of Arab and Western value systems, with roughly a 2:1 Muslim/Christian population, Lebanon serves as an ideal location to compare Middle Eastern and American approaches to management. With a culture that is deeply-rooted in "paternalistic" traditions, the Lebanese tend to view gender equality somewhat differently (ILO, 2004; Khalaf, 1993a, 1993b). Also placing it in opposition to Western values is Lebanon's history of corruption. According to its 2012 report, Transparency International rated Lebanon at 30/100 placing the country 128th out of 176 nations and near the bottom of the Arab World. Obviously, such levels of corruption tend to undermine attempts to achieve "accountability" and "transparency".

What many opponents of "Arab values" fail to realize is that Arab business leaders do not necessarily conform to Western stereotypes (Muna, 1980; Weir, 2001). Admittedly Lebanon has a high Power-Distance level (80) but this places them between Romania (90) and Bulgaria (70). Therefore to view the Arab style of

management as purely top-down is patently incorrect (Hofstede & Hofstede, 2005; Gerster & Day, 1994; Ronen, 1986). In fact, the Arab system is far more complex for its roots stem from "Arab tribal power" which evolved into the leadership/authority paradigm that Ali (1995) labeled "sheikocracy". The sheik's power was based on their family and tribal affiliations and by default, persons who were close to the leader shared in his power. This gave rise to the tradition of political patronage (known in the Arab world as *wasta*) in which members of the extended family of the sheik, along with close friends and associates were recognized as holding both power and authority (Hutchings & Weir, 2006; Abdalla, Maghrabi, & Raggad, 1995; Weir, 2001). The existence of "wasta" appointments often results in individuals being elevated to positions far above their level of competency making the Arab World a poster child for *The Peter Principle*. The primary difference between Laurence Peter's theory (Peter and Hull 1972) and the "wasta-based" hierarchy is that the appointees start at this point to begin with! Because the underlings have no decision-making power, the success of such a structure is epitomized by technocratic divisions of labor and a strict adherence to established rules and regulations which on the surface is highly reminiscent of Weber's vision of rational-legal authority (1947). This has given rise to an extremely bureaucratized structure with relatively high levels of uncertainty avoidance although Lebanon (68) is markedly lower than Romania (90) and Bulgaria (85)...

Hypothesis Development:
Progressive Values Embedded in American Business Education: The authors elected to focus on five key value systems that form the foundation of modern business practices in the US. Broadly classified as accountability, consultation, equity, tolerance, and transparency, these values form the core of the AACSB-approved curriculum which treats them as sacrosanct and as such, not generally open to debate (Panitch & Ginden, 2004; Goodstein, 1981). Although business students are progressively immersed in these teachings and gradually become more accepting of them as individuals, they are also able to observe the "realities" of the society in which they live and the fact that "work place norms" often dictate that these values are often ignored.

Accountability: Giddens (1984, p.30) defined accountability as being "accountable for one's activities is to explicate the reasons for them and to supply the normative grounds whereby they may be justified." Viewed from this perspective, the expectation is that superiors will abide by existing rules and regulations when dealing with their subordinates in a fair and impartial manner. The authors drew the following null hypothesis in terms of *accountability: H[1]: "Overall, there will be no difference between the student groups in terms their belief that appropriate behaviors regarding equal treatment in regard to promotion and rewards will be adopted by Lebanese managers."*

Equity: Stobart (2005, p.275) defined equity in the following way: "Equity is defined as a qualitative concern for what is just. This involves, but is not the same as, equality of opportunity and of outcome." Certainly there is no more overriding concept that permeates the American business curriculum than equity in treatment of women and other minority groups. As a result, the authors drew an additional null hypothesis relating to gender equity: *H[2]: "Overall, there will be no difference between the student groups in terms their belief that appropriate behaviors regarding gender equity will be adopted by Lebanese managers."*

What is far less clear from the literature is the extent to which the Lebanese society will be as accepting of the same equity issues when they relate to members of other races. Given that much of their exposure to other races is with "domestic workers" the authors drew an additional null hypothesis regarding racial equality: H^3: *"Overall, there will be no difference between the student groups in terms their belief that appropriate behaviors regarding racial equity will be adopted by Lebanese managers."*

Tolerance: Rather than include religion under the umbrella of equity, the authors chose to view it as a tolerance issue. Crick (1971, p. 44) characterized tolerance as "the degree to which we accept things of which we disapprove" and it has become another commonly advanced ideal that is manifested in American management practices. Despite the negative publicity generated by fundamentalist groups within the Muslim faith, religious tolerance is considered to be an essential Islamic virtue (Kurtz, 2005; Asali, 1994). But one must remember that Lebanon is also a microcosm in which five religious groups have competing political ideologies. Although this inter-religious conflict reached a peak during Lebanon's lengthy civil war, its effects are still felt in Lebanese politics today (Ghosn and Khoury, 2011). Since there is no clear line of demarcation between religion and politics in Lebanon, the authors drew the following null hypothesis regarding tolerance: H^4: *"Overall, there will be no difference between the student groups in terms their belief that appropriate behaviors regarding religious tolerance will be adopted by Lebanese managers."*

Consultation: Yukl and Fu (1999, p. 220) expressed the following view of consultation. "Consultation is also a form of empowerment because it provides subordinates with influence over important decisions. Consultation provides an opportunity for subordinates to voice concerns about adverse consequences of a proposed change." In the United States, it is accepted that leaders have an obligation to consult with their subordinates on important issues and to keep them informed of pending decisions that may affect their personal well-being. Traditionally, the Arab leadership style included an expectation that the Sheik would consult with the tribe when it came to their overall welfare (Neal, Finlay, & Tansey, 2005; Welsh and Raven, 2004). Therefore consultation, at least as American business programs define it, is not entirely inconsistent with Lebanese management practices which led the authors to draw the following null hypothesis: H^5: *"Overall, there will be no difference between the student groups in terms their belief that appropriate behaviors regarding consultive approaches to management will be adopted by Lebanese managers."*

Transparency: Transparency International defines transparency "as the abuse of entrusted power for private gain. It hurts everyone who depends on the integrity of people in a position of authority." The most apparent abuse of transparency in Lebanon can be seen in terms of the endemic levels of corruption which are rooted in the system of *baksheesh* payments that were fostered during four centuries of Ottoman rule (Cavico and Majaba, 2010). As a result, the authors drew their first null hypothesis regarding *transparency*: H^6: *"Overall, there will be no difference between the student groups in terms of their belief that appropriate behaviors regarding keeping employees informed about decisions that can affect them will be adopted by Lebanese managers."*

The Arab tradition that while the leader was expected to consult with his tribe, his power meant that his were not open to scrutiny or challenge. This led the authors to

draw an additional null hypothesis regarding *transparency*: H^7: *"Overall, there will be no difference between the student groups in terms their belief that appropriate behaviors regarding open and honest dealings with employees will be adopted by Lebanese managers."*

There is no question that Lebanon is viewed as one of the most corrupt countries in the Middle East and these practices have become viewed as just another cost of doing business. The existing levels of corruption in Lebanese society certainly place the country's business practices at odds with American values. This led the authors to draw their final null hypothesis regarding the implementation of anti-corruption policies by Lebanese managers: H^8: *"Overall, there will be no difference between the student groups in terms their belief that appropriate behaviors regarding bribery and corruption will be adopted by Lebanese managers."*

Research Methodology

Development of the Instrument: The current study is an extension of the work done by Neal and Finlay (2008) regarding American hegemony in business education. Their initial study relied on statements regarding management ILT as indicators of the degree to which "modern" business practices were being accepted by students. The current investigation expanded on his methodology by refining the instrument to directly address eight keys approaches to managerial behavior. A summary of the eight questions relating to the criterion variables can be found in Appendix 1.

Data Collection: The second improvement was to create a means of tracking the growth of hegemonial acceptance among business students. While Neal and Finlay (2008) gathered information from senior-level students, the current inquiry broadened the sample to include students who were taking introductory and graduate courses. As the students progress though their major or into graduate study, these hegemonic values are continually emphasized. As a result of this "benign indoctrination", American students are sensitized to these issues and adopt them as the only acceptable way for managers to behave. The question here is not whether Lebanese students have the same level of acceptance, but rather if they believe that they will encounter the same managerial behaviors when they enter the workplace.

Statistical Analysis: The authors first conducted a standard ANOVA with the data to isolate significant variations in the group responses then followed up this analysis by applying the Scheffe' option to the significant variables since it guards against the occurrence of Type 1 error and the resulting likelihood that spurious significant relationships could be declared (Hair, Anderson & Tatham, 1995).

Analysis of the Data

Hypotheses arising from the criterion variables: This project was designed to determine the extent to which the five hegemonic values are perceived as being extant in the Lebanese workplace. The statistical summary of the ANOVA analysis of the eight questions comprising these five categories is provided in Table 1 and reveal that only in terms of racial equality, keeping employees informed and bribery and corruption were there any differences between the expectations of the student groups.

Table 1
ANOVA Results
A Comparison of Levels of Agreement with Appropriate Behaviors
By Stage of Business Education
N= 463, df = 461

Hegemonic Managerial Behaviors	F Value	Sig.
Appropriate behaviors regarding promotion and reward structures	.830	n.s.
Appropriate behaviors regarding gender equality	2.128	n.s.
Appropriate behaviors regarding racial equality	11.580	.000
Appropriate behaviors regarding religious tolerance	.066	n.s.
Appropriate behaviors regarding consultative approaches to management	1.992	n.s.
Appropriate behaviors regarding keeping employees informed about decisions that can affect them	4.158	.016
Appropriate behaviors regarding open and honest dealings with employees	1.682	n.s.
Appropriate behaviors regarding bribery and corruption	3.800	.023

Since three significant differences were noted, the authors employed the Scheffe ranked means option to the mean responses from the three student groups (A = introductory; B = capstone; C= graduate) where significant differences were noted. Unfortunate, the results that are summarized in Table 2 do not show a clear trend among the groups in terms of their expectations.

Table 2
Scheffe Ranked Means Results
A Comparison of Levels of Agreement with Appropriate Behaviors
By Level of Student's Education

Change Scores: Hegemonic Managerial Behavior	Means	Scheffe α = .05
Appropriate behaviors regarding racial equality	A = 4.92 B = 5.38 C = 6.14	A < C
Appropriate behaviors regarding keeping employees informed about decisions that can affect them	A = 5.14 C = 5.74 B = 5.81	A < B
Appropriate behaviors regarding bribery and corruption	C = 4.99 B = 5.57 A = 5.86	C < A

Accountability: The low mean ratings, which actually show a uniform level of disagreement that the concept of accountability will be implemented by Lebanese managers. When combined with a lack of statistical significance (A = 4.73; B = 4.92; C = 4.58) the authors were led to accept the null hypothesis (H[1]) and conclude that

students do not expect to enter a workplace in which equal reward structures are present.

Equity: While the means show that the students are progressively hopeful that gender equity will improve in what is essentially an Patriarchal society (A = 5.32; B = 5.60; C = 5.87) their low levels of expectation and lack of significant variation led the authors to accept the null hypothesis on gender equity (H^2) and conclude that students do not expect to enter a gender-neutral workplace.

Quite unexpectedly, the expectation that racial equality would be present in the workplace actually rose at each subsequent course level with the students enrolled in introductory courses being significantly less likely to believe in racial equality implementation than graduate students (means: A, 4.92; B, 5.38; C, 6.14). The reason for this finding is unclear but there is a possibility that students who have actual work experience may be interacting with equally-qualified employees from other races. Given these findings, the authors rejected null hypothesis (H^3) and concluded that graduate students are more likely to expect racial sensitivity in the workplace than students enrolled in core courses.

Tolerance: The mean ratings show uniformly low levels of expectation in regard to this issue (A = 5.27; B = 5.36; C = 5.26) thus supporting the authors' expectations and leading them to accept null hypothesis H^4 and conclude that students do not expect to enter a work environment where religious tolerance is practiced.

Consultation: The mean values for consultive behavior suggest that levels of expectation (C = 5.69; B = 6.06; A = 6.16) actually declined as students reached the point when they would be applying for work and were statistically similar. This led the authors to accept hypothesis: H^5 and conclude the students do not expect their future employers to follow the text-book approach to consultation.

Transparency: The authors were somewhat surprised when the data in Table 2 showed an increasing tendency for students (A = 5.14; C = 5.74; B = 5.81) to expect to receive critical information from employers. The means rose significantly from the core level to senior capstone courses and while dropping off slightly, were marginally significant at the graduate level as well. While the relatively low mean rating of 5.81 still indicates that students are undecided if such information will actually be provided., the levels of statistical significance led the authors to reject hypothesis H^6 and conclude that by the time business students reach employability, they at least hope that Lebanese managers will provide information regarding decisions which may impact their professional lives.

Such was not the case when it came to open and honest dealings with employees. The means were consistently low (C = 5.19; A = 5.21; B = 5.56) and statistically similar leading the authors to accept hypothesis H^7 and conclude that students who will soon be entering the workplace are under no illusion that their bosses will consistently deal with them in an open and forthright manner.

The one factor that concerned the authors most, given its consistently devastating impact on the Lebanese economy, was bribery and corruption. The ranked means show a steady and significant decline in expectations from the introductory to

graduate level at which point the subjects are essentially ambivalent to the problem (A = 5.86; B = 5.57; C = 4.99). This led the authors to reject hypothesis H[8] and conclude that as business students enter the workplace, they come to the realization that the corruption which has plagued their country is far from over.

Conclusions and Implications:

The findings from this study, which focused on students at three important stages of their academic careers, showed somewhat mixed results. In terms of accountability, gender equity, religious tolerance, consultation, and open and honest dealings with employees the mean levels of expectation were insignificant. Furthermore, since the mean ratings generally ranging between 5 and 6 on the ten-point scale, this indicates that the subjects were generally undecided as to whether these practices would be implemented. This finding alone suggests that the attitudes that students expect their employers to have are essentially inconsistent with the "appropriate behaviors" that they have been taught.

Even in the case of racial equality, where the mean ratings were significant and consistently rose from the introductory level, the mean for graduate students was only 6.16 which on a Likert scale would constitute barely agree. The same was true for "keeping employees informed" which, although significantly different, ranged from 5.14 to 5.81 indicating at best an attitude of hopeful uncertainty. The one factor which educators in Lebanon are most hopeful is that business education will eventually bring an end to the endemic levels of corruption and the strangling effect it has on the Lebanese economy. While the authors found a significant difference in the expectancy levels, the reason behind his variance was disheartening. The levels of expectation fell from a high of 5.86 with students taking core courses to 4.99 at the graduate level. The implications of this are clear. While students may initially be somewhat hopeful that things will get better, by the time they enter the workforce it is painfully obvious that corruption continues to flourish.

Student work-place expectations are an important aspect of human resource management. They govern the way that new workers view both their managers and peers and the behaviors which they feel will be most likely to "get them ahead". This study suggests that although Lebanese business students may gradually come to accept the American-style management approaches taught in their classes, they are under no illusion that anything will change for the better in the Lebanese workplace. So what does all this mean? To begin with educators have by no means been operating under the illusion that change in the Middle East will occur immediately. As is the case with all cultural advancements, the impact is at best, generational. But what this does tell us is that although we may make a change in the thought processes of our students regarding appropriate managerial behavior, the question remains as to whether the reality of the workplace will "trump" idealism and continue to mire Lebanon in the status quo. Given these findings, even the most optimistic among us is left to wonder.

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