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PERCEPTIONS OF MANAGERS IN KUWAIT ON THE
ROLE OF THE MULTINATIONAL CORPORATIONS
IN CHANGE IN KUWAIT

DISSERTATION

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By

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The purpose of this study is to investigate the perceptions of managers in Kuwait (both Kuwaiti and non-Kuwaiti) on the effects of multinational corporations (MNCs) in Kuwait and whether these effects were beneficial. The problem motivating this study is the effects that MNCs have on the social, cultural, political, legal, economic, business, and technological environments of their host countries, especially in developing nations. This study is based on a survey of the perceptions of 1,344 managers in Kuwait on the role of MNCs in changes in Kuwait.

A review of the literature on MNCs and their relationships with their host countries is provided. This review focuses on four major environmental dimensions (Social-Cultural, Political-Legal, Business-Economic, and Technological) that are affected by MNCs. The factor analysis performed for this study supports this classification of the dimensions in the environment.

An English questionnaire was developed from the list of major items in each of these dimensions. An Arabic version

was developed using a "double-translation method." Both the English and Arabic versions of the questionnaire were pilot tested. The instrument proved to be reliable and valid. The study utilizes a 2 x 3 block design, categorizing subjects by nationality (Kuwaiti, other Arab, others) and type of organization (public and private). Since most of the variables in the study were measured using nominal and ordinal scales, mostly non-parametric statistics were used for data analysis.

The major finding from this study was that managers in Kuwait perceive positive effects of MNCs on change in Kuwait, with the exception of the cultural environment. The favorable perceptions were about the MNCs' effects on the change in business, economic, and technological environments in Kuwait.

The results of the study should be beneficial to the Kuwaiti government, MNCs doing business in Kuwait, and also to cross-cultural researchers interested in the Middle East.

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"In the name of Allah [God], Most Gracious, Most Merciful Glory to you [God]: of knowledge we have none except what you have taught us, in truth you [God] are the only perfect and supreme being in knowledge and wisdom."

The Holy Quran, Chapter II, Verse XXXII

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CHAPTER I

INTRODUCTION

The multinational corporation (MNC) is a crucial change agent in developing countries (Black and Walters 1983; Cichock 1983; Dittrich 1982; Reiffers 1982). Meleka (1985) says that with information, and technology networks, MNCs can satisfy developmental goals and needs of host countries and, thus, become important agents and catalysts for growth and development. This is a study of Kuwaiti managers' perceptions of the effects of multinational corporations on change in Kuwait. Two recent articles suggest that these perceptions may be positive. According to Ajami (1980), Arab elites in the Middle East believe that the multinational corporations have a positive impact on Arab economic development. Najafbagy (1985) also found that Kuwaiti government officials have a positive attitude toward MNC operations. This study is an empirical investigation of these propositions. This study is significant because the results can contribute to the long-term planning of both the Kuwaiti government and MNCs doing business in Kuwait.

Purpose of the Study

The purpose of this study was to investigate the perceptions of managers in Kuwait regarding the role of MNCs

in change in Kuwait. In order to fulfill this purpose, a series of questions were asked to three groups of managers in Kuwait (Kuwaitis, Other Arabs, Other Nationality) pertaining to their perceptions of the change occurring in Kuwait. These three groups were also asked to indicate the degree to which this change is beneficial to Kuwait.

The results of this study provide a composite view of the perceptions of managers regarding the impact of MNCs on Kuwait and reveal whether or not these changes are considered to be beneficial to Kuwait. The major purpose of this study was to determine these answers and to report them.

Statement of the Problem

The problem motivating this study is the role of MNCs in change in Kuwait. Kuwait gained its independence in 1961 and is developing at a very fast pace. The rapid pace of change brings resistance in some segments of Kuwaiti society. Those who can adjust to the change and benefit from it are more receptive and open-minded than those who cannot.

Some aspects of change are considered threatening to the culture of Kuwait (Ismael 1982). It was expected that this would be reflected in the managers' perceptions about change in Kuwait. This study investigates the Kuwaiti managers' perception of the effects of MNCs on the various

dimensions of the environment (i.e., social, cultural, political, legal, business, economic, and technological environments). The multi-dimensional approach used in this study makes it possible to discern specifically which aspects of change are perceived to be negative and which ones are perceived to be positive.

Change in Kuwait is a result of both domestic and international forces (Crystal 1986). With the wealth from oil, Kuwait changed within a couple of decades from a traditional tribal sheikdom, subject to British colonial rule, to an independent, affluent, urban-cosmopolitan, center of world trade (El Mallakh and Atta 1981; Hegazey 1985).

Significance of the Study

This study is significant because of the usefulness of its findings to potential end users. The end users of the findings of this study should be the Kuwaiti government, MNCs, and academia.

The Kuwaiti government can use information from this study in its long-term planning. This additional information can enable the Kuwaiti government to use economic planning in order to better manage the problems presented by rapid change. It can also be used in providing careful direction and control of foreign direct investment in Kuwait. Kuwait may encourage certain types and sources

of investment and discourage others. The Kuwaiti government may also encourage change in areas where change is perceived to be beneficial and control and correct the changes in areas where it is perceived to be harmful.

The MNCs should find knowledge of the attitudes of its host to be useful. This feedback is important to the MNCs because they can increase efforts in areas where they are welcomed and decrease them where they are not welcomed by the host nation. The acceptance of an MNC and its actions by the host is very important to its long-term survival and effectiveness. Another major benefit of this study for MNCs is that some of the results may be generalizable to countries similar to Kuwait. Cultures around the world can be clustered into groups (England 1975; Hofstede 1980). Knowledge about Kuwait may help in planning for investment in countries with similar cultures (such as Saudi Arabia, UAL, etc.).

The third group to benefit from this study is the academicians who are interested in international business and related fields of study. This original, empirical study adds to the existing knowledge and provides hypotheses for future research. The same study may also be replicated in different nations to see if the results for Kuwait hold true for other nations. This perhaps will assist in building theoretical models to guide research in international studies.

Limitations of the Study

This study is based on a survey of perceptions. Casual inferences cannot be made from the results of this study. The conclusion that MNCs affect change in Kuwait is not appropriate for this study. The conclusion that may be made, however, is that the subjects of this study believe that MNCs affect the environment in Kuwait in a certain way.

Another limitation of the study is that it does not distinguish between direct and indirect effects of MNCs. Subjects of the study were not asked to make a judgement on this issue. Thus, in addition to the causal direction of the effect, the nature of the effect is also outside the scope of this study.

The study involves only Kuwait, and only during a certain period of time. Results may be generalized to other nations, only with caution. Repeating this study at another time might yield different results.

Another limitation of this study is that it is not a normative study. Performance data of any kind were not collected. Thus, prescriptions for "what should be" cannot be made based on the results of this study. As descriptive research, it describes the opinions and feelings of the sample and nothing more. The recommendations made from this study are suggestive in nature only. Studies of

this nature can help develop theoretical models which can be tested in further experimental research.

Because this is a study of the perceptions of managers, detailed quantitative analysis of actual change in Kuwait is excluded. Although this study is concerned with the role of MNCs in change in Kuwait, the actual changes in Kuwait were not studied.

Variables of the Study

Two sets of variables are used in this study and these are reflected as major sections in the research instrument, presented in Appendix A. The first set of variables is made up of demographic characteristics of the sample of managers in Kuwait. This set includes the (1) name of organization, (2) type of organization, (3) job title, (4) job rank, (5) nationality, (6) language spoken, (7) tenure in Kuwait, (8) age, (9) education, (10) place of education, (11) sex, (12) marital status, (13) income, (14) parents' income, and (15) religion. The second set of variables concerns dimensions of the environment in Kuwait which may be affected by MNCs. These are listed in Table 1. The demographic variables serve as independent variables, and the opinions of the subjects about MNCs' effect on change in Kuwait serve as dependent variables, in this study.

TABLE 1
ENVIRONMENTAL DIMENSIONS

| Social | Political | Business | Technical |
|------------|--------------|-----------------|---------------|
| Language | Government | Economic | Computers |
| Religion | Laws | development | Communication |
| Values | Judicial | Cost of living | Manufacturing |
| Family | system | Transportation | technology |
| Education | Independence | Health-care | Agriculture |
| Traditions | of decision- | Management | technology |
| Class | making | style | Research and |
| structure | Democracy | Working | development |
| Role of | National | conditions | Architecture |
| women | independence | Employment | Financial |
| | | practices | support for |
| | | Income | research |
| | | distribution | Appropriate |
| | | Industry-trade | technology |
| | | Productivity | |
| | | Oil industry | |
| | | Manufacturing | |
| | | Banking and | |
| | | finance | |
| | | Foreign trade | |
| | | Housing finance | |
| | | Foreign trade | |
| | | Housing | |
| | | Government | |
| | | services | |

Hypotheses of the Study

The variables in Table 1 relate to dimensions of the environment in Kuwait. The main interest of this study is the change in this environment, and the extent to which it is affected by the activities of MNCs.

Measurement of the actual change in the environment is outside the scope of this study. The purpose of this study

is to investigate the perceptions of managers in Kuwait about these changes. Thus, the hypotheses of this study are related to the perceptions of the managers.

These hypotheses concern the subjects' perceptions about the role of the MNCs in change in Kuwait. The hypotheses are grouped under three major categories. The first group deals with the variables used in the 2 x 3 blocking for the sample. The second group deals with the individual characteristics of subjects in the sample. The third group of hypotheses deals with subjects' perceptions about the different dimensions of the environment. The hypotheses are listed below.

Group I

Hypothesis 1: Nationality of the subjects will make a difference in their perceptions about the MNCs' role in change in Kuwait. Kuwaiti managers will have less favorable perceptions than other managers in the sample.

Hypothesis 2: Managers in the public sector will have less favorable perceptions than those in the private sector about the MNCs' role in change in Kuwait.

Group II

Hypothesis 3: Younger managers will have more favorable perceptions than the older managers about the MNCs' role in change in Kuwait.

Hypothesis 4: Perceptions of the male and the female managers will not be significantly different about the MNCs' role in change in Kuwait.

Hypothesis 5: More-educated managers will have more favorable perceptions than less educated managers about the MNCs' role in change in Kuwait.

Hypothesis 6: Muslim managers will have less favorable perceptions than non-Muslim managers about the MNCs' role in change in Kuwait.

Hypothesis 7: More-religious Muslim managers will have less favorable perceptions than less-religious Muslim managers about the MNCs' role in change in Kuwait.

Hypothesis 8: Non-Kuwaiti managers who have been in Kuwait longer will perceive more effects of MNCs than those who have recently arrived in Kuwait.

Hypothesis 9: Managers with higher income levels will have more favorable perceptions than those who have lower income levels about the MNCs' role in change in Kuwait.

Hypothesis 10: Kuwaiti managers who were educated abroad will have more favorable perceptions than those who were not about the MNCs' role in change in Kuwait.

Group III

Hypothesis 11: All managers will perceive negative effects of MNCs on the cultural environment in Kuwait.

Hypothesis 12: All managers will perceive neutral effects (no effects) of MNCs on the political-legal environment in Kuwait.

Hypothesis 13: All managers will perceive positive effects of MNCs on the business-economic and technological environments in Kuwait.

Methodology

This study is field survey research, and has a 2 x 3 block design. A total of 1,344 managers in Kuwait were surveyed for their perceptions of the effects of MNCs on the environment in Kuwait. These managers belong to the groups shown in Table 2:

TABLE 2
THE SAMPLE

| | KU | Other Arab | Other | Total |
|---------|-----|------------|-------|-------|
| Private | 227 | 251 | 204 | 682 |
| Public | 189 | 243 | 230 | 662 |
| Total | 416 | 494 | 434 | 1,344 |

This study used a questionnaire which was developed from the review of literature on the environments of international business. Four major dimensions of the

environment were included in the instrument: Social-Cultural, Political-Legal, Business-Economic, and Technological (see Table 1). As mentioned previously, it is hypothesized that some of the demographic characteristics of the sample would make a difference in the subjects' perceptions. It also is hypothesized that managers' perceptions would differ from various dimensions of the environment. For example, the effects of MNCs on technology in Kuwait are perceived to be high and positive and the effects of MNCs on culture in Kuwait perceived to be negative.

Two versions of the instrument were developed, English and Arabic. A "reverse-translation" method was used to ensure the equivalency of the two versions. The study shows that both versions are equally valid and reliable. Reliability coefficients are presented on page 62, and the validity of the instrument is discussed beginning on page 63.

The two types of data collected in this study are nominal and ordinal. All data collected in Section II of the instrument were from a five-item Likert-type scale which ranged from 1 to 5, with 3 indicating no effect, 1 and 2 scores indicating negative feelings and 4 and 5 scores indicating positive feelings. Therefore, all scores for Section II (perceptions on the effects of MNCs on Kuwait)

are ordinal measures. The demographic variables in Section I of the questionnaire were measured with either nominal or ordinal scales.

The nominal and ordinal types of data do not lend themselves to parametric statistical analyses. Most of the statistical analyses and tests used for this study were non-parametric. However, in order to be able to use more powerful parametric tests, dummy coding (0, 1) was used to transform some of the variables. Factor analysis, reliability analysis (Chronbach's Alpha), descriptive statistics, non-parametric correlations (Spearmen's Rank, Kendall's Tau), chi-square, multiple regression, and t-test techniques were used in data analysis. SAS and SPSS-X procedures were utilized for this study.

Major Findings

- The major findings from this study are as follows:
1. The subjects perceived that MNCs' effects on change in Kuwait have been positive. The only negative effect perceived was on the cultural environment in Kuwait. Perceptions were especially positive in the business-economic and technological dimensions.
 2. The nationality of the subjects made a difference. In general, Kuwaiti managers' perceptions were slightly less-favorable than those of non-Kuwaiti managers. The

difference was significant, especially for the cultural environment.

3. The type of organization the subjects worked for made some difference. In general, the managers in the public sector had slightly less-favorable perceptions than those working for private companies. The difference was statistically significant only for the social-cultural environment.

4. The religion of the subjects made a difference. In general, the Muslim managers had slightly less-favorable perceptions than non-Muslim managers. The difference was statistically significant especially for the cultural environment.

Summary

This study is based on a survey of Kuwaiti managers' perceptions of the effects of MNCs on the environment in Kuwait. The managers were also asked whether or not these changes were beneficial for Kuwait. The results of this study can be used for long-term social and economic planning by the Kuwaiti government and for investment planning by MNCs. The results may also guide future research on the effects of MNCs on change in developing countries. The major finding was that all managers perceive that MNCs had positive effects on the environment in Kuwait, except the cultural environment. The more favorable perceptions were

about the MNCs' effects on the business-economic and technological environments in Kuwait.

CHAPTER II

LITERATURE REVIEW

This chapter includes a review of literature on multinational corporations, developing nations, and how MNCs affect the environment in developing nations. A review of the environment in Kuwait is provided. Because the study concerns the effects of MNCs on the environment in Kuwait, a review of the Kuwaiti environment is provided.

The focus in this chapter is on the relationship between MNCs and developing countries. Because the purpose of the study is to investigate perceptions of the effects of MNCs on change in Kuwait, the major emphasis is on the effects of the MNC on this country.

Multinational Corporations

A multinational corporation is a company that does business in two or more countries (Ball and McCulloch 1988). This international involvement can be anything from just exporting to having wholly-owned subsidiaries around the world. Larger corporations which have operations in Kuwait are of particular interest.

Larger corporations are more likely to affect developing countries than are smaller companies which have fewer international operations. The first reason for this is

their size. In 1985, the total sales of General Motors Corporation (GM) was less than the Gross National Product (GNP) of only twenty-one nations. All other nations of the world had GNPs that were less than the total sales of GM (World Bank Atlas 1987). This obviously gives a lot of power to GM in its relations with these nation states (Aldaeaj, Thibodeaux, and Nasif 1989). The second reason is the fact that these large corporations are geographically diversified in their operations and have minimum dependence on any one location. Again, this increases their power base in their relationship with the host nation state.

The influence in a relationship is the result of the power differential between the two parties (Emerson 1962). The greater the power balance is in favor of the MNC, the more it can affect the environment in the host nation. Until the 1960s this balance was usually in favor of the multinational corporation, but recently the power balance has shifted toward the nation state. Consequently, developing countries now have more influence and effect on MNCs (Aldaeaj, Thibodeaux, and Nasif 1989).

In an attempt to emphasize the importance, power, and effects of MNCs most literature compares the sales of the largest MNCs, to the GNP of developing nations. Baker, Ryans, and Howard (1988) point out how misleading these comparisons are. They say that the majority of an MNC's

sales typically occur in its home market and that, ultimately, the nation state has the authority (sovereignty) over a company within its borders regardless of the size of the company.

Today's multinational corporations are different from those of the past. Technological developments such as transportation, computerization, and advanced telecommunications have made it possible for an MNC to easily coordinate and manage its global operations. In the past, the management of a subsidiary was generally in a localized (decentralized) style. Today, centralized control of management is possible in spite of the distance between a corporation's headquarters and its subsidiaries. Through the advantages of technology, size, and geographic diversification, the MNC has evolved into a major force in the world economy.

Reiffers (1982) argues that the MNC phenomenon derives its power from four major features: its mass, its speed, its flexibility, and its magnetism. The first factor, the mass, refers to the number and size of MNCs. The amount of world economic activity they provide certainly makes MNCs a major force to be recognized. The second factor, its speed, refers to its rate of growth. MNCs had the highest rate of growth after the Second World War. The annual rate of growth (direct investment stock) of MNCs has been higher

than the annual growth rate of the GNPs, even of developed nations (10.7 vs. 9.1, for 1967 and 1971). In 1988, the overall average increase in the market value of the global top 1,000 companies was 5 percent ("The Business Week Global 1000" 1988). The average annual growth rate in the GNP of the seven industrial nations is shown below in Table 3.

TABLE 3

1988 GNP GROWTH OF INDUSTRIALIZED NATIONS

| Nation | Growth Rate |
|-------------------------|-------------|
| Japan | 5.8% |
| Canada | 4.3% |
| Britain | 4.0% |
| United States | 3.9% |
| Italy | 3.0% |
| France | 2.9% |
| Germany | 2.9% |

Source: "Fortune Forecast." Fortune 11 (July 1988): 26.

The third factor, the flexibility of MNCs, refers to their ability to adapt to changing environments. MNCs have diversified in every possible way (products, processes, locations, etc.) which gives them the ability to respond to any kind of threat or opportunity in the environment. The fourth factor is the magnetism of MNCs, which refers to its

ability to integrate and coordinate a global system. These characteristics of MNCs give them the power to affect the social, political, and economic development of the nations in which they do business.

Ball and McCulloch (1988) describe the external environment in which MNCs operate, using ten major factors: (1) competitive, (2) distributive, (3) economic, (4) financial, (5) legal, (6) physical, (7) political, (8) sociocultural, (9) labor, and (10) technological. These factors can be grouped under four major categories: (1) social-cultural forces, (2) political-legal forces, (3) business-economic forces, and (4) technological forces.

Social-cultural forces in MNCs' environment refer to factors such as education, religion, values, tradition, language, population trends and other factors which provide the basis for social behavior of individuals in that society. The political-legal environment includes the government system, laws, judicial system, politics, democracy, freedom, independence, terrorism, and other factors which basically relate to how this society governs itself and the stability of this process. The business-economic environment includes factors such as the GNP, income distribution, structure of economic sectors, taxes, labor forces, marketing-distribution related factors, financial-monetary factors, infrastructure, foreign trade,

and business management styles-processes-structures in that country. The technological factors include computerization, factory automation, telecommunications, research and development institutions and activities, and other factors which relate to the overall technological development level of the country.

This classification of the factors in the environment of MNCs provide the structure of the questionnaire used for this study. The opinions of managers in Kuwait were solicited. Managers were asked if MNCs had any impact on these environmental forces in Kuwait and if the impact was beneficial to Kuwait.

Joint ventures are the most common method for becoming international for most MNCs. This may sometimes be due to local legal constraints, as is true in Kuwait. Kuwait requires that MNCs have a local partner and that MNC cannot have more than 49 percent ownership. There are advantages and disadvantages to joint ventures when compared to wholly-owned subsidiaries. An advantage is that the MNC has a local partner who can show the MNC how to do business there and provide essential insights into the environment. The partner also provides very crucial contacts to government and other important clients or suppliers. A disadvantage is the control given away to the local partner. The amount of control sacrificed, however, has nothing to do with the

percentage of ownership. It depends on the partners' dependency on each other for critical inputs such as knowledge, raw-materials, technology, and personnel.

Beamish attributes most joint-venture performance and success to compatible partner selection. He says that MNCs which "look to local partners for contributions in general management, functional managers, knowledge of current local business practices, and general knowledge of the local economy, politics, and customs" (1987, p. 36) were generally more successful. The less-successful joint-ventures occurred when MNCs "looked to their partners for contributions in being able to satisfy existing/expected government requirements for local ownership or to avoid political intervention" (1987, p. 36). Beamish (1987) suggests that if the MNC does not really "need" the local partner for local management and local knowledge, it is better to go at it alone. Simiar (1983) suggests that most of the joint-venture failures in Iran occur because of the lack of trust and understanding in the relationship.

Goal congruence is also an important requirement for joint-venture success (Raveed 1983; Simiar 1983). The host government, the local partner, and the MNC all have different goals. Lack of goal congruence leads to conflicts among these parties (Aldaeaj, Thibodeaux, and Nasif 1989). If the partner is a state-enterprise the problems faced is

more difficult to handle for an MNC, compared to having a private local partner. Raveed (1983) argues that the disadvantages of the state-enterprise joint-venture far outweigh its advantages for an MNC. MNCs' joint-ventures in Kuwait include both private and public local partners.

Effects of Developing Countries on MNCs

In managing global operations, MNCs must react to the demands and constraints placed on their behavior in each of the nations in which they operate. Chaudhuri (1988) argues that, in the 1990s, MNCs will have to be more flexible in accommodating the economic needs and aspirations of less-developed nations. Sethi (1987b) feels, that MNCs are currently challenged to create new roles for themselves in the less-developed countries that are becoming more sophisticated in their economic and social needs.

The environments in foreign countries have the same dimensions (i.e., social, economic, political, etc.) as the environment at home, but they are different. The complexity of the problem evolves from the fact that the international environment is a sum of all foreign environments as well as the interactions and interrelationships between those foreign environments (Phatak 1983). Because of the complexity and differences, the management of a foreign subsidiary was, until recently, largely a local phenomenon. The general manager of a subsidiary was fairly autonomous in

how he or she managed the operation. Today, an MNC may easily coordinate and centralize the management of global operations.

This gives an MNC the ability to respond to changing demands that may be placed on it from different foreign environments, in a focused and coordinated fashion. Thus, in terms of global strategic management, the effect of the local environment on an MNC is slowly decreasing. Its local management, however, is still under the influence of the local environment.

The environment affects the MNC in a variety of ways. The effects can be better understood if one can identify the factors in the environment that are affecting an MNC's behavior. The effects of the different dimensions of the local environment on an MNC are discussed below.

Most of the psychological aspects of a nation's culture affect business behavior and managerial activity, because business is an integral part of its host society (Al-Jilani 1985; Kolde 1985). Thus, the products of a business and the behavior of its employees and managers should conform to the requirements of the host society's culture. Deviations from it will isolate the company and its people, leading to its failure. One example of the effects of the local sociocultural environment on the MNC could be the effects of the local class-structure on staffing practices of the MNC.

For example, in nations such as India, it may not be appropriate to place a person of lower-class origin in a supervisory position over a person of higher-class origin.

The political-legal environment may put many restrictions on the operations of an MNC. An example is the fact that Kuwait requires all MNCs investing in Kuwait to participate in joint-ventures with local partners. Another example is the war in the Persian Gulf which resulted in decreased MNC investments in the region (Kassicieh and Nassar 1983).

The business-economic environment is also a critical dimension. Many indicators of economic development provide measures of market size for the products of the MNC. The financial-monetary environment, for example, may severely restrict an MNC to repatriate its profits in its own currency. The technological environment, the fourth major dimension, may restrict the type of production process an MNC uses at that location. The MNC may have to use appropriate and different technologies at different locations.

The effects of the local environment on an MNC, discussed under the four major dimensions of the environment, relate to almost all aspects of managerial decisions and behavior. The willingness of the MNC to conform or adapt is voluntary only to the extent that it may

choose not to obey the state and leave the country. Those that stay, however, may still keep their company identity and style to an extent within the boundaries set forth in the mandates of the state.

The orientations that MNCs take in the degree to which they adapt to the local environment can be classified under three major philosophies: ethnocentric, polycentric, and geocentric (Permutter 1967). The ethnocentric approach is home-country oriented and requires locals to adapt to the company's home-country practices (for example, the American way of managing for a United States MNC). The polycentric approach emphasizes the appropriateness of the host country management styles, therefore MNCs have different patterns of doing business in different nations. The geocentric organization has its own style, regardless of location (i.e., The IBM Way), and does not adapt to local conditions. It tries to maintain independence from it, and even from its home-country's ways.

Effects of the MNC on Developing Countries

This section contains a discussion of the effects of MNCs on host countries, especially developing countries. This is the major problem that is investigated in this study. The literature on the effects of MNCs on developing countries can be grouped into two major categories, literature which claims that an MNC does not benefit the

host country and those which claim that it does. Dittrich (1982) groups them under the dependency approach and the neo-conventional approach.

The dependency literature is generally anti-MNC in its orientation and looks upon the MNC as a tool of capitalist imperialism. The neo-conventional literature emphasizes the benefits to a developing country from this relationship. Both of these approaches are inadequate in explaining the full picture because they focus on only one side of what actually is a two-way relationship.

Jain and Puri (1981) argue that both the firm and the host country should benefit from the relationship. They also discuss problem areas that lead a host government to feel that more benefits accrue to the MNC than the host country. The policy-makers from thirty-five developing countries in their sample believed that MNCs were nevertheless needed for economic development. These authors propose many ways in which developing countries can motivate MNCs to invest in their countries.

As in every relationship, there are both benefits and costs for both parties. Chaudhuri (1988) says that when MNCs get involved in production in less-developed countries they create benefits for both parties, and the actual share of the benefits accruing to each depends upon their relative bargaining strengths.

For the host country, Gray (1987) lists the following benefits and costs of the MNC:

Benefits

1. International mobility of capital
2. International transfer of technology and human capital
3. Improved efficiency of global industry
4. Source of knowledge about global market forces
5. Economic development of the host nation

Costs

1. The benefits of the MNCs efficiency go to the owners and executives of the MNC, rather than the local employees and government.
2. Reduced sovereignty of the host nation
3. The MNC is able to avoid local constraints and has an unfair advantage over domestic business.
4. Reduce competition in the markets where they operate

This list is not intended to encompass all benefits and costs of MNCs. There is a vast amount of literature available on the impact of MNCs on developing countries (Baker, Ryans, and Howard 1988; Cichock 1983; Dittrich 1982; Fayerweather 1982; Hood and Young 1979; Jain and Puri 1981; Kumar 1980; Reiffers 1982).

MNC and nation state relationships always have the potential to be conflictual. According to a 1979 survey of the fellows of the International Academy of Management (Newman 1979), there are six major sources of MNC nation-state conflict: (1) ownership, (2) local unemployment, (3) transfer of technology, (4) exploitation of natural resources, (5) bribery, and (6) foreign exchange shortages.

The technological dependence of developing nations on MNCs has been a recent issue. Patel (1974) discusses the direct and indirect costs of technology transfers as well as the costs of non-transfer for less-developed countries. Sethi (1987a) states that industrialization requires a specific culture which often is lacking in less-developed nations, and the vast majority of the technological errors (accidents like the Bhopal, India, case) occur due to human errors. Thus, the governments of less-developed nations should bear the responsibility to educate, prepare, and inform their people about new technology, and try to choose appropriate technologies.

In most cases, however, MNCs have been beneficial for the nations they invest in, especially in the case of economic development (Barnet and Miller 1974; Travis and Crum 1984). Freeman (1981) lists four ways in which MNCs benefit less-developed countries: (1) MNCs are a powerful

force for peace, (2) MNCs are a powerful force in economic development, (3) MNCs own the technology needed by these nations, and (4) MNCs own the management capacity and marketing know how to transform the natural resources of a nation into economic opportunities. Also, Meleka (1985) points out five benefits of MNCs for the host nation: (1) developing the national economy, (2) increasing the national employment, (3) training and management development, (4) strengthening domestic industries through joint ventures, and (5) establishing national peace and political stability.

There is a difference in opinions about MNCs. Proponents of MNCs claim that third-world host countries benefit in a number of ways from these institutions. Economic benefits are usually stressed. It is claimed that economic development in the less-developed countries benefit from MNC investments (Freeman 1981; Meleka 1985), that GNPs increase as a result of the influx of international capital, in turn improving local business conditions (Freeman 1981), and that the transfer of modern technology and human skills into these countries enables the less-developed countries to better compete in the world economy (Barnet and Miller 1976; Meleka 1985).

It is also argued by proponents of multinational enterprises that there are generally societal gains for host

countries and that MNCs generally serve as agents for social and cultural change (Freeman 1981; Meleka 1985). It is claimed that economic development generally improves life. Gains are made in health and housing. The public infrastructure and public services (transportation, water, sewer, communications, education, etc.) are more available and the living standards generally improve (Freeman 1981; Gray 1987; Meleka 1985; Patel 1974).

Advocates of MNCs further claim that these enterprises help in the political development of less-developed countries. They argue that improving economic conditions, especially the reduction of unemployment (Freeman 1981; Meleka 1985; Parry 1980; Patel 1974), helps create more stable political environments, which in turn permits governments to strengthen vital public institutions (Patel 1974). Thus, it is reasoned, more stable governments are better able to meet vital public needs. Furthermore, it is claimed that having these international firms in the country promotes international standards of law and justice (Gladwin and Walter 1980).

Other writers assert that MNCs do not benefit the host nations and do not advance their economic development (Ashour 1981; Barnet and Miller 1976; Kumar 1980; Newman 1979). These critics point out the fact that many MNCs exploit the natural resources of their host countries and

introduce capital-intensive technology rather than labor-intensive technology in order to decrease unemployment (Kumar 1980; Meleka 1985). It is asserted that a less-developed host country's local businesses are not helped in this alliance, and that there is constant fear on the part of local businessmen that MNCs will dominate and control their economy (Kumar 1980; Newman 1979; Vernon 1977). These conditions destroy native entrepreneurial and small business activity, as well as handicraft industries (Kumar 1980; Vernon 1977). The increased reliance on importation of industrial goods from the developed world increases the trade deficit and aggravates the country's balance of payments problem (Barnet and Miller 1976; Meleka 1985). These critics argue that, overall, MNCs do not aid economic development (Ashour 1981; Kumar 1980).

Ashour (1981) discusses the self-serving practices of MNCs and what less-developed countries can do to prevent these. MNCs' centralized organization structure, transfer pricing practices, human resource management practices (i.e., lack of training for local managers) are among the self-serving practices of MNCs discussed in this article. Ashour (1981) observes that some countries attempt to control MNCs through regulating their activity. Competitive bidding, fixed time-tables to transfer control to locals, production for export requirements, and investments without

direct ownership (such as licensing, management contracts) are among the controls recommended.

The most serious accusations are that MNCs tend to support entrenched oligarchies and prevent national development (Kumar 1980; Meleka 1985; Vernon 1977). Bribes and payments to the entrenched elites, coupled with an anti-social orientation make national political development almost impossible (Newman 1979; Tsurumi and Graham 1977). According to these critics, less-developed countries are worse off as a result of MNCs (Barnet and Miller 1976; Kumar 1980). Both positive and negative opinions of various writers are summarized in Table 4.

The Role of MNCs in Change in Kuwait

This section includes the research question for this study. To claim that MNCs are solely responsible for change in Kuwait, or to claim that MNCs had no effect on change in Kuwait would be equally wrong. MNCs did have an effect, but how much effect is a difficult question which is outside the scope of this study.

The major impact that MNCs have had on change in Kuwait has been in the economy. Multinational oil companies developed the oil fields, and later the oil, gas, and petrochemical industries of Kuwait. The development and success of the Kuwaiti economy in a period of only about twenty years (1960s to 1980s) was largely due to its ability

TABLE 4
OPINIONS ABOUT MNCs IN THE LITERATURE

| Author | Positive and Negative Opinions: |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Krishna Kumar 1980 | <p data-bbox="611 596 940 625"><u>Negative Opinions:</u></p> <p data-bbox="611 632 760 661">Economic</p> <ul style="list-style-type: none"> <li data-bbox="668 663 1365 720">-The growth of the local entrepreneur can be inhibited, p. 13. <li data-bbox="668 726 1365 783">-Development occurs mainly in export fields, p. 137. <li data-bbox="668 789 1365 846">-MNCs are anti-labor and cause anti-labor policy to be enacted, p. 55. <p data-bbox="611 884 797 913">Technology</p> <ul style="list-style-type: none"> <li data-bbox="668 915 1365 1010">-Little or no R and D activities by Multinational Corporations in host countries, p. 32. <p data-bbox="611 1041 776 1071">Political</p> <ul style="list-style-type: none"> <li data-bbox="668 1073 1365 1167">-Necessary reforms of political institutions are inhibited by MNCs, p. 14. <li data-bbox="668 1173 1365 1230">-MNCs cause disintegration of native culture, pp. 49-79. <p data-bbox="611 1262 890 1291">Social/Cultural</p> <ul style="list-style-type: none"> <li data-bbox="668 1293 1365 1350">-Social and economic inequalities made worse, pp. 20-23; pp. 45-47. <li data-bbox="668 1356 1365 1413">-Ethnic stratification aggravated, p. 20. <li data-bbox="668 1419 1365 1476">-Increases feelings of inferiority about own cultural system, p. 34. <li data-bbox="668 1482 1365 1577">-Consumption pattern changed, increasing balance of payment problems, pp. 25-27; 227-248. <li data-bbox="668 1583 1365 1640">-Religious education weakened, secular education enhanced, p. 223. <li data-bbox="668 1646 1365 1703">-Increased emphases on practical skills in education, pp. 223-227. <li data-bbox="668 1709 1365 1803">-Not enough training in advanced technology of host country's employees, p. 31. <li data-bbox="668 1810 1365 1866">-MNCs change living patterns and child rearing patterns, pp. 249-274. |

TABLE 4--Continued

| Author | Positive and Negative Opinions |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Richard Barnett and Ronald Miller 1976 | <p data-bbox="617 468 951 495"><u>Positive Opinions:</u></p> <p data-bbox="617 499 771 527"><u>Economic</u></p> <ul style="list-style-type: none"> <li data-bbox="674 531 1382 621">-Greater capacity of MNCs to finance, technology, and advanced marketing skills, p. 18. <li data-bbox="674 625 1382 684">-Global corporations can borrow money almost anywhere. <li data-bbox="674 688 1382 747">-Global payrolls have changed world labor markets. <li data-bbox="674 751 1382 810">-MNC's have superior management skills. <p data-bbox="617 846 786 873"><u>Political</u></p> <ul style="list-style-type: none"> <li data-bbox="674 877 1382 936">-Worldwide corporations attack "irrational nationalism," p. 23. <p data-bbox="617 972 951 999"><u>Negative Opinions:</u></p> <p data-bbox="617 1003 771 1031"><u>Economic</u></p> <ul style="list-style-type: none"> <li data-bbox="674 1035 1382 1062">-MNCs do little to control pollution. <li data-bbox="674 1066 1382 1125">-MNCs cannot overcome problem of unemployment. <p data-bbox="617 1161 810 1188"><u>Technology</u></p> <ul style="list-style-type: none"> <li data-bbox="674 1192 1382 1283">MNCs overcharge for technology they transfer to less-developed countries. <p data-bbox="617 1318 786 1346"><u>Political</u></p> <ul style="list-style-type: none"> <li data-bbox="674 1350 1382 1409">-MNCs have ability to avoid taxes, p. 139. <li data-bbox="674 1413 1382 1503">-Profits of MNCs represent a kind of subsidy for American consumers, p. 189. <li data-bbox="674 1507 1382 1640">-Reason for growth of terrorism is failure of MNCs to recognize political problems in less-developed countries, pp. 204-205. <li data-bbox="674 1644 1382 1703">-MNCs are a part of the struggle for the riches of the world, p. 210. <li data-bbox="674 1707 1382 1818">-MNCs have made it difficult for the people of less-developed countries to develop political and economic institutions, pp. 262-263. <li data-bbox="674 1822 1382 1881">-MNCs can escape national regulations, pp. 256-257. |

TABLE 4--Continued

Author

Positive and Negative Opinions

- No simple technical or economic solution can cause national development, pp. 180-181.
- Unemployment, stagnation, inadequate services are political challenges-- not simply economic problems, p. 190.

Social-Cultural

- MNCs cause loss of cultural identity, p. 173.
- Stimulate consumption of imported goods, aggravates balance of payment problem, p. 173.

A. H. Meleka
1985Positive Opinions:

Economic

- Introduced an epoch of economic growth, development, and modernization.
- Strengthened domestic industries.

Political

- Promotes political stability.

Social-Cultural

- With MNCs, people in less-developed countries can anticipate a better life, p. 37.
- Need for trained work force stimulated education and training of local citizens.

Negative Opinions:

Economic

- MNCs introduce capital intensive technology worsening unemployment.

Political

- Control of host country's politics occur because of MNCs superiority in technology which make them indispensable to host country.
- MNCs interfere in local politics.
- Extension of colonial power.

TABLE 4--Continued

| Author | Positive and Negative Opinions |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Orvelle Freeman 1981 | <p data-bbox="617 457 951 493"><u>Positive Opinions:</u></p> <p data-bbox="617 493 770 529"><u>Economic</u></p> <ul style="list-style-type: none"> <li data-bbox="674 529 1315 653">-MNCs have the ability to advanced level of economic well-being and increase employment in less-developed countries, p. 9. <li data-bbox="674 653 1367 716">-They serve their stockholders and future well-being of mankind, p. 14. <li data-bbox="674 716 1356 810">-Per capita income of less-developed countries increased in the 1970s because of MNCs. <p data-bbox="617 842 806 877"><u>Technology</u></p> <ul style="list-style-type: none"> <li data-bbox="674 877 1376 972">-MNCs have capacity to deliver needed technology to less-developed countries. <p data-bbox="617 1003 786 1039"><u>Political</u></p> <ul style="list-style-type: none"> <li data-bbox="674 1039 1356 1102">-Single most powerful force to bring peace, pp. 16-17. <li data-bbox="674 1102 1372 1197">-Helping to build network of international economic institutions, p. 69. <p data-bbox="617 1228 899 1264"><u>Social-Cultural</u></p> <ul style="list-style-type: none"> <li data-bbox="674 1264 1259 1350">-Increasingly we live in global village. MNCs uniting world together, p. 73. |
| William Newman 1979 | <p data-bbox="617 1381 951 1417"><u>Positive Opinions:</u></p> <p data-bbox="617 1417 806 1453"><u>Technology</u></p> <ul style="list-style-type: none"> <li data-bbox="674 1453 1264 1516">-One-half of respondents placed speedier transfer as desired. <p data-bbox="617 1547 899 1583"><u>Social-Cultural</u></p> <ul style="list-style-type: none"> <li data-bbox="674 1583 1295 1614">-Social development--some change. <p data-bbox="617 1646 951 1682"><u>Negative Opinions:</u></p> <p data-bbox="617 1682 770 1717"><u>Economic</u></p> <ul style="list-style-type: none"> <li data-bbox="674 1717 1356 1780">-Impact on local unemployment likely cause of tension, pp. 83-84. <li data-bbox="674 1780 1222 1843">-Shortage of foreign exchange aggravated by MNCs. <p data-bbox="617 1875 786 1911"><u>Political</u></p> <ul style="list-style-type: none"> <li data-bbox="674 1911 1376 1942">-Political payment--a kind of bribery in some countries. |

TABLE 4--Continued

| | |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Author | Positive and Negative Opinions |
| | -MNCs help cause a rising nationalism. |
| | Social-Cultural |
| | -Change in institutions not always helpful. |
| Thomas G. Parry 1980 | <u>Positive Opinions:</u> Economic |
| | -Level of gain to host country occurs several ways: via national output increase; via consumer prices with host country's taxation of foreign profits, p. 110. |
| | <u>Negative Opinions:</u> |
| | Economic |
| | -MNCs because of weakness of less-developed countries earn excess monopoly profits. |
| | -The home--country job argument suggests that MNCs are to the disadvantage of host country, p. 6. |
| | Political |
| | -Tax rules are manipulated to the advantage of MNCs, p. 7. |
| Surendra Patel 1974 | <u>Positive Opinions:</u> Economic |
| | -Technological and scientific knowledge made available to less-developed countries. |
| | Social-Cultural. |
| | -General social benefits derived from the formation of skills as a consequence of introduction of new production processes, p. 7. |
| Adhip Chaudhuri 1988 | <u>Positive Opinions:</u> Economic |
| | -Benefits for both parties, p. 58. |
| | -Increased purchasing power. |
| | -Foster exports to industrial countries--improves currency shortages. |

TABLE 4--Continued

Author

Positive and Negative Opinions

- Rate and form of growth helped by MNCs.
- Provide growth capital.

Technology

- Know-how to market goods from less-developed countries, by MNCs.

Political

- Less-developed countries have increased power in their relationship with MNCs as they develop.

Negative Opinions:

Economic

- MNCs cater only to rich and upper classes in less-developed countries.

Raymond Vernon
1977Positive Opinions:

Economic

- MNCs may encourage or at least tolerate presence of local partners in business.

Negative Opinions:

Economic

- Capital intensive enterprises.
- Little effort has gone into innovating for special conditions in less-developed countries by MNCs, p. 56.
- Local businessmen become "Junior Partners in economy," p. 143.
- Labor see added jobs of MNCs a mixed blessing, p. 112.
- MNCs threat of turning away from country if labor relations go against them, p. 113.

Political

- MNCs and national-states have inconsistent goals and outlooks, p. 16.
- Political oligarchy entrenched in power, p. 141.

TABLE 4--Continued

| Author | Positive and Negative Opinions |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Thomas Gladwin and Ingo Walter 1980 | Social-Cultural -MNCs poor vehicles for analyzing fundamental social issues, p. 14. -MNCs in host countries ally with entrenched powers--tend to become antisocial, p. 144. |
| | <u>Positive Opinions:</u> Economic -MNCs may encourage or at least tolerate presence of local partners in business. -Corporate executives have called MNCs "greatest force for peace in the world," p. 2. |
| | <u>Negative Opinions:</u> Economic -Facilitate the oppression of the masses and make income distribution worse, p. 3. -Areas of conflict, pp. 24-25. MNCs ability to break a strike, p. 375. |
| | Political -Areas of conflict, p. 16-17. Social-Cultural -Areas of conflict--human rights, pp. 14-15. |

in using the oil revenues. This led to social, cultural, and educational development. The nationalization of oil investments by the Kuwait government and taking the control of oil pricing from the multinationals by OPEC during the 1960s and 1970s are events which marked the beginning of a

new politico-economic era for the Arab oil-producing nations (Ajami 1980).

A report prepared by the United Nations Center for Transnational Corporations (1986) argues that MNCs had the following effects on development in Kuwait:

1. Economic development in oil, non-oil, construction, banking, investment, and financial services industries.
2. International trade.
3. Building of infrastructure (roads, water, power, etc.).
4. Increased government revenues through taxes.
5. Development of local entrepreneurs (through joint-venture requirements for MNCs).
6. Development of human-resources and local managers through staff-development activities of MNCs.
7. Contribution to research and development at Kuwait University.

Al-Sharrad (1980) mentions that the primary contribution of MNCs to Kuwait's development was through developing the oil-industry. The wealth from oil, he argues, led to today's commercial capitalist economic system in Kuwait. The vibrant commercial, industrial, and construction activity in Kuwait acted as the pull-factor and to bring in a lot of foreign workers and immigration. This had two major unexpected results. One was crime.

Al-Sharrad (1980) illustrates the increase in the number and types of crimes in Kuwait between 1969 and 1978. The other result was the creation of the privileged class, the Kuwaitis, and the wage inequalities and other employment-related discrimination against non-Kuwaitis. All of the social problems have created new tensions in the society and a growing resistance to change.

Current laws in Kuwait require MNCs to operate in Kuwait only through joint-ventures with local partners. This restricted and controlled system of MNC operations and the better position it gives to Kuwaitis (minimum of 51 percent ownership) gives Kuwaiti officials a very positive attitude toward MNC operations in Kuwait (Najafbagy 1985).

In order to investigate the perceptions on the role of MNCs in change in Kuwait, this study is structured according to the environmental dimensions discussed earlier in this chapter. A questionnaire was used containing items relating to each of the four major dimensions of the environment. This study investigates Kuwaiti managers' perceptions of effects of MNCs on change in Kuwait.

Summary

Multinational corporations affect the environment in these countries where they operate and are affected by the countries' environments. The environments can be analyzed using four major dimensions: social-cultural, political-

legal, business-economic, and technological dimensions.

This study investigates Kuwaiti managers' perceptions of how MNCs affect the environment in Kuwait.

CHAPTER III

ECONOMIC, POLITICAL, SOCIAL, AND CULTURAL BACKGROUND OF KUWAIT

The purpose of this chapter is to present a brief historical sketch of Kuwait, with special focus on its economic, political, social, and cultural institutions. Kuwait is a small state, with an area of only 6,800 square miles. It is located in the northern corner of the Arabian Gulf, and is bordered by Iraq and Saudi Arabia. The topography is flat desert, and rainfall is limited. The population in 1988 was about 1.8 million, with 680,000 Kuwaiti citizens. The expatriate population includes Palestinians, Egyptians, other Arabs, Asians, and Europeans.

Kuwait's modern history began in the latter part of the seventeenth century. During much of its early history, Kuwait was a part of the Ottoman empire. After the British took Kuwait from the Ottomans, the country continued to be ruled by Amirs from the Al-Sabah family. Since the death of Mubarak the Great, in 1915, Kuwait has been ruled peacefully by his descendants, all of whom have died of natural causes while in office. The fact that there have been no civil wars or attempted coups reflects the stability of the

government and the people's confidence that the government is legitimate (Crystal 1986).

Although the nation has been ruled by an autocratic regime throughout its history, a constitution was adopted in 1961 when the Treaty of Independence was signed and Kuwait became a fully sovereign nation. This constitution provided for a fifty-member national assembly, which was elected every four years and shared legislative powers with the Amir. Executive powers were vested in the Amir, as the head of state, and a council of ministers who were appointed by the Amir. Under the Constitution, the Amir could dissolve the assembly at will and could initiate and promulgate laws and rules by decree when the assembly was not in session (Ismael 1982). Since 1986, the assembly has been dissolved and the Amir now rules by decree.

Before the discovery of oil, in 1934, Kuwait's economy was based largely on fishing, pearling, boat building, and trade. Agriculture, other than animal husbandry, was almost non-existent because of the scarcity of water. Its location on the Arabian Gulf and the fact that it has one of the best harbors in the northern part of the Gulf caused Kuwait to become a major commercial center for the region with the third largest proven petroleum reserves in the world, Kuwait's economy, which now depends heavily upon oil, is characterized by strict government controls over economic

activity and major industrial projects (Hegazey 1985).

Kuwait has come a long way in economic development. Today, one can see modern economic prosperity and a fast-paced industrial build-up in this country. The structure of the Kuwaiti economy is described as follows: (1) high government income from oil; (2) rapidly growing population; (3) growing demand for imported consumer goods; (4) growing demand for increased government spending and jobs; (5) increasing demand for imported capital goods; (6) government uncertainty about future oil prices; (7) increasing activity in the financial sector, domestic, and international; and (8) increasing value of the Kuwaiti Dinar against other currencies (Al-Abdul-Razzak 1984, 195-196).

During the early years of its history, most of the people of Kuwait were Arabs and Muslims. The early Kuwaiti society was basically a tribal society similar to the Bedouin tribes throughout the Arabian desert. Because the basic means of subsistence came from sheep and camel herding in the harsh desert environment, life was communal in character and organized around pastoral wanderings (Ismael 1982).

The social-cultural fabric of the Kuwaiti society was founded on Bedouin tribes who migrated from the Najd in the early eighteenth century, and the social organization was based on the ashiras, fakhths, and families. The ashira

provided a kin relationship through time. The fakhth (segmented lineages) and the family begins with the male elders of the family. To be a Bedouin is to be a member of an exclusive club. Membership of a tribe comes only by birth (rarely by marriage) so the Bedouin takes marriage seriously. The bloodline and the honor of the tribe are very important.

Selflessness, loyalty, serving the elderly, harmony, hospitality, and generosity are viewed as important values. Face (reputation) is very important and once lost it is very difficult to regain. One's face also belongs to the group. Thus, one's successes and failures also belong to the group (Ismael 1982).

Hospitality, pride, and honor are basic cultural traits of the Arabs. The intensity of these cultural traits varies from one country to another. The ancient Bedouin customs are still strictly observed and are more visible as one moves from urban to rural areas (Almaney 1983).

During much of its early history, the population of Kuwait was very small. The population in 1765 was estimated at only 10,000 and it grew very slowly over the years. By 1934, the year oil was discovered, the population had reached only 75,000. The full impact of oil on the society did not occur until the late 1940s since World War II slowed production and progress in the country (Al-Abdul-Razzak

1984). However, as the leading economic activity in Kuwait, oil has provided as much as 70 percent of the gross domestic product (GDP) since 1946. The country's population grew rapidly as the production of oil increased. The total number of migrants to the country grew dramatically, and by 1950 there were 150,000 people in the country. After the Arab-Israel wars many Arab refugees came there to work and, since there was no limitation on the number of foreign immigrants allowed into the country, helped transform the economy of the country (El Mallakh 1968).

After 1950, non-Kuwaitis made up an increasingly large proportion of the population. In 1957, non-Kuwaitis constituted 57 percent of the total population. This number continued to increase until 1985 when the percentage of non-Kuwaitis had grown to 60 percent (Kuwait: Facts & Figures 1988).

The change in the make-up of the total population has had a major impact on the Kuwaiti labor force. A tremendous demand for labor developed after the wealth from oil began to increase the gross national income (GNI). The average annual growth rate of the total labor force amounted to 7.8 percent during the period from 1957 to 1982 (Kuwait: Facts & Figures 1988).

Of the total labor force in 1957, indigenous workers made up 30 percent, or 24,602 out of the total work force of

80,288. The percentage of indigenous workers had declined to 26.9 percent by 1970, as the total labor force continued to expand rapidly. In 1985, the latest year for which statistics are available, indigenous labor accounted for only 18.6 percent of the total labor force, and non-Kuwaitis made up the remaining 81.4 percent (Kuwait: Facts & Figures 1988).

The high annual increase in the labor force resulted in a growing population which had to be served with essential physical and social infrastructures. As a result, Kuwait has been in the midst of a constant building boom. Both government and private spending grew dramatically throughout this period (Al-Arabi 1989).

Another change brought about by oil has been the increase of multinational corporations (MNC) doing business in Kuwait. The first discovery of oil in 1934 was made by two MNCs, D'Arcy Oil Company (now the British Petroleum Company) and the Gulf Oil Corporation of America. British Petroleum and Gulf Oil established the Kuwait Oil Company (KOC), each holding 50 percent of the capital. Later, in 1943, the Kuwait Oil Company was given an exclusive concession to all territories of Kuwait and its territorial waters for a period of seventy-five years, but the KOC was fully nationalized by 1975 (Sadik 1987).

From the beginning of the development of the oil industry, MNCs have played a major role in Kuwait's economic development. The MNCs' primary contribution, according to Al-Sharrad (1980), has been in the development of the oil industry. Multinational oil corporations first developed the oil fields, and then in the oil, gas, and petrochemical industries. Since then, MNCs have been attracted into numerous fields such as, industry, construction, banking and investments, marketing, and services. MNCs continue to increase in Kuwait, although under current law the government requires MNCs to operate only through joint ventures with local partners (Sadik 1987).

International trade plays a critical role in Kuwait's economy. Oil, the dominate product, makes up 80 percent of the country's exports. All types of consumer and capital materials are imported to meet the growing demands created by the new oil wealth. Many foreign companies and their affiliates operate in Kuwait as associates of local enterprises, operating and managing contracts, franchises, for a host of businesses, such as hotels, restaurants, construction, banking, insurance, investments, education, and other services.

Development of Kuwait in recent decades has occurred more rapidly than in almost any other country in the world. By 1985, per capita income had risen to \$14,480, the fourth

highest per capita income in any country. Wealth attracted more and more immigrants, and the total population in 1989 exceeds 2,048,422.

An entirely new society has been built as a result of this wealth. A modern urban infrastructure today stands where only a few decades ago Bedouin tribes grazed their herds. All of the comforts and advantages of modern science and technology are currently found in Kuwait. The state has developed a generous system of social, economic, and welfare benefits. A comprehensive public assistance law covers all Kuwaitis. Medical services and educational opportunities are provided free to all. Unemployment, which plagues most countries, is practically unknown. Employment and business opportunities abound in the country (Al-Arabi 1989).

The ramifications of such rapid change, however, have not all been beneficial. Change often causes the loss of cherished traditions and values, and results in pain to those experiencing the loss. In Kuwait, the negative side to rapid change can be seen and felt. Many of the cherished beliefs and practices of Kuwaiti culture are threatened by the rush toward Westernization. As a result of the growing secularization of the culture, religious tenets have less influence on people and the society (Ismael 1982). An inadequate supply of indigenous workers has resulted in an ever-growing inflow of expatriates whose different

lifestyles and values often threaten the Kuwaiti culture. MNCs often bring their own managers, who may have little sensitivity to the Kuwaiti culture.

Social ills have multiplied in Kuwait as a result of the rapid change. Crime have increased, as has the equally serious problems of divorce, suicide, personal alienation, child abuse, the breakdown of family ties and relations, and juvenile delinquency (Al Sharrad 1980).

Problems are also evident in the domestic economy. The rapid growth of the oil industry has not led to adequate growth in the domestic economy to make it capable of absorbing the huge capital savings in the country. Most new businesses are still foreign firms with token involvement by Kuwaitis in their management. Although these enterprises meet the legal requirements of a joint venture, the Kuwaiti partners often do not play the dominant role in their management. Because most citizens have prospered, their taste for consumer products calls for the importation of goods from developed countries rather than promoting development of local industries which are capable of providing consumer goods.

Ambivalent feelings and attitudes toward change, and the MNCs as the agent of change, are evident in modern Kuwait. Some ask if MNCs serve Kuwait's best interest, or if they hinder the development of its own native economic,

social, cultural, and political institutions (Crystal 1986).

The impetus for this study grew out of an awareness of these feelings and ambivalence toward MNCs in Kuwait. Are managers and public policy makers aware of, and sensitive to, these issues? This is the main focus of this study.

CHAPTER IV

METHODOLOGY

Introduction

This chapter provides the methodological aspects of the study. The design of the study, the sample, the variables, the hypotheses, instrumentation, reliability and validity issues, and data analysis are discussed in the following sections.

Design of the Study

Survey research is appropriate for studies of perceptions. The objective in this type of research is to learn more about a phenomena and to develop theoretical models and hypotheses for further research and testing.

This field study is based on a survey of the perceptions of 1,344 managers in Kuwait, regarding the effects of multinational corporations on the environment that country. A stratified 2 x 3 block design is used for this study. The sampling technique used is explained in the next section.

Block designs are useful when it is important to minimize the variance within the blocks and maximize the variance between the blocks. Emory (1980) mentions two

reasons for block design: The first reason is that when the sample size is small it may be too risky to depend upon random assignment alone to assure equivalency. The second reason is to learn whether the treatment brings different results among various groups of subjects. The reason for blocking in this study is to see if various groups in the sample have different perceptions on the effects of MNCs.

The questionnaire used for this study was developed from a review of the literature on multinational corporations in developing countries. The questionnaire is presented in Appendix A. The items included in the questionnaire are grouped under two sections. The first section is comprised of demographic items related to the personal characteristics of the subjects. The second section includes questions on the perceptions of the subjects as to the effects of MNCs on the environment in Kuwait. The dimensions of the environment are grouped under four major categories in the questionnaire; social-cultural, political-legal, business-economic, and technological dimensions.

The questionnaire was administered in two versions; one in English and one in Arabic. The double-translated questionnaire was pilot-tested. The results of this validation study, presented later in this chapter, show that

both versions were reliable and valid. Data collection was administered by the researcher in Kuwait.

Sample

The sample for this study is comprised of managers in Kuwait. The sampling reflects the 2 x 3 block design which is based on the nationality of the subjects and whether they work in the private or public sectors. The 2 x 3 block design in this study is presented in Table 5.

TABLE 5
THE SAMPLE

| | KU | Other Arab | Other | Total |
|---------|-----|---------------|-------|-------|
| Private | 227 | 251 | 204 | 682 |
| Public | 189 | 243 | 230 | 662 |
| Total | 416 | 494 | 434 | 1,344 |

The sample consists of 1,344 managers in Kuwait. The sampling was stratified to ensure cell sizes of about 200. Half of the subjects were from the public sector, and half were from private companies in Kuwait. Three nationalities were represented in the sample; Kuwaiti managers, other Arab managers, and non-Arab managers.

The managers were selected from companies and government agencies that volunteered to participate in the

study. Contacts were made and requests were extended for participants in Kuwait from April to June of 1989.

In most cases questionnaires were distributed and collected by the researcher. In some cases top managers of the participating organizations helped in the distribution and collection of questionnaires. Very few were returned by mail. Confidentiality of the responses was emphasized in all cases. Top managers who collected completed questionnaires used closed envelopes. A total of about 3,000 questionnaires were distributed. The response rate was approximately 45 percent.

Variables

Other than the demographic variables, the variables included in the study are based on the dimensions of the environment discussed earlier. Depending on the literature reviewed in Chapter II, the dimensions of the environment are grouped under four major categories; social-cultural, political-legal, business-economic, and technological. These variables are listed in Table 6.

Hypotheses

The variables in Table 6 relate to the dimensions of the environment in Kuwait. The main interest of this study is the perceptions of managers regarding change in this environment, and the extent to which it is affected by the activities of MNCs.

TABLE 6
ENVIRONMENTAL DIMENSIONS

| Social | Political | Business | Technical |
|------------|--------------|-----------------|---------------|
| Language | Government | Economic | Computers |
| Religion | Laws | development | Communication |
| Values | Judicial | Cost of living | Manufacturing |
| Family | system | Transportation | technology |
| Education | Independence | Health-care | Agriculture |
| Traditions | of decision- | Management | technology |
| Class | making | style | Research and |
| structure | Democracy | Working | development |
| Role of | National | conditions | Architecture |
| women | independence | Employment | Financial |
| | Government | practices | support for |
| | services | Income | research |
| | | distribution | Appropriate |
| | | Industry-trade | technology |
| | | Productivity | |
| | | Oil industry | |
| | | Manufacturing | |
| | | Banking and | |
| | | finance | |
| | | Foreign trade | |
| | | Housing finance | |
| | | Foreign trade | |
| | | Housing | |
| | | Government | |
| | | services | |

Measure of the actual change in the environment is beyond the scope of this study. The purpose of this study is to investigate the perceptions of managers in Kuwait about these changes. Thus, the hypotheses of this study are related to the perceptions of the managers.

These hypotheses concern the subjects' perceptions regarding the role of the MNCs in change in Kuwait. The hypotheses can be grouped under three major categories. The

first group deals with variables used in the 2 x 3 blocking for the sample. The second group deals with individual characteristics of the subjects in the sample. The third group of hypotheses deal with the subjects' perceptions about the different dimensions of their environment. The hypotheses are listed below.

Group I

Hypothesis 1: Nationality of the subjects will make a difference in their perceptions about the MNCs' role in change in Kuwait. Kuwaiti managers will have less favorable perceptions than other managers in the sample.

Hypothesis 2: Managers in the public sector will have less favorable perceptions than those in the private sector about the MNCs' role in change in Kuwait.

Group II

Hypothesis 3: Younger managers will have more favorable perceptions than older managers about the MNCs' role in change in Kuwait.

Hypothesis 4: Perceptions of male and female managers will not be significantly different about the MNCs' role in change in Kuwait.

Hypothesis 5: More-educated managers will have more favorable perceptions than less-educated managers about the MNCs' role in change in Kuwait.

Hypothesis 6: Muslim managers will have less favorable perceptions than non-Muslim managers about the MNCs' role in change in Kuwait.

Hypothesis 7: More-religious Muslim managers will have less favorable perceptions than less-religious Muslim managers about the MNCs' role in change in Kuwait.

Hypothesis 8: Non-Kuwaiti managers who have been in Kuwait longer will perceive more effects of MNCs than those who have recently arrived in Kuwait.

Hypothesis 9: Managers with higher income levels will have more favorable perceptions than those who have lower income levels about the MNCs' role in change in Kuwait.

Hypothesis 10: Kuwaiti managers who were educated abroad will have more favorable perceptions than those who were not about the MNCs' role in change in Kuwait.

Group III

Hypothesis 11: All managers will perceive negative effects of MNCs on cultural environment in Kuwait.

Hypothesis 12: All managers will perceive neutral effects (no effects) of MNCs on the political-legal environment in Kuwait.

Hypothesis 13: All managers will perceive positive effects of MNCs on business-economic and technological environments in Kuwait.

Instrument

The instrument, provided in Appendix A, consists of two parts. The first part includes twenty-two questions related to the demographic characteristics of the sample. The second section includes forty-one items related to four major dimensions of the environment in Kuwait. These major dimensions are the social-cultural, political-legal, business-economic, and technological environments. There is an additional open-ended question at the end of the instrument concerning MNCs' effect on Kuwait. The items included in the questionnaire are derived from the review of literature on the environments of international business.

The questionnaire was also translated into Arabic. To insure the equivalency of the instrument (equivalency of meaning, not words) a double-translation method was utilized. A person other than the first translator (one had not seen the original questionnaire), translated the Arabic version back into English. Both of these translators are Middle Eastern professors at different United States universities. The two English versions were equivalent and this was an indication that proper translation had been made.

Both the English and the Arabic versions were used to collect data in Kuwait. The managers in Kuwait were allowed to choose the language with which they were most comfortable. A total of 772 managers responded using the

English version, and 572 managers used the Arabic version. The reliability of both versions were equivalent (see page 73).

Pilot Study

The purpose for the pilot-study was to establish reliability and validity of the instrument. The sample for the pilot study was made up of Kuwaiti students in the United States and the personnel of the Cultural Division and University Offices of the Embassy of the State of Kuwait, in Washington, D.C. Data were collected during a visit to Washington in January 1989. The total sample size for the pilot study was twenty-five, and included fifteen students and ten Cultural Division personnel. The average age was twenty-eight. Of those participating, 96 percent were males and 92 percent were Muslim.

The subjects of the pilot study ($n = 25$) had generally negative opinions of MNCs' effects on the social-cultural and political-legal environments in Kuwait. However, they had positive opinions on MNCs' effects on the business-economic and technological environments. The SPSS-X reliability procedure showed very high reliability coefficients for the scales used in the questionnaire, as presented below.

The religiousness variable in the pilot-study was significantly correlated (Kendall's tau = $-.30$, $p = .036$) to

TABLE 7
PILOT-STUDY SCALE RELIABILITY

| Scale | $n = 25$ Cronbach's Alpha |
|-----------------------------------------|------------------------------|
| Business-Economic Environment | .9199 |
| Social-Cultural Environment | .8668 |
| Technological Environment | .8654 |
| Political-Legal Environment | .7865 |

perceptions about the social-cultural effects of MNCs in Kuwait. The overall opinions about the social-cultural environment were negative (mean = 2.97, sd = .69). The mean was less than 3.00 which was the "no-effect" response. The negative correlation coefficient indicates that the more religious subjects had less favorable perceptions. This is consistent with the theory that more conservative people have less favorable opinions about change. Ismael (1982) supports the theory that the more religious persons have less favorable opinions toward change in cultural variables. Thus, the religiousness variable serving as the discriminator, suggests that the instrument is construct valid. The content validity is based on the instrument development process and the factor analysis discussed later in this chapter.

Validity

Validity refers to the degree to which an instrument measures what it is designed to measure. Predictive, content, and construct validity are the major types of validities (Campbell and Stanley 1963; Carmines and Zeller 1979). Predictive validity is not of concern in this study because it is not a normative study that suggests what should be, rather than what is. There were no performance data collected for this study. The validity concerns of this study are content (internal) and construct (external) validities.

Content validity refers to the degree to which the contents of a scale (items included) represent the dimensions of the variable it is measuring. The items included in the questionnaire of this study are based on an extensive review of the literature. Carmines and Zeller (1979) argue that this is the first requirement for establishing content validity. Forty-two items are included in the instrument to measure the four dimensions. Twelve questions are used for the social-cultural dimension of the environment in Kuwait. Seven items are used for the political-legal environment, sixteen items are used for the business-economic environment, and seven items are used for the technological environment in Kuwait.

However, there is always the chance that the biases of the person developing the questionnaire are reflected in his or her choice of items to be included. To minimize the effects of this bias, the variables discussed as major issues in most textbooks on international business (Ashegian and Ebrahimi 1990; Ball and McCulloch 1988; Kolde 1985) are included in the instrument. In order to investigate face validity of the instrument, it was examined by a panel of five experts. Their suggestions were incorporated and the instrument was then accepted by the panel before its final use.

The construct validity of a scale refers to its external generalizability. Construct validity describes the extent to which the scale represents an adequate operational definition of the construct. Campbell (1976) mentions that the establishment of content validity greatly enhances construct validity.

The instrument development process used for this study provides content and, thus, helps construct validity for the questionnaire. Carmines and Zeller (1979) state that with proper theoretical guidance, factor analysis can be useful in establishing both content and construct validities.

Factor analysis was used to check for content validity. The purpose was to see if the forty-two items about environment in the questionnaire group themselves around the

four major dimensions; social-cultural, business-economic, political-legal, and technological environments. Another purpose was to see if there were any sub-dimensions within these major dimensions. The results of the factor analysis (see Table 8) show that there are four major dimensions with a total of ten sub-dimensions. Table 8 shows the factor labels. All items in the questionnaire were placed in the right dimension except one item (Question 55: Government Services, water, electricity, roads, etc.) which basically concerned infrastructure. Factor analysis shows that it belongs to the business-economic dimension rather than the political-legal dimension. All of the statistical analyses for the results presented in Chapter IV were completed after this adjustment was made in the data analysis programs. The factor analysis showed the groupings listed in Table 8 for the questionnaire items. Tables 9, 10, and 11 present the factor loadings. The results provide strong support for content and construct validity of the questionnaire.

Factor analysis looks at internal variance of the items on a questionnaire to see if they group themselves around the dimension they are supposed to measure. This supports content validity arguments and also, as Campbell (1976) mentions, enhances arguments for construct validity.

Construct validity is the essence of validity. It is the degree to which we are measuring what we want to

measure. One can argue for construct validity through using the data, if there is a theoretical basis. The data

TABLE 8
FACTOR LABELS

| | |
|-----------------------------------|---------------------------------|
| I--Social-Cultural Environment | |
| Factor 1 | Education |
| Factor 2 | Culture |
| Factor 3 | Social Structure |
| II--Business-Economic Environment | |
| Factor 4 | Economy |
| Factor 5 | Industries |
| Factor 6 | Infra-Structure |
| Factor 7 | Management Practices |
| Factor 8 | Discrimination and Productivity |
| III--Political-Legal Environment | |
| Factor 9 | Government |
| IV--Technological Environment | |
| Factor 10 | New Technology |

Note: Factors 7 and 8 are combined under one variable called Management Practices for purposes of data analysis in the results section.

collected for this study provide such an opportunity, and consequently support for construct validity.

The theory for this purpose is that more religious

persons will have less favorable opinions toward change in cultural variables (Ismael 1982; Terpstra and David 1985).

TABLE 9
SOCIAL-CULTURAL DIMENSIONS

| Questionnaire Item No. | Factor Loadings | | |
|---------------------------|-----------------|----------|----------|
| | Factor 1 | Factor 2 | Factor 3 |
| 22 | .721 | | |
| 23a | .695 | | |
| 23b | .747 | | |
| 24 | .696 | | |
| 25 | | .780 | |
| 26 | | .813 | |
| 27 | | .797 | |
| 28 | | .673 | |
| 29 | | | .698 |
| 30 | | | .490 |
| 31 | | | .641 |
| 32 | | | .543 |

The religiousness variable, serving as the discriminator, can provide support for construct validity arguments. If the above theory is supported by the data, then there is construct validity and the questionnaire is measuring what it is supposed to be measuring. Religiousness variable will be discussed here because it provides an easy and clear test for constructive validity of the instrument used for this study.

Religiousness was measured in the questionnaire with the following question:

Question 16: To what degree are you committed to your religious principles?

_____ 1 Very Strong _____ 4 Weak
 _____ 2 Strong _____ 5 Very Weak
 _____ 3 Average

TABLE 10
 BUSINESS-ECONOMIC DIMENSIONS

| Questionnaire Item No. | Factor Loadings | | | | |
|---------------------------|-----------------|-------------|-------------|-------------|-------------|
| | Factor 4 | Factor 5 | Factor 6 | Factor 7 | Factor 8 |
| 33 | .455 | | | | |
| 34 | .657 | | | | |
| 35 | .602 | | | | |
| 36 | | .633 | | | |
| 37 | | .667 | | | |
| 38 | | .710 | | | |
| 39 | | .707 | | | |
| 40 | | | .495 | | |
| 41 | | | .722 | | |
| 42 | | | .742 | | |
| 43 | | | | .643 | |
| 44 | | | | .791 | |
| 45 | | | | .765 | |
| 46 | | | | | .671 |
| 47 | | | | | .546 |
| 48 | | | | | .437 |
| 55 | | | .576 | | |

Opinions about the effect of MNCs on change in culture in Kuwait were measured by Questions 25, 26, 27, 28, and 30. To test for difference in opinions between more-religious

TABLE 11
POLITICAL-LEGAL AND TECHNOLOGICAL DIMENSIONS

| Questionnaire Item No. | Factor Loadings | |
|---------------------------|-----------------|-----------|
| | Factor 9 | Factor 10 |
| 49 | .736 | |
| 50 | .822 | |
| 51 | .824 | |
| 52 | .774 | |
| 53 | .656 | |
| 54 | .587 | |
| 56 | | .621 |
| 57 | | .727 |
| 58 | | .751 |
| 59 | | .576 |
| 60 | | .665 |
| 61 | | .710 |
| 62 | | .752 |

persons and less-religious persons, the following statistics can be used; Spearman rank correlation coefficient, the t-test, and the F test. The Spearman coefficient between religiousness scale (Question 16) and the cultural variables scale (Factor 2: Family relations, practice of religion, social values, culture and traditions, preservation of Arabic language; Questions 25, 26, 27, 28, and 30) was .1787

with $p = .000$ and $n = 1330$. Since the scale for the opinions goes from 1 (highly negative effect) to 5 (highly positive effect), the positive correlation coefficient means that the more religious a person is, the less favorable his or her opinion is toward MNCs' effect on change in culture in Kuwait. The religiousness response distribution is presented in Table 12.

TABLE 12
RELIGIOUSNESS RESPONSE DISTRIBUTION

| Values | Frequency | Percent |
|----------------|-----------|---------|
| 1. Very Strong | 235 | 17.5 |
| 2. Strong | 431 | 32.0 |
| 3. Average | 538 | 40.0 |
| 4. Weak | 75 | 5.6 |
| 5. Very Weak | 53 | 3.9 |
| Missing | 12 | 1.0 |
| Total | 1,344 | 100.0 |

The t -test tests the significance of the difference between the mean scores of two groups on a certain scale. For this purpose, subjects grouped as presented in Table 13. The t -test results (pooled variance, 2-tail prob.) for these two groups are presented in Table 14.

Overall on this scale (Factor 2) the more-religious group had less favorable opinions and the difference was statistically significant. Only in the case of preserving

TABLE 13
RELIGIOUSNESS RESPONSES BY GROUP

| Religiousness Response | Group |
|------------------------------|-----------------------------|
| Very Strong Strong | 1 More religious, $n = 666$ |
| Average Weak Very Weak | 2 Less religious, $n = 666$ |

Note: Missing $n = 12$, total $n = 1,344$. See pp. 92 and 93 for the test on Muslim managers only.

TABLE 14
EFFECT OF RELIGIOUSNESS

| Variable | Groups | Means | t Value | Prob. |
|-----------------------------------|--------|-------|---------|-------|
| Q.25: Family of Relations | 1 | 2.59 | 4.30 | .000 |
| | 2 | 2.83 | | |
| Q.26: Practice of Religion | 1 | 2.44 | 4.09 | .000 |
| | 2 | 2.66 | | |
| Q.27: Social Values | 1 | 2.54 | 5.88 | .000 |
| | 2 | 2.90 | | |
| Q.28: Culture and Traditions | 1 | 2.60 | 2.30 | .021 |
| | 2 | 2.74 | | |
| Q.30: Preservation of Language | 1 | 2.89 | -0.82 | .410 |
| | 2 | 2.84 | | |
| Factor 2 Cultural Variables | 1 | 2.55 | 5.17 | .000 |
| | 2 | 2.78 | | |

Group 1: More religious
Group 2: Less religious

language (Question 30) did the two groups not have significantly different opinions. As in the case of the Spearman correlation coefficient statistic, the t-test statistic also supported the theoretical arguments.

In other words, religiousness makes a difference in Muslim managers' perception of ($n = 950$) about the effects of MNCs on the cultural environment in Kuwait. The regression procedure produced the F value of 5.614 which was significant at $p = .01$. The positive beta = .074 indicates is a negative relationship since religiousness was reverse coded. This means that more religious Muslim subjects had less favorable perceptions about MNCs' effects on cultural environment.

The above arguments strongly support construct validity of the instrument. That is, measuring what it is supposed to measure. The religiousness variable, acting as a discriminator, discriminates among groups in terms of their opinions.

Another issue related to validity in this study is the translation of the questionnaire to Arabic. The question is "are both the English and the Arabic versions measuring what they are supposed to measure (the same thing)?" This is the equivalency of instruments problem. The double-translation method used for this instrument insures the equivalency of meaning. One supporting argument is the reliability of the

prerequisite to validity. An unreliable measure cannot be valid. The two versions of the instrument used in this study were equally reliable. The Cronbach's Alpha reliability scores for the different scales of each version are shown in Table 15.

TABLE 15
RELIABILITY SCORES FOR LANGUAGE OF INSTRUMENT

| Scale | No. of Items | $n = 772$ English Questionnaire Alpha | $n = 572$ Arabic Questionnaire Alpha |
|-------------------|--------------|------------------------------------------------|-----------------------------------------------|
| Social-Cultural | 12 | 0.7988 | 0.7854 |
| Business-Economic | 17 | 0.8455 | 0.8684 |
| Political-Legal | 6 | 0.8620 | 0.8866 |
| Technology | 7 | 0.8352 | 0.8648 |

Reliability

Reliability refers to consistency in measurement--the degree to which a scale yields consistent scores in the measurement of a variable. Reliability is the first requirement of validity. A scale that is not consistent cannot be valid. Test-retest, inter-rater, and internal consistency are the major forms of reliability (Emory 1980; Kerlinger 1973). Test-retest reliability refers to consistent measures of the same variable across two measures

taken at different times. Inter-rater reliability refers to consistent measures across two raters using the same scale. Internal consistency of a scale refers to the degree of similarity of measures between the items of a scale. The type of reliability measure that applies to this study is the internal consistency approach. A reliable instrument should produce a consistent measure within the dimensions of the environment, across the dimensions for a single subject, and across individuals in the same subgroup of the sample. Cronbach's Alpha provides a measure of inter-item consistency for the aggregated scales in an instrument (Kerlinger 1973).

The SPSS-X reliability procedure was used to calculate Cronbach's Alpha coefficient for the four major scales in the instrument. The overall reliability scores were very high as presented in Table 16.

TABLE 16
OVERALL RELIABILITY FOR FOUR MAJOR SCALES

| Scale | No. of Items | $\bar{n} = 1046$ Alpha |
|-------------------|--------------|---------------------------|
| Social Cultural | 12 | 0.8093 |
| Business-Economic | 17 | 0.8574 |
| Political-Legal | 6 | 0.8739 |
| Technology | 7 | 0.8476 |

The Cronbach's Alpha scores for the sub-dimensions (factors) also proved to be satisfactory. The sub-dimensions and the alpha scores are listed in Table 17. Of particular interest is the reliability of the "culture" scale (alpha = 0.7994), because it is used as a separate and important dimension of the environment in the analyses presented in Chapter V.

TABLE 17
SUB-DIMENSIONS RELIABILITY

| | Alpha | n of items |
|----------------------------------|----------|------------|
| Social-Cultural Sub-Dimensions | | |
| Education | = 0.7833 | 4 |
| Culture | = 0.7994 | 5 |
| Social Structure | = 0.5348 | 3 |
| Business-Economic Sub-dimensions | | |
| Economy | = 0.6060 | 3 |
| Industry | = 0.7680 | 4 |
| Infrastructure | = 0.7525 | 4 |
| Management Practices | = 0.7149 | 6 |

Data Analysis

Two types of data were collected for this study, nominal and ordinal. Section I of the questionnaire

includes demographic items which are measured primarily with nominal or ordinal scales. Section II of the questionnaire consists of questions on the perceptions of subjects on MNCs' effects on Kuwait. A five-item Likert-type scale is used as follows: 1 = Perceive high negative effect, 2 = Perceive some negative effect, 3 = Perceive no effect, 4 = Perceive some positive effect, 5 = Perceive high positive effect.

This likert-type scale provides ordinal measures of the subjects' perceptions. At the end of the questionnaire there is an additional item with two open-ended questions (question 63). Responses to this item are qualitative data and were analyzed accordingly.

The nominal and ordinal data do not lend themselves to parametric statistical analyses. Nevertheless, through dummy coding one can still do parametric statistical analyses, such as regression. For data analyses, SAS and SPSS-X procedures were used in this study.

The statistics in Table 18 were used in this study to test a variety of hypotheses which required different kinds of tests. The explanations and rationale are presented below.

Factor Analysis procedure tests were used if the items on an instrument group themselves around certain factors/dimensions (Carmines and Zeller; Emory 1980 1979). In this study, the literature review suggests four major dimensions

TABLE 18
STATISTICS USED

| Procedure | Purpose |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Factor Analysis . . . | Validity of instrument. |
| Reliability | Reliability of scales. |
| Frequencies | Descriptive statistics. |
| <u>t</u> -Test | Hypothesis testing, mean differences between groups. |
| Multiple Regression . --F Test | Find out which demographic variables effect subjects' perceptions. Hypothesis testing. |
| Non-parametric Correlation --Spearman Rank . . . | Rank-order correlation coefficients among variables. Hypothesis testing. |
| Crosstabs Chi square | Joint distributions of two variables. Hypothesis testing. |
| Kolmogorov-Smirnov test | One-sample test. Hypothesis testing. |

in the environment. The factor loadings suggests that two of the major dimensions (social-cultural and business-economic) can be further broken down into subdimensions. This proved to be very useful in identifying a very important dimension (cultural) in the instrument and the items related to that factor. Further analyses and hypotheses testing were enhanced by this.

The reliability procedures used in this study basically produced Cronbach's alpha scores for the scales in the

instrument. Chronbach's alpha is a measure of internal-consistency and is the most widely used indicator of reliability of a scale (Emory 1980; Carmines and Zeller 1979).

The frequencies procedure used in this study provided the mean, median, mode, standard deviation, minimum-maximum, valid cases, missing cases, variable values, frequencies, and percentage distributions (SPSS-X User's Guide 1986).

The t -test was used to test for significance in differences between two group means (Henkel 1976). Using dummy variable coding, regression and multiple regression analyses were used to determine the nature of the effects of the independent variables on the dependent variables. This was done to determine which predictors of the dependent variable(s) were more important and also to produce the F Scores (Achen 1982; Cohen and Cohen 1983; Lewis-Beck 1980). Spearman's rank correlation, and chi-square (Fisher's exact test) were used to determine association between two variables and also to test for differences between observed and expected frequencies (Siegel 1956). The Kolmogorov-Smirnov test was used in the cases of hypotheses on one-sample (one-group cases) (Siegel 1956). The above statistics are appropriate for nominal and ordinal types of data.

Summary

This research investigated the effects of MNCs on change in Kuwait. It is based on a survey of the perceptions of 1,344 managers in Kuwait. A stratified 2 x 3 block design was used in sampling, based on the nationality of the managers and the type of organizations (public-private). The questionnaire developed for the study contained items related to demographic characteristics of the subjects and also their perceptions of MNCs' effect on change in Kuwait. The instrument had content and construct validity, and proved to have high reliability. The hypotheses of the study basically relate to the effects of the demographic variables on the subjects' perceptions.

CHAPTER V

FINDINGS

Introduction

Results of the study are presented in this chapter. Sample characteristics, the distribution of managers' perceptions, differences among groups, variables affecting managers' perceptions, and other findings are also discussed in this chapter.

Sample Characteristics

The sample size was 1,344. A total of 416 Kuwaiti, 494 other Arab, and 434 other nationality managers participated in the study. A total of 682 managers were from the public sector and 662 managers were from government ministries. Participating managers were employed by companies in education, banking, investment, construction, oil and gas, and other industries. The demographic characteristics of the sample are presented in Table 19.

Perceptions of Managers

In this section the descriptive statistics on the perceptions of managers on the effects of MNCs on change in Kuwait are presented. These summary statistics include the mean scores of the group on the major dimensions and their

TABLE 19
 SAMPLE DEMOGRAPHICS

| | Kuwait | | | Other Arab | | | Other Nationality | | | Total | | |
|--------------------------------------|--------|---------|-------|------------|---------|-------|-------------------|---------|-------|--------|---------|-------|
| | Public | Private | Total | Public | Private | Total | Public | Private | Total | Public | Private | Total |
| Age (mean) | 33.1 | 34.6 | 33.7 | 38.9 | 36.0 | 37.5 | 40.3 | 37.5 | 38.8 | 37.3 | 36.1 | 36.7 |
| Sex (% male) | 77.1 | 88.9 | 82.5 | 82.7 | 61.9 | 72.7 | 91.7 | 81.1 | 86.1 | 83.6 | 76.4 | 80.1 |
| Education (% 4 yr. degree) | 81.1 | 91.0 | 85.6 | 80.0 | 76.6 | 78.3 | 75.6 | 66.4 | 81.3 | 79.0 | 64.0 | 81.3 |
| Marital Status (% married) | 79.7 | 67.2 | 74.0 | 81.2 | 75.7 | 78.5 | 89.3 | 78.1 | 83.4 | 83.1 | 74.1 | 78.6 |
| Religion (% Muslim) | 100.0 | 100.0 | 100.0 | 92.5 | 90.4 | 91.5 | 23.9 | 14.0 | 18.7 | 74.5 | 65.9 | 70.2 |
| Years in Kuwait (mean) | --- | --- | --- | 17.4 | 17.6 | 17.5 | 9.3 | 7.1 | 8.1 | --- | --- | --- |
| Kuwaiti Schooling Abroad (mean yrs.) | 1.8 | 2.8 | 2.3 | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Sample Size (n) | 227 | 189 | 416 | 251 | 243 | 494 | 204 | 230 | 434 | 682 | 662 | 1,344 |

subdimensions (the 10 factors mentioned in the validity section of Chapter 3). The scores are on a five-point Likert-type scale, with 3 being the neutral effect perception, 1 and 2 the negative effect perceptions, and 4 and 5 the positive effect perceptions. These mean scores are presented in Table 20. Generally the scores in Table 20 show positive perception of the effects by the managers (scores over 3.00). In other words, managers generally perceive that MNCs had positive effects on change in Kuwait. The most positive effects of the MNCs were perceived to be on the technological development and the development of the industries (oil and gas, construction, banking, etc.) in Kuwait. The only negative effects of MNCs were perceived to be on the cultural environment of Kuwait.

Table 21 indicates these results. When the overall perception scores of the managers were ranked, as presented in Table 22, the least favorable perceptions were in the social-cultural dimensions and the most favorable perceptions were in the technology dimension. Cultural environment received the least favorable, and the only negative (scores less than 3.00) scores. These rankings are presented in Table 20.

The sample was blocked according to organization type and nationality of the managers. The ranking of perceptions on these dimensions are presented in Table 23. Private sector managers had more favorable perceptions than public

TABLE 20
PERCEPTIONS ON ENVIRONMENTAL DIMENSIONS

| Kuwaiti | Other Arab | Other Nationality | Total |
|------------|------------|-------------------|------------|
| 4.06 Tech. | 4.24 Tech. | 4.34 Tech. | 4.22 Tech. |
| 3.56 BE | 3.70 BE | 3.93 BE | 3.73 BE |
| 3.05 PL | 3.32 PL | 3.52 SC | 3.25 SC |
| 3.02 SC | 3.20 SC | 3.28 PL | 3.22 PL |

Note: Tech. = Technology, BE = Business Economics, PL = Political-Legal, and SC = Social-Cultural.

sector managers. Kuwaiti managers had the least favorable perceptions and the other nationality managers had the most favorable perceptions. These ranking are presented below. Since the Culture dimension got the only negative responses, it is included along with the four major dimensions, in the analyses presented in the following sections. The standard deviations listed in Table 21 indicate that the "other" nationality managers were more consistent in their responses. Nevertheless, all other standard deviations were within reasonable limits.

Differences Among Groups (Hypotheses Tests)

This section focuses on tests of the hypotheses. Statistical tests for differences among groups are

TABLE 21
PERCEPTIONS ON ALL SUB-DIMENSIONS

| | Kuwait | | | Other Arab | | | Other Nationality | | | Total | | |
|----------------------|--------|---------|-------|------------|---------|-------|-------------------|---------|-------|--------|---------|-------|
| | Public | Private | Total | Public | Private | Total | Public | Private | Total | Public | Private | Total |
| Social-Cultural | 2.94 | 3.12 | 3.02 | 3.15 | 3.26 | 3.20 | 3.57 | 3.42 | 3.52 | 3.21 | 3.29 | 3.25 |
| Educational | 3.14 | 3.48 | 3.32 | 3.55 | 3.58 | 3.57 | 3.95 | 3.92 | 3.94 | 3.55 | 3.67 | 3.61 |
| Culture | 2.46 | 2.60 | 2.53 | 2.58 | 2.77 | 2.67 | 3.01 | 2.84 | 2.92 | 2.67 | 2.74 | 2.71 |
| Social Structure | 3.43 | 3.50 | 3.46 | 3.58 | 3.67 | 3.62 | 4.01 | 3.93 | 3.97 | 3.66 | 3.71 | 3.68 |
| Business-Economic | 3.51 | 3.61 | 3.56 | 3.72 | 3.69 | 3.70 | 3.99 | 3.87 | 3.93 | 3.73 | 3.73 | 3.73 |
| Economy | 3.27 | 3.30 | 3.29 | 3.36 | 3.41 | 3.39 | 3.77 | 3.60 | 3.68 | 3.45 | 3.45 | 3.45 |
| Industries | 3.87 | 3.93 | 3.90 | 4.05 | 4.05 | 4.05 | 4.36 | 4.28 | 4.32 | 4.04 | 4.10 | 4.09 |
| Infra-Structure | 3.58 | 3.62 | 3.60 | 3.86 | 3.83 | 3.85 | 4.08 | 3.97 | 4.02 | 3.83 | 3.82 | 3.83 |
| Management Practices | 3.35 | 3.55 | 3.44 | 3.58 | 3.53 | 3.56 | 3.79 | 3.67 | 3.73 | 3.57 | 3.58 | 3.58 |
| Political-Legal | 2.96 | 3.15 | 3.05 | 3.29 | 3.35 | 3.32 | 3.33 | 3.23 | 3.28 | 3.19 | 3.25 | 3.22 |
| Technology | 4.06 | 4.07 | 4.06 | 4.23 | 4.26 | 4.24 | 4.35 | 4.34 | 4.34 | 4.21 | 4.23 | 4.22 |
| Total Mean | 3.31 | 3.43 | 3.36 | 3.52 | 3.56 | 3.54 | 3.82 | 3.71 | 3.76 | 3.54 | 3.58 | 3.56 |
| Total Std. Dev. | .50 | .52 | .51 | .47 | .44 | .45 | .33 | .34 | .34 | .48 | .45 | .47 |

Note: The numbers on this table are mean scores on a five point scale. 1 = high negative effect, 2 = some negative effect, 3 = no effect, 4 = some positive effect, 5 = high positive effect of MNCs on the environment in Kuwait, as perceived by the managers.

presented. T-test statistic compares differences between groups. The t-tests will use pooled variance estimates and 2-tail probabilities.

TABLE 22
EFFECT OF TYPE OF ORGANIZATION
AND NATIONALITY

| Perception | Nationality | Sector |
|----------------|-----------------|--------------|
| More Favorable | 3.76 Other | 3.58 Private |
| | 3.54 Other Arab | |
| Less Favorable | 3.36 Kuwaiti | 3.54 Public |

Hypothesis 1

Hypothesis 1 stated that nationality of the subjects would affect their perceptions, and the Kuwaiti managers would have the least favorable perceptions. The t-test results presented support this hypothesis very strongly. All tests were statistically significant, mostly at $p \leq .01$ levels. The only non-significant difference was the perception the political-legal environment between other Arabs and other nationality groups. Nationality of the subjects did make a difference. Kuwaiti managers had the least favorable perceptions. We may conclude that Hypothesis 1 is supported.

TABLE 23
EFFECT OF NATIONALITY

| | | |
|-----------------|--------------------------------------------------------------|--------------------------------------------------------------|
| Culture | Means KU = 2.48 AR = 2.61 $\underline{t}=-2.32$ p=.021 | Means AR = 2.61 OT = 2.92 $\underline{t}=-5.79$ p=.000 |
| Social-Cultural | Means KU = 3.02 AR = 3.20 $\underline{t}=-4.55$ p=.000 | Means AR = 3.20 OT = 3.52 $\underline{t}=-9.03$ p=.000 |
| Pol-Leg | Means KU = 3.05 AR = 3.20 $\underline{t}=-5.39$ p=.000 | Means AR = 3.32 OT = 3.28 $\underline{t}=-.97$ p=.332 |
| Bus-Econ | Means KU = 3.56 AR = 3.70 $\underline{t}=-3.73$ p=.000 | Means AR = 3.70 OT = 3.93 $\underline{t}=-6.87$ p=.000 |
| Tech. | Means KU = 4.06 AR = 4.24 $\underline{t}=-4.37$ p=.000 | Means AR = 4.24 OT = 4.34 $\underline{t}=-2.90$ p=.004 |
| Total | Means KU = 3.36 AR = 3.54 $\underline{t}=-5.43$ p=.000 | Means AR = 3.54 OT = 3.76 $\underline{t}=-8.35$ p=.000 |

Hypothesis 2

Hypothesis 2 was based on the notion that organization type would make a difference, and public sector managers would have less favorable perceptions than those in the private sector. Results of the \underline{t} -tests are presented in Table 24. All the probability levels were non-significant except for the social-cultural dimension. The difference between the total scores of the two groups (public vs. private) was not statistically significant. Organization type did not make a difference. Therefore, Hypothesis 2 is rejected.

TABLE 24
EFFECT OF TYPE OF ORGANIZATION

| | | | |
|--------------|----------------------------------|------------------------|------------|
| Culture | Means $\underline{t} = -1.20$ | PU = 2.67 PR = 2.70 | $p = .228$ |
| Soc. Culture | Means $\underline{t} = -2.63$ | PU = 3.21 PR = 3.29 | $p = .009$ |
| Pol. Legal | Means $\underline{t} = -1.48$ | PU = 3.19 PR = 3.25 | $p = .138$ |
| Bus. Econ. | Means $\underline{t} = .12$ | PU = 3.73 PR = 3.73 | $p = .904$ |
| Tech. | Means $\underline{t} = -.72$ | PU = 4.21 PR = 4.23 | $p = .474$ |
| Total | Means $\underline{t} = -1.42$ | PU = 3.54 PR = 3.57 | $p = .156$ |

Note: Group 1 = Public, $n = 682$; Group 2 = Private, $n = 662$

Hypothesis 3

Hypothesis 3 stated that age would make a difference and younger managers would have more favorable perceptions than older managers. Managers were divided into two groups based on the median age of thirty-six. Results of the \underline{t} -tests are presented in Table 25. The groups had significant differences in perceptions on the political-legal and business-economic dimensions. Older managers had

more favorable perceptions. Overall perceptions were also significantly different. Older managers had again the more favorable perceptions. These results are just the opposite of what the hypothesis proposed. Age made a difference in the opposite direction. Hypothesis 3 is rejected, and the opposite (alternative) hypothesis is supported.

TABLE 25
EFFECT OF AGE

| | | |
|--------------|---------------------|------------------------------------------|
| Culture | Means $t = .57$ | Old = 2.68 Young = 2.65 $p = .568$ |
| Soc. Culture | Means $t = 1.46$ | Old = 3.27 Young = 3.22 $p = .146$ |
| Pol. Legal | Means $t = 2.48$ | Old = 3.27 Young = 3.17 $p = .013$ |
| Bus. Econ. | Means $t = 2.83$ | Old = 3.77 Young = 3.69 $p = .005$ |
| Tech. | Means $t = .33$ | Old = 4.23 Young = 4.21 $p = .744$ |
| Total | Means $t = 2.59$ | Old = 3.59 Young = 3.52 $p = .010$ |

Note: Group 1 = Age GE 36 $n = 695$; Group 2 = Age LT 36
 $n = 649$

Hypothesis 4

The notion that sex would not make a difference was the basis for Hypothesis 4; that is, male and female managers do not have significantly different perceptions. Results of the t -tests are presented in Table 26. None of the t -tests showed statistically significant differences. Male and

TABLE 26
EFFECT OF SEX

| | | | |
|--------------|----------------------|----------------------|------------|
| Culture | Means $t = .38$ | M = 2.67 F = 2.65 | $p = .701$ |
| Soc. Culture | Means $t = -.99$ | M = 3.24 F = 3.28 | $p = .322$ |
| Pol. Legal | Means $t = .02$ | M = 3.22 F = 3.22 | $p = .985$ |
| Bus. Econ. | Means $t = .96$ | M = 3.74 F = 3.70 | $p = .338$ |
| Tech. | Means $t = -1.72$ | M = 4.21 F = 4.28 | $p = .085$ |
| Total | Means $t = -.30$ | M = 3.55 F = 3.56 | $p = .765$ |

Note: Group 1 = Male, $n = 1,079$; Group 2 = Female, $n = 265$

female managers did not have significantly different perceptions. Sex did not make a difference. Hypothesis 4 is supported. This may be due to the fact that the sample had a relatively small number of female managers which is representative of the population of managers in Kuwait.

Hypothesis 5

Hypothesis 5 stated that education would make a difference, and that more-educated managers would have more-favorable perceptions than less-educated managers. Managers were divided into two groups based on college degrees--those who had a degree and those who did not. Results of the t-tests are presented in Table 27. Most of the differences were significant, including the differences on the overall perceptions. An interesting result was that, in all cases, less-educated managers had more-favorable perceptions. Education did make a difference in the opposite direction. Hypothesis 5 is rejected, the opposite (alternative) hypothesis is supported.

Hypothesis 6

Hypothesis 6 stated that religion would make a difference, and Muslim managers would have less-favorable perceptions than non-Muslim managers. Results of the t-tests are presented in Table 28. All differences were significant except those regarding the perceptions on the

TABLE 27
EFFECT OF EDUCATION

| | | |
|--------------|----------------------------------|----------------------------------------------------|
| Culture | Means $\underline{t} = -2.53$ | College = 2.64 Non-College = 2.79 $p = .011$ |
| Soc. Culture | Means $\underline{t} = -2.70$ | College = 3.23 Non-College = 3.34 $p = .007$ |
| Pol. Legal | Means $\underline{t} = -3.20$ | College = 3.19 Non-College = 3.35 $p = .001$ |
| Bus. Econ. | Means $\underline{t} = -1.27$ | College = 3.72 Non-College = 3.77 $p = .204$ |
| Tech. | Means $\underline{t} = -.41$ | College = 4.22 Non-College = 4.23 $p = .684$ |
| Total | Means $\underline{t} = -2.57$ | College = 3.54 Non-College = 3.63 $p = .010$ |

Note: Group 1 = With College Degree, $n = 1,096$; Group 2 = Without College Degree, $n = 248$.

political-legal environment. All perceptions indicate positive effects of MNCs on the environment in Kuwait, except the socio-cultural environment. The non-Muslims perceived no-effect whereas the Muslim managers perceived significant negative effects (3.00 indicates no effect, less than 3.00 indicates negative effect) of the MNCs on the socio-cultural environment in Kuwait. Overall perceptions were also significantly different. Religion did make a

difference. Muslim managers had less-favorable perceptions than non-Muslim managers. Hypothesis 6 is supported.

TABLE 28
EFFECT OF RELIGION

| | | |
|--------------|----------------------|--------------------------------------------------|
| Culture | Means $t = 9.67$ | Muslim = 2.53 Non-Muslim = 3.00 $p = .000$ |
| Soc. Culture | Means $t = 12.43$ | Muslim = 3.13 Non-Muslim = 3.54 $p = .000$ |
| Pol. Legal | Means $t = .41$ | Muslim = 3.21 Non-Muslim = 3.23 $p = .679$ |
| Bus. Econ. | Means $t = 7.89$ | Muslim = 3.66 Non-Muslim = 3.91 $p = .000$ |
| Tech. | Means $t = 4.77$ | Muslim = 4.17 Non-Muslim = 4.34 $p = .000$ |
| Total | Means $t = 10.57$ | Muslim = 3.47 Non-Muslim = 3.76 $p = .000$ |

Note: Group 1 = Muslim $n = 950$; Group 2 = Non-Muslim $n = 394$

Hypothesis 7

The hypothesis stated that religiousness would make a difference in the case of the Muslim manager. More religious Muslim managers would have less favorable perceptions. The t -test table presented in Table 30 looks

at two groups of Muslim managers divided on their responses as described in Table 29.

TABLE 29
RELIGIOUSNESS CLASSIFICATION

| | Religiousness | Group |
|----------|----------------|---------------------------|
| Group I | 1. Very Strong | More religious, $n = 569$ |
| | 2. Strong | |
| Group II | 3. Average | Less religious, $n = 379$ |
| | 4. Weak | |
| | 5. Very Weak | |

Perceptions for both groups were all in the positive-effect side (above 3.00) except for cultural environment. The perceptions were very favorable in the technological environment dimension. The only significant difference these two groups were in the social-cultural dimension. The difference in the culture sub-dimension was significant at $p = .014$. The positive average perception for the social-cultural dimension was due to the positive perceptions regarding the education and social structure sub-dimensions of the social-cultural dimension. As a result, Hypothesis 7

is rejected, since the overall perceptions were not significantly different ($p = .159$).

TABLE 30
EFFECT OF RELIGIOUSNESS

| | | | |
|--------------|----------------------------------|------------------------|------------|
| Culture | Means $\underline{t} = -2.45$ | MR = 2.54 LR = 2.67 | $p = .014$ |
| Soc. Culture | Means $\underline{t} = -3.06$ | MR = 3.08 LR = 3.20 | $p = .002$ |
| Pol. Legal | Means $\underline{t} = .08$ | MR = 3.21 LR = 3.21 | $p = .936$ |
| Bus. Econ. | Means $\underline{t} = -.07$ | MR = 3.65 LR = 3.66 | $p = .944$ |
| Tech. | Means $\underline{t} = .21$ | MR = 4.18 LR = 4.17 | $p = .832$ |
| Total | Means $\underline{t} = -1.41$ | MR = 3.48 LR = 3.52 | $p = .159$ |

Hypothesis 8

It was hypothesized that the length of stay in Kuwait would make a difference for non-Kuwaiti managers, and that those who have been in Kuwait longer would perceive more effects of MNCs. In testing for more effects, rather than more favorable perceptions, one needs to disregard the

direction and focus only on the absolute difference between the two groups. For this hypothesis two "stay durations" were tried, for the purpose of separating the non-Kuwaiti managers were divided into two groups: those who had been in Kuwait for 5 years and those who had been in Kuwait for 10 years. Results of the t -tests for both cases are presented in Table 31. The first column indicates that

TABLE 31
EFFECT OF LENGTH OF STAY

| | Group 1 = More than 5 years $n = 749$ | | Group 1 = More than 10 years $n = 551$ | |
|--------------|------------------------------------------|----------------------------|-------------------------------------------|----------------------------|
| | Group 2 = Less than 5 years $n = 179$ | | Group 2 = Less than 10 years $n = 377$ | |
| Culture | Means | More = 2.75 Less = 2.77 | Means | More = 2.74 Less = 2.77 |
| | $t = -.27$ | $p = .789$ | $t = -.59$ | $p = .555$ |
| Soc. Culture | Means | More = 3.33 Less = 3.41 | Means | More = 3.31 Less = 3.40 |
| | $t = -1.77$ | $p = .078$ | $t = -2.25$ | $p = .025$ |
| Pol. Legal | Means | More = 3.32 Less = 3.21 | Means | More = 3.32 Less = 3.28 |
| | $t = 2.04$ | $p = .042$ | $t = .89$ | $p = .374$ |
| Bus. Econ. | Means | More = 3.80 Less = 3.86 | Means | More = 3.76 Less = 3.88 |
| | $t = -1.46$ | $p = .146$ | $t = -3.37$ | $p = .001$ |
| Tech. | Means | More = 4.29 Less = 4.29 | Means | More = 4.27 Less = 4.31 |
| | $t = .07$ | $p = .940$ | $t = -1.20$ | $p = .230$ |
| Total | Means | More = 3.63 Less = 3.68 | Means | More = 3.61 Less = 3.69 |
| | $t = -1.38$ | $p = .168$ | $t = -2.91$ | $p = .004$ |

staying in Kuwait for 5 years or more, compared to less than 5 years, did not make any significant difference on the perceptions of these managers. A stay of 10 years, however, did make a difference. Non-Kuwaiti managers who stayed in Kuwait for more than 10 years perceived more effects of MNCs in Kuwait, especially in the business and economic environments. The length of stay in Kuwait did make a difference; therefore Hypothesis 8 is supported.

Hypothesis 9

Hypothesis 9 stated that income would make a difference and that managers with higher income levels would have more favorable perceptions than managers with lower income levels. For this purpose, managers making more than 10,000 Kuwaiti Dinars (U.S. \$35,000) were considered to be the higher income group. Results of the t -tests are presented in Table 32. Income level did make a difference in the opposite direction, the lower-income managers had more favorable perceptions; therefore, Hypothesis 9 is rejected, the opposite (alternative) hypothesis is supported.

Hypothesis 10

Hypothesis 10 stated that going to school abroad would make a difference for Kuwaiti managers; those who went abroad for education would have more favorable perceptions about MNCs' effects in Kuwait, than those managers who did

TABLE 32
EFFECT OF INCOME

| | | |
|--------------|----------------------------------|-----------------------------------------|
| Culture | Means $\underline{t} = -.58$ | High = 2.65 Low = 2.68 $p = .565$ |
| Soc. Culture | Means $\underline{t} = -1.89$ | High = 3.21 Low = 3.27 $p = .059$ |
| Pol. Legal | Means $\underline{t} = -3.33$ | High = 3.14 Low = 3.27 $p = .001$ |
| Bus. Econ. | Means $\underline{t} = -1.16$ | High = 3.71 Low = 3.74 $p = .244$ |
| Tech. | Means $\underline{t} = -1.29$ | High = 4.19 Low = 4.24 $p = .196$ |
| Total | Means $\underline{t} = -2.26$ | High = 3.52 Low = 3.58 $p = .024$ |

Note: Group 1 = More than U.S. \$35,000 n = 520; Group 2 = Less than U.S. \$35,000 n = 824

not. Results of the \underline{t} -tests are presented in Table 33.

Going to school abroad made no difference at all.

Hypothesis 10 is rejected.

Hypothesis 11

Hypothesis 11 stated that managers would perceive negative effects for the cultural environment in Kuwait. Since this hypothesis deals with one-group only, \underline{t} -test is

TABLE 33
EFFECT OF SCHOOLING ABROAD

| | | | |
|--------------|---------------------|------------------------|------------|
| Culture | Means $t = .35$ | SA = 2.50 NA = 2.47 | $p = .727$ |
| Soc. Culture | Means $t = .88$ | SA = 3.05 NA = 3.00 | $p = .382$ |
| Pol. Legal | Means $t = -.33$ | SA = 3.03 NA = 3.06 | $p = .745$ |
| Bus. Econ. | Means $t = .02$ | SA = 3.56 NA = 3.56 | $p = .986$ |
| Tech. | Means $t = -.36$ | SA = 4.05 NA = 4.07 | $p = .722$ |
| Total | Means $t = .22$ | SA = 3.37 NA = 3.36 | $p = .827$ |

Note: Group 1 = School Abroad, $n = 202$; Group 2 = No-school Abroad, $n = 214$

not appropriate. The overall means on this variable are shown in Table 34.

TABLE 34
PERCEPTIONS OF CULTURAL ENVIRONMENT

| | Kuwaiti | Other Arab | Other | Total |
|---------|---------|------------|-------|-------|
| Culture | 2.53 | 2.67 | 2.92 | 2.71 |

All the means are less than 3.00, which is the no-effect response. To test for the significance of the difference between 2.71 and 3.00, a Kolmogorov-Smirnov goodness of fit test was used. This test compares the actual distribution to a hypothesized distribution, in this case a normal distribution with mean = 3.00 and standard deviation = 1.00. The K-S Z -score was 9.090 with $p = .000$ (two tailed). The test indicates that the difference is statistically significant; therefore, Hypothesis 11 is supported.

Hypothesis 12

Hypothesis 12 stated that managers would perceive no effects for the political-legal environment. The means are shown in Table 35.

TABLE 35
PERCEPTIONS OF POLITICAL-LEGAL ENVIRONMENT

| | Kuwaiti | Other Arab | Other | Total |
|---------------------|---------|------------|-------|-------|
| Political Legal: | 3.05 | 3.32 | 3.28 | 3.22 |

The K-S test comparing 3.22 to 3.00 produced a Z -score of 10.299, with $p = .000$ (two tail). The difference is significant.

This indicates that managers perceived that MNCs had positive effects on the political-legal environment in Kuwait. Hypothesis 12 is rejected.

Hypothesis 13

Hypothesis 13 states that managers perceive positive effects for the business-economic and the technological environments. The mean scores and the K-S tests comparing the total means to 3.00 are presented in Table 36 and Table 37.

TABLE 36
PERCEPTIONS OF BUSINESS-ECONOMIC AND
TECHNICAL ENVIRONMENTS

| | Kuwait | Arab | Other | Total |
|-------------------|--------|------|-------|-------|
| Business-Economic | 3.56 | 3.70 | 3.93 | 3.73 |
| Technical | 4.06 | 4.24 | 4.34 | 4.22 |

The K-S test produced the following two scores and two-tailed probabilities for the effects of change in business-economic and technological environments presented in Table 37.

The scores also indicate that the most favorable perceptions were of the MNCs effects on the technological environment in Kuwait. Hypothesis 13 is supported.

TABLE 37

K-S TEST

| | K-S <u>Z</u> | P (two-tailed) |
|--------------------|-----------------|----------------|
| Business/Economic: | 16.161 | .000 |
| Technical: | 23.304 | .000 |

The scores also indicate that the most favorable perceptions were about the MNCs effects on the technological environment in Kuwait. Hypothesis 13 is supported.

Demographic Variables And Perceptions

A stepwise multiple-regression analysis was performed to determine the effects of demographic variables on managers' perceptions. The variables entering the regression model, their beta, F, sig. F score are listed in Table 37 for each major dimension, sub-dimensions of the socio-cultural environment, and the overall perceptions of the managers. This information is presented for all managers in the sample as well as the three nationality groups; Kuwaiti, other Arab, and other nationality managers.

Data in Table 38 indicate that demographic variables that consistently affect the perceptions of the managers are nationality, religion, type of organization where the manager works, and education. The hypothesis testing in the

previous section supports this fact. The sampling design for this survey was also blocked by nationality and type of organization. Kuwaiti managers had the least favorable perceptions and other nationality managers had the most favorable perceptions about MNCs' effects in Kuwait.

For the effect of the organization type (public vs. private), Hypothesis 2 was rejected for the whole group. The regression analysis here indicates that this variable affects managers' perceptions when the sample is divided into nationality groups. Kuwaiti managers in the private sector had more favorable perceptions than those in the public sector regarding MNCs' effects on social-cultural and political-legal factors (positive beta).

This was also true for the other Arab managers for their perceptions about the social-cultural factors. In the case of the other-nationality managers, the reverse was true (negative beta). The other-nationality managers in the private sector had less favorable perceptions than those in the public sector.

Religion proved to be one of the most discriminating variables in the study. The previous hypothesis testing also supports this fact. Non-Muslim managers had more favorable perceptions than Muslim managers, regarding MNC's effects (beta = .078, $F = 4.24$, $p = .039$).

The presence of the education variable showing this regression analysis is a surprise. All betas were negative. On separate analyses the Spearman rank correlation coefficient between education and overall perceptions was $-.0399$ with $p = .107$. The spearman coefficient was also negative. This means that more-educated managers have less-favorable perceptions. Maybe this is a chance result, but it needs further research. This result is totally contrary to what would be expected. One might speculate that more-educated persons should have more-favorable perceptions toward change. The frequency distribution of the education variable is presented in Table 39.

Type of industry was another variable which affected managers' perceptions. Kuwaiti managers in education and banking had more favorable perceptions than Kuwaiti managers in construction and oil and gas industries. Other nationality managers in construction and oil and gas had more favorable perceptions than other nationalities in the education and banking industries. This could be due to the fact that construction and oil and gas are more global industries.

Age was also found to be an important predictor. As tested in Hypothesis 3. Older managers had more favorable perceptions than their younger counterparts. The betas in the regression analyses had positive signs. The managers'

TABLE 38
MULTIPLE REGRESSION RESULTS

| | Overall Perception | | | Culture Sub-dimension | | |
|---------------------------|--------------------|-------|-------|-----------------------|-------|-------|
| | B | F | Sig F | B | F | Sig F |
| All managers | Nationality | .170 | 61.76 | .285 | 18.30 | .000 |
| | Education | -.031 | 4.62 | -.097 | 14.59 | .000 |
| | Religion | .078 | 4.24 | -.085 | 5.15 | .023 |
| Kuwaiti managers | Industry | -.036 | 6.43 | -.081 | 13.49 | .000 |
| | Education | | | -.114 | 5.32 | .021 |
| Other Arab managers | Years in Kuwait | -.004 | 4.81 | .370 | 7.74 | .005 |
| | Age | .004 | 4.35 | -.101 | 5.55 | .018 |
| | | | | .190 | 6.49 | .011 |
| Other managers | Industry | .031 | 8.59 | .047 | 4.13 | .042 |
| | Publ.-priv. sector | -.073 | 4.77 | .361 | 16.58 | .000 |
| | | | | .023 | 14.54 | .000 |
| Social-Cultural Dimension | | | | | | |
| All managers | Nationality | .160 | 35.84 | .191 | 31.39 | .000 |
| | Religion | .211 | 20.46 | -.233 | 15.89 | .000 |
| Kuwait managers | Industry | -.058 | 12.64 | -.085 | 14.27 | .000 |
| | Religion | .292 | 9.57 | -.008 | 12.48 | .000 |
| | Publ.-priv. sector | .060 | 11.07 | .192 | 6.98 | .008 |
| Other Arab managers | Industry | .111 | 4.32 | -.013 | 13.80 | .000 |
| | Sex | .136 | 4.26 | -.134 | 11.40 | .000 |
| | | | | .011 | 9.04 | .000 |
| Other managers | Religion | .206 | 13.30 | .010 | 5.42 | .020 |
| | Years in Kuwait | .009 | 5.77 | -.091 | 8.92 | .003 |
| | Publ.-priv. sector | -.405 | 5.72 | -.180 | 6.06 | .014 |
| Political-Legal Dimension | | | | | | |
| All managers | Nationality | .160 | 35.84 | .191 | 31.39 | .000 |
| | Religion | .211 | 20.46 | -.233 | 15.89 | .000 |
| | Age | | | -.085 | 14.27 | .000 |
| Kuwait managers | Industry | -.058 | 12.64 | .192 | 6.98 | .008 |
| | Religion | .292 | 9.57 | -.013 | 13.80 | .000 |
| | Publ.-priv. sector | .060 | 11.07 | -.134 | 11.40 | .000 |
| Other Arab managers | Industry | .111 | 4.32 | .011 | 9.04 | .000 |
| | Sex | .136 | 4.26 | .010 | 5.42 | .020 |
| | | | | -.091 | 8.92 | .003 |
| Other managers | Religion | .206 | 13.30 | -.180 | 6.06 | .014 |
| | Years in Kuwait | .009 | 5.77 | -.140 | 4.40 | .036 |
| | Publ.-priv. sector | -.405 | 5.72 | | | |

TABLE 38--Continued

| | Business-Economic Dimension | | | Technological Dimension | | |
|---------------------|-----------------------------|-------|-------|-------------------------|-------|-------|
| | B | F | Sig F | B | F | Sig F |
| All managers | | | | | | |
| Nationality | .159 | 65.24 | .000 | -.158 | 58.08 | .000 |
| Years in Kuwait | -.005 | 6.54 | .010 | -.460 | 8.13 | .004 |
| Age | .004 | 6.51 | .010 | | | |
| Kuwaiti manager | | | | | | |
| Industry | -.047 | 7.56 | .006 | | | |
| Pub.-priv. sector | .119 | 3.93 | .047 | | | |
| Other Arab managers | | | | | | |
| Years in Kuwait | .008 | 9.15 | .002 | | | |
| Age | .008 | 8.80 | .003 | | | |
| Other managers | | | | | | |
| Industry | .028 | 4.83 | .028 | .031 | 4.44 | .035 |
| Sex | -.144 | 6.25 | .012 | -.050 | 6.53 | .010 |
| Religiosity | .044 | 4.52 | .034 | | | |

TABLE 39
EDUCATIONAL BACKGROUND

| Education | Frequency | Percentage |
|--------------------------|-----------|------------|
| 1. Less than high school | 8 | 0.6 |
| 2. High school | 101 | 7.5 |
| 3. 2-3 years college | 136 | 10.1 |
| 4. College degree | 785 | 58.4 |
| 5. Graduate school | 311 | 23.1 |
| Missing | 3 | 0.3 |
| Total | 1,344 | 100.0 |

age distribution was as follows: mean = 36.7, St. Dev. = 9.1, median = 36.0, mode = 30.0, minimum = 20.0, and maximum = 65.00.

Summary of Hypothesis Tests

Findings from the previous statistical analyses are summarized in this section. Findings regarding managers' perceptions of the effect of MNCs in Kuwait include the following:

1. Kuwaiti managers had the least-favorable perceptions about the effects of MNCs on change in Kuwait. All the Kuwaiti managers' perceptions were positive, except

All the Kuwaiti managers' perceptions were positive, except about the cultural environment in Kuwait.

2. Managers in the public sector had less-favorable perceptions than those in the private sector.

3. Older managers had more-favorable perceptions than younger managers.

4. The sex of managers did not affect their perceptions.

5. More-educated managers had less-favorable perceptions than less-educated managers.

6. Muslim managers had less-favorable perceptions than non-Muslim managers.

7. The religiousness of Muslim managers did not make a difference except regarding the cultural environment. More-religious Muslim managers had less-favorable perceptions than the less-religious Muslim managers about the effects of MNCs on the cultural environment in Kuwait.

8. The length of stay in Kuwait affected the non-Kuwaiti managers. Those who stayed longer in Kuwait perceived more effects of MNCs. The critical period seems to be somewhere around ten years.

9. Income level of the subjects affected their perceptions. Managers with lower incomes had more-favorable perceptions. This may be due to the fact that foreign managers generally are paid less than Kuwaiti managers in

Kuwait. The effect, therefore, may be from nationality rather than from income.

10. Having an education from abroad did not affect Kuwaiti managers' perceptions.

11. All managers perceived negative effects of MNCs on the cultural environment in Kuwaiti.

12. Kuwaiti managers perceived no effects of MNCs on the political-legal environment in Kuwait. Non-Kuwaiti managers perceived positive effects on the political-legal environment.

13. All managers perceived positive effects of MNCs on the business-economic and technological environments in Kuwait. The most favorable perceptions were about the technological environment.

Other Findings

Many of the participants used the last page of the questionnaire (the other comments? section) to provide additional comments about the MNCs' effects on change in Kuwait. Most of the comments were elaborations about factors already covered in the structured portion of the questionnaire. Nevertheless, some participants discussed other aspects in the environment that were affected by MNCs. These comments are grouped into four major categories: general effects, discrimination in employment, crime, and

construction. A synopsis of these comments is presented in Table 40.

In the open-ended questions, some Kuwaiti managers expressed the view that Kuwait was better able to control the impact of MNCs because it is a rich country, whereas poor LDC could not control the negative impacts of MNCs. Such statements indicate a general distrust of MNCs, and the idea that MNCs have not had a negative impact on Kuwait because of Kuwait's economic power. Other managers pointed out that the effect of MNCs on some dimensions in the environment may be, at the same time, both positive and negative. Unfortunately they did not give examples of such influences. Although it might be argued that changes in the family is one such example. Some of the managers complained about "westernization" of the culture as a result of MNCs in Kuwait. Westernization they say, affects mostly the young generation. Another widely-shared opinion was that MNCs presented unfair competition to local businesses, mainly because of their size. They also argued that governmental projects generally are awarded to MNCs.

Managers of all three nationality groups agree that MNCs discriminate against Kuwaitis in hiring decisions and management development. Many responded to the open-ended questions by stating that MNCs should provide more training and development to Kuwaiti employees. Some argued that when

TABLE 40
OTHER EFFECTS OF MNCs IN KUWAIT

General Effects

1. MNCs have less chance to have negative effect in rich LDCs than in poor LDCs.
2. The effect on some aspects of the society may be both positive and negative at the same time.
3. Kuwaiti culture is becoming "westernized," especially in the young generation as a result of MNCs.
4. MNCs act as unfair competition for local small businesses.

Discrimination

5. Large MNCs discriminate against Kuwaiti in employment and management development.
6. The practice of MNCs hiring other-Arab for management positions often cause negative attitudes toward other-Arabs in Kuwait.
7. MNCs discriminate against Kuwaitis because Kuwaitis generally object to any actions or positions which places them in subordinate positions.
8. MNCs hire more women than local companies in Kuwait; this brings about cultural change.

TABLE 40--Continued

| Crime |
|--------------------------------------------------------------------------------------------------------------|
| 9. Crime has increased in Kuwait as MNCs have imported more non-Kuwaiti managers and employees. |
| 10. MNCs have encouraged the importation of cheap foreign labor in Kuwait. |
| 11. Importation of non-Arab workers has exasperated the problem of crime in Kuwait. |
| Constructor |
| 12. MNCs have not been sensitive to Arab culture and architecture in building high-rise buildings in Kuwait. |

MNCs hire other-Arabs instead of Kuwaitis, it causes negative attitudes by locals toward other Arabs in Kuwait. Discrimination against Kuwaitis in employment decisions was also mentioned in the open-ended responses. This was attributed to the fact that Kuwaitis do not like taking subordinate positions and taking orders from foreigners in Kuwait. Some of the managers in the other nationalities group mentioned that MNCs hire more women than the local companies in Kuwait, and that this is a major cause of cultural change.

Kuwaiti and other Arab managers agree that crime has increased in Kuwait because of MNCs. Cheap foreign labor,

especially from poor Asian countries, was blamed for the increased crime rate in Kuwait.

Many Kuwaiti and other Arab managers stated that the architecture in the high-rise buildings that MNCs build in Kuwait were not acceptable to the Arab or Kuwait's culture. Most of these buildings are designed Western architectural styles. Western modern architecture emphasizes tall, glass covered buildings with a lot of corners. Arab architecture emphasizes shorter, stone, and curved/domed/arched buildings.

The comments cited are samples of the opinions expressed by managers to the open-ended questions. From these statements a number of hypotheses could be raised for further study on MNCs in Kuwait. Furthermore, more rigorous research is needed to test whether or not these perceptions are true. For example, the crime statistics can be analyzed, as Al-Sharrad (1980) did, and criminals' personal data (i.e., nationality, type of crime, etc.) can be reviewed to test whether the Asian labor force is actually the cause of increased crime in Kuwait. Many of the managers in this study specifically mentioned Asian labor-force as the source of increased crime in Kuwait. Another interesting possibility for a study might be compensation discrimination based on nationality in Kuwait, by MNCs. Is this perception real or imagination?

Other Factors Affecting Change in Kuwait

After asking for general comments, the question was asked in item 63, "Did MNCs affect change in Kuwait?" Most answered yes (73.4 percent), only 3.8 percent said no. But many managers (22.8 percent) did not respond. It may be assumed that many no-responses were due to the fact that managers were already in the process of answering a questionnaire about the influence of MNCs on change in Kuwait. The most significant part of responses came from those who answered that MNCs were not the cause of change in Kuwait, but that other factors were.

Table 41 lists other factors mentioned by managers as contributing to change in Kuwait. All of these factors are interrelated. None stand alone as an isolated factor causing change by itself. General summaries of what the managers in this study mentioned in their responses are presented below.

Many managers reported that the cause of change came from the influx of foreign nationals without considering why these immigrants came to Kuwait. Expatriates bring with them their own cultures, religions, customs, languages, and behavior patterns, and as a result Kuwait is no longer a homogeneous society. Managers see the change caused by new immigrants and tend to believe they are the underlying causes of change.

TABLE 41--Continued

| | Kuwait | | | | Other Arab | | | | Total | | | |
|----------------------------------|--------|---------|-------|--------|------------|-------|--------|---------|--------|---------|----|----|
| | Public | Private | Total | Public | Private | Total | Public | Private | Public | Private | | |
| | 5 | 2 | 7 | 5 | 6 | 11 | 25 | 9 | 34 | 15 | 17 | |
| Western culture | | | | | | | | | | | | 52 |
| Importation of culture | | | | | | | | | | | | |
| Willingness to adapt/copy | | | | | | | | | | | | |
| Especially young people | | | | | | | | | | | | |
| Education in Kuwait | 2 | 4 | 6 | 3 | 11 | 14 | 6 | 20 | 26 | 11 | 35 | 46 |
| General education level increase | | | | | | | | | | | | |
| Private schools | | | | | | | | | | | | |
| Education of women | | | | | | | | | | | | |
| Media | 6 | 4 | 12 | 4 | 4 | 8 | 8 | 10 | 18 | 20 | 18 | 38 |
| Foreign maids | 1 | 2 | 3 | 4 | 6 | 10 | 6 | 5 | 11 | 11 | 13 | 24 |
| Raising children | | | | | | | | | | | | |
| The Gulf region | 6 | 5 | 11 | 5 | 5 | 10 | 0 | 0 | 0 | 13 | 10 | 23 |
| Neighboring countries | | | | | | | | | | | | |
| Iran-Iraq war | | | | | | | | | | | | |
| Technology | 4 | 4 | 8 | 5 | 5 | 10 | 1 | 1 | 2 | 10 | 10 | 20 |

Other managers mentioned underlying causes of change such as the second item on Table 41, oil wealth. Oil wealth is the major driving force behind the economic change and development in Kuwait. Money flowing into the country made everything possible and irreversibly changed this close-knit Bedouin society into a modern day, cosmopolitan, and worldly society.

The global nature of the MNCs in oil was given as an underlying cause of change by some managers. Basically they said Kuwait could not escape being part of international trade and investments due to its oil wealth and the fact that the MNCs were tied together globally, economically, and technologically. Kuwait's investments abroad and its open economic system increased the pace in this international integration.

Other factors mentioned by managers were that Kuwaitis going abroad, either as students, tourists, or businessmen were changed by what they saw in the rest of the world. Students, particularly, are exposed to the Western culture, and bring back with them the values and attitudes of the West which often clash with the traditions and values of Kuwait. Because an increasing number of young Kuwaitis are educated abroad this has become a major factor of change.

Policies of the Kuwaiti government were listed as a major cause of change by a number of managers. They

mentioned such facts as international relations, governmental plans and policies which encouraged change. Also they argued that governmental contracts and agreements with foreign companies and nations accelerated change in the country. The claim was made that the government could slow or prevent the changes threatening the Kuwaiti's environment if it wanted to.

Many managers who listed other factors than MNCs as causing change, discussed the westernization of Kuwaitis. They criticized the importation of Western ways and the copying of the American and European life styles, especially by the youth. This change, discussed in negative tones, may be seen in peoples' taste, consumption patterns, family relations, interpersonal and business relations. The group most offended by the Westernization of the culture seemed to be older Kuwaiti managers. Young Kuwaiti managers did not respond as negatively on this point. Surprisingly, many other nations also mentioned Westernization as a factor affecting change in Kuwait.

Education was seen as another cause of change by some of the managers. Educational opportunities have expanded tremendously in Kuwait in recent years. Both public and private schools today provide educational opportunities for the youth, both male and female. The number of girls attending school has increased greatly, and many of the

schools are co-educational. Schools are seen as a major change agent in the introduction of western ideas and traditions.

Other managers discussed the media as a major factor of change. In Kuwait the media is open to the entire world. There are Arabic and English channels on television and radio and newspapers and magazines in Arabic and English from around the world are available on the news stands. The public is greatly exposed to the cultural values of the West since many watch western movies and television.

A number of managers also mentioned the use of foreign maids as a change agent in Kuwait. Foreign maids are common in Kuwait today and frequently have the responsibility for rearing children. Maids have become a big issue and a matter of concern to many because it is inevitable that children will learn values and traditions from the foreign maids. Because many maids are south or south-east Asia and may not be Muslims, there is growing concern of the impact of having children exposed to these non-Muslims.

Conclusion

The major finding of this study was that all managers perceive that MNCs have positive effects on the environment in Kuwait, except the cultural environment. The more-favorable perceptions concerned MNCs' effects on the business-economic and technological environments in Kuwait.

Several managers discussed the impact of neighboring countries in the Gulf Area as forces of change for Kuwait. They pointed out that Kuwait's strategic location in the Gulf forces it to interact with people and countries in the region. Major political and economic developments in the region, such as the revolution in Iran, and the actions of OPEC, philosophical changes, later the war between Iran and Iraq, abuses were major factors affecting Kuwait.

Finally, technology was mentioned as a factor of change in Kuwait. Technology has its own culture; cars, computers, airplanes, televisions, facsimile machines, telephones, change the way people live. People work and play differently, and as a result traditions and values are changing. One can see the fast-paced life in Kuwait which technology has caused. The patterns of living are completely different from what they were just a few years ago. Negative perceptions of the managers were changes MNCs had brought about to the cultural environment. All managers believed MNCs influence the cultural environment, but Muslim and more-religious Kuwaiti managers saw MNCs as a threat to the traditional and religious values of the country. Other negative aspect reported by managers were that MNCs discriminate against Kuwaitis and that they present unfair competition to local businesses. They also saw MNCs as creating tension between Kuwaitis and other Arabs by their

employment practices, and as creating a number of social problems for the country by importing many non-Arab workers.

CHAPTER VI

CONCLUSION

Summary

The purpose for this exploratory survey research was to answer the research question "what do managers in Kuwait think is the effect of MNCs on change in Kuwait?" The findings indicate that, in general, the managers surveyed perceive that MNCs have a positive effect on change in Kuwait. The only negative effect that the managers perceived from MNCs' was to the cultural environment.

A total of 1344 managers in Kuwait responded to the questionnaire. A 2 X 3 blocking of the sample is shown in Table 42.

TABLE 42
THE SAMPLE

| | Kuwait | Other Arab | Other | Total |
|---------|--------|------------|-------|-------|
| Public | 227 | 251 | 204 | 682 |
| Private | 189 | 243 | 230 | 662 |
| Totals | 416 | 494 | 434 | 1,344 |

The managers' perceptions about the effects of MNCs were solicited regarding four major dimensions in the environments; that is, social-cultural, political-legal, business-economic, and technological environments. Factor analysis of the data indicated that there were ten factors in the questionnaire. These ten factors fell neatly into four major dimensions, plus one sub-dimension, cultural environment. The literature review indicated that the cultural environment would be a dimension that MNCs effect negatively. Accordingly, some of the hypotheses of the study were related to this sub-dimension.

Findings and Discussion

The hypothesis testing produced the following findings:

1. Native Kuwaiti managers had the least-favorable perceptions about the effects of MNCs on change. Perceptions of all managers indicated positive effects of MNCs, except on the cultural environment in Kuwait.
2. Managers in the public sector had less-favorable perceptions than those in the private sector. The public sector managers were generally older, more-religious, and less-educated than the private sector managers.
3. Generally older managers had more-favorable perceptions than younger managers. Younger-generation was perceived as being more westernized.

4. The sex of managers did not affect their perceptions. Twenty percent of the respondents were female and most were employed by the private sector (Kuwaiti females were mostly in the public sector). The relatively small number of females who entered the work force must have adopted the opinions of their male counterparts.

5. Managers with less-education had more-favorable perceptions than managers with more education. The more-educated managers hold the power positions in this society. Status-quo consciousness may be the reason for this finding.

6. Muslim managers had less-favorable perceptions than non-Muslim managers. They were concerned that religious practices, traditions, and culture of Kuwait were being forgotten.

7. The religiousness of Muslim managers did not make a difference, except regarding the cultural environment. More-religious Muslim managers had less-favorable perceptions about the effects of MNCs on the cultural environment in Kuwait, than less-devout Muslim managers.

8. The length of time in Kuwait affected non-Kuwaiti managers' perceptions. Those who had been in Kuwait longer than 10 years perceived more effects of MNCs. The critical period of stay was approximately 10 years.

9. The income level of the subjects affected their perceptions. Those lower incomes had more favorable

perceptions. Perhaps this is due to the fact that foreign managers generally are paid less than Kuwaiti managers. Thus the effect is not from income but from nationality.

10. Although one might expect managers educated abroad to have views different from those educated in Kuwait, the test showed that having been educated abroad did not affect Kuwaiti managers' perceptions. Status-quo consciousness may explain this finding too.

11. All managers perceived the effects of MNCs on the cultural environment to be negative.

12. Kuwaiti managers perceived no effects of MNCs on the political-legal environment in Kuwait. Non-Kuwaiti managers perceived the effects on the political-legal environment to be positive. It appears that foreigners perceived the Kuwait government to be democratic and stable.

13. All managers perceived positive effects of MNCs on the business-economic and technological environments in Kuwait. The most favorable perceptions were about the technological environment.

At the end of the questionnaire, the managers were asked to answer a number of open-ended questions. Their answers gave additional insight about their view of MNCs. A large majority, 73.4 percent, stated that MNCs definitely affected the Kuwaiti environment. However, managers also believed that other factors, such as the oil wealth, actions

of the Kuwaiti government, the influence of neighboring countries, the fact that many Kuwaitis travel abroad and attend foreign colleges and universities, and the media, affect change in Kuwait. There were several areas in which the managers expressed negative opinions regarding MNCs. Kuwaiti managers expressed the view that MNCs discriminated against Kuwaitis, and favored other Arabs over Kuwaiti managers. They also believed that if Kuwait had been a poor country, the MNCs would have affected it negatively. They believed that because Kuwait was rich, it was able to prevent negative effects of MNCs. Finally these managers believe that the importation of foreign laborers was the cause of increased crime in Kuwait. This assertion has no material basis at the moment. One needs to study crime statistics to be able to support or refute this argument.

Summary of Significant Findings

1. The subjects perceived that MNCs' effects on change was positive. The only negative effect perceived was on the cultural environment in Kuwait. Perceptions were especially positive in the business-economic and technological dimensions.

2. The nationality of the subjects made a difference as to their perceptions. In general, the Kuwaiti managers' perceptions were slightly less-favorable than the non-

Kuwaiti managers. The difference was significant especially for the cultural environment.

3. The type of organization the subjects worked for made a difference. In general, managers in the public sector had slightly less-favorable perceptions than those working for private companies.

4. The religion of the subjects made a difference. In general, Muslim managers had slightly less-favorable perceptions than non-Muslim managers. The difference was significant, especially for the cultural environment.

Recommendations

As mentioned before, the constituents of this study were three groups of individuals: the government of Kuwait, the managers of MNCs, and academicians.

The managers surveyed for this study in Kuwait ($n=1344$) perceived positive effects of MNCs on economic and technological development of Kuwait. However, the perceptions also indicate negative effects of MNCs, for example, the foreign personnel that are brought to Kuwait is perceived to have had a negative impact on the cultural environment. Further studies are needed to test whether these perceptions reflect reality. If MNCs have negative effects on Kuwaiti culture, actions should be taken to correct the situation. A national conference should be called to consider the actions needed to protect the

country's cherished traditions and values. If this is not reality and the perceptions found in this study are incorrect, then information should be disseminated to the public to clarify these matters. MNCs also should participate in funding and initiating such a study.

Because MNCs are vitally involved in the society, they cannot remain in business in Kuwait unless they serve the well-being of the nation. It is to the advantage of these companies, as well as to the nation, to ensure a positive business climate. Most managers believe that MNCs are good for the economic/technological development of Kuwait, however, the perceptions are negative regarding MNCs effect on the culture of Kuwait. MNCs must become more sensitive to this issue in order to insure stability and continued harmony. Programs regarding this issue should be implemented in the near future. Especially personnel selection practices may need to be reviewed.

Academicians interested in international, cross-cultural business may find this study to be useful. Field research in Kuwait provided the basis for this research. The findings presented in Chapter V may provide additional research questions pertaining to the actual effects of MNCs on Kuwait.

Some of the controversial and unexpected results presented in Chapter V may lead to future research.

Although the findings of this study are the perceptions of managers in Kuwait only, it is believed by the researcher that the cultural similarities in the Arab Gulf states gives this study greater importance in such countries as Saudi Arabia, UAE, Iran, and Iraq. Possible future research questions are:

1. Why did education abroad not affect Kuwaiti managers' perceptions regarding MNCs?
2. How can one measure the degree of religiousness? How does the degree of religiousness affect attitudes toward change?
3. Can a third-world nation direct change and prevent those aspects of MNCs it considers negative from affecting the culture? Or, is the whole world ultimately to be similar as economic development occurs?
4. Can the effects of MNCs on various dimensions be both positive and negative at the same time?
5. Is the importation of foreign labor really the cause of increased crime in Kuwait?
6. How do foreign-maids affect a country's culture?
7. How can MNCs become more culturally-sensitive in other countries?
8. Are MNCs in Kuwait providing enough training and development for their Kuwaiti employees?

Summary

Kuwait is a unique developing nation in that it possesses the wealth to undertake practically any development it desires. The very fact that it has such wealth creates its major challenges. Can a small wealthy oil state preserve its economic independence and cultural identity and still adapt to the rapid changes that inevitably result from modernization and development. MNCs, as the major instrument of development and change, are viewed with ambivalence. Are they the valued partners bringing a better life to the country, or are they the cause of the pain that comes with change. Do they build or do they destroy the values of the society. These questions prompted this research. How do managers in Kuwait view MNCs?

A survey was made of 1,344 public and private managers in Kuwait. Managers were asked for their perceptions about MNCs' effect on the Kuwait's environment in four areas; business/economic, technology, political/legal, and social-cultural.

Generally, these managers perceived MNCs to have a positive effect on the economic, technological, political, and legal environments. They perceived the effect of MNCs to be negative on the cultural environment.

Because it coincides with the general discontent about the growing social and cultural problems caused by rapid change, this ambivalence about the effect of MNCs on Kuwait presents a serious problem. MNCs are increasingly viewed as the cause of these ills. If MNCs are to continue to prosper in the nation, they need to address this feeling of discontent and help the nation adapt to change without losing its cultural distinctiveness.

APPENDIX



University of North Texas

College of Business Administration
Department of Management

December, 1988

Dear Participant:

Your participation in this study will aid me in completing my dissertation and my doctoral education at the University of North Texas.

I assure you that your responses will be kept COMPLETELY CONFIDENTIAL. It is very important that you answer the questions in this survey honestly and completely. Your responses WILL NOT BE DISCLOSED to anyone. Only I will see your answers. Any report from this study will show only statistical summaries, not individual responses.

Please answer all the questions. Thank you very much for helping me in this project.

Sincerely,

Hamad Aldaeaj
Ph.D Student
University of North Texas

PARTICIPANTS' DEMOGRAPHICS

Please fill in the blanks or check the appropriate response.

1. Name of your organization: _____
2. Type of organization:
 _____ 1. Public sector (government) _____ 2. Private sector
3. What is your job title? _____
4. How do you rank in the organization?
 _____ 1. Top position _____ 4. Fourth level position
 _____ 2. Second level position _____ 5. Fifth level position
 _____ 3. Third level position _____ 6. Other (specify) _____
5. Your nationality is:
 _____ 1. Kuwaiti
 _____ 2. Other Arab (please specify): _____
 _____ 3. Other Nationality (please specify): _____
6. If non-Arab, can you speak and understand Arabic?
 1. None _____ 2. A few words _____ 3. Conversational _____
 4. Very fluent _____
7. If non-Kuwaiti, how long have you been in Kuwait?
 Years _____ Months _____
8. What is your age? Years _____
9. Your education (please check one):
 _____ 1. Less than High School _____ 4. College (4 years)
 _____ 2. High School _____ 5. Graduate School
 _____ 3. College (2 - 3 years) _____ 6. Other(specify) _____
10. Please specify the number of years of schooling you have finished in each location:
 Number of years of schooling in Kuwait _____
 Number of years of schooling in other Arab countries _____
 Number of years of schooling in other countries _____
11. Your sex:
 _____ 1. Male _____ 2. Female
12. Your marital status:
 _____ 1. Single _____ 4. Separated
 _____ 2. Married _____ 5. Widowed
 _____ 3. Divorced
13. Which category best describes your annual income (please translate your income into Kuwaiti Dinars if any portion of it is earned in countries other than Kuwait)?
 _____ 1. Less than KD 10,000 _____ 4. KD 30,001 - 40,000
 _____ 2. KD 10,001 - 20,000 _____ 5. KD 40,001 - 50,000
 _____ 3. KD 20,001 - 30,000 _____ 6. More than KD 50,000

14. How would you compare your parents' wealth to yours?
 _____ 1. Much lower
 _____ 2. Somewhat lower
 _____ 3. Equal
 _____ 4. Somewhat higher
 _____ 5. Much higher
15. What is your religion (please specify)? _____
16. To what degree are you committed to the religious principles?
 _____ 1. Very strong
 _____ 2. Strong
 _____ 3. Average
 _____ 4. Weak
 _____ 5. Very weak
17. If you were assigned to build a new city in Kuwait, in what order would you build the following (please rank, 1 = first, 2 = second, etc.):
- | | |
|-----------------------|-----------------------|
| _____ Mosque | _____ Recreation Area |
| _____ School | _____ Shopping Mall |
| _____ Business Center | |
18. Which of the following classes at a school in Kuwait, are most important: (Please rank, 1 = most important, 2 = second important, etc.)
- | | |
|--------------------------|--------------------------|
| _____ Islamic literature | _____ Physical education |
| _____ Arabic literature | _____ Arts |
| _____ Science | |
19. In what order would you visit the following: (please rank, 1 = first, 2 = second, etc.)
- | | |
|-------------------|------------------------------|
| _____ Holy places | _____ USA |
| _____ Europe | _____ Other (please specify) |
20. How often do you pray?
 _____ 1. 5 times a day
 _____ 2. Less than 5 times a day
 _____ 3. Once a week
 _____ 4. Occasionally
 _____ 5. Don't pray at all
21. If you had only one child, which of the following professions would you prefer for your child? (please rank, 1=first, 2=second, etc.)
- | | |
|------------------------|---------------------------------|
| _____ 1. Islamic study | _____ 4. Teaching |
| _____ 2. Medicine | _____ 5. Business |
| _____ 3. Engineering | _____ 6. Other (please specify) |

SECTION II
PARTICIPANT'S OPINION OF THE INFLUENCE OF
MULTINATIONAL CORPORATIONS (MNCs) ON KUWAIT

In this section please provide your opinion with regard to multinational corporations that operate in Kuwait and the way they influence Kuwait and its people. An MNC is a non-Kuwaiti company that does business in Kuwait, by selling their products, using their technology, marketing services, or ideas.

There are no right or wrong answers. Please circle the number that best describes your feelings for each item.

Please circle your opinion using the following scale:

| | | | | |
|--------------------|------------------|--------------|------------------|--------------------|
| Highly Negative | Some Negative | No Effect | Some Positive | Highly Positive |
| HNE = 1 | SNE = 2 | NE = 3 | SPE = 4 | HPE = 5 |

Please indicate your opinion about how multinational corporations (MNCs) have influenced the following conditions in Kuwait:

| SOCIAL-CULTURAL | HNE | SNE | NE | SPE | HPE |
|-----------------------------------------------------------------------------------------------------------|-----|-----|----|-----|-----|
| 22. Education system in general | 1 | 2 | 3 | 4 | 5 |
| 23. Number of educated people: | | | | | |
| a) High School graduates | 1 | 2 | 3 | 4 | 5 |
| b) College graduates | 1 | 2 | 3 | 4 | 5 |
| 24. Quality of education | 1 | 2 | 3 | 4 | 5 |
| 25. Family relationships (closeness of relations between children, parents, and other relatives) | 1 | 2 | 3 | 4 | 5 |
| 26. Practice of religion | 1 | 2 | 3 | 4 | 5 |
| 27. Social values (Morality, honesty, respect for elderly) | 1 | 2 | 3 | 4 | 5 |
| 28. Kuwaiti culture and traditions | 1 | 2 | 3 | 4 | 5 |
| 29. Use and value of foreign languages | 1 | 2 | 3 | 4 | 5 |
| 30. Preservation of Arabic as the spoken language | 1 | 2 | 3 | 4 | 5 |
| 31. Change in the economic class structure | 1 | 2 | 3 | 4 | 5 |
| 32. Role of women in the Kuwaiti society | 1 | 2 | 3 | 4 | 5 |

Please circle your opinion using the following scale:

| | | | | |
|-----------------------------------------|---------------------------------------|------------------------|---------------------------------------|-----------------------------------------|
| Highly Negative Effect HNE = 1 | Some Negative Effect SNE = 2 | No Effect NE = 3 | Some Positive Effect SPE = 4 | Highly Positive Effect HPE = 5 |
|-----------------------------------------|---------------------------------------|------------------------|---------------------------------------|-----------------------------------------|

Please indicate your opinion about how multinational corporations (MNCs) have influenced the following conditions in Kuwait:

| | HNE | SNE | NE | SPE | HPE |
|-----------------------------------------------------------------|-----|-----|----|-----|-----|
| BUSINESS-ECONOMIC | | | | | |
| 33. Economic development | 1 | 2 | 3 | 4 | 5 |
| 34. Cost of living | 1 | 2 | 3 | 4 | 5 |
| 35. Income distribution | 1 | 2 | 3 | 4 | 5 |
| 36. Oil industry | 1 | 2 | 3 | 4 | 5 |
| 37. Manufacturing | 1 | 2 | 3 | 4 | 5 |
| 38. Banking and finance | 1 | 2 | 3 | 4 | 5 |
| 39. International trade | 1 | 2 | 3 | 4 | 5 |
| 40. Transportation | 1 | 2 | 3 | 4 | 5 |
| 41. Availability and quality of housing | 1 | 2 | 3 | 4 | 5 |
| 42. Availability and quality of health care | 1 | 2 | 3 | 4 | 5 |
| 43. Management practices (planning, organizing, etc.) | 1 | 2 | 3 | 4 | 5 |
| 44. Working conditions for employees | 1 | 2 | 3 | 4 | 5 |
| 45. Employment practices (hiring, benefits, etc) | 1 | 2 | 3 | 4 | 5 |
| 46. Discrimination in employment (Kuwaitis versus Non-Kuwaitis) | 1 | 2 | 3 | 4 | 5 |
| 47. Training of Kuwaitis for management positions | 1 | 2 | 3 | 4 | 5 |
| 48. Worker productivity | 1 | 2 | 3 | 4 | 5 |

Please circle your opinion using the following scale:

| | | | | |
|-----------------------------------------|---------------------------------------|------------------------|---------------------------------------|-----------------------------------------|
| Highly Negative Effect HNE = 1 | Some Negative Effect SNE = 2 | No Effect NE = 3 | Some Positive Effect SPE = 4 | Highly Positive Effect HPE = 5 |
|-----------------------------------------|---------------------------------------|------------------------|---------------------------------------|-----------------------------------------|

Please indicate your opinion about how multinational corporations (MNCs) have influenced the following conditions in Kuwait:

| | HNE | SNE | NE | SPE | HPE |
|-----------------------------------------------------------------|-----|-----|----|-----|-----|
| POLITICAL-LEGAL | | | | | |
| 49. Government system | 1 | 2 | 3 | 4 | 5 |
| 50. Legal system (the law) | 1 | 2 | 3 | 4 | 5 |
| 51. Judicial system (the courts) | 1 | 2 | 3 | 4 | 5 |
| 52. Independence of governmental decision-making | 1 | 2 | 3 | 4 | 5 |
| 53. Political democracy | 1 | 2 | 3 | 4 | 5 |
| 54. Protection of national independence | 1 | 2 | 3 | 4 | 5 |
| 55. Government services (water, electricity, roads, etc.) | 1 | 2 | 3 | 4 | 5 |
| TECHNOLOGY | | | | | |
| 56. Introduction of computers | 1 | 2 | 3 | 4 | 5 |
| 57. Introduction of manufacturing technology | 1 | 2 | 3 | 4 | 5 |
| 58. Introduction of agricultural technology | 1 | 2 | 3 | 4 | 5 |
| 59. Financial support for research | 1 | 2 | 3 | 4 | 5 |
| 60. Construction/Architecture | 1 | 2 | 3 | 4 | 5 |
| 61. Communications (telephone, telex, satellite, etc.) | 1 | 2 | 3 | 4 | 5 |
| 62. Introduction of appropriate technology | 1 | 2 | 3 | 4 | 5 |

63. Have multinational corporations had any effects on changes in Kuwaiti society? If yes, please explain. If no, what other factors resulted in change in Kuwaiti society? Please explain.

Participant's Comments

If you would like to make other comments, please use the space below. Once again, I appreciate your cooperation.



University of North Texas

College of Business Administration
Department of Management

السيد / السيدة

تحية طيبة وبعد:-

مرفق طيه قائمة استبيان خاص بالبحث الذي اتوم به للحصول على درجة الدكتوراه من جامعة شمال تكساس بالولايات المتحدة الامريكية - برجا، التكرم بالاجابة على الاسئلة المرفقة حتى يتمسنى لى استكمال دراستى .

اننى اشكر لكم تعاونكم المخلص واود ان اؤكد لسيادتكم بان اجاباتكم سوف تكون فى سرية تامة ولن يطلع عليها احد غيرى .

كما ان نتائج الدراسة سوف تظهر فى شكل جداول احصائية وليست فى صورة اجابات فردية ولن تستخدم فى اى فرض آخر سوى البحث العلمى .

وتفضلوا بقبول فائق الاحترام

المخلص

حمد الدعيج

الدارس لدرجة الدكتوراه ادارة اعمال
جامعة شمال تكساس / الولايات المتحدة

- يرجى التكرم بالاجابة عن الاسئلة الاتية باختيار ما تراه ملائما :-
- ١ - اسم الهيئة (او الشركة) التي تعمل بها
 - ٢ - نوع الهيئة (او الشركة)
 - قطاع عام (حكومي) قطاع خاص (استثماري)
 - ٣ - اسم الوظيفة التي تشغلها
 - ٤ - ما الدرجة الوظيفية التي تشغلها؟
 - درجة اولى درجة رابعة
 - درجة ثانية درجة خامسة
 - درجة ثالثة اخرى (الذكر)
 - ٥ - الجنسية
 - كويتي عربي (الذكر) جنسيات اخرى (الذكر)
 - ٦ - درجة اجادتك اللغة العربية (الغير العرب)
 - لا شيء كلمات قليلة
 - محادثة اجادة تامة
 - ٧ - مدة اقامتك في الكويت (الغير الكويتيين)
 - شهر سنة
 -
 - ٨ - كم عمرك ؟ سنة
 - ٩ - ما هو اعلا مؤهل علمي حملت عليه ؟
 - اعدادية عامة شهادات جامعية
 - ثانوية عامة (او ما يعادلها) دراسات عليا (ماجستير دكتوراه)
 - فوق المتوسط (٢-٣ سنوات) مؤهلات اخرى (الذكر)
 - ١٠ - الاكر بالتخريب عدد السنوات الدراسية التي قضيتها في كل من :-
 - دولة الكويت سنة دولة عربية اخرى سنة
 - دول غير عربية سنة
 - ١١ - الجنس
 - ذكر انثى

١٢- الحالة الاجتماعية

| | |
|-------------|-------------|
| العزب | متزوج |
| مطلق | منقمل |
| الرسل | |

١٣- ما هي الشريحة التي ينتمي اليها اجمالي دخلك السنوي مقدرا بالدينار الكويتي؟

| | |
|-------|------------------------------------------|
| | القل من ١.٠٠٠ دينار كويتي سنويا |
| | ١.٠٠٠ الى اقل من ٢.٠٠٠ دينار كويتي سنويا |
| | ٢.٠٠٠ الى اقل من ٣.٠٠٠ دينار كويتي سنويا |
| | ٣.٠٠٠ الى اقل من ٤.٠٠٠ دينار كويتي سنويا |
| | ٤.٠٠٠ الى اقل من ٥.٠٠٠ دينار كويتي سنويا |
| | ٥.٠٠٠ فأكثر |

١٤- كيف تقارن ثروة والديك بالنسبة لثروتك ؟

| | |
|---------------------------------|-------------------------------------|
| كبيرة جدا (أكثر من الضعف) | كبيرة (ضعف) |
| متساوية تماما | قليل جدا (القل من نصف الثروة) |

١٥- الديانة

| | |
|------------|----------------|
| مسلم | غير مسلم |
|------------|----------------|

١٦- ما هي درجة التزامك بالتعاليم الدينية؟

| | |
|-----------------|------------|
| كبيرة جدا | قوي |
| متوسط | ضعيف |
| ضعيف جدا | |

١٧- رتب الاشياء الآتية بالنسبة لاهميتها عند انشاء مدينة سكنية جديدة بالكويت .

(ابدأ الاكثر اهمية برقم ١ ثم ٢ وهكذا)

| | |
|--------------------|--------------------|
| مجسد | نوادي رياضية |
| مدرسة | مجمع تجاري |
| مكاتب تجارية | |

- ١٨- رتب المشاهد الدراسية الآتية من حيث أهميتها لمجتمع الكويت .
(ابداً بالأكثر أهمية برقم ١ ثم ٢ وهكذا)
- دراسات اسلامية تربية رياضية
..... ادب عربي فنون
..... علوم (رياضيات . كيمياء . هندسة)
- ١٩- رتب الأماكن الآتية من حيث رغبتك لزيارتها .
(ابداً بالمكان الأكثر رغبة برقم ١ والثاني رقم ٢ وهكذا)
- الأماكن المقدسة الولايات المتحدة الأمريكية
..... أوروبا أماكن أخرى (ما هي).....
- ٢٠- عدد المرات التي تصليها .
- ٥ مرات في اليوم مرة في الأسبوع
..... أصلي بالمدينة أقل من ٥ مرات في اليوم
..... لا أصلي مطلقاً
- ٢١- إذا كان لديك مولود فكيف ترتب التخصصات الدراسية الآتية من حيث
(ابداً بالأكثر أهمية برقم ١ ثم ٢ وهكذا)
- أهميتها لمستقبله ؟
- دراسات اسلامية تدريسي
..... طب ادارة اعمال
..... هندسة دراسات أخرى (ما هي).....
- ٢٢- كم مرة تشارك في نشاطات دينية منتظمة ؟
- مرة في اليوم مرة في المناسبات فقط
..... مرة في الأسبوع لا اشترك مطلقاً
..... مرة في الشهر

الجزء الثاني

من فذلك عبر عن رأيك في تأثير الشركات الدولية التي تعمل في الكويت على المجتمع الكويتي وذلك باختبار نوع التأثير المناسب . الشركات الدولية : هي الشركات الاجنبية التي تعمل في الكويت في المجالات المختلفة (التجارة- الصناعة - الزراعة - التكنولوجيا - خدمات التسويق - الخدمات المصرفية - المواصلات - افكار جديدة الخ...)

(ضع دائرة حول الاختيار الموافق لرأيك)

| تأثير سلبي جداً (١) | تأثير سلبي نوعاً ما (٢) | لا تأثير (٣) | بعض التأثيرات الايجابية (٤) | تأثير ايجابي جداً (٥) | |
|---------------------|-------------------------|--------------|-----------------------------|-----------------------|-------------------------------------------------------------------------------|
| | | | | | <u>التأثير الثقافي - الاجتماعي</u> |
| | | | | | ٢٣- نظم التعليم عموماً |
| | | | | | ٢٤- أ- عدد خريجي الشهادات المتوسطة |
| | | | | | ب- عدد خريجي الجامعات |
| | | | | | ٢٥- كفاءة التعليم |
| | | | | | ٢٦- العلاقات العائلية (تقارب العلاقات بين الابناء والوالدين والاقارب الآخرين) |
| | | | | | ٢٧- ممارسة الشعائر الدينية |
| | | | | | ٢٨- القيم الاجتماعية (مثل الاخلاق - الامانة) احترام الكبار... الخ) |
| | | | | | ٢٩- العادات والتقاليد الكويتية |
| | | | | | ٣٠- اهمية اللغات الاجنبية |
| | | | | | ٣١- اجادة التحدث باللغة العربية |
| | | | | | ٣٢- تغيير هيكل الطبقات الاقتصادية |
| | | | | | ٣٣- دور المرأة في المجتمع الكويتي |
| | | | | | <u>الاقتصاد والمشروعات التجارية</u> |
| | | | | | ٣٤- التنمية الاقتصادية |
| | | | | | ٣٥- تكاليف المعيشة |

| | | | | | |
|---------------------------|---|---|---|---|---------------------------------------------------------------------------------|
| ٥ | ٤ | ٢ | ٢ | ١ | ٣٦- توزيع الدخل القومي |
| ٥ | ٤ | ٢ | ٢ | ١ | ٣٧- صناعات البترول |
| ٥ | ٤ | ٢ | ٢ | ١ | ٣٨- التمريض |
| ٥ | ٤ | ٢ | ٢ | ١ | ٣٩- البنوك والمؤسسات المالية |
| ٥ | ٤ | ٢ | ٢ | ١ | ٤٠- التجارة الدولية |
| ٥ | ٤ | ٢ | ٢ | ١ | ٤١- المواصلات |
| ٥ | ٤ | ٢ | ٢ | ١ | ٤٢- توفير السكن الملائم |
| ٥ | ٤ | ٢ | ٢ | ١ | ٤٣- توفير وتقديم الرعاية الصحية |
| ٥ | ٤ | ٢ | ٢ | ١ | ٤٤- ممارسة السبب الادارة الحديثة (تخطيط - تنظيم ... الخ) |
| ٥ | ٤ | ٢ | ٢ | ١ | ٤٥- تحسين ظروف العمل |
| ٥ | ٤ | ٢ | ٢ | ١ | ٤٦- ممارسة سياسات التوظيف الحديثة (اختيار - توظيف - ترقية مكافآت ... الخ) |
| ٥ | ٤ | ٢ | ٢ | ١ | ٤٧- التفرفة في التوظيف (بين الكويتيين وغير الكويتيين) |
| ٥ | ٤ | ٢ | ٢ | ١ | ٤٨- تدريب الكويتيين على الوظائف الادارية |
| ٥ | ٤ | ٢ | ٢ | ١ | ٤٩- مستوى انتاجية العامل <u>التأثير السياسي والقانوني</u> |
| ٥ | ٤ | ٢ | ٢ | ١ | ٥٠- النظم الحكومية |
| ٥ | ٤ | ٢ | ٢ | ١ | ٥١- التشريعات القانونية |
| ٥ | ٤ | ٢ | ٢ | ١ | ٥٢- النظام القضائي |
| ٥ | ٤ | ٢ | ٢ | ١ | ٥٣- مدى استقلالية القرارات الحكومية |
| ٥ | ٤ | ٢ | ٢ | ١ | ٥٤- الديمقراطية |
| ٥ | ٤ | ٢ | ٢ | ١ | ٥٥- حماية الاستقلال القومي |
| ٥ | ٤ | ٢ | ٢ | ١ | ٥٦- مدى توفير الخدمات الحكومية للمواطنين (خدمات الكهرباء والماء والطرق...) |
| <u>التأثير التكنولوجي</u> | | | | | |
| ٥ | ٤ | ٢ | ٢ | ١ | ٥٧- ادخال الحاسب الالى |
| ٥ | ٤ | ٢ | ٢ | ١ | ٥٨- ادخال الصناعات الحديثة |

| | | | | | |
|---|---|---|---|---|---------------------------------------------------------------------|
| ٥ | ٤ | ٣ | ٢ | ١ | ٥٩- ادخال اساليب الانتاج الزراعي الحديثة |
| ٥ | ٤ | ٣ | ٢ | ١ | ٦٠- الدعم المالي للابحاث العلمية |
| ٥ | ٤ | ٣ | ٢ | ١ | ٦١- تطور نظم الانشاءات والتعمير |
| ٥ | ٤ | ٣ | ٢ | ١ | ٦٢- الاتصالات السلكية واللاسلكية |
| ٥ | ٤ | ٣ | ٢ | ١ | ٦٣- اختيار اساليب الانتاج الحديثة الملائمة |
| | | | | | ٦٤- هل الشركات الدولية لها اي تاثير على التغيير في دولة الكويت . |
| | | | | | ا - نعم - من فضلك اشرح ذلك |

ب - لا - ما هي العوامل الاخرى التي
اشرت على التغيير في دولة
الكويت . من فضلك اشرح ذلك.

في هذا الجزء الرجاء كتابة ما تراه مناسباً من الاقتراحات مفيدة لاستكمال
هذه الرسالة .

ولكم جزيل شكرى وتقديرى .

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