

CYRUS CHRONICLE JOURNAL (CCJ):

Contemporary Economic and Management Studies in Asia and Africa



An imprint of the CYRUS Institute of Knowledge (CIK)



<http://www.cyrusik.org/>

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The flagship journal of the CYRUS Institute of Knowledge

THE CYRUS CHRONICLE JOURNAL (CCJ)

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Purpose:

The CYRUS Institute of Knowledge (CIK) Journal is a refereed interdisciplinary journal. The editorial objective is to create opportunities for scholars and practitioners to share theoretical and applied knowledge. The subject fields are management sciences, economic development, sustainable growth, and related disciplines applicable to the emerging economies in Asia, Africa, and other emerging economies. Being in transitional stages, these regions can greatly benefit from applied research relevant to their development. **CCJ** provides a platform for dissemination of high quality research about these regions. We welcome contributions from researchers in academia and practitioners in broadly defined areas of management sciences, economic development, and sustainable growth. The Journal's scope includes, but is not limited to, the following:

Business Development and Governance
Entrepreneurship
Ethics and Social Responsibility
International Business and Cultural Issues
International Economics
International Finance
Innovation and Development
Institutions and Development
Leadership and Cultural Characteristics
Natural Resources and Sustainable Development
Organization and Cultural Issues
Strategy and Development
Women and Business Development

Authors are responsible for the views expressed and the accuracy of the facts provided. Authors' opinions do not necessarily reflect the position of the CYRUS Institute of Knowledge, the Editor, or the Editorial Advisory Board of **CCJ**.

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Professor Tagi Sagafi-nejad is the editor of **CCJ**. Dr. Sagafi-nejad is ex-editor of International Trade Journal, the author, in collaboration with John Dunning of The UN and Transnational Corporations: From Codes of Conduct to Global Compact, (2008) and "The Evolution of International Business Textbooks" (2014). He was the Radcliffe Killam Distinguished Professor of International Business, founding Director of the PhD Program in International Business, and Director and Center for the Study of Western Hemispheric Trade at Texas A&M International University (2003-2013). Dr. Sagafi-nejad is well-known internationally and has outstanding credentials to develop The Cyrus Chronicle into a high quality publication.

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For more information on the Institute, please contact:
Editor@Cyrusik.org; Sagafinejad@loyola.edu;
Nasgary@Cyrusik.org. **CYRUS Institute of Knowledge (CIK), Box 380003, Cambridge, MA 02238-0003, USA**

He will be assisted by an editorial board consisting of Tarek Hatem, Ph.D., American University in Cairo, Egypt

We invite authors to submit their papers and case studies to Editor@Cyrusik.org. We will have a quick turn-around review process of less than two months. We intend to begin with two issues per year consisting of about 5-8 papers and case studies per issue. The first issue is being planned for the fall of 2015. A selected number of papers submitted to the CIK conference will be double-blind reviewed for inclusion in **THE CCJ**. We intend to have special issues on themes that are within the scope of Journal. Also, we will have invited guest issues.

THE CCJ: An imprint of the CYRUS Institute of Knowledge (CIK)

Background:

This is a historical time for the mentioned regions, and The Cyrus Chronicle intends to offer what is most urgently needed. There is no question that organizations and businesses that are capable of analyzing and applying advanced knowledge in management sciences and development are in high demand, and especially during transitional periods. It is an unusual time in the target regions and the world, a time which requires active intellectual participation and contributions. It is the era of revolution in terms of communication, technology and minds for billions of people. It is a time for intellectuals, entrepreneurs, and philanthropists to help enlighten minds and therefore enrich the quality of life for millions. It is a time to focus intensely on the regions' historical characteristics, achievements, human and natural resources, and its significant deficit in development, management sciences, and democracy. CIK's vision, "to cultivate the discourse on human capital potentials for better living," is the appropriate response to current challenges, and the journal is a platform for sharing the perspectives of scholars and practitioner with a wider audience.

CYRUS associates tend to have a foot in two worlds. First, most of the associates possess a wealth of intellectual and experiential knowledge which is enhanced by their active involvement in business, consulting and scholarly research and collegiate teaching. Second, some associates are sons and daughters of the affirmation regions and possess an ethnic identity, language skills, and the insights only embraced by insiders. Third, most of the CIK board of directors' members and associates are well-known scholars, members of editorial boards of journals, and even editors. CYRUS possesses depth, breadth, and a competitive edge to successfully manage chronicle.

CYRUS is committed to developing knowledge that positively contributes to the life of the world citizens, especially, the target regions. CIK is a charitable, educational, and scientific organization that has been in operation since 2011. It is a secular and nonpartisan organization that has many scholars and practitioner as member.

Editor's Introduction

Since inception in 2012, the Cyrus Institute of Knowledge has held five annual meetings. Last year we published the first volume of *Cyrus Chronicle Journal (CCJ): Contemporary Economic and Management Studies in Asia and Africa* in conjunction with the 2016 annual conference.

CYRUS Institute of Knowledge (CIK) had two successful international conferences. Between the CIK March 2016 conference at the American University of Cairo and the April 2017 at MIT, we have received more than 120 abstracts and 30 full papers. Papers, abstracts, and presentations have come from all continents and more than 40 countries and more than 50 institutions of higher education and organizations. Please see CIK website for detail information in this regard.

The acceptance rate for this issue is less than 20% considering many papers that were submitted for review and full papers for the conference. Two papers in this issue are invited. These articles, one by Professor Ghadar and another by Professor Contractor, two eminent international scholars, whose insight will enhance the quality of CCJ and give it the prominence it seeks. Our aim is to publish the highest quality papers that pass through multiple review process. CIK colleagues and conference participants have proposed and suggested special issues of the journal which is based on core topics (i.e., entrepreneurship, innovation, ethics, and sustainable development) and/or country specific. Therefore, we welcome your articles which meet these characteristics. We already have several papers about Iran.

Now we welcome you to the second issue (CCJ.V2). The journal intends to cover scholarship pertaining to emerging economies in Asia, Africa, and other emerging economies. Scholarship dealing with these regions tend to be either ignored or misunderstood, and there are limited outlets for scholars who work in these countries to share their scholarly outputs. Focusing on these two continents will help researchers from both developed countries as well as these two continents - which together account for the largest portion of the world population and growth. The CCJ intends to fill these gaps. An examination of our mission may shed some light on this question. The primary purpose of the journal is four-fold:

1. To share and promote knowledge of economic, management, and development issues facing countries of Asia and Africa and other emerging markets. Focusing on assessment, evaluation, and possible solutions help advance countries in this which has the largest world habitats. Development challenges are global; virtually every country faces problems concerning economic development, sustainability, food and water, population and environmental degradation. Yet no country gains by shunning opportunities that globalization can provide, with the possible exception of a few countries whose leaders lack a full understanding of the opportunities that globalization can offer. To take advantage of such opportunities, knowledge is the primary requisite. And this journal aspires to make a contribution to this body of knowledge.
2. To encourage the generation and dissemination of knowledge by local scholars whose access to mainstream academic outlets may be limited? We know many scholars from academic, public and private sector organizations whose first-

hand knowledge of problems and solutions isn't being shared for lack of an appropriate outlet for dissemination. The CCJ may provide an opportunity for spreading such knowledge.

3. To focus on countries that span the northern band of Asia – from China to Turkey – to the northern tier of Africa, areas that have not previously been the subject of much attention. In the past, these countries have tended to gain the attention of scholars and the media only in times of man-made or natural crises. But in fact, these nations have many challenges similar to those of others. They wrestle with shortages of food and water and the growth of population and pollution. Although they have educated their own citizens, especially in countries that had been under the shackles of dictatorship for decades, now they have become freer to express ideas in journals such as this.
4. Academic scholarship emanating from the region under the journal's coverage tend to get lost in the academic jungle where the pressure of "publish or perish" leaves behind the younger and less experienced members. This journal will give an opportunity to the scholars with first-hand knowledge of these areas to publish their research and thereby make important contributions to the management and development body of scholarship on which the journal will concentrate. We need to know more about these topics in countries such as Afghanistan, Kazakhstan, Morocco and Tunisia as well as other countries covered by this journal. The CCJ will provide a platform for established as well as younger scholars who might collaborate with them in their research.

In this second issue of the *Cyrus Chronic Journal*, we include six articles and four book reviews. Scholarly articles, from established scholars and policymakers, cover the gamut from US-China relations and anomie and dysfunction in the Middle East to direct investment in the MENA countries, inclusive business in supply chain and, finally, barriers that Western educational entrepreneurs face in pursuit of educational initiatives. In addition, we included reviews of four books each of which is timely in coverage and penetrating in their analysis. We will continue to bring you book reviews as part of our mission to advance knowledge.

On the journal's operational side, we want to make the publication more accessible to a wide audience across the world, and so, consistent with the 21st-century trend toward electronic media, we will publish this journal online. To maintain rigor and originality, articles submitted to the journal will undergo the standard blind review process. Reviewers' anonymous comments are shared with authors, as appropriate. Submission guidelines and procedures are delineated on the journal's website: <http://www.cyrusik.org/research/the-cyrus-chronicle/>.

As the first editor of the journal, I am pleased and proud to accept this challenge. I bring some experience; my first editorial assignment was as an undergraduate at the then Pahlavi University in Shiraz, Iran, a top-ranking institution in the region. A few students and I founded and published *Danesh-Pajouh* (knowledge seeker). In those days when freedom of expression was severely limited, we managed to publish one issue in March 1965 before the censors put a stop to the enterprise.

Turn the Ship Around!: A True Story of Turning Followers into Leaders

Book Review by: **Bhaskar Nandina**
CYRUS Institute of Knowledge

Author: L. David Marquet

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In the book “Turn the ship around!” author L. David Marquet proposes practices of a new model of leadership he calls the “Leader-Leader” approach. This book is the story of a captain’s journey to rewrite the genetic code for control on his nuclear submarine the USS Santa Fe. The ship was plagued with bad morale, frustrated crew and the ship ranked the lowest among other submarines in its quadrant. 6 months since taking charge of the Santa Fe, the captain and his crew together crafted procedures that are now renounced in the Navy and in private sectors. In the book the model’s three main foundation pillars—Control, Competence, and Clarity. The author primarily deals with organizational change specific to leadership management. The author triumphs in revitalizing his crews’ morale, divesting control, diminishing the need for constant hierarchical monitoring and bringing about accountability to each members actions.

Throughout his life, the leadership lessons the author was exposed to in academics, books, stories and in movies, describe Leadership as controlling people. He says it divides the world into two groups of people – Leaders and Followers. The author always had his reservations about this approach, which he calls the “Leader-Follower” approach. He explains its difficulty in structuring organization of the contemporary world where work we do is cognitive. He takes a dig at “empowerment” programs that he finds most organizations thrust on its employees. The author states that humans by nature are an empowered species and argues that empowerment cannot be hard taught. He also observes that most teams/organizations often lose their sense of direction immediately after losing a “great” leader. This is a characteristic of the “leader-follower” approach, which he says fails to create great teams that live past their great leaders.

The author’s introduction to the “leader-leader” approach happened early in his career, working under Captain Marc Pelaez of the Sunfish submarine. While at

Sunfish, he has experienced a sense of authority and control over his work. It was during this period that he felt “valued” and has experienced “job satisfaction”. But during his subsequent deployment on a submarine, the Will Rogers, where he implemented the same approach, here as an engineer, the decentralization of power in an attempt to inspire and empower his team failed miserably.

The disastrous experience of decentralizing control on the Will Rogers was always in the author’s mind. On many occasions during the implementation of the approach at Santa Fe, the author makes sure to correct the mistakes that were made at the Will Rogers. There were also occasions where the author had to resist the urge to fall back to provide solutions, giving time to let others react to the situation. He made sure to create a space for open decision by the entire team. It was not always a smooth sail for his crew, they would revert back to old habits of expecting their superiors to tell them what to do, forgetting to see the bigger goal which they intended to achieve.

There is no denying that the Santa Fe was a bad ship, its crew knew it. Which made them more welcoming to changes that were proposed. The author’s initial success was getting his mid-level officers in each department willingness to try a new approach.

The captain’s approach to bringing change in the management are based on the following objectives:

- Divest control and distribute it in phases, first to his immediate subordinates and later to the crew at large
- Having each department heads take responsibility and accountability over their respective departments
- Overthrowing the previous chain of command and adopting to a bottom-up flow of information
- Having the crew move out of the old habits of myopic approach towards errors and adopt to seeing each mission as a means to an end
- Eliminating any and all genetic procedures that characterize the “leader-follower” approach
- Using the power of words and actions that deliberately creates an active approach to doing things
- Resisting the urge to provide solutions, micromanaging tasks and constant top-down monitoring of activities

- Having the crew come up with solutions to the problems
- Create a work environment that would give men respect and dignity, a place they were happy to go each day. This would lead to change in behavior and improving the morale.

All objectives of the leader-leader approach figured out, there still remains the sketching routines that would implement them. Implementing these changes meant he was changing the underlying genetic characteristics that represent the “leader-follower” approach. The author identified all archaic procedures/habits that were running his ship and with the help of his crew found newer ways to doing things. He knew when the crew adopts to his reformed procedures, in time change would happen. While few habits were instantaneously accepted by the crew, some were difficult to come about.

The author, however, was not an expert in the workings of his new leadership approach. As much as it was a learning experience for his crew, it was also to him. Divesting power and handing over control has its demons. The obvious one being “constant” fear of corrupting it, the author too had such fear. However, the trade-off favored implementing the decision to give control. The fear of power misuse was trumped by the advantages it provided:

- Quicker response during crisis and combat situations which critical decisions need to be made.
- Managers taking additional accountability of their department's decisions.
- Teams showing significantly more resilient and they do not rely on the designated leader always being right
- Less effort in telling people what to do

Yet another fear of an employee's competence. Any critical blunder by a crew member could mean a certain death to all members on the board of the submarine. This factors into why most captains micromanage every decision on board the submarine. All considered the rewards outweighed the risks and the author was willing to move ahead with his plan.

The author stated that “Control was **discovered**, only works with a competent workforce that understands the organization’s purpose.” Competence and Clarity are the two pillars critical to handing over control lower levels of management. The use of the word “discovered” is an indication that errors were made when control was given to lower levels of the organization. The older leadership procedures acted as catalysts to the crews’ lack of competence and clarity:

- First, the passive approach to performing tasks by taking orders made the leaders accountable to any incorrect order than the person executing it
- The crew at Santa Fe were a demoralized group, the crew retention percentage at Santa Fe was the lowest of the whole Navy. Their concentration was to moving on out of Santa Fe, rather than achieving something great during their time with this ship.

The captain believed applying certain mechanism would make sure the crew members technically competent to make the decisions they make. Firstly, the crew members had to take “deliberate action”, the operator paused and vocalized and gestured towards what he was about to do and then only after taking a deliberate pause, would he execute the action. Second, they always had to view their training manuals, drill periods and inspection schedules as situations to learn about their machinery. Third, the crew was no longer briefed by a superior before a procedure, rather the crew, in turn, had to certify the procedure to their superior. Fourth, continuous and consistent repetition of the message. Finally, specifying the objectives of a mission, over specific instructions that are to be implemented. These practices resulted in: intercepting errors before they were made. Learning was active, and they turned criticism to a chance to learn and gain knowledge. Having to certify they shift the onus of preparation to the participants. Specifying the objectives given the freedom to the crew to execute the tasks, saving vital minutes/lives during a crisis and combat situations.

Second, the author recognizes clarity as an important pre-requisite that each and every member at Santa Fe should possess. It is defined as every member having the understanding of what the organization is about (for a submarine, it meant being effective in combat situations). When decision-making authority is pushed down the chain of command, any lack of clarity at lower levels results in making skewed and suboptimal decisions. The mechanism of clarity is building trust with the team, using legacy for inspiration, drafting a set of guiding principles, using immediate recognition and having the end in mind at the beginning of a mission. While each mechanism for clarity is self-explanatory, what’s impressive is how these practices were drafted by the captain of Santa Fe, L. David Marquet.

Coming to the major theme of the book, drafting new practices of the leader-leader approach. The approach did not come with a set of instructions he could follow. While, the impact of the older “leader-leader” approach was discovered in phases, almost always on firsthand. The author did have immediate solutions in hand in most cases. During many such instances, the

author has centered approach based on the lesson from the book *7 Habits of Highly Effective People* by Stephen R. Covey. And in most cases, his crew got involved. It was truly a team effort to find ways to push control further down the chain of command. Few decisions where the control was abdicated to lower management was because the subordinate requested for more decision making authority.

The author has utmost support for the “leader-leader” approach. Its underlying notion of there being no followers, only teams that involuntarily withhold their prowess in decision making, passion for creativity and the willingness to take control of their work and themselves. It might be due to their organizations that never mandate them in the first place. The author’s writes of experience his of authority he had at Sunfish as a “powerful tonic”, and it is this feeling that he intends to spread to his crew on Santa Fe.