

**THE SAMENESS AND THE DIFFERENCE:
AMERICANIZATION OF MANAGEMENT EDUCATION AT THE IRANIAN
INDUSTRIAL MANAGEMENT INSTITUTE**

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ABSTRACT

This dissertation explains the whys and hows of Americanization of management education at the Iranian Industrial Management Institute (IMI), which is the largest management institute that offers an Executive Master of Business Administration (EMBA) in Iran. The Iranian context is of particular interest because Iran has undergone a profound transition from a US-backed authoritarian regime to an Islamic Republic that emerged in the aftermath of the 1979 Iranian Revolution grounded to a significant extent in anti-Americanism. Despite this transition, the IMI still continues to follow American models in management education.

Due to the importance of the Iranian context in shaping the IMI, the dissertation employs developmentalism and postcolonialism to analyze Iran's dependent development and cultural subordination to the American culture before the 1979 revolution. In the post-revolution era, this study distinguishes two distinct periods. The highlight of the first period (1979-1989) was Ayatollah Khomeini's initiative to introduce an Islamic alternative to modernity. In this perspective, the EMBA program at the IMI came to a halt. The objective was to develop an Islamic Management education to substitute for American management education. This initiative failed in practice and in the post-Khomeini era, Iran has attempted to rejoin the modern world by pursuing an Islamic pseudo-modernization program. In this environment, American management education has reemerged at the IMI despite persistent anti-American political stances of the Iranian government.

With respect to the IMI educators' response to the American management discourse, the dissertation distinguishes four groups. I call these groups as the imitators (advocators of carbon copy transfer), hybridizers (who advocate adding some local elements to the imported management education), harmonizers (who see a harmony between the Islamic principles and the transferred management education), and traditionalists (who oppose American management education and seek an Islamic management education). Imitators and hybridizers were the main actors at the IMI before the revolution. Traditionalists, with their Islamic Management initiative, became dominant after the victory of the revolution but faded away after the death of Ayatollah Khomeini in 1989. A return to American management education materialized when imitators, hybridizers, and harmonizers became the main actors after the death of Ayatollah.

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INTRODUCTION

It is widely accepted that mainstream management education has been dominated globally and colonized by US ideological influences and hegemonic pressures, especially after the Second World War (Amdam, 1996; Engwall & Zamagni, 1998; Lawrence & Edwards, 2000; Usdiken, 2004). This dominance has contributed to the formation of management education institutions as well as shaping management educators' practices worldwide (Byrt, 1989; Gemelli, 1996). In fact, management knowledge and management education developed in the United States and spread throughout the globe in the Twentieth century (Whitley, 1981; Byrt, 1989; Engwall, Gunnarsson & Wallerstedt; 1996; Crainer, 2000; Daniel, 1998; Locke, 1998). Crainer (2000) refers to the twentieth century as the management century. I would rather call the twentieth century as the US American management century due to the American dominance in this area. Indeed, if we consider management as comprising four basic activities – namely management practice, management research, management consultancy, and management education – all these activities are dominated by or initiated in the US (Crainer, 2000; Engwall, 1996; Engwall & Zamagni, 1998; Locke, 1998, 2004). Among these four basic activities of management, US management education, and its Master of Business Administration (MBA) have gained a dominant position and more than 1600 business schools worldwide offer MBA degrees (Moon, 2002).

This dissertation attempts to explain the whys and hows of Americanization of management education in the context of the Iranian Industrial Management Institute (IMI) during the few decades of its existence, from 1960s up to now. The central driving

question of the dissertation is: How have US ideological influences and hegemonic pressures in mainstream management education shaped and colonized the Iranian Industrial Management Institute education activities? The dissertation has three objectives: 1) to critically review mainstream management education and its historical dominance and colonization by US management education style worldwide, 2) to delineate the whys and hows of the Americanization of management education at the IMI, and 3) to read the present digital age in terms of history to explain the potentials of Information and Communication Technology (ICT) to reproduce a new type of colonialism referred to as cybercolonialism (Morbey, 2002, 2006) in management education. In the dissertation, I emphasize the Iranian national environment as the national context of study. I argue that in the Iranian case the role of government has a tremendous influence on shaping organizations such as the IMI. This is due to the Iranian government's wealth earned from oil exports, ideological dominance, and foreign backed totalitarianism that gives power to the government to intervene in different aspects of people as well as organizations' lives.

The Iranian context, however, is of particular interest from another perspective. In effect, Iran is a country where the 1979 political revolution, based on the collective will of its people (Foucault, 1978), was grounded to a significant extent in anti-Americanism. Now, three decades after the revolution, one of its largest management education institutions continues to follow American models. This is happening while the Iranians are in the midst of one of their longtime challenging debate around three main determinants to their society: Islam as the religion of Iranian majority, Iranian traditional culture, and the

influence of universal Western modernity. It is in this challenging environment that the Americanization of the IMI becomes meaningful as one of the outcomes of the interaction of the elements involved in the challenge.

The Industrial Management Institute, as the institutional setting of this research, is the largest semi-governmental management research, consultancy, and training institute in Iran. More than fifty percent of the IMI's shares belong to the government, making the IMI a semi-governmental institution. The institute, however, has a charter that enables it to operate as a private sector organization. Among the programs offered by the IMI, its Executive Master of Business Administration program (EMBA) offered to top and middle managers in the manufacturing and service sectors in the country has gained a popular position. During its half a century history, the IMI has experienced working within different discourses dominating the institute at the national level.

During the twentieth century, Iran underwent profound changes and transformations politically, culturally, socially, and economically. These changes have shaped different directions. The directions have sometimes been fundamentally opposite to each other. In this dissertation, I distinguish six distinct historical periods in Iran in the last century. I refer to these periods as: 1) period of desire to join the modern world (1900 – 1920); 2) period of pseudo-constitutional despotism (1921 – 1940); 3) period of Allied invasion, nationalism, and the CIA engineered coup (1941 – 1953); 4) period of American-backed authoritarian pseudo-modernization (1954 – 1978); 4) period of Ayatollah Khomeini's Islamization (1979 – 1989); and 6) period of Islamic pseudo-modernization (1990 – 2008).

In the first period (1900 - 1920), that I refer to as the period of desire to join the modern world, Iran shifted from governance based on traditional monarchy to a constitutional monarchy. This was the beginning of a gradual departure from Iranian tradition towards modernity. The transition faced different challenges and today the challenge between religion, tradition, and modernity is still going on nationwide. In practice, in the first period the move from traditional monarchy to a constitutional monarchy did not achieve its main constitutional goal that was the establishment of a democratic parliamentary society.

Indeed, the country soon entered its second period (1920 – 1940) where a totalitarian monarchy took power once again. This time, the return of monarch, however, was backed first by the United Kingdom and later by the United States. I refer to this period as the period of pseudo-constitutional despotism where in the name of a constitutional monarchy, Iran experienced a forced modernization project. With the outbreak of the Second World War in the third period (1940 – 1953), the Allied forces invaded Iran. The end of invasion and its turbulent aftermath, during which Iran was experiencing a democratic transition, led to the 1953 CIA engineered coup.

After the 1953 CIA engineered coup, Iran entered a period of American-backed authoritarian pseudo-modernization. The new US-backed monarch, the Shah, intended to implement a planned and forced modernization process supported by the United States. During this period (1954 – 1978) the country was pushed to adopt a consumerist ideology intentionally and unintentionally by foreign involvement and internal willingness.

Economically, during the Shah' reign, the rise in oil price and the country's vast oil reserves facilitated and paved the way for an import substitution economic policy which ultimately fueled consumerism and led to a dependent economy in Iran. Iran became a part of the modernization project of the developed world and as such its development depended on the development of power centers. Indeed, Iran developed in this period, but it was a dependent development.

Culturally, in the same period, the country's main policy was to try to assimilate a Western style of life. This happened while a vast majority of the population was illiterate and poor, and they were tied to their traditional religious beliefs, which did not match and to a great extent opposed the dominant modernization policy of the country. As a result the tension between Islamic religion, Iranian identity, and modernity, which had been initiated a few decades earlier, was fueled. This tension finally led to the 1979 revolution in the country, which favoured Islamic religion.

Politically, in the second period, the Iranian government was the main regional power allied with the United States in its struggle against communism. Indeed, Iran was the main southern neighbor of the Soviet Union. The alliance between Iran and the United States was so strong that Iran became known as the US regional 'gendarme' in the struggle against the spread of communism. The outcome of unconditional subordination of the Iranian government to US policy and its imperial goals in the region, on the one hand, and the rigidity of modernity in its desire to universalize its goals while ignoring national cultures, on the other hand, resulted in a popular revolt and shaped the collective will of the nation towards change.

The desire for change led to the 1979 Iranian Revolution. Following the revolution the religious clergy benefited from the people's faith and gradually redirected the mass of Iranians towards what came to be known as the Islamic Revolution. With the victory of the revolution in 1979, the fifth period – the period of Ayatollah Khomeini's Islamization – began. The revolution influenced radical movements elsewhere and brought about new rules and styles to the Iranian way of life. The intention was to introduce a new religious government and a mindset of religious governmentality. Indeed, Ayatollah Khomeini's intention was to introduce an Islamic alternative to modernity.

Iran gradually entered a new period after the death of Ayatollah Khomeini in 1989. I refer to this period as the period of Islamic pseudo-modernization (1990 – 2008). In fact, a few factors have been influential in this period, three of which are mentioned here. The first factor is the hybridity that has emerged among those in power in the country. This hybridity has led to the introduction of various readings of Islam that are different from the one that dominated Iran in the first decade after the victory of the revolution in 1979. The second factor is the failure of the Islamic government to fulfill the imagined world that it has constantly portrayed for people. Finally, outside pressure, especially pressure from the United States, has raised new voices in the country. The Iranian national environment seems to be gradually moving towards rejoining the modern world in an attempt to introduce an Islamic modernity alternative, incorporating elements of modernity and Islam.

Operating in such a national environment, the IMI has its own history and has been active throughout the last three periods characterized above. Indeed, the Industrial Management Institute came into existence in the midst of the fourth period; the period of

American-backed authoritarian pseudo-modernization. Founded in 1962, the IMI structures and activities have been shaped both by support from direct US funds, US consulting firms, and US universities, and by the Iranian elites who had studied in the United States and returned home. Their intent was to establish a training, consulting, and research organization based on the US style to support the modernization of Iranian enterprises (Bayat, 2006; IDMC, 1960; Khalili Sheverini, 2007). The IMI's main contribution to the country's modernization has been through educating and training professional managers as one of the requisites of the modernization process of the country. The IMI attempted to introduce new scientific management style, which was the American management style.

In my journey in this dissertation, I go back and forth between the IMI and the Iranian national environment based on a theoretical framing through which the Iranian context and the IMI's life is explained. The theoretical framing of this dissertation is informed by three important schools of thought. These three schools are developmentalism, postcolonialism, and institutionalism. Emerging from a poststructuralist stance, postcolonialism is concerned with culture and representation. Developmentalism, on the other hand, has emerged from a structuralist perspective. I employ dependency theory as the structuralist critique and postdevelopment as a postmodernist critique of developmentalism to explain the context in which the IMI has operated since its inception. My intention is to benefit from developmentalist and postcolonialist notions to utilize one in the areas where the other is silent or fails to address the issues. My attempt is to avoid reducing the various happenings of an organization operating in the context of a

developing country to a sole economic factor without addressing the synergetic influence of cultural elements.

Institutionalism, as the third theoretical lens, provides researchers of organizations with an outstanding theoretical framing to understand how and why an organization has been established, developed, and reached to its present status. Institutionalism helps explain the process of legitimization of an organization, taking into account the environment in which it operates. In this dissertation, I benefit from the role that isomorphism has played in legitimizing the IMI and its widespread American management education style in Iran.

In explaining the whys and hows of Americanization of management education in Iran, I go beyond the controversial debates that surround the three theoretical lenses used in this dissertation – postcolonialism, developmentalism, and institutionalism – and benefit from their outstanding contributions to explaining the present of the IMI in terms of its history. I argue that three major factors played a significant role in and contributed to the process of Americanization of management education at the IMI. These three factors are: economic dependency, cultural hegemony, and professional legitimacy.

Economic dependency is all about dependent development in the context of developmentalism. Iran's development process has been the universal modernization process led and prescribed by the American consultants and planners who planned Iran's development programs from Harvard and elsewhere or Iranian elites educated in the United States. The outcome of this process was the adoption of a modernization path through urban development and import substitution industrialization based on the Iranian

oil revenue. The Iranian Industrial Management Institute initiated educating industrial management executives with the support of the Arthur D. Little (A.D. L) consulting firm backed by the Harvard Business School and the Massachusetts Institute of Technology (MIT), as two leading management education institutes in the United States. Later, people from other US universities, especially from Pennsylvania-based Wharton Business School joined the IMI.

US cultural hegemony, in the context of postcolonialism, promoted the Western created discourse of the Orient. People living in the Orient were constructed as savage, uncivilized, helpless, backward, and in need of Western style progress, which could not be materialized without the outstanding support of the West (Said, 1979, 1994). The hegemonic power of the West was not a one-way road of colonization in which the colonizer acted as the sole player. In fact, the colonizer succeeds in the 'colonizing the minds' of the colonized and 'manufacturing its consent' and even its enthusiasm to welcome and adopt colonizer's wants, styles, and apparatus, which finally integrates the colonized in the colonizer's apparatus (Burawoy, 1985). In the case of the IMI, the situation is the same and the IMI becomes a part of apparatus or dispositif of the US governmentality (Foucault, 1979b).

With regard to professional legitimacy, each organization attempts to legitimize itself in its field of activities. The process of legitimization goes through cognitive, normative, and regulative pillars (Scott, 1995). Professionals as the carriers and the main support of these three pillars have an active role in the legitimization process of an organization. In the case of the IMI, the situation is the same. Mostly educated in the

United States, IMI professionals have contributed to the Americanization of management education at the IMI. These carriers considered the US style management education as the only legitimate universal alternative in management education worldwide. In the chapters that follow, I will explain in detail the afore-mentioned analysis.

Chapter One will address the historical evolution of management education worldwide. I will delineate how management education was introduced into the American higher education system, with a special emphasis on the Master of Business Administration (MBA) as the anchor of management education. Since the early twentieth century it has extended its superiority. The penetration of management education in the European education system is discussed with an eye to the role of the US Marshal Plan to support European reconstruction programs in this process. While studies in management education in the context of the developing countries are rare, this dissertation can contribute to knowledge about management education and its Americanization in a specific developing world education institution.

Chapter Two focuses on the theoretical framing of the dissertation. In this chapter, I will elaborate the theoretical framing to explain the Americanization of management education at the Iranian Industrial Management Institute in Tehran, Iran. This chapter reviews briefly developmentalism, poscolonialism, and institutionalism as the three lenses employed in the dissertation. The mainstream development theory and dependency theory as its opposing discourse are explored. My intent is to explore the literature and the work of the main scholars who have contributed to this area. Postdevelopment, as a poststructural response to developmentalism, will also be explored.

The next section of chapter two introduces postcolonialism as a cultural contribution to poststructuralism. The relevance of postcolonialism to management education in a developing world context is delineated. Here the role of culture and the US cultural hegemony is explored. As the third lens, institutionalism is investigated as one the main contributions to the organizational world. The emphasis is on professionalism and environmental issues in institutionalism.

Chapters Three, Four, and Five investigate Iran as the context of the study. Iran is a country with a profound history and civilization, and its important geopolitical situation, especially as the southern neighbor of the former Soviet Union, and with its vast oil reserves have given it a position in which global powers have always tried to intervene in the country's political, economic, and social affairs. The internal tension between tradition and modernity in the last century will also be addressed in these chapters. This tension has caused enormous debate as well as difficulties in the political, social, and economic perspectives of the country. Modernization, backed by elites, professionals, the totalitarian monarch, and the United States could not achieve legitimacy among the majority of people backed by some leftist intellectuals, political activists, and religious clergy. This tension led to a collective will for change in the country. The outcome was the 1979 Iranian Revolution, later referred to as the Islamic Revolution under the influence of the Islamic clergy. The three chapters explore the influence of these contextual trends and events on the Americanization of management education at the IMI.

Chapters Six, Seven, and Eight explain the establishment of the Industrial Management Institute, its evolution, and its Americanization. The aim of these chapters is

to elaborate the present situation of the IMI in terms of its history. I will explain how in the course of the establishment and development of the IMI it has been Americanized. This will be done through three theoretical lenses, developmentalism, postcolonialism, and institutionalism. It concludes by illuminating economic dependency, cultural hegemony, and professional legitimacy as the main determinants of Americanization of management education at the IMI. American management education has revitalized itself during the last decade despite the anti-American sentiments expressed by Islamic authorities in Iran. These chapters will address this revitalization by noting the strong American management education discourse and the lack of any alternative to the dominant American style.

I employ the case study approach as my research method noting the importance of contextual factors in shaping the IMI. To this end, I go back and forth, between the IMI, as a management education organization, and its national environment that is the Iranian context. My intention is to define the present IMI in terms of its history. Apart from developmentalism, postcolonialism, and institutionalism, I have tried to benefit from Foucault's (1979a, 1980) notions of normalization, *dispositif*, and governmentality in my attempt to explain the Americanization of management education at the IMI.

The last chapter is devoted to the concluding remarks. I bring together the main points and outcomes of the previous chapters and describe the potential for further investigation and research on the Americanization of management education in the context of developing countries.

PART I

AMERICANIZATION OF MANAGEMENT EDUCATION: HISTORICAL PERSPECTIVE AND THEORITICAL FRAMING

Part One of the dissertation addresses the historical evolution of management knowledge, management practice, and management education worldwide. This historical investigation relates to two important concepts: 1) Americanization in general and Americanization of management education in particular, and 2) modernization and development as the dominant discourse after the Second World War and the role of management education in this discourse. Nolan defines Americanization as “the adoption of American forms of production and consumption, technology and techniques of management, cultural goods and institutions of mass culture, gender roles, and leisure practices” (2005, 90). In this perspective, the United States is considered as the beacon of modernization and consequently, every country finds itself in an environment where it has no choice other than adopting the solutions that have been derived from American experiences.

With respect to the second concept, development and management education, the literature relates the expansion of management education to economic development. It is noteworthy that less than a century after its introduction, it is dominated by the American management education style. This domination began after the Second World War in Europe with the introduction of the American Marshal Plan, which spread its domination worldwide. The American domination of management education is so strong that it has become a taken-for-granted element of the modern global education system.

This part consists of two chapters. Chapter One explores management education from a historical perspective. It lays out how management education was initiated and evolved in the United States and describes the Master of Business Administration (MBA) as the anchor of American management education. The chapter explains the transfer of American management education to Europe and the role of the American Marshall Plan in this respect.

Chapter Two deals with the theoretical framing of the dissertation. It introduces a theoretical trilogy that includes developmentalism, postcolonialism, and institutionalism that serve as the lenses through which Americanization of management education at the Iranian Industrial Management Institute (IMI) is explained. The theoretical framing addresses cyberspace and its potential to influence management education as well. To this end, the future of widespread American management education is explored by utilizing the new paradigm emerging from the introduction of cyberspace in management education.

CHAPTER ONE: AMERICANIZATION OF MANAGEMENT EDUCATION: HISTORICAL PERSPECTIVE

Introduction

Two major themes in management education have dominated the works of management scholars in the last few decades. The first theme refers to critical engagement with mainstream management education. Scholars working on this theme are themselves divided into two camps. The first camp includes those scholars who are gradually shaping a new field of investigation known as critical management studies (Alvesson & Deetz, 2000; Alvesson & Willmott, 2003; Deetz, 1992; Deetz, 1998; Fournier & Grey, 2000; French & Grey, 1996; Knights, 1992; Knights & Morgan, 1991; Reed, 2002; Willmott, 1993). The advocates of this camp question the foundations of management knowledge upon which management education has developed. Their intention is to critically engage and rethink management education and they emphasize the need for a critical perspective towards management education in an age of globalization (French & Grey, 1996; Reed, 2002). The second camp in the first theme argues that existing management education addresses the wrong audiences, employs wrong methods, and offers the wrong content (Mintzberg, 2004). The advocates of this group seek alternative to existing management education. Their intention is not questioning the foundations of mainstream management as critical management advocates do. They question the fundamental assumption that education can be a prerequisite for practicing management and argue that holding an MBA is not the clue to identify successful managers (Mintzberg, 1989, 2004). They seek a management

education whose audience are those managers that are already practicing management to replace the conventional MBA.

The second theme in management education, which is the main focus of this dissertation, deals with the worldwide Americanization of management education. This theme has attracted quite a few scholars (Amdam, 1996; Bryte, 1989; Daniel, 1998; Engwall & Zamagni, 1998; Lawrence & Edwards, 2000; Kieser, 2004; Kudo, Kipping, & Schroter, 2004; Locke, 1998; Mazza, Sahlin-Anderson, and Strandgaard Pedersen, 2005; Usdiken, 2004). In this dissertation, I explain the whys and hows of the Americanization of management education in a developing world's management education institutional context. This chapter, in particular, opens the dissertation before deliberating on the theoretical framing of the dissertation in the next chapter. Beginning with management, business, and Americanization, this chapter clarifies very briefly the history of the development of American management education. Further, the expansion of American management education in several European countries is described. The chapter concludes with a brief explanation of how cultural contexts affect the process of Americanization of management education in different cultures.

The literature on management education distinguishes modern management education generally as a construct of the American education system (Locke, 1984; 1989; Daniel, 1998; Kudo, Kipping & Schroter, 2004; Usdiken, 2004; Mazza, Sahlin-Anderson, and Strandgaard Pedersen, 2005). In fact, US ideological influences on mainstream management education after the Second World War have been accepted by various scholars (Amdam, 1996; Engwall & Zamagni, 1998; Lawrence & Edwards, 2000;

Usdiken, 2004). The influence has led to the dominance of an American model in management education. This use of the American model of management education, both in form and content, has spread to all business education institutions worldwide.

Indeed, the American business school model, with its MBA as the most distinguished form of management education is an outstanding outcome of the twentieth century. The literature on management education relates its expansion to economic development. Based on mainstream management ideas, management education has developed to respond to economic growth and the growing organizational complexities associated with it. It is amazing that less than a century after its introduction, a thousand institutions in one hundred countries around the world have developed the business school as a central element for management education (Moon, 2002), dominated by the American management education style. Within this context, Moon (2002) argues that the professional management education model, among others, has been promoted in world society as the appropriate mode of producing managers as well as a path to development by international organizations and those involved in management education themselves. Once management education becomes a taken-for-granted element of the modern education system in world polity, it is more likely to spread even to societies where functional demand for management education is not so compelling (Moon, 2002).

Before the introduction of management education at the level of higher education around the end of the nineteenth century in the United States, the traditional notion of business was filled with the risk-taking spirit of businessmen shielded by instinct, intuition, and experience. Nowadays, however, organizations are led by managers armed

with professional management education, accepting the assumption that managers can be made through training and education (Moon, 2002). In this perspective, to run the business is increasingly infused with employing professional managers who have been trained in professional management education institutions. And such professional management education systems have been and continue to be dominated by the American management education system. The Americanization of management education, however, should be studied in the context of the wider concept of Americanization.

The concept of Americanization, Luce notes (1941), dates back to the early years of the twentieth century when the notion of the Americanization of the world as a main trend of the twentieth century was introduced. The main argument of Americanization is based on the widespread worldwide influence of a single nation called the United States of America. The American society became the nucleus of a general trend referred to as Americanization. Later this society was well known for being the home of liberalism, democracy, and the modernization 'laboratory'. Sooner or later, other nations of the world, forcefully or voluntarily, adopted American hegemony based on the values of liberal constitution and a representative democracy.

Calling for a more active role of America in the world, Luce (1941) proclaims that the United States has to live up to its political and moral responsibility and spread American values throughout the world. The economic superiority of the US economy, Luce (1941) argues, enables the United States to export these values to other nations. In practice, America claims that it does provide a working version of modernity. For many observers, Americanism and Fordism symbolize much more than a stunningly efficient,

modern system of production; they represent a worldview, a way of life, and a set of gender relations organized around the primacy of economics and consumption and the devaluation of high culture.

Kudo, Kipping, and Schroter (2004), in their historical review of the process of Americanization of management ideas, distinguish four different waves that explain the dominant American model. The first wave relates to the end of the nineteenth and the beginning of the twentieth century was the introduction of American machinery. This wave, however, was not accompanied by American management education style and the recipient countries, especially Europe remained immune to American management ideologies. The second wave emerged out of Henry Ford's production system, GM's Alfred Sloan business management systems, and the maturation of Taylor's scientific management techniques. Americanization, in this wave, evolved with the introduction of US methods of production, organization, supervision, and distribution.

The third wave of Americanization, Kudo, Kipping, and Schroter (2004) argue, introduced a new economic world order after the Second World War. In this period, the USA arrived at the position of hegemon. Hegemon may be defined as a state that not only is dominant politically, militarily, and economically, "but also in terms of capacity to enact rules and create order" (Kudo, Kipping, & Schroter 2004, p. 7). The United States shaped a new world order through establishing three institutional bases, namely, the International Monetary Fund (IMF), the World Bank, and General Agreement for Trade and Tariffs (GATT), the Bretton Woods system, in which the US was the center. The Soviet Union – as the second superpower at the time with an alternative centrally planned

economy and communist political system – was an excellent pretext for the United States, to justify and legitimize its leadership and dominant role. In the 1950s and 1960s, the fourth wave of Americanization emerged at the business firm level (Kudo, Kipping & Schroter, 2004). The third wave and the fourth wave were accompanied by extensive diffusion of the American management education style.

In its worldwide diffusion, Americanization utilized the Marshal Plan as a tool to support European and some other nations' reconstruction and recovery from the Second World War's devastation. The Marshal Plan's main objective was Europe's economic recovery combined with preventing the spread of communism. In line with this vision, the plan's creators desired European business people to start thinking very much like American managers and apply the same approaches and instruments (McGlade, 2000; Willet, 1989). While some historians arrive at a rather skeptical evaluation of the impact of the Marshal Plan and the programs associated with it (Kipping & Bjarnar, 1998; Usdiken, 2004), others agree with the success of the plan resulting in a triumph of the American business model (Berghahn, as cited in Kieser 2004). This process coincided with European enthusiasm to learn about management from the United States that had almost remained immune of the Second World War.

During the immediate post-war period, a perception was developed among American politicians, managers, and scholars that the European management system was backward and needed a revitalization program. To deal with the backwardness, US officials concluded that some of their efforts, in the context of the Marshall Plan, should be directed towards management education, and naturally, the American management

education model was interpreted to be the only mechanism for European managers to recover from their ills. The US effort, Tiratsoo (2004) argues, involved three types of initiative. First, many European managers were exposed directly to American management education by traveling to the United States. Second, US consultants and practitioners went to Europe and engaged in different activities. American professors offered advice on how to set up courses or themselves taught in Europe during part of the academic year. Finally, international conferences were instrumental in bringing different American and European specialists together to exchange ideas and expertise (Tiratsoo, 2004).

Later, neoliberal government policies based on logic of the market enhanced the American management education model adopted in Europe. In Britain, for example, the Thatcher administration's policies in favour of business represented a turning point in that country in the process of advancing managerial skills, especially through the establishment of the business school based on the American model and its MBA program (Gourvish & Tiratsoo, 1998). The positive attitude of business to management education was accompanied the neoliberal policy to cut public funds to universities, which in practice enhanced commercially-minded business schools.

Although the history of the development of management education in the United States reveals considerable diversity within the field, it nevertheless became dominated in the post-war period by professional business schools (Daniel, 1998). These schools, which were founded around the turn of century, were distinguished with their full-time, two-year graduate program leading to a master in business administration (MBA). The

schools offered a range of executive programs as well. The American management education model, in general, and the MBA, in particular, were transferred primarily to Europe and then to other parts of the world.

The establishment of the business school and its dominance in management education in the United States has a century long history. Established in 1881, the Wharton School in Philadelphia was the first academic business school. From the beginning of the twentieth century the number of business schools increased and it is this fact which has contributed to their strength as the key institutions in management education (Amdam, 1996). The Wharton MBA (Master of Business Administration) program soon became a symbol of American management education. Even though undergraduate programs in business existed at American universities, it was the MBA program that was defined as the very core of American management education. Moon (2002) distinguishes three stages in the development of management education. These three stages, according to Moon (2002), are: 1) the formative stage, 2) the first wave of diffusion, and 3) the second wave of diffusion. I add a fourth and a fifth stage to Moon's classification. In this respect, I refer to the fourth stage as the period of perceived American decline, and the fifth stage as continued Americanism. I explain these five stages briefly below.

First Stage: The Formative Stage

This stage dates back to 1881 and continued until World War II. Funded by Mr. Wharton, a Philadelphian businessman, management education in its modern form was born in 1881 at the Wharton School of the University of Pennsylvania. The initial

motivation was to produce a new generation of businessmen to respond to the practical needs of Philadelphia. These trained businessmen, were supposed to replace risk-taking entrepreneurs and be professionals, similar to the civil service ideal that captivated so many of Wharton's contemporaries (Moon, 2002).

Following the Wharton School, within the next two decades several universities in the US started their own management education programs. One of the pioneers was the Harvard School of Business and Administration. Established in 1908, the Harvard Business School was directed toward graduate education from the beginning, with an intention to offer masters degrees in business and administration. The Harvard Business School was modeled after other established professional schools such as the Law School and the Medical School. The influence of other professional schools on business schools can also be found in the emphasis to admit students with a liberal education background and teach them practical aspect of the profession (Gleeson, 1997; Mintzberg, 2004; Moon, 2002).

Second Stage: The First wave of Diffusion

This stage dominated from the Second World War until the early 1960s. Indeed, it was not until the end of the Second World War that American management education was diffused to other countries. The vast destruction resulting from the war in Europe put these countries in a position where they had to ask for help from the United States in all respects (Djelic, 1998). American management success and economic development began to be interpreted as the outcome of management education, which was developing rapidly at the time (Engwall & Gunnarson, 1994).

In practice, after the Second World War, European experts viewed the progress made in the US, partly as the result of the methods of business management, which was considered to be the outcome of management education in business schools (Mosson, 1965). Imitating the American model for its benefits gradually gained momentum and diminished resistance to Americanization. Indeed, a great optimism emerged from this process. To be able to compete in the world market became synonymous to imitating American management knowledge and management practice. This perspective boosted the diffusion of American management education which resulted in the creation of many business schools and management education programs in European countries.

The role of the Ford Foundation in strengthening American management education, however, cannot be ignored. The involvement of the Ford Foundation in management education that was initially directed towards American business schools, extended also towards European institutions. The first step towards the goal of the Ford Foundation in Europe was to supply American professors to European Business Schools. The American professors led their European counterparts towards the implementation of American standards, which were meant also to create a basic similarity among the institutions dispersed throughout different countries (Locke, 1998, Moon, 2002).

Third Stage: The Second Wave of Diffusion

Since the early 1960s, management education diffused rapidly not only in Europe but also in other parts of the world. The post-1970 diffusion of management education can be characterized as the triumph of the MBA degree as the professional credential for management, not only in the US but also in other regions of the world (Moon, 2002;

Rogers, 1988). Business schools have spread globally, and thereby have become the dominant form of modern management education. Furthermore, the MBA degree has become recognized as the credential for professional management education, which has resulted in the rapid growth of MBA programs worldwide.

Fourth Stage: The Perceived American Decline

The 1970s and 1980s can be classified as a period in which the loss of faith in the Newtonian – Cartesian view of science resulted in the introduction of new ideas in management education, such as the Japanese management style. This was accompanied with a slow down of the American economy in comparison to that of Japan and Germany. A growing perception was developed that the management style in these two countries, especially Japan, may be regarded as a new and alternative model to the dominant management style. This transition was perceived by some scholars, for example, Locke, as the “vanishing mystique of American management education” (Locke, 1998, p. xxii). However, with the continued spread of American domination in management education in the 1990s and onward, Locke’s claim proved to be premature (Kipping, Usdiken & Puig, 2004).

Fifth Stage: The Continued Americanization

One of the main elements in questioning the American management education style is the rejection of the idea that management is a universal, culture-free task and the growing interest in cultural boundedness of management. In fact, the belief that US organizations operate in a culture-free context that might be universalized was questioned. In a constructivist approach to management knowledge, Furusten (1999)

criticizes the ideological hegemony of North American management discourse and its implications for organization ignoring the role of national cultures that appear to be an important element in management education and practice. In this period, US business schools attempt to absorb what was coming from Japanese managerial practice and include this in their management education courses. In practice, while it was expected that interest in American dominated management education may be in decline, American management education, especially its MBA programs, continue to grow worldwide. Moon (2002) observed that more than one thousand business schools and more than two thousand MBA programs were offered worldwide at the beginning of 21st century.

The transfer and diffusion of American management education in different countries have raised questions about the way national contexts influence the process of diffusion. Indeed, the whys and hows of the Americanization of management education in European countries have become topics around which different scholars have written articles, conducted research, and explored the particularities as well as generalities of the process (Amdam, 1996; Engwall, 2004; Kieser, 2004; Kipping, Usdiken & Puig, 2004; Locke, 1998; Mazza, Sahlin-Anderson, & Strandgaard Pedersen, 2005; Tiratsoo, 2004).

In explaining the Americanization of management education in Germany, Kieser (2004) distinguishes different periods. The first period includes the timeframe before the Second World War when, as the other countries, there is no indication of American management education style in Germany. In fact, in this period the German entrepreneurs believed that management should be learned and developed in practice. It is in the second period – from 1945 to the mid 1950s – that German training institutions adopted

American management education and many young German scholars began to explore American management science. In recent years, as part of new initiatives in management education in Germany many structural elements have been introduced in German management institutes' programs that resemble the American system. In this respect many features of MBA programs have been incorporated in German management education programs. These reforms constitute the Americanization of management education in Germany. In a closer look at German management education, however, "one becomes aware that a lot of this Americanization is merely window dressing" (Kieser, 2004, p. 96).

France and its encounter with the American management education style is, however, another important case in this respect. France is well known for its own model of business education. Other countries such as Italy, Spain, and Turkey were immune from American influence before the Second World War and copied French model and in some instances benefited from the German model (Kipping, Usdiken & Puig, 2004). The situation in all four countries, however, changed after the war and American management education was seen to be an important approach to dealing with managerial ills in business sectors in all four countries. The tendency to adopt the American management education model in France, Italy, Spain, and Turkey was partly due to aid coming from the United States, either through the Marshall Plan or through the Ford Foundation to strengthen these countries' managerial skills through American management education style (Kipping, Usdiken & Puig, 2004; Locke, 1996). Today, the institutions offering

management education, especially the MBA, in these countries have become increasingly influential.

In recent years, some business schools in France have run Masters degrees and MBA degrees simultaneously. In Italy while the MBA program is active, it is confined to a few institutions and the traditional pre-war management training programs are still active in the country (Kipping, Usdiken & Puig, 2004). Spain also enjoys MBA program offerings while these activities are still contained by the few schools, referred to as clubs of elites, which offer prestigious post-experience education (Kipping, Usdiken & Puig, 2004). Turkey also has expanded its graduate business education in recent years in the form of the masters degree in business like the DEA degree in France. A handful of institutions in Turkey, however, offer a two-year management education format that is approximately the same as the American style MBA. In sum, in France, Italy, Spain, and Turkey, the American influence in management education has led to different outcomes due to varied institutional arrangements in management education in these countries (Kipping, Usdiken & Puig, 2004).

In another study conducted by Mazza, Sahlin-Anderson, and Strandgaard Pedersen (2005), Master of Business Administration (MBA) programs in Denmark, Spain, Italy, and Sweden are compared. The authors concluded that the circulation of a model, such as the MBA program allows for both variance on the local application and conformity to a common core. Business schools in these countries have introduced MBA programs in the past few decades. Although the MBA program has diffused widely, becoming perhaps the dominant model for management education, each case can be

considered as a distinct local translation of the global model (Mazza, Sahlin-Anderson, & Strandgaard Pedersen, 2005).

In Britain, at first sight, it appears that more than anywhere else “the American business and management education gospel has been taken fully to heart” (Tiratsoo, 2004, p.118). The United Kingdom currently produces nearly 11,000 MBAs per year. To this end, it is not strange for many commentators to consider Americanization as wholly appropriate for Britain. However, on closer inspection, the situation in this country, as in other European countries, is less straightforward than it seems (Tiratsoo, 2004). The image of Britain, as a country that has adopted American management education later than other European countries, can be best characterized as a country where public policies have reluctantly dragged it into this process. It might be argued that the American model only finally triumphed in Britain when the neoliberal public expenditure cuts policy was introduced by Thatcher in the 1970s and 1980s that enhanced the competitiveness of firms (Tiratsoo, 2004).

In Nordic countries, Engwall (2004) argues that management education was inspired by the German style in the first decades of the twentieth century. This attitude, however, changed in favour of American management education in later decades. This shift in orientation led to considerable Americanization of Nordic management education (Engwall, 2004). Institutional development (as the structure of management education), the role played by carriers of management education content such as professors and students (especially through their visits to the United States for studies and inspiration), and the growing tendency for evaluation through accreditation and ranking have

contributed significantly to the process of the Americanization of management education in Nordic countries.

The transfer of American style management education to Europe, according to some scholars, for example Gemelli (1996), was not the result of a carbon copy strategy. Instead, the concept used to analyze the transfer by these scholars is that of cross-fertilization. This concept implies a process of translation from one context to another, rather than a mechanical transfer. To this end, the significance of the recipient context in the transfer process and its outcomes should be taken seriously. A broad range of factors such as the nature of the recipient country's economic and political dependence on the United States are crucial. There is also reference to the more active or passive stance taken by governments as well as the role of business interests and the attitudes of industry toward management training.

Indeed, the main debate around the process of Americanization of management education is focused on whether the transfer of management education from the United States to other countries has pursued a carbon copy strategy or if different forms and patterns of transfer and adaptation are recognizable. This is particularly relevant when cultural contexts in the recipient nations are different. In practice, the cultural context of the recipient country and the way it adopts American management education has been at the centre of debates. Terms such as imitation, hybridization, transmutation, and immunization as well as carbon copy transfer, imperialism, and translation have emerged in the works of scholars to describe the transfer of American management education to different contexts.

In a number of studies, these differences have been discussed (Byrt, 1989; Engwall & Gunnarsson, 1994; Engwall and Zamagni, 1998; Locke, 1984, 1989, 1998). In his study of the development of management education, Byrt employs educational imperialism to characterize the process of transferring the American management education model to Australia (1989). The concept of imperialism implies that the transmitters have had an especially important function in the process of diffusion. The use of this concept may, Amdam (1996) argues, ignore the dynamics between the two sides of the process, the transmitter and the receiver. Indeed, in some cases, countries have adapted and absorbed the same managerial knowledge differently. This signifies the importance of the conditions in the host countries (Amdam, 1996). To this end, homogeneity and heterogeneity emerge as core concepts in explaining the process of Americanization of management education in different contexts.

Apart from the historical evidence in this line of literature, the present and future trends have also occupied an important position. The debatable issue in this respect is whether the management education field is moving toward homogeneity across national contexts or not. The similarities and differences in structure, curricula, and other features of management education in different cultural contexts has become the central issues. Here, most studies have emphasized the difference and uniqueness in the development of management education fields in each country, while acknowledging the strong influence of the American system. These studies, however, ignore future trends in this regard (Amdam, 1996; Engwall and Zamagni, 1998).

The extent of the Americanization of management education in this era of globalization has been addressed by some scholars. Engwall and Zamagni (1998), for example, argue that the interaction between four basic activities in management – practice, research, education, and consulting – seem to continue the process of homogenization of management worldwide. Of course, this homogenization tends to be – as it has been from the Second World War, dominated by Americanization.

Starting with management research, research in management is often based on management practice. Engwall (1996) explains that 90 percent of the articles published in management journals are written by US scholars. Naturally, most of these researchers deal with cases that have resulted from US managerial practice. The outcome of these published research papers is used as input to management textbooks. These textbooks are then used in many management education courses as well as by management consultants. This process operates in favour of homogenization of management practice, in general, and management education, in particular (Engwall & Zamagni, 1998). In practice, however, various firms observing the behaviour of their competitors tend to follow each other, particularly the dominant actors (Engwall, 1994). Obviously, the dominant actor is the United States. Ritzer (1993) refers to this trend as McDonaldization.

Engwall and Zamagni (1998), however, argue that despite the likely continued homogenization in management education in the future, local variations should also be distinguishable. It has been argued (Czarniawska & Sevon, 1996) that it is more appropriate to describe adoption of ideas and institutions to new contexts as a translation rather than imitation. “So, even though there will be a certain share of hamburgers on the

menu of the future business students, they appear likely to be offered also an amount of local dishes as well” (Engwall and Zamagni, 1998, p. 18).

What is missing in the literature on management education is the process of Americanization of management education in the context of the developing countries. My intention is to develop a theoretical framework for studying the Americanization of management education in the Iranian context, as a developing country that may be extended to other developing countries. The Iranian context, however, is unique for its complex contemporary history, which is characterized by pro-Americanism until its 1979 revolution. Since the revolution Iran has become known worldwide for its anti-American policies. The Iranian context will be explained in detail in the following chapters, after introducing the theoretical framing of the dissertation in the next chapter.

CHAPTER TWO: THEORETICAL FRAMING

Introduction

This dissertation attempts to explain the whys and hows of the Americanization of management education in the Iranian Industrial Management Institute (IMI). My intention is to critically review the conditions of possibility of mainstream management education at the IMI. The central question driving this dissertation is:

“Why and how has management education been Americanized at the Iranian Industrial Management Institute (IMI)?”

To respond the central question, the following related questions should be considered:

1. How has the Iranian context in which the IMI operates facilitated the Americanization of management education at this institute during different periods of its existence?
2. How might the IMI's institutional and organizational context explain the similarities and differences among IMI and its American counterparts?
3. How and why has management education at the IMI continued to be Americanized after the anti-American Islamic Revolution in Iran?
4. With the spread of Information and Communication Technology (ICT) in all educational activities, how might the ICT contribute in transforming management education in general and at the IMI in particular?

While there exists a considerable amount of literature about the diffusion of management education in Europe, as outlined in the previous chapter, the same studies in the context of the developing and underdeveloped world are rare. I argue that there are

similarities between the diffusion of the American style management education in Europe and in the developing and underdeveloped world. However, the subordination of the latter is different from the former due to different political, economic, and cultural ties with the United States. My intention is to use Iran and the IMI, as the national and organizational context of this study, to delineate the process of Americanization of management education in a developing country management institution.

Research methodology and method

From the methodological point of view, this dissertation belongs to the qualitative paradigm. This is in contrast to the quantitative inquiry in which the researcher views reality as objective and independent of the researcher. Ontologically, as a qualitative researcher, I believe that reality is constructed by individuals involved in research situations. This is to say that multiple realities exist in any situation (Creswell, 2003). As a qualitative researcher, my intention is to report faithfully the multiple realities and to rely on voices and interpretations of informants as well as myself as a participant.

On the epistemological question, in contrast to quantitative research that distances the researcher from the research, in qualitative inquiry the researcher interacts with the case under study (Creswell, 2003). Qualitative research is subjective and interpretative. As such, the biases, values, and judgments for the researcher are stated explicitly in the research report. However, subjectivity and interpretation are not seen as a failing point to be eliminated but as an essential element of understanding where the researcher is placed as an interpreter in the field to observe workings of the case (Stake, 1995). Then, the

researcher records objectively what is happening but simultaneously examines its meaning and redirects observation to refine these meanings.

The method employed in this dissertation is a case study. A case study is an empirical inquiry that investigates a contemporary phenomenon in its real life context, especially when, the boundaries between phenomenon and context are not evident (Yin, 2003). To respond to explanatory whys and hows questions, case studies and histories are the preferred research strategies (Creswell, 2003; Yin, 2003). Case study and historical research approaches may help trace the IMI's evolution over time from its formation in 1962. This dissertation, however, relies on a case study method rather than historical research, which deals primarily with the past.

The chief sources of information in doing case study inquiry are interviews, observations, and documents. Apart from primary and secondary documents that are the main sources used by historians, in this case study two other important sources – direct observation of the events being studied and interviews with the persons involved in the IMI – become the major sources for collecting data at the IMI. With multiple sources of data, one can generally draw a more complete picture of what occurred and why.

Being a contemporary phenomenon, the Americanization of the IMI is explained through an inquiry within its real-life context. The Iranian context in which the IMI has been established, evolved, and still continues its operations is so intertwined with the formation and functioning of the IMI that it occupies a major position in explaining the Americanization of the IMI. In the situations where the boundaries between the phenomenon under study and context are not clearly evident – the IMI and Iran as an

example – the case study method is deliberately used to cover contextual conditions – is the belief that the context might be highly pertinent to the phenomenon of study (Yin, 2003). With its own unique history, the IMI as a case is a complex entity operating within a number of contexts – physical, economic, ethical, aesthetic, and so on (Stake, 2000). The complex interrelationship between the IMI and its Iranian context requires going back and forth through the blurred boundary between the IMI and its Iranian context.

As a researcher and an active participant in the research, I am an important instrument for data collection, on the one hand, and an interpreter of the situations on the other hand. In this case study, the available documents about the IMI, its establishment, and its development, together with my own observations and the outcome of interviews with fifteen IMI instructors have been the main sources of data. The data include IMI's evolution both in the period before and after the Iranian 1979 Revolution. To get multiple realities and multiple interpretations, the interview with other informants becomes the main avenue of data collection. In fact, much of what I cannot observe for myself has been relayed to me by others through interviews. Each interviewee is expected to have unique experiences and special stories to tell (Stake, 1995). Out of fifteen interviewees twelve have PhD qualifications and three have MBAs with more than twenty five years experience. Nine interviewees have graduated from American universities, three from Britain, one from Germany, and two from Iranian universities. Out of fifteen interviewees only one was female. Four interviewees had worked at the IMI before the Iranian 1979 Revolution. With respect to the ages of the interviewees, nine were between 50 to 60

years old, five were between 60 to 70 years and only one was between 40 to 50 years of age.

As the interviewer, I listened to the interviewees while I stayed in control of the data collection. The main question within these semi-structured interviews was an open-ended question that asks the interviewees to tell their story about management education at the IML. To enrich the process of data collection, I designed other relevant questions to collect more in-depth data. The interviews were recorded and then transcribed for further analysis and interpretations. An interview protocol was designed to shape the interview without constraining it (See the interview protocol in appendix A). The interviews were all taped. Other than analysis of the interviews, the use of quotes in a case study write-up helps demonstrate that the researcher has captured the respondents' perceptions accurately.

After conducting the interviews, I transcribed the audiotapes. I then analyzed the transcripts to interpret the meanings conveyed by the interviewees. In the context of this study, the first step was to read each transcript separately to get a sense of the whole of interview. Then, I read the transcripts line by line to get a sense of the meaning units within the transcript. I used Atlas.ti software as a support tool in qualitative research to code the data. A code is an abbreviation or symbol applied to a segment of words, in order to classify the words. The initial coding, normally called open coding serves as a tool that focuses on the data themselves. Then, using axial coding, I looked for clustering, causes, and consequences. Using this information, I searched for relationships and themes to emerge. The result of analysis was part of the final outcome. This outcome was

coupled with description and interpretations. This is why in qualitative research, researchers do not claim that there is only one way of interpreting an event. “There is no one correct interpretation” (Janesick, 2000, p. 393).

I benefited from Wolcott (1994) and his argument about transformation of qualitative data. Wolcott (1994) identifies three types of transformation: description, analysis, and interpretation. Description follows from an underlying assumption that data should speak for themselves and tell the story of the case. Analysis, in Wolcott’s terms, refers to a rather specialized way of transforming data, a careful and systematic examination of data to identify key factors and relationships. The emphasis is on the search for themes and patterns derived from data. The third way of transforming data is interpretation. This is where the researcher attempts to offer their own interpretation of what is going on as well as the interpretations of other informants. The challenge arises when the balance between description, analysis, and interpretation is concerned. I have attempted to regard this balance in this study.

To review the validity of the study, this dissertation uses multiple sources of evidence. Evidence used in this study includes documents, archival records, interviews, and participant observation. When the original objectives and design of the case study are based on propositions, this in turn reflects a set of research questions, reviews of literature, and new hypotheses or propositions. In this dissertation, propositions helped focus attention on certain data about the IMI and its Iranian context and ignore other data.

I employ a crystallization metaphor in this dissertation. By crystallization, I mean that the way one views the case under investigation resembles the way one holds a crystal

and views it. "What we see when we view a crystal depends on how we view it, how we hold it up to the light" (Janesick, 2000, p. 392). This approach provides the researcher with a capability to use different theoretical lenses from different disciplines to broaden the explanation of the case. The crystallization metaphor and the use of different theoretical lenses are of special importance in a case study method where the boundary between the phenomenon and the context is not clear (Yin, 2003). In the case of the Americanization of management education at the IMI, the boundaries between the IMI and its Iranian context are not clear. The boundaries of the IMI as a management education institute and Iran as a developing country with special ties to the USA are integrated in a web of complex relationships where one cannot explain the former without explaining the latter. In fact, the history of the IMI and its Iranian context are extremely interwoven and one cannot explain IMI without including the crucial influence of the context in which it has evolved.

An excessive obsession about research method does not necessarily lead to high quality outcome. Expressing a concern about obsession with method, especially in doctoral programs, Janesick (2000) emphasizes the role of qualitative researchers as that of a dancer or a choreographer noting every detail with flexibility. After gathering data, analysis and interpretation of data rests to a large extent on the powerful use of the researcher's mind. "No one can dance, so to speak. No one can choreograph your dance but you. No one can interpret your data but you" (Janesick, 2000, p. 390). In agreement with Richardson (1994) who offers the idea of crystallization as a better lens through which to view qualitative research design and its components, Janesick (2000) notes that

from a crystallization metaphor, the “researcher recognizes the many facets of any given approach to the social world as a fact of life” (Janesick, 2000, p. 392).

The reporting of this dissertation is based on a chronological structure to cover the IMI’s events over time. As the boundaries between the IMI, as the case under study, and Iran, the context in which the IMI operates, the Iranian context has been explained in detail based on the theoretical framing of the dissertation. The sequence of previous chapters as well as the next chapters follows the early, middle, and late phases of the Iranian context and the IMI respectively. While Yin (2003) attempts to structure the case report, others call for letting the case tell its own story. Stake (2000) and Wolcott (2001), however, emphasizes the role of those within the case as well as the role of the researcher in constructing the story of the case. “We cannot be sure that a case, telling its own story, will tell all or will tell well – but the ethos of interpretive study, seeking meaning held by the people within the case is strong” (Stake, 2000, p. 441). In fact, the report of this dissertation covers the themes emerged from analysis, the description of the case as found in different documents as well as interviews, and also different interpretation as presented by interviewees and the researcher in a balanced way. As noted by Stake (2000), the results of the research may be the case’s own story, but “the report will be the researcher’s dressing of the case’s own story” (Stake, 2000, p. 441). To this end, while in reporting the case, my intention has been for the case to tell its own story, I have organized the story to follow the chronological development of the case.

The theoretical lenses used in this dissertation comprise three main schools of thought that have been widely used in explaining organizations during the last few

decades. These three schools of thought are developmentalism, postcolonialism, and institutionalism. It may be argued that developmentalism and postcolonialism have originated from different ontological as well as epistemological perspectives and benefiting from one might require the exclusion of the other. My intention, however, is to utilize one school of thought alongside the other to open up new spaces for explaining the IMI in terms of its history. I focus on one school in the areas “where the other field refuses to look” (Sylvester, 1999, p. 704). For example, dependency theory, as one of the main critiques of mainstream development theory, is based on a structuralist and socioeconomic perspective while postcolonialism favours a poststructuralist and cultural perspective. My aim, however, is to go beyond the structuralist – poststructuralist debate and to try to use their common territories to reconcile their differences to explain the Americanization of management education in the Iranian context.

I also intend to benefit from Foucault’s notions of normalization, governmentality, and *dispositif* to explain the objective of the dissertation. I argue that the history of the Americanization of management education at the IMI cannot be confined to a single factor – be it culture, economy, or institution – I would rather argue that only a complex web of interrelationships – economic, cultural, social, political, and institutional – can explain the Americanization of management education at the Iranian Industrial Management Institute in Tehran, Iran. I argue that dependent development, from a developmental lens, and cultural hegemony, from a postcolonial perspective paved the way for the Americanization of management education at the IMI, while professionalism legitimized its operations.

In this dissertation, I will address more emergent ideas alongside and against developmentalism. To this end, alternative development and post-development are addressed. These ideas lead to new ways of viewing the world ranging from “development alternatives” to “alternatives to development”. The new ideas in this perspective might range from what I call “management education alternatives” to “alternatives to management education”. Finally, the theoretical framing addresses the introduction of cyberspace and information and communication technologies in management education. I intend to conceptualize the emancipatory potential of ICT while not ignoring ICT’s hegemonic potential that might reproduce colonial hegemony as cybercolonialism.

This chapter is composed of five different sections. In the first section, I explain developmentalism as one of the main postwar initiatives to modernize the developing and the underdeveloped world. The mainstream thought in this school focuses on the development project as a process of assimilation of the developing and the underdeveloped world to the historical progress of the developed world. To this end, dependency theory, as the main critique of mainstream development theory, sees imperialism as a natural phenomenon for the survival and expansion of capitalism. While introducing mainstream development and modernization theories, I will address the readings of the main critical thinkers of this school, especially Frank, Cardoso, and Faletto who have contributed most to the dependency theory. I will also elaborate postdevelopment as a radical departure from developmentalism, which tries to re-define

development and introduce an alternative to development. The works of Escobar, as the key contributor to this domain, is of main interest.

To this end, I explain how Iran has developed in the second half of the twentieth century, but a dependent development. This phenomenon will be addressed with a close eye on Iran's internal as well as external factors in different periods of its recent history. I argue that while the external factors play an important role, one should not ignore or undervalue the internal factors. Without these internal contextual factors, the external factors would have not led the IMI to its present status.

In the second section of this chapter, I address postcolonial theory as a poststructuralist and cultural perspective that attempts to link imperialism and agency to discourse and politics of representation. I benefit from readings of postcolonial theory's main contributors Said, Bhabha, and Nandy. I also benefit from Foucault's notions of governmentality, *dispositif*, and normalization. I argue that the normalization process, on the one hand, and the world's dominant governing apparatus, on the other hand, left no room for any other alternative in management education but the dominant one. To this end, the dominant American cultural hegemony was diffused through, but not confined to, the educated Iranian elites, as the interpreters of the hegemon construct that made the Americanization of management education at the IMI possible.

The third section is devoted to the third theoretical lens, institutionalism, to explain the Americanization of management education at the IMI. I attempt to draw on the potentials of this school to explain the organization and organizational processes through a close reading of the works of some of the main contributors to this school –

namely Scott, Meyer, DiMaggio, and Powell. Based on the normative, cognitive, and regulative pillars of institutionalism, I will explain how isomorphism justifies organizational assimilation and professionalism. The outcome of this process is the legitimization of the process of Americanization of management education at the IMI. Isomorphism, however, does not exclude explaining differences that may exist among the IMI and its American counterparts.

In the fourth section of this chapter, I will discuss the present situation of globalization and the digital age. My intention is to explain how the American management education style is still dominant at the IMI despite the apparently anti-American sentiment of its Iranian context after the 1979 Islamic Revolution. I address the emergent Information and Communication Technology (ICT) and its growing use in management education with a focus on the IMI. I discuss the micro-emancipatory potential of ICT. I will not, however, ignore the potential of ICT to colonize in the form of cybercolonialism. This potential might reproduce and reinforce the dominant discourse in management education at the IMI. I argue that the emerging cybercolonialism requires a new vocabulary and a new theoretical framing because this new wave of colonialism is not confined to nation states as was the traditional reading of colonialism.

Finally, in the fifth and the last section of the chapter, I will bring together what has been discussed in the previous sections. My intention is to read different theoretical lenses alongside each other to explain how culture, economy, and professionalism join in a synergetic process creating a context which may leave no room for the IMI but to mimic its American counterparts. Throughout the dissertation, I go back and forth

between the national context, Iran, and the organizational context, the IMI. The external and internal environments of the IMI interrelate in a complex web. In this context, the Americanization of the IMI is not viewed as a totally exogenous or indigenous phenomenon. It is rather seen as an endogenous-exogenous phenomenon where the former complements the latter in a synergetic way. In fact, the Iranian ruling system and the new Iranian industrial entrepreneurs had close ties with and were dependent on the United States in the first decades of the IMI's establishment. This paved the way for professional legitimizers to welcome and to justify American management education as a requirement for Iranian modernization and industrialization. This could not be achieved without American cultural hegemony which was perpetuated by the Iranian elites.

The Iranian 1979 Islamic Revolution, which is perceived to be anti-American, challenged the dominant situation and brought IMI's activities to a halt after the victory of the revolution. The Islamic Revolution, however, did not have an explicit alternative to development and consequently to American management education. This has led to the reemergence of the dominant American management education at the IMI in the recent years.

Developmentalism

Moving away from the colonial era and the Second World War period, the ex-colonizers and the newly independent countries were concerned about the future path of their economic, social, and cultural journey. Developmentalism was a response to these concerns. The central thesis of developmentalism is that social change occurs according to "a pre-established pattern, the logic, and direction of which are known" (Nederveen

Pieterse, 2000, p. 6). The pre-established direction, however, is the direction pursued by the developed countries. These ex-colonizers perceived themselves and their directions as the truth and assumed that the prosperity and well-being of the others depended on how efficient the others might mimic the developed countries' experience. To them, to develop meant to modernize and to modernize meant to move from the tradition - modernity dichotomy in favour of the latter. According to Frank (1969) economic development and cultural change "attributes a history to the developed countries but denies all history to the underdeveloped ones" (p. 46). Modernization, however, is based on universal western values "with the United States (the American way of life) as the epitome of modernity" (Nederveen Pieterse, 2000, p. 10). Development was understood as a way of rising living standards through growth and arising income. To this end, development was perceived as a tool that ultimately improves the general conditions of those nations that have accepted to follow the process of development – as prescribed by those who considered themselves as experts and advocates of developmentalism.

Development plans, however, was based on the idea that the state should intervene in the economy. Development experts who pioneered the process were committed to planning based on the social-democratic ethos of the period (Leys, 1996). The outcome was the dominance of development professionals from the developed world as well as the developing world who pioneered the introduction of development plans in all aspects of the developing world's lives. The main objectives of these plans were transferring underutilized labour out of agriculture into industry (Leys, 1996).

Development theory, however, emphasizes that the developing and underdeveloped world lack the main factors that have made advancement of the West possible. These factors include, but are not limited to: advanced technology, investment capital, entrepreneurial proficiency, and high levels of education (Almond, 1970; Lerner, 1964; Lipset, 1960; Leys, 1975; Moulder, 1977; Rodney, 1982). Underdevelopment, then, is perceived to be “intrinsic to the countries themselves, and development will come about through diffusion of Western traits” (Lewellen, 1995, p. 50). The modernization theorists emphasize the role of education in diffusion of modern values from the center to the periphery (Leys, 1996). The center, in this perspective, includes the developed nations while the periphery is composed of developing as well as underdeveloped nations.

The center-periphery, Occident-Orient, North-South, developed-undeveloped, modernity-tradition, and civilized-uncivilized dichotomies used in different eras are Western constructs that describe the same phenomenon. While in the previous period the uncivilized world had to be conquered and then assimilated in the name of civilization, in the development era, tradition in the developing and the underdeveloped world should be replaced by modernization and development (Manzo, 1991). The center countries have the responsibility of guiding such transition. The bridgehead of the modern world in the developed and underdeveloped world is a minority of individuals often educated in the West committed to modernization and acknowledged the democratic polity (Almond & Verba, 1963). In fact local elites represent the agency in development process. The problem faced by these elites is to change the traditional majority to become modern

Western-style. Education and training is a response to this problem to gradually change the population (Manzo, 1991).

Modernization theory, however, was silent about the social character of development. Development was perceived to be value-free. This value-freedom meant that universal Western values could be employed in various contexts. The modernization process was, however, closely connected with the American preoccupation with combating communism. Some scholars such as Leys (1996) argue that quite a few modernization theorists who pioneered the process were content to see themselves as the liberal wing of American development studies in response to the Cold War threat. To them, modernization would in any case lead to democracy and economic growth.

Despite Almond and Verba's (1963) claim for democratic polity as well as civic culture, another scenario came into being. This scenario was based on Huntington's ideas about governance in the developing and the underdeveloped world. Huntington insisted on a one-party system as the appropriate system for these countries and argued that "the primary need these countries face is the accumulation and concentration of power" (1968, p.18). This is what happened in Iran and shaped an environment in which industrialization became a priority in an authoritarian environment, ignoring the nation's long time desire for democracy and the rule of law.

To explain the Americanization of management education at IMI in the next chapters, I will elaborate the development and modernization process in Iran. I argue that external and internal conditions that made development a possibility in Iran were accompanied by Iran being a part of American security system in combating

communism. The Iranian context also demonstrates Huntington's emphasis on the accumulation and concentration of power.

Modernization and mainstream development theory were soon questioned. The scholar who pioneered the critique was German-American Andre Gunder Frank. Arriving in Chile from the USA in 1962, Frank introduced the concepts of dependency and underdevelopment, in an attempt to reveal that the claimed intent of development theorists could not be achieved due to the structural domination present among developed-underdeveloped nations. The early 1970s was the dawn of the dependency paradigm era, which was a critical evaluation of mainstream development from within the modern world. A decade later, Foucault's contribution to critique of the modern world was employed in explaining the present situation of development and organizations in terms of their history. Foucault's notions of *dispositif* and *governmentality* help in understanding the whys and hows of development and the problems of the developing and the underdeveloped countries. The outcome of these critiques and problematizing developmentalism led to two new themes. The first theme includes a transition in mainstream development towards what came to be known as an alternative development. The second theme, however, is a profound departure from mainstream development and the introduction of postdevelopment that became known as an alternative to development. These critiques of and responses to developmentalism are addressed below.

Dependency Paradigm.

Dependency theory is the first serious critique of mainstream development and modernization theory from within the modern Western perception (Frank, 1969; Cadoso

and Faletto,1979; Tipps,1973; Wiarda, 1981). In practice, dependency theory takes an opposite point of departure from mainstream development ideas. In this perspective, development of the West is viewed to be the result of underdevelopment of the other parts of the world. In fact, underdevelopment is the outcome of Western expansion and persists because “of the unequal power relationships between the First World and the Third World” (Lewellen, 1995, p. 24). In this respect underdevelopment is perceived to be external and depends on a country’s placement in the international system. Hence, the internal structure of a nation loses its significance. “Countries are condemned to impoverishment not because they lack technology or capital but because of their placement within the structure of world capitalism” (Lewellen, 1995, p. 50). Two main themes appeared in dependency theory. The first theme, which I refer to as the “development of underdevelopment theme”, is supported by Frank, the founder of dependency theory. “The dependent development theme” is the second theme introduced by two of Frank’s main followers Cardeso and Faletto.

Development of underdevelopment, as Frank argues, is motivated by the self-interest of industrial countries. The outcome of such interaction is the continual dependency of countries that seem to be seeking development. Frank’s dependency ideas saw metropolitan policy as not beneficial to periphery countries and inflows of foreign investment were seen as leading to profit outflows from the periphery to the center. In this respect modernizing elites, Leys claims, were “really compradors serving their own and foreign interests instead of the interest of the people” (1996, p.86). This situation leads to structures of underdevelopment. The solution to this cycle of underdevelopment,

according to Frank and other dependency scholars rests in breaking ties with the capitalist world and seeking national economic growth (Cadoso & Faletto, 1979; Frank, 1969; Leys, 1996).

The periphery, according to dependency theorists, is constrained by its incorporation into the global system. Such incorporation and the adaptation of the periphery to the needs of the center lead to underdevelopment. In this sense, while the center economies make periphery countries dependent on them, the national bourgeoisie of the periphery countries become a satellite of the developed world. The result of such integration is the dependency of the interests of national bourgeoisie of the underdeveloped states on the interests of center countries. In this perspective, national industrialists and institutions, “become associates, partners, bureaucrats, suppliers, and clients of mixed foreign-regional enterprises and groups” (Frank, 1969, p. 313). This phenomenon leaves no space for the periphery’s own national interest. Management education plays a crucial role in the satellization of management professionals of the periphery countries to the managerial thoughts and practices of the center countries.

As the second theme in dependency theory, Cardoso and Faletto (1979) introduced the notion of “dependent development”. In fact, these two scholars reject the implied underdevelopment in dependency theory and maintained that the periphery enjoys a kind of development that is development, on the one hand, and dependent, on the other hand. The dependent development in the periphery produces wealth for some and poverty for others, employment for some and unemployment for others, and accumulation of capital in some parts and shortage of capital in other parts. The

peripheral countries, therefore cannot expect to maintain an egalitarian society in the context of this capitalist dependent development.

The relationship between external and internal forces, according to Cardoso and Faletto, “form a complex whole whose structural links are not based on mere external forms of exploitation and coercion, but are rooted in coincidences of interests between the local dominant class and international ones” (Cardoso & Faletto, 1979, p. xvi). In some circumstances, however, Cardoso and Faletto argue that the network of the local dominant and international class might expand to include “segments of the middle class, if not even alienated parts of the working class” (Cardoso & Faletto, 1979, p. xvi). This is in contrast with Frank’s main emphasis on external elements and introduces a system of domination that is internal, through the social practices of local groups and classes. These groups try to “enforce foreign interests, not precisely because they are foreign, but because they may coincide with values and interests that these groups pretend are their own” (1979, p. xvi).

Dependence, according to Cardoso and Faletto, will have an internal expression whereby the links between inside and outside are so strong that what happens internally in a dependent country “cannot be fully explained without taking into consideration the links that internal social groups have with external ones” (Cardoso & Faletto, 1979, p. 22). In conclusion, dependence should be considered both an external and internal variable. This point is an important consideration of this dissertation in explaining the Iranian context which led to the Americanization of management education at the IMI. This vision is beyond the internal-external and development-underdevelopment dichotomy and

introduces a kind of dependent development in which a system of internal and external factors maintains dependent development.

Dependency theorists reveal how developmentalism is in the business of “blaming the victim” (Manzo, 1991). In fact, dependency theory considered development as national autonomy and growth. This was consistent with developmentalists’ classical image of the West as the image of what it means to be developed. The appeal of dependency theory, Manzo argues, is in “the questions it asks, not in the answers it provides” (1991, p. 5). Several decades ago, dependency theory lost its attractiveness in the study of the developing and the underdeveloped countries (Sheth 1987; Mathur, 1989). In the chapters ahead, I employ dependency theory to explain how dependent development has favoured Americanization of management education.

Foucault, Development, and Organizations.

Foucault’s notions of power, normalization, dispositif, and governmentality open up a new space in explaining as well as problematizing development and its organizational forms. Foucault introduces bio-power as a “power bent on generating forces, making them grow, and ordering them, rather than dedicated to impeding them, making them submit, or destroying them” (Foucault, 1981, p. 136). Bio-power intervenes in the development process by disciplining human subjects in a process of normalization of what is perceived to be the truth. A wide range of different interpretations have emerged from a Foucauldian perspective in organization studies. This ranges from Brigg’s (2002) soft interpretation of bio-power to Burrell’s (1998) notion of the disciplinary mode of domination. In his elaboration, Brigg (2002) notes Foucault’s

distinction between sovereign power and bio-power and its similarity to the distinction between the colonial and development eras (Brigg, 2002). This requires, Brigg argues, “a shift away from a negative or repressive view of the operation of power through development, and from notions that a singular or intentional historical force directs power” (2002, p. 20). Brigg (2002) recommends a closer understanding of development including its productive modality. Burrell on the other side of this spectrum notes, “the despotic character of the disciplinary mode of domination built into the heart” (1998, p. 21). From this point of view, we are all disciplined and imprisoned in organizations. Management education, I argue, leads to what Burrell calls, “the globality of discipline and a global unity of domination” (1998, p. 20) in management practice worldwide. This reminds us of Foucault’s notions of governmentality and *dispositif*.

Foucault’s idea of governmentality helps explain development and management education institutions as apparatuses that are instrumental to construct mentalities that can be governed. Governmentality, in Foucault’s writings is all about managing a population at the state level and also at a micro level (Foucault, 1979). To govern the population what is required is a cluster of apparatus, logics, techniques, and so forth, of control – what Foucault calls the *dispositif* (Foucault, 1979). For Foucault, the *dispositif* is the collection of elements and the system of relations established between these elements. *Dispositif* is particularly useful for engaging with the fluidity and heterogeneity of the development project and for a consideration of relations of knowledge, power, and subjectivity alongside the economy (Brigg, 2002). The heterogeneous elements, however, are linked through the overarching rationale of management. Thus, management in its

organizational sense can be seen to constitute part of governmentality (Jackson & Carter, 1998).

Governmentality represents forms of rule that focus on the disposition of the state's inhabitants and what I call its extended inhabitants in its dependent countries. The desired effect of these apparatuses, which make up governmentality, is a population committed to obedience, that people should, voluntarily and willingly, delegate their moral autonomy and moral responsibility to obedience to the rules, to being governed in their conduct by a moral force – the state – which is external to the self. What is desired is a population of docile bodies: a docile body may be subjected, used, transformed, and improved (Foucault, 1979b). The IMI, as a management education organization in a developing world context not only educates people to take the role of controlling and disciplining their subordinates but the managers themselves, to quote Burrell, “are as much disciplined as their subordinates” (1998, p. 20). Such an ongoing process paves the way for a mind set of governance. This is what Jackson and Carter call “the colonization of the psyche which governmentality entails, where both the acts of obedience and the acts of truth seem normal and beyond contestation” (1998, p. 50). The role of managers educated at management institutions is to discipline themselves as well as other individuals to accept the imposition of compliance. This leads to what Jackson and Carter describe as “the legitimacy of government mentality” (1998, p. 50). To my understanding in this perspective, the IMI operated as part of the US dominated governing apparatus. The role of managers educated at the IMI is one of transforming themselves and their

subordinates as docile bodies, “bodies that may be subjected, used, transformed, and improved” (Foucault, 1979a, p. 136).

Problematizing Developmentalism.

Development and modernization theory seek various plans and programs for the developing and the underdeveloped world to follow the same path as the developed world in their attempt to develop. Profound ties with the developed world and persuading the inflow of capital, technology, and expertise to the developing countries coupled with the appropriate policy and planning mechanisms were perceived to be the elements of successful development. Education, in general, and management education, in particular, played an instrumental role in the institutionalization of the modernization paradigm in the developing world. This process has not led to the desired goals. As a result, development has become subject to enormous critique. Some scholars claim that the critiques of development from within – including the dependency theorists – have all reached an impasse. “The present impasse does not call for a better way of doing development, nor even for another development” (Escobar, 1995, p. 212). A more radical critique of developmentalism and the practice of development, imagining radical alternatives for the future, are gradually emerging. Developmentalism, in this sense is viewed as an invention of the developed world about the underdevelopment of the developing and the underdeveloped world. Development has been the primary mechanism through which the developing and the underdeveloped world have been imagined since the Second World War. To think about alternatives to development

requires a major shift in the present situation and practical transformation on existing notions of development and modernity.

From a discourse point of analysis, Escobar (1995) notes the forms of knowledge through which development comes into being and the concepts, objects, and theories as well as the system of power that regulates its practice. Escobar notes the subjectivity fostered by the development discourse, “those through which people come to recognize themselves as developed or underdeveloped” (Escobar, 1995, p.214). Considering development narratives as formative, disciplinary, and hegemonic, Spivak (1999) argues that the development discourse – embedded within the broader field of European tradition – is predicated on a tale of progress that is initiated and sustained by the spread of capitalism (Spivak, 1999).

Dependent development has resulted in maintaining the comprador ruling class and elites of the developing and underdeveloped world in power and legitimized their rulers to “subject their populations to an infinite variety of interventions, to more encompassing forms of power and control, of degrading their physical and human ecologies, and of killing and torturing their people” (Escobar, 1997, p. 92) for the sake of their continued dominance. This situation was, inevitably, supported by developed world rulers in the name of security and opposition to communism, and the elites of these countries frequently ignored this catastrophic situation.

Two major attempts, however, are underway in dealing with the existing impasse of development critiques. The first attempt belongs to those scholars, politicians, and executives who attempt to reformulate development by incorporating notions such as

sustainable development to bring about a new development alternative capable of fulfilling the shortcomings of mainstream development and dependency theory as its main opposing theory, and has come to be known as alternative development. The second attempt, however, does not confine itself in the development paradigm. This view is looking for alternatives to development, rather than development alternatives.

Among the first camp, Edwards (1989) argues that based on expert knowledge, development has not led to its desired goals. For him, the solution is to shift towards participation and a participatory approach. The kind of approaches such as the one that Edwards suggests are labeled as alternative development. Alternative development has been concerned with introducing alternative practices and redefining the goals of development. In this perspective the key elements of alternative development have been adopted in mainstream development. Indeed, it is now widely accepted that development efforts are more successful when there is participation from the community.

However, some scholars, for example Nedeveen Pieterse (2000), are still skeptical to label these schools as alternative development. They argue that such approaches could still be tilted development without reference to alternative development. A constant tenet of this discussion is still the notion that the West has the obligation to develop the rest of the world. "Development constitutes a rape, whether by coercion or by seduction, we must rid ourselves once and for all of the arrogant, mistaken notion that the Third World has the problems and the West the answers" (Verhelst, 1990, p. 69).

Among the second camp are those who are looking for alternatives to development. Seeking such a profound change requires an environment, a new paradigm,

or a new discourse. This new way of looking at the world is referred to as an alternative to development. The emerging alternative is known as postdevelopment and is explained in the next section.

Postdevelopmentalism.

Development, in a broad sense, manifests itself in three positions: mainstream development, alternative development, and alternatives to development or postdevelopment. The main concern raised in postdevelopment is the question of modernity. The point is whether the universal manifestation of modernity, as manifested in the West, is the only construct in this regard. Respecting the right of each community to forge its own modernity, postdevelopment questions mainstream and alternative development and seeks alternatives to development. Postdevelopment starts out from a simple realization: that attaining a middle-class life style for the majority of the world population is impossible (Dasgupta, 1985). The main contributions to radical questioning of development and the introduction of postdevelopment come from James Ferguson, (1994), Wolfgang Sachs, (1992), Arturo Escobar (1995), Esteva (1992), Rhanema (1990), and Shiva (1989).

In fact, postdevelopment is a radical reaction to the dilemmas of development and the existing impasse in its critique. Postdevelopment rejects development and questions the underlying premises and motives of development. Postdevelopment is suspicious and opposes development claims that a middle-class lifestyle is possible for the majority of the world population. In its attempt to maintain an alternative to development, postdevelopment calls for an endogenous discourse. This is in opposition to development,

which deems development as an external and imposed process. According to Escobar (1992) development is based on the model of the industrialized world and what is needed instead is a more endogenous discourse. Postdevelopment faith in endogenous discourse resembles dependency theory and alternative development with its emphasis on self-reliance. While dependency thinking privileges the nation-state, postdevelopment, like alternative development, privileges local and grassroots autonomy.

How postdevelopment is interpreted differs, ranging from a complete rejection of the developmental paradigm to a critical approach to development and bringing together elements of traditional and modern culture in communities. The former, which I refer to as “anti-development,” questions the established scientific knowledge and defends grassroots initiatives based on local knowledge and culture (Esteva, 1987; Nandy, 1987, 1989). For these authors, as the links between development and the marginalization of people’s lives become more evident, the search for alternatives also deepens. For Hoogvelt (2001) postdevelopment is different from anti-development. His position resembles that of alternative developmentalists. Postdevelopment, Hoogvelt (2001) argues, does not reject globalization or modernity, “but wants to find some ways living with it and imaginatively transcending it” (Hoogvelt, 2001, p.172).

Ziai (2004), however, distinguishes between a romantic and traditional reading of postdevelopment, on the one hand, and a skeptical reading of postdevelopment, on the other hand. In its traditional reading, postdevelopment perceives culture as static and rigid. In this perspective modernity is rejected and the return to subsistence agriculture is pursued. The skeptical reading, however, is skeptical in overvaluing tradition. Ziai

(2004) calls the former “neo-populist”, and the latter skeptical versions of postdevelopment.

The skeptical version, Ziai (2004) argues, leads to a radical democratic position while the traditional neo-populist version leads to a reactionary reading of postdevelopment. The former position emerges out of a critique of eurocentrism from an anti-essentialist perspective; the latter position is achieved through a static conception of culture and tradition (2004). Ziani (2004) considers Rahnema (1997) and Alvares (1992) as scholars advocating the neo-populist discourse while Lummis (1996) and Laclau and Mouffe (2001) advocate the skeptical reading.

The idea of development, Rahnema (1997) argues, resembles a virus that ignores traditional culture which he describes as the people’s immune system. In his neo-populist view, Rahnema (1997) believes that poor people have internalized the developer’s perception of their needs. Alvares (1992), in the same perspective as Rahnema, argues that development has been initiated and introduced from a different culture which is different and incompatible with traditional culture and should be rejected. Ziai (2004) criticizes this way of thinking as a kind of racist view in which reactionary and charismatic leaders may be considered as liberators. According to Ziai (2004) and based on such thinking it is not a surprise when Alvares portrays Ayatollah Khomeiny, the leader of the Iranian revolution as a “liberator of Islamic civilization from Western culture” (1992, p.1490).

The skeptical view of postdevelopment, however, can be interpreted as a project of radical democracy in the sense used by Lummis (1996), Laclau and Mouffe (2001),

and Ziai (2004). “The criticisms and demands of skeptical postdevelopment are quite in line with those of radical democracy” (Ziai, 2004, p. 1056). The existing democratic structures, Laclau and Mouffe (2001) argue, are inadequate and they advocate a radical democracy. This is in line with the postdevelopment struggle for self-determination, which is different from modern democracies where a small minority decides for people (Laclau & Mouffe, 2001). Centralized democracy is the subject of critique by Lummis (1996) who advocates decentralization and considers democracy as “a critique of centralized power of every sort” (1996, p. 25). Laclau and Mouffe (2001), however, look for reformulating relations of oppression and subordination in postdevelopment. Contrary to previous critiques of imperialism, the critique included in the skeptical version of postdevelopment is not restricted to economic issues but addresses culture and knowledge as well and questions the whole perception of some countries being developed and others less so” (Ziai, 2004, p. 1057).

In the chapters that follow, I will draw on postdevelopment as an alternative to development in the first period after the victory of the 1979 Iranian Revolution. The neo-populist and skeptical readings of postdevelopment deepen our understanding of the post-revolution contextual situation in Iran. The neo-populist-skeptical distinction informs this dissertation to draw on the vantage point of a skeptical reading of postdevelopment while not being trapped in its neo-populist version.

Postcolonialism

While developmentalism pays marginal attention to culture and representation, postcolonialism’s main concern is culture with a marginal attention to economy. The

main argument of postcolonialism is that the modern Western world succeeded not only in subjugating its colonies militarily and economically, but also in the realm of culture and ideology as well. Postcolonialism, then, is an attempt to explore the “complex and deeply fraught dynamics of modern Western colonialism and anticolonial resistance, and the ongoing significance of the colonial encounter for people's lives both in the West and the non-West” (Prasad, 2003, p. 5).

Decolonization is at the heart of postcolonial theory. This decolonization should not only include political and economic colonial invented thoughts, but should also, and mainly, include culture. Postcolonialism attempts to reveal Western constructed cultural subjects in an effort to persuade a decolonization process, what Ngugi wa Thiong’O (1981) refers to as decolonizing the mind. Most scholarly contributions to postcolonialism are in line with this idea. The major contributions to postcolonial theory have been provided by three distinguished scholars. These scholars are Said, Nandy, and Bhabha.

Edward Said is the most prominent scholar in postcolonial theory. His major contribution to postcolonialism is the introduction of Orientalism. Said attempts to explore the complicity of power and knowledge and to produce an understanding of colonialism at the level of representation. Orientalism, for Said, is a discourse that serves as a corporate institution for dealing with the Orient. Said conceptualizes Orientalism as a “complex ensemble of enunciatory, representational, and material and/or institutional practices that enabled the West to manage the Orient politically, sociologically, militarily, ideologically, scientifically, and imaginatively” (1995, p. 5).

Orient, as a term used in Western literature, apparently denotes a geographical location. Said deconstructs this term and argues that rather than being a fact of geography, Orient is a European invention. The main usage of the term Orient, according to Said (1979), is to demonstrate the Otherness of the Orient. Orient as a European invention became an instrument used by colonizers to demonstrate their superiority in comparison to the colonized inferiority. This was accomplished through the Foucauldian notion of discourse that resulted in control and domination over the colonized by the colonizer.

The Occident and the Orient constructed a dichotomy that proclaimed the superiority of the former in contrast to inferiority of the latter. In this respect, the Occident was considered to be active, modern, central, civilized, scientific, and developed; while the Orient was seen as passive, periphery, savage, anarchic, archaic, superstitious, and undeveloped. From this binary, the Occident not only justified colonization of the Orient and its consequences, but claimed its responsibility to civilize them, develop them, and fill the gap between the present situation of these people with those living in the West. Indeed, colonialism almost became a moral obligation for the West (Said, 1979). The Americanization of management education at IMI also reveals such a tendency.

Nandy, another major contributor to postcolonialism focuses on the colonization of mind and imagination. Nandy argues that this kind of colonization is more important than military or economic colonization. For Nandy, who offers an analysis of the structures of this psychological and ideological domination, the colonized are not "the

perpetual losers" and the colonizers are not "the perpetual beneficiaries". They are both losers. For Nandy, colonialism is a game without victor: both the colonizers and the colonized are merely victims of colonialism (Nandy, 1983).

Explaining the idea of resistance to colonialism, Nandy argues that nonplayers who are unwilling to be either player or counterplayer will have the final say in resisting colonialism. He interestingly points out that the modern colonizers produce not only their imitators and admirers but also their "circus-tamed opponents and its tragic counterplayers performing their last gladiator-like acts of courage in front of appreciative Caesars" (Nandy, 1983, p. xiv). Nandy notes that both players and counterplayers play according to rules set by the colonizers. In fact, the counterplayers try to defeat the West at its own universal rules. Nandy, however, emphasizes the role of nonplayers and maintains that since colonialism is first of all a matter of consciousness it needs to be ultimately defeated at the level of the human imagination itself (Nandy, 1983). His approach may assist explaining the Iranian context before and after its 1979 revolution.

Another scholar who has contributed to the postcolonial project is Homi Bhabha who argues that colonial discourse is characterized not by monolithic homogeneity, but by ambivalence, fissure, and contradictions. These contradictions open up spaces of resistance. Colonial discourse, Bhabha argues, is ambivalent about the boundary that it posits as separating the West and the non-West. For him, the ambivalence of colonial discourse is an instrument of power and this discourse fails in accomplishing the hegemonic domination of the colonizers over the colonized (1994). Differing from Said's

Orientalism, for Bhabha the ambivalence of the colonial discourse underscores the instability of colonial power and opens up a space for anticolonialist struggle.

On the same line, Bhabha (1994) introduces mimicry as the imitation of colonizers by the colonized. In a crucial departure from the earlier argument that sees mimicry as a proof of the colonizer's hegemony and of the dependency of the colonized, for Bhabha mimicry is the space that destabilizes and undermines colonial authority. It does not produce colonial subjects who are identical in all respects to the colonizers but rather it merely gives rise to figures who are almost the same but not quite (Bhabha, 1994). Mimicry is an ambivalent mixture of deference and disobedience through which the colonized successfully retain their difference and refuse to obey the colonizers' narcissistic demand/command to be the same. Bhabha's notions of mimicry, ambivalence, and hybridity may assist explaining the similarities and differences in the process of Americanization of management education at the IMI.

Postcolonialism, however, has been criticized for its overemphasis on culture and representation ignoring economic conditions. Ahmad (1992) and Dirlik (1997) note that postcolonial theory focuses on culture and representation by Westerners, rather than on material and structural conditions imposed by hegemonic powers over large masses living in the developing and underdeveloped world. These two scholars argue that postcolonial theory falls in the overvaluation of culture, resulting in the omission of economic structures prevailing in the developing and underdeveloped world. This omission is, however, due to postcolonial dependence on power constituted in and

through language and culture rather than on grounding power in economic and political structures (Charusheela, 2004).

In this dissertation, the Iranian context will be explained as the Other of the civilized West where the West has the moral obligation to assist its development and the IMI becomes an apparatus that assists the West in implementing its moral obligation. Indeed, modern management is a Western (American) construct. Peter Drucker, the twentieth century American management guru, argues that management is a salient product of Western thought (1954). Based on his thought, management is also “one of the elements that distinguishes between the West and other civilizations and it accounts for the West’s economic and social superiority” (Frenkel & Shenhav, 2003, p. 1359). In this perspective the dissemination of Western management conceptions is a necessary condition for the growth of developing societies. In this perspective, in the following chapters the conditions of the possibility of the Americanization of management education at the IMI will be explained.

Institutionalism

Institutionalism is the third theoretical lens used in this dissertation to explain the Americanization of management education at the IMI with an attempt to respond to the following three questions: Why does IMI so closely resemble its American counterpart organizations in management education? How has IMI achieved its past and present legitimization in management education? And how has the Iranian context, in which IMI operates, influenced the way IMI has organized itself?

To begin, institutions, as viewed by Meyer and Rowan (1977), are complexes of cultural rules rationalized (I would argue legitimized) through the actions of the professions, nation-states, and the mass media. Institutions bring stability, meaning, and legitimization to organizations through cognitive, normative, and regulative pillars in a social environment (Scott, 1995). Explaining the three pillars of institutionalism – regulative, normative, cognitive – Scott (1995) notes how organizations base their legitimacy on these pillars. Regarding the regulative pillar, institutions regularize their behaviour and conform to rules and attempt to appear legitimate. The emphasis in the normative pillar is on values and norms. Values and norms reveal organizations' aspirations and specify how things should be done and define legitimate means to pursue valued ends. The normative pillar seeks a moral base for legitimacy for organizations. And finally, the cognitive pillar constitutes the frames through which meaning is made (Scott, 1995). From a cognitive point of view, legitimacy comes from adopting a common conditions of work; they define the work too (Scott, 1995).

The impact and role of the institutional environment in the process of institutionalization has also been emphasized (DiMaggio & Powell, 1991, Scott, 1995). The earlier emphasis of institutional theory on the importance of the technical environment has been directed to the importance of the social and cultural environment (Scott, 1995). DiMaggio and Powell (1983, 1991), as two main contributors to neo-institutionalism explore the process through which organizations in a field tend to resemble each other. They refer to this process as isomorphism in organizations. The

concept of isomorphism is defined broadly as the propensity of organizations in a population to resemble organizations that operate under similar environmental conditions.

DiMaggio and Powell (1983, 1991) stressed the convergence of organizations by emphasizing the homogeneity, and not the variation. Underlying DiMaggio and Powell's (1991) analysis is the idea that organizations conform to contextual expectations of appropriate organizational forms to gain legitimacy and to increase their probability of survival. These two scholars introduced three mechanisms – mimetic, normative, and coercive – through which isomorphism occurs. Coercive isomorphism roots are in political influence and legitimacy. Mimetic isomorphism relates to environmental uncertainty, and finally normative isomorphism deals with professionalization (DiMaggio & Powell, 1983).

Organizations within a sector are subjected to intense coercive and mimetic pressures that force them to conform to dominant institutional patterns. In the case of the IMI, I argue that coercive and mimetic forces have led the organization to adopt the institutional practice of American management education to gain legitimacy. I argue that the dominant American management education model has trapped the field in a cycle of normative and mimetic influences. In this perspective, IMI's scholars have uncritically maintained institutional forms compatible with their shared professional belief system that has originated from the dominant American model.

An important institutional element that affects every level is professionalism. DiMaggio and Powell (1983, 1991) observe that the professions and professional organizations have become the great rationalizers of the second half of the twentieth

century. In this respect, Scott (1995) defines professional organizations as organizations in which professionals share in the determination of goals and standards. Professionals attempt to employ their power to shape the institutional frameworks supporting their activities in the broadest possible terms.

Professionals exercise their control through cognitive and normative processes. The professions rule by controlling belief systems. DiMaggio and Powell (1983) argue that professions are also subject to pressures that produce homogenization. Indeed, professions shape institutional forms and these forms perpetuate confirmation of the original institutional models, resembling a “contagion of legitimacy” (Zucker, 1987, p. 446). IMI’s professionals have maintained and legitimized IMI’s activities since its establishment.

The debate, however, remains as to what extent organizations are similar to each other. Burrell’s interpretations and findings from what might be referred to as a Foucauldian contribution to organizational studies is worth mentioning. Burrell (1998) distinguishes four different categories to the similarity of organizations. The first one is “the all-alike perspective” in which all organizations are alike. The second one is “all-unlike perspective” in which organizations are so distinctive that no generalization is possible. According to the third perspective some organizations are like some other organizations. The fourth view which can be implied from Foucault is a distinction between the surface and the underlying dynamics of organizations. In this perspective at any one given moment in time, all organizations are alike in their underlying dynamics,

but are unlike in terms of their surface features. Organizations are, “all-unlike and all-alike at one and the same time” (Burrell, 1998, p. 26).

Burrell’s work, however, can be complemented by Strangaad Pedersen and Dobbin’s recent contribution based on research on management schools (2006). These two scholars note the main focus of institutional theorists and organizational culture theorists to explain the differences and similarities of organizations. Strangaad Pedersen and Dobbin (2006) argue that according to institutionalists organizations copy one another’s practices, which ultimately leads to isomorphism. This is while cultural theorists claim that organizations have distinctive cultures which set that set them apart from others. “The cultural aspect shapes identity through uniqueness and the institutional side constructs legitimacy through uniformity” (Strangaad Pedersen & Dobbin, 2006, p. 901). For institutionalists, imitation and isomorphism lead to organizational legitimization, while for culture theorists, organizations are distinct and isolated from each other in search of shaping their identities.

In a comparison of master of business administration (MBA) programs in Denmark, Italy, Spain, and Sweden, Mazza, Sahlin-Anderson, and Strandgaard Pedersen (2005) found that the establishment of the MBA program has allowed for both commonalities and specificities among different business schools. The commonalities are based on a common core – constructed by first movers and early adopters followed by accreditations bodies. The specificities are based on local application. Based on their findings Mazza et al (2005) suggest four different kinds of mechanisms that shape global

and local models of organizing. These four models are: imitation, hybridization, transmutation, and immunization.

Imitation take place when new practices are copied wholesale (Mazza et al., 2005). Hybridization occurs when local organizational elements are combined with field-level elements. Transmutation is used when existing forms and practices are provided with new meanings and conducts. And immunization is the other side of imitation where the existing local convention is maintained and the new models are rejected (Mazza et al., 2005). In the later chapters of this dissertation, the Americanization of management education at the IMI is explained from an institutional perspective to explain both its similarity to its American counterparts and its distinctiveness.

Yet another important factor is the society in which organizations operate. Jepperson and Meyer (1991) have developed a framework to demonstrate how societies are different in organizing the way organizations operate. They distinguish four different types of societies: liberal societies, corporatist societies, statist societies, and segmentalist societies. Liberal societies, such as the United States, regard their individual citizens as legitimate and rational social actors. The second group, corporatist societies, includes societies like Sweden in which collective actors are agents performing legitimated social functions. Statist societies, according to Jepperson and Meyer (1991), are societies like France, where pre-given, state-defined, function-specific actors are legitimized. And finally, the fourth group, segmentalist states, are states such as Argentina, that have a weak polity and a state that exists outside society as an external project operating in the interests of a military or class elite (Jepperson & Meyer, 1991). In following chapters, I

argue that the Iranian context in which the IMI operates belongs to the fourth group, the segmentalist states, meaning that the outcome of its activities is in favour of a state apart from the majority of population.

Cyberspace: emancipation or domination

The world is enjoying the dawn of a globalization era. In the words of mainstream thinker, Thomas Friedman (2006), the world has become flat after the fall of the Berlin wall, on the one hand, and with the widespread introduction of the Internet and the Information and Communication Technology (ICT). The flatness of the world, however, has been endangered by at least two threats. The first threat is a new American discourse called the security discourse, and the second threat is the potential for a new kind of domination, cyberdomination or cybercolonialism.

Based on the first threat, Duffield (2001) identifies a shift in the development discourse towards its incorporation into the emerging discourse of security prompted by the multiplying threat of global terror in the post 9/11 era. Indeed development, Duffield (2001) argues, has been hijacked into the emerging policy framework of security. This is a shift in vocabulary in the mainstream discourse of development to a new imperialism and to “justify the (re)colonization of the Middle East and pose neo-liberal capitalism as the only option for global governance” (Briccum, 2005, p. 1005). In the Iranian case, the mass appraisal of people that was a reflection of the long time Western modernization and development discourse perpetuated a totalitarian regime backed by the United States during the decades after the Second World War. The 1979 mass uprising of the Iranian

people finally led to the existing Islamic government, which itself is mostly a response to the universal American dominated global context rather the will of the Iranian people.

The second threat is that of ICT and cyberspace, which have facilitated the process of globalization, potentially turning into a new type of domination led by the United States. Cyberspace is a simultaneous state of hope and fear, heaven and hell, Info-Rich and Info-Poor (Haywood, 1995), Utopia and Dystopia (Jordan, 1999), and cybertopia and cyberghetto (Ebo, 1998). It is often held up by the largely Western center as the key to prosperity for peripheral economies, however, “the wellbeing of these economies in the longest term is, in fact, seriously compromised by these same technologies as they are developed today” (Gopal & Willis, 2003, p. 234). To some scholars, this resembles colonial and developmental claims for the prosperity of people based on the prescribed technologies attached to each of these discourses (Briccum, 2005; Ebo, 1998, 2001; Jordan, 1999). The present era of globalization is oiled by cyberspace related technologies. If globalization is the “guise now adopted by the interests of Western capital, information and its technologies are its blood and bones” (Gopal & Willis, p. 238). In this perspective, cyberspace becomes a technological apparatus that has the potential to lead to cybercolonialism (Morbey, 2002, 2006) and cyberimperialism (Rusciano, 2001). I argue, however, that whether cyberspace is an emancipatory or colonial potential new vocabulary is needed to go beyond the traditional colonial vocabulary for this new space. The colonial discourse was based on nation states while cyberspace is operating beyond nation states.

Cyberspace can potentially provide a medium for dialogue that may reflect the values and the systems of thought other than the dominant one (Briccum, 2005). The communicative potential of cyberspace is mainly used by those who can manipulate information backed by corporate muscle (Block & Cameron, 2002). Others, however, have a say in this medium as well. Indeed, cyberspace resembles a medium with hybridity and ambivalence. It is colonized, but not quite.

In sum, three different views explain cyberspace, its potentials, and its threats. In the first view, cyberspace is portrayed as a novel phenomenon that entails a profound change in human life. In this view cyberspace is a virtual environment where the physical body becomes obsolete, subjectivity is destroyed, and new worlds and universes are created in which a new social reality will emerge. In such a wonderland, people come together and communicate regardless of their gender, race, class, nationality, and position.

The second view does not regard cyberspace as a neutral tool and argues that cyberspace should be studied in the cultural context from which it has originated. "It is no coincidence that virtual reality – one of the most recent developments at the heart of the cyberspatial movements has been and is likely to continue to be circumscribed by military and economic interests and that, despite their much touted potential for liberatory and humanizing purposes, the military and profit-oriented applications will undoubtedly remain dominant" (Escobar, 2000, p. 58). In the same line, Morbey (2002, 2006) notes the ideological flavour of cyberspace and the Internet both at the level of content and

design that are dominated by ideological viewpoints. Morbey (2002) considers the United States as a particular source of ideological dominance.

The third view argues that in the Information Age, knowledge is power and if a nation could control the channels that diffuse knowledge resemble those who dominated the seas in colonial era. To this end cyberspace is a space where imperial and colonial desires re-emerge. The new form of colonialism and imperialism may be considered as cybercolonialism, from a postcolonial perspective (Morbey, 2002, 2006), and as cyberimperialism, from a Marxian and dependency theory perspective (Rusciano, 2001). In the chapters to follow, the use of cyberspace in management education in general, and at the IMI in particular, is explored to examine which direction it might take in this field.

Conclusion: Bringing theories into dialogue

Developmentalism, postcolonialism, and institutionalism are the theoretical lenses through which the Americanization of management education at IMI will be explained in this dissertation. While having common territories in some dimensions, each theory covers and focuses on domains that are not covered by the other two. The spectrum of the works of scholars who have contributed to three theories varies from ontological and epistemological point of view leading to controversies and constant debates among advocates of these theories. My intention, however, as explained elsewhere is to go beyond these controversies and employ the theories to achieve the objective of the dissertation in a comprehensive manner. Together, the theoretical lenses form a crystallization metaphor. Looking from different angles of the theoretical lens reveals different aspects of the IMI as the phenomenon under study.

Postcolonial theory has gained more momentum among scholars throughout the world since 1970s. This process is occurring while development theory is in impasse and dependency theory, as the main critique of mainstream development theory in modern world, has lost its favourable position. At the same time, postdevelopment theory as an alternative to development theory is gradually being introduced by those who see the failure of development theory in its basic assumptions. In this dissertation, I intend to use postcolonial theory alongside dependency theory and postdevelopment theory in order to go beyond structuralist-poststructuralist dichotomy in my explanation of the Americanization of management education at the IMI. Reading these theories alongside each other will help bringing together some of the crucial factors that can delineate the Americanization of management education at the IMI; factors that might be dismissed if one theory is excluded in favour of the other.

Institutionalism, as the third theoretical lens, focuses on institutional and organizational aspects of the case under study. Here isomorphism and professionalism are the main determinants that explain how the IMI resembles its American counterpart. Institutionalism, however, does not ignore the important role of the environment in explaining institutions. In this respect, institutionalism joins the other two lenses – developmentism and postcolonialism – in differentiating environmental factors alongside professional elements that shape organizational forms.

Dependency, postdevelopment, and postcolonial theory cover similar territory and share important common concerns – “a suspicion of Western liberal modernist, a historical-global analysis, and a critical politics” (Kapoor, 2002, p. 657). Dependency is

based on a structuralist view, explaining capitalism and its resulting inequalities in the developing world and finds its dialectical solution in combating capitalism and persuading the developing world to get rid of the power structures that are governing them. Postcolonial theory and postdevelopment theory, however, employ a poststructuralist view and while postcolonialism constructs its view upon culture and representation in the developing world, postdevelopment theory attempts to benefit from endogenous and traditional aspects of the developing world. Christine Sylvester, as one of the pioneers looking for common ground between postcolonialism and developmentalism points out, “one field begins where the other refuses to look” (1999, p. 704).

Perhaps more than anything, what brings dependency, postdevelopment, and postcolonial theory together is their shared commitment to critique (Kapoor, 2002). Frank’s (1969) argument that the West attributes history to the developed world while denies it to the developing and underdeveloped world is a common point between these theories. Denial of history to a large segment of the world results in a predication upon which the West is morally responsible to persuade and even force the rest of the world to pursue the West’s historical trajectory. One of the main differences between postcolonial theory, postdevelopment theory, and dependency theory is their main focus. Postcolonial theory’s main focus is culture and representation, while postdevelopment favours indigenous way of viewing economy. Dependency scholars accuse postcolonialism for its neglect and indifference to economy. Postcolonial theorists, on the other side, accuse the dependency camp of ignoring culture. Two distinguished dependency scholars, Cardoso and Faletto, note the role of culture only in relation to political economy to the extent that

it helps or hinders dependent development. Postdevelopment theory tries to look for an alternative to development and thereby distinguishes itself from postcolonialism and dependency by introducing a new way of dealing with the economy.

Another point of departure between postcolonial theory and postdevelopment theory from dependency theory refers to the way they view resistance to the existing situation. The dependency camp proposes revolutionary approaches that might end in violence. The postcolonial and postdevelopment theorists, however, do not suggest any revolutionary act. They argue that the hybridity of colonial power provides spaces of resistance for the colonized. Nandy for his part recalls the non-violence approach of Mahatma Gandhi and argues that the final winners of the colonialism are those nonplayers who are unwilling to take part in the game played by colonial players and counterplayers.

As an academic discourse, postcolonialism has a weak connection to the aspiration of the people who are its main focus. The academic respectability of postcolonialism and its distance from people has resulted in the minimum engagement of those who search for alternatives to development. As Kapoor notes, postcolonial theory often “offers more in the way of new-fangled language than food” (2002, p. 660).

Management education, the main theme of this dissertation, and education as a whole is a critical component of the development machinery. This is consistent with the role of the education system in the colonial era that parallels British educational policy in colonized nations to form a class of interpreters between colonizers and the natives; Indian in blood and color but English in intellect (Symonds, 1966). In the development

era, the role of the dominant American model of management education has been developing elite managers, docile in body and in intellect to maintain mainstream American hegemony. In the Third World, the narrowly educated elites, a part of which are managers, are not only interpreters for their own countries of the dictates issued from the West, but they were also snapped up by the powerful keepers of the development discourse, the Bretton Woods institutions (Kobrin, 1998).

In sum, in the following chapters, I intend to explain the Americanization of management education at the IMI, using three theoretical lenses: developmentalism, postcolonialism, and institutionalism. I argue that the first two theories construct the Iranian context in a way that may be characterized as dependent development and cultural hegemony. The outcome leaves no alternative for the IMI other than American dominated management education. This happens while institutionalism delineates how isomorphism serves to legitimize IMI's adoption of American management education

PART II

THE IRANIAN CONTEXT

Chapter Two presented the theoretical framing of this dissertation. The theoretical framework is composed of a trilogy including developmentalism, postcolonialism, and institutionalism to provide for an explanation of the Americanization of management education at the Iranian Industrial Management Institute (IMI). Developmentalism and postcolonialism assist in explaining the Iranian context as the environment in which the IMI, as the case under study, functions. In the next three chapters, I will use developmentalism to explain my argument about Iran's dependent development. To this end, I argue that Iran pursued an American led development discourse and not only employed development plans prescribed by the United States and the international development agencies, but also set the foundation of its development plans and projects as well as its development planning organization using American academia, American experts, and American consultants.

Developmentalism emerged out of modernization theory as a homogenizing force into the modern world economically, politically, and culturally, which reshaped the savage-civil and modern-traditional binaries that were so integral to colonialism (Mirsepassi, 2000). The aim was to persuade, direct, and even force the newly decolonized nations that were labeled as undeveloped or underdeveloped to follow the same cultural and economic path as the modern and economically developed nations, without necessarily following political paths of the developed countries. In the political scene of the ex-colonized, or semi-colonized, and now-independent states, the colonial

brutality and repressive regimes were reproduced by the modernized national elite in the name of development. Iranian dependent development was realized by an authoritarian political system supported by an American equipped secret service agency and army. The result of this approach was the development of an economic policy with its terms of reference being American-dependent.

My second theoretical framing refers to postcolonialism. I will utilize postcolonialism to delineate how American cultural hegemony left no space for the IMI other than employing the US dominated management education style. American cultural hegemony led to pseudo-modernization that provoked assimilation into the American culture while submitting to a brutal and a repressive American-backed political system. This hegemony, I argue, has reproduced itself in the new post-Revolution environment and continues its existence after the 1979 Iranian Revolution except for the first decade after the victory of the revolution. This is to say that after the first decade after the revolution – which ended the monarchy in Iran and brought about a desire to break with dependent development and cultural hegemony under Ayatollah Khomeini – major aspects of American hegemony reemerged in a seemingly anti-American post-revolutionary Iran. A historical review of US intervention in Iran that dates back to the eve of the twentieth century is an appropriate starting point in explaining the context that led to the Americanization of management education at the IMI.

The history of US intervention in Iran cannot be studied without addressing the history of the first encounter of Iran with the modern world. This history dates back to the last decades of the nineteenth century and the beginning of the twentieth century. Ever

since this period up to now, Iran has witnessed many ups and downs in its responses to modernization. In effect, there is a continual internal tension within Iran the three strong elements that have shaped and are still shaping its environment. The three elements are the Iranian pre-Islam tradition, Islam, and modernity.

Historically, Iranians have related their national tradition to that of the pre-Islamic Iranian heritage and some have always dreamt of the return to those glorious times. Islam, as the second determinant in shaping the Iranian environment has manifested itself as a reactionary as well as an emancipatory force. While Islam and tradition have been interacting with each other in Iran for several centuries, sometimes with hostility and sometimes as a unifying power, modernity is a century old Western phenomenon in Iran that has manifested itself in a wide spectrum of outcomes ranging from total adoption and mimicry of the West to different types of pseudo-modernization.

The tension between tradition, Islam, and modernity in the last century in Iran has been accompanied by foreign intervention. The main foreign actors in Iran have been Great Britain and Russia in the first decades of the twentieth century followed by the United States in the rest of the twentieth century. The contact of Iranians with the West, however, was not limited to foreign interventions. The encounter of Iranians with the West also occurred through its education and its trade system that led to the introduction of modern values such as democracy in Iran. Such paradoxical encounters led to a simultaneous hate and love of the West.

In practice, Iranian encounters with the West created new challenges and raised new questions with respect to the three internal and external determinants that shaped the

political scene of the country: foreign imperialism, religious dogmatism, and monarchial despotism. The three determinants are mutually exclusive and inclusive simultaneously. Foreign imperialism is perceived as exploitive of Third World countries like Iran, religious dogmatism has the potential to undermine rationality, and monarchial despotism dismisses liberty. Each determinant constructs its own political, cultural, and economic domain to maintain its dominance and guarantee the interests of its stakeholders. Each determinant, however, finds common interests with the others over time and the two join against the third determinant. The story of Iranian history in the twentieth century is the story of the divergence and convergence of these three determinants.

The history of Iran's encounter with the West has always demonstrated a complex web of simultaneous love and hate. Iranian elites love the West for its modernity, for its democracy, and for its economic outcomes. Iranian intellectuals have been fascinated by the Western schools of thought and explored ways to assimilate the West and its style of life, government, and nation building. Even new generations of Islamic reformers have attempted reinterpreting Islam to be compatible with the modern world.

Iranians, however, have always been suspicious and hateful about foreign interventions in their country. This is especially true when Iranians remember how parts of their country were invaded by a great power or by its neighbours with the support of superpowers; their natural resources have been exploited by Western companies; and the superpowers supported Iran's despotic and totalitarian regimes.

From this perspective, I argue that Iranian history in the last century reveals six different periods as below:

1. Period of desire to join the modern world (1900 – 1920);
2. Period of pseudo-constitutional despotism (1921 – 1940);
3. Period of Allied invasion, nationalism, and the CIA engineered coup (1941 – 1953);
4. Period of American-backed authoritarian pseudo-modernization (1954 – 1978);
5. Period of Ayatollah Khomeini's Islamization (1979 – 1989);
6. Period of Islamic pseudo-modernization (1990 – 2008).

Chapter Three explains the first three periods. In effect, this chapter will explain the Iranian environment until the US-engineered 1953 coup after which US intervention became much wider and more extensive. One of the main highlights of this chapter relates to the third period and reveals how the United States preferred an authoritarian monarch over a democratic prime minister in the name of American interests and with a vague pretext of the Cold War and the threat of communism.

Chapter Four describes twenty five years of the reign of the last Iranian monarch who was fully backed by the United States. The uncritical and full support of the United States for a totalitarian monarch became the main factor in the 1979 Iranian Revolution. I explain how American cultural and economic hegemony was dominant in Iran in the pre-1979 Revolution era. This hegemony popularized the anti-Shah and the anti-American sentiment that finally led to the 1979 Revolution in Iran; a revolution that was transformed later into a religious domination which influenced political, cultural, and economic life in Iran.

Chapter Five explains the post-revolution era. I divide Iran's post-revolution era into two distinct periods. The first period lasted for a decade when Ayatollah Khomeini tried to return Iran to Islamic foundations and introduce an alternative to modernity. The second period represents an internal power struggle among a vast spectrum of forces inside the Islamic Republic camp. I argue that in this period the previous hegemony of the West, which was perceived to be over during Ayatollah Khomeini's attempt to institutionalize Islamic values in Iran, reemerged after his death in major aspects of Iranian economic, social, and cultural arenas. This challenging environment still dominates Iran's political scene.

CHAPTER THREE: THE IRANIAN CONTEXT I: FROM THE CONSTITUTIONAL REVOLUTION TO THE CIA ENGINEERED COUP (1900 – 1953)

Introduction

This chapter describes the first three periods of Iranian contemporary history from 1900 to 1953. This half century history begins with Iran's 1906 Constitutional Revolution – aimed at ending monarchical despotism and foreign intervention in Iran, and ends with the CIA engineered coup – designed in the name of US interests to keep a totalitarian monarch in power and exile a democratic prime minister. I have labeled these three periods as: i) the period of desire to join the modern world (1900 – 1920); ii) the period of pseudo-constitutional despotism (1921 – 1940); and iii) the period of allied invasion, nationalism, and the CIA engineered coup (1941 – 1963). These three periods comprise a part of the history of the encounter of Iran with modernity in which liberal and nationalist ideas, radical discourses, and Islamic reformist movements have worked through mass movements, intellectual trends, and political parties to shape Iran in the image of universally accepted modern country (Mirsepassi, 2000).

Iran's modernization project, however, has been ambivalent. Modernity and the West have been viewed both as an undesirable and an inescapable fate for the country. Such mixed feelings represent Iran as a country caught up in the tensions of different responses to modernity ranging from an uncritical embrace of modernity in the Western model to the radical pursuit of Islamic discourses of authenticity (Mirsepassi, 2000).

Period of Desire to Join the Modern World (1900 – 1920)

On the eve of the twentieth century, Iranians began experiencing their attempt to transform from a traditional society to a modern society. Constant foreign invasion from without and monarchial despotism from within characterized the long history of the country (Farsoun & Mashayekhi, 1992). Great Britain and Russia invaded the country from the south and the north respectively whenever they deemed it to be in their interests. They also controlled Iran's internal scene with the help of the despotic and corrupt Qajar dynasty monarchs. But apart from foreign invasions and the invaders, the influence of the West was growing through economic ties as well as cultural and political contacts as well. The encounter of Iranian intellectuals with the West through modern educational institutions brought in new ideas to the country which were unprecedented and eventually resulted in a popular revolt.

The main highlight of this period was the Constitutional Revolution and its turbulent aftermath. To elaborate the US dominance in Iran, the roots of the first Iranian encounter with modernity as well as foreign interventions in Iran leading to the 1906 Constitutional Revolution should be explored. The dominant trend in the first encounter of Iran with modernity called for the imposition of a Western narrative of modernity in Iran. This resulted in "a cultural capitulation and a concession of inferiority to European ideas" (Mirsepassi, 2000, p. 61). For most constitutionalist intellectuals who perceived themselves as modernist and universalist, modernism meant imitating the west. They not only voiced their desire for this, but some of them even volunteered for its advance.

Malkum, one of the Iranian prominent constitutionalists, proposed Iran's capitulation to Western values, and initiated the call for the acquisition of Western

civilization without Iranian intervention (Mirsepassi, 2000). Another liberal intellectual and politician of the time, Taqizadeh, a promoter of the acquisition of western civilization states:

In the opinion of the writer of these lines that which is today in the highest degree necessary for Persia (Iran), which all patriotic Persians should exert themselves to promote, literally, with all their strength, and should place before everything else, is threefold: First, the adaptation and promotion, without condition or reservation, of European civilization, absolute submission to Europe, and the assimilation of the culture, customs, practices, organization, sciences, arts, life, and the whole attitude of Europe, without any exception save language; and the putting aside of every kind of self-satisfaction, and such senseless objections as arise from a mistaken, or, as we prefer to call it, a false patriotism (Taghizadeh, quoted in Mirsepassi, 2000, p. 54)

Behnam (2004), however, gives another analysis of the mindset of Iranian intellectuals during the constitutional movement and its later events. For him, Iranian intellectuals responded differently to the process of Iran's encounter with the West. Their responses ranged from idealizing to demonizing the West and included captivation, emulation, criticism, and even rejection. "The contradictory feeling of fascination and hatred toward the West made it difficult to find a proper position in dealing with it" (Behnam, 2004, p. 14).

The historical conditions leading to the Iranian 1906 Constitutional Revolution are complex and diverse. I argue, however, that two different but relevant sets of external

and internal factors explain the conditions, which led to the possibility of the Constitutional Revolution. The factors leading to the Iranian 1906 Constitutional Revolution were the cornerstones that shaped major incidents in the country in the twentieth century. The main incidents were Reza Shah's dictatorship, the 1953 CIA engineered coup, three decades of American-backed totalitarian regime, and the 1979 Iranian Revolution.

The external factors included but were not confined to the colonial intentions of Britain and Russia in Iran. The British and Russian colonial desire were followed by the United States' imperialistic intentions after 1953 with the pretext of a communist threat. On the internal front the corrupt and totalitarian Qajar dynasty, the influence of modern ideas entering from the West through different channels, and the threat of foreign interventions in the country were the main factors that facilitated the Constitutional Revolution. From this perspective three diverse internal groups participated in shaping the political, cultural, and economic scenes of the country. The first group was composed of the monarchy and its internal and external supporters. The second group was the Shiite clergy and its public supporters. The third group included the modern middle class and those intellectuals inspired by modern Western thought (Abrahamian, 1984).

Before the 1906 Iranian Constitutional Revolution, the expansionist policies of Britain and Russia in Iran's economy increased foreign penetration in the country's economy as well as granting unprecedented and unusual concessions to British and Russian nationals who wanted to do business in Iran. The result of trade expansion was the rise of manufactured imports which led to trade deficits due to insufficient exports of

agricultural products that constituted the only source of Iran's foreign earnings (Katouzian, 1981). To compensate for the country's trade deficit, Iran was forced to obtain loans from abroad and grant commercial concessions to European entrepreneurs.

Almost all the important concessions were granted either to Englishmen or to Russians (Baldwin, 1967). These concessions included telegraph lines, mining projects, transportation projects, production and distribution of tobacco, and banking and customs services. The most important concession was the exploitation of oil and gas in a vast region of the country which was granted in 1901 to William D'Arcy (Baldwin, 1967; Gasiorowski, 1991, Keddie, 2003). The growth of commerce, however, changed the social structure of the country and created a new modern middle class of professionals including teachers, journalists, and technocrats.

The new modern middle class enjoyed growing contact with the West and had access to Western education. The Western intellectual orientation of this new class led them to introduce Western concepts such as nationalism and democracy in Iran (Abrahamain, 1984; Gasiorowski, 1991; Keddie, 2003). At the same time, foreign intervention in Iran continued. The simultaneous love for promoting Western democracy in the country alongside hate for Western intervention created a paradox which lasted for the rest of the century in Iran. The paradox was the result of the British and the Russian expansionist desires in Iran that extended later by US imperialistic ambitions towards Iran.

The Iranian modern middle class and the traditional middle class expressed their anti-imperialist feelings as nationalism by the former and Islam by the latter. The result

was a coalition of the modern and traditional middle classes and the clergy against the government and its foreign allies (Gasirowski, 1991). Opposing dictatorship and foreign intervention and supporting democracy and nationalism became the buzzwords of the era. These buzzwords continued to be the aspirations of all those who struggled in the country in the next few decades. The 1906 Constitutional Revolution, the 1953 resistance to the CIA engineered coup, the 1979 Revolution, and the present challenges in Iran are all based on the same aspirations.

Going back to the 1900s, increasing pressure for the establishment of a democratic regime manifested itself in a series of demonstrations in 1905. These strikes were organized against despotism, foreign interventions, and economic concessions offered to foreigners. The unfavourable reactions of Mozaffar-al-Din Shah – the Qajar monarch at that time – led to general strikes in Iran and especially in Tehran. The bazaar merchants and the modern middle class were the main actors, supported and led by the Shiite clergy. The aim of these demonstrators gradually became unified in terms of their desire to establish a constitutional regime backed by a parliament (Majlis) directly elected by the people. Finally the pressure of the demonstrations mounted to a degree that the Shah had no choice but to agree to the demands of the protesters. The 1906 Constitutional Revolution and the establishment of Majlis was the first step in the creation of a modern Iranian state (Gasirowski, 1991; Keddie, 2003).

The establishment of Majlis and ratification of Iran's constitution paved the way for new political parties and organizations to appear in Iran's political scene. Freedom of expression revealed itself in the wide variety of journals, newspapers, and political

organizations (Gasiorowski, 1991). This period did not last long. Mohammad Ali Shah who had succeeded the previous Shah after his death in 1907 undermined the constitutional regime. On the external front, Britain and Russia signed a treaty in 1907 to turn Iran into a joint protectorate. At the request of the Shah, the Russian-officered Cossack Brigade attacked and closed down the Majlis building killing some of the constitutionalists in 1908. The constitutionalists resisted the closure of Majlis in all parts of the country. The struggle led to deposing Mohammad Ali Shah from power replacing him with his young son Ahmad. The country, thereafter, was in a decade long state of chaos and anarchy.

With the pretext of restoring order, British and Russian troops entered Iran in late 1911. They forced the government to close the Majlis in 1911. This brought the Iranian constitutional experiment to an end. Considering itself the sole superpower in Iran after the collapse of Czarist Russia, Britain imposed a colonial treaty on Iran in 1918. The treaty was intended to bring the country firmly under British colonial control (Gasiorowski, 1991). The two-year long opposition to the treaty and the widespread anarchy and the inability of the government to bring order back to the country prepared the environment for a new transformation in Iran. The new transformation began with the coup of a group of officers led by Reza Khan to overthrow the government in 1921. Realizing that it would not impose its colonial ambitions through the 1918 treaty, Britain backed the coup. With support from Britain, Reza Khan declared himself as the new monarch and established the Pahlavi dynasty in Iran that ruled the country through despotism for six decades. It was during the rule of the Pahlavis that the United States

actively entered the Iranian political scene and backed despotism in favour of its political and economic ambitions.

The American presence in Iran did not start during the Pahlavi dynasty. The Americans were present in Iran long before. During the Constitutional Revolution the United States remained neutral in the struggle between Russia and Britain to control Iran (Bill, 1988). In practice, the Iranians looked to America as a leading force to help them free themselves from the British and the Russian interventions. This had established a positive reputation for America in Iran and the Iranians viewed America as a potentially powerful ally (Bill, 1988; Keddie, 2003; Ramezani, 1982).

The first Americans who entered Iran in the nineteenth century were missionaries. In their representations of the country and its people, some of these missionaries had constructed an image of Iran in general and its Muslim majority in particular as corrupt, revengeful, and bloody (Bill, 1988). One of these missionaries, Rev. Justin Perkins, for example labeled Iranian Muslims as savage. According to him, Iranian Muslims were corrupt, bloody, and revengeful. He noted that: "Iranian Muslims are ready to fall like a polar iceberg, breaking away from its dready moorings and floating gently downwards into a kindlier zone where the growing light and warmth of civilization and Christianity is silently melting it away" (Bill, 1988, p. 16). Such way of thinking can be traced through today. Bill (1988), for example, refers to the notes of an American official who returned to the United States in 1979 after five years residence in Iran and described the Shiite Islam as a "dirty, bloody, and thoroughly evil force" (Bill, 1988, p. 16).

In the same line, Millspaugh, an American adviser who was sent to Iran by the US government to work on the country's financial problems in the 1920s, notes that the Occidentals believe the people of the Orient, including the Iranians, possess unchangeable traits of character that considers the Occidental and the Oriental as antithetic as the two poles. According to Millspaugh (1973), a visitor to Iran is deeply impressed with the strangeness of things. The unintelligible language, the different habits and customs, the multifarious peculiarities of the streets and bazaars, the primitive agriculture and handicrafts, the absence of modern sanitation methods, the mosques, the veiled women, the camels, and the donkeys are among the strangeness of things that Millspaugh mentions (Millspaugh, 1973, p. 91). He believes that these special characteristics disappear in the case of Iranians who have lived the formative periods of their lives in Western countries or have been educated abroad or in the American School at Tehran. After discussing his construction of Iranian society, Millspaugh tries to soften his voice as he writes that Iranians "are human beings, having their individual virtues and faults. They certainly are not, as a people, inferior." (Millspaugh, 1973, p. 91).

Millspaugh (1973), however, believes that Iranians are slow, inactive, and procrastinating. According to him, an Iranian,

goes about his work leisurely, taking more intellectual interest in philosophy and poetry than in more practical subjects. He wastes much time in talk, particularly of politics; and his conversation concerns itself for the most part with persons or with points that seem irrelevant. He usually hesitates long before coming to a decision (Millspaugh, 1973, p. 94).

Millspaugh who came to Iran for the second time in the 1940s and 1950s for the same mission, saw idleness on all sides of the country. He noted that:

The peasants go to the fields at nine or ten in the morning; the traders in the bazaars sit cross-legged in their stalls, languidly letting custom come to them; in almost every home one can meet good-looking, well-dressed, educated young men who are doing nothing; in the tea-houses and caravansaries and along streets and roads are groups of Persians lounging, talking, smoking, or playing cards; on the sidewalks or by the side of the road, one frequently passes peasants or labours lying on their faces in the hot sun, sleeping; they never seem to be in a hurry; and official conference called for four o'clock will get down to work at five-thirty; the numerous holidays, the noonday siesta in the summer-time, the superfluous servants, as well as the familiar traits of indecision and procrastination, all seem presumptive evidence of a lazy population (Millspaugh, 1973, p. 95).

The history of American involvement in Iran, however, remembers the hard work of those Americans who were in love with Iran and Iranian people. Nobody in Iran, for example, forgets Howard Baskerville – a young teacher at the American Memorial School in Tabriz, who was killed in April 1909 while fighting with the revolutionaries in support of the 1906 Iranian constitutional movement (Bill, 1988).

As the first step in practical cooperation among Iran and the United States and taking into account the neutrality of the United States in the Britain and Russian struggle over their influences in Iran during the 1906 Constitutional Revolution, the Iranian government consulted the American government and brought in a young American

expert, Morgan Shuster, to control and reform their finances (Keddie, 2003). In fact, the leaders of the new parliament in Iran hired several American advisors to organize the country's entire financial system. Shuster was appointed as Treasurer-General and the Majlis approved a law giving him comprehensive power. The Iranians always respected Shuster for his attempts to establish new rules and procedures in administering the Iranian finance system. Shuster's work, however, went against Russian and British interests in Iran. The two countries forced Shuster out of Iran. "Shuster's departure was also favoured and supported by the aristocrat members of the Iranian Cabinet because his reforms had threatened their vested interests" (Ramezani, 1982, p. 7).

To conclude, the period of desire to join the modern world, which covers the 1900 – 1920 period, includes the first serious encounter of Iran with the modern world, the 1906 Iranian Constitutional Revolution, and the revolution's turbulent aftermath. In this respect, the role of Americans in Iran during this period was explained. Despite the widespread perception of Iran and Iranians as an inferior and uncivilized society with a lazy, slow, and procrastinating people, Americans maintained a good reputation in Iran and people viewed Americans as a leading force to help them free themselves from British and Russian intervention.

Period of Pseudo-Constitutional Despotism (1921 – 1940)

The highlight of the second period was the return of a totalitarian monarchy in the Iranian political scene colored by pseudo-constitutionalism. The turbulent aftermath of the Constitutional Revolution as well as external factors paved the way for the return of a

totalitarian monarchy. Russian weakness encouraged Britain to extend its colonial ambitions to Iran by imposing a new treaty on Iran in 1918. This treaty would eventually make Iran a new colony of the Great Britain. The colonial ambitions of Britain towards Iran in its humiliating 1918 treaty provoked new protests in the country and led Iranians who had suffered from a decade of instability and anarchy to accept the coup organized by a group of officers commanded by Colonel Reza Khan in 1921 (Baldwin, 1961; Bill, 1988; Gasiorowski, 1991, Keddie, 2003). The British, who were unsuccessful in imposing the 1918 treaty, supported the coup to bring stability and order back to Iran. Colonel Reza Khan, the key figure of the coup, soon declared himself Shah and put an end to the Qajar dynasty and named his new regime the Pahlavi dynasty.

Reza Shah took Iran back to absolutism and his era came to be known as the era of “black dictatorship” (Mirsepassi, 2000). Reza Shah was not concerned about direct foreign involvement in his first years of power due to the new international environment and Britain’s support. In internal politics, Reza Shah was able to gain support from nearly all the parties in the country who were tired of the anarchy that prevailed during the years after the Constitutional Revolution. The nonexistence of class hegemony in the country and the sharp decline of foreign influence enabled Reza Shah to establish a Bonapartist state during the 1920s (Gasiorowski, 1991). Reza Shah’s tactics in facing his opponents were the use of excessive force and repression, and his army and police became the pillars of his regime. This repressive apparatus enabled Reza Shah to do whatever he desired.

Reza Shah undertook a forced pseudo-modernization project in Iran during his reign. Apart from the establishment of a modern repressive army and police, Reza Shah established a modern, secular educational system. To deepen the process of Westernization of Iran, Reza Shah awarded one hundred state scholarships each year to bright Iranian students to study in Europe. Upon their return to the country, these educated elites served in Reza Shah's pseudo-modernization project. His programs affected Iran's social structure extensively. During his reign, the structure of Iran's economy shifted with the introduction of oil to the economy of the country. Iran's mode of production, during Reza Shah's reign, gradually transformed from oriental despotism to dependent capitalism (Gasiorowski, 1991).

Reza Shah's intention to modernize the country forcefully from above resulted in the formation of a two culture society in Iran. This duality in Iranian culture created a profound challenge in the country that still persists. The first culture was modern, secular, and pro-Western. This culture was highly supported by Reza Shah through his secularist cultural and educational programs. The second culture was the traditional or religious culture that was the culture of most of the urban bazaar classes who benefited from the support of Shiite clergy. These classes associated themselves mostly with Islam, and with its anti-Western sentiment (Bill, 1988; Farsoun & Mashayekhi, 1992; Gasiorowski, 1991; Keddie, 2003). The Shiite clergy manifested itself as the strongest opponent of Reza Shah's regime.

With regard to the American attitude towards Iran in this period, there are indications that the United States was showing a growing interest in Iran and especially

towards its oil. In her comprehensive book on Iran's contemporary history, Nikie Keddie (2003) takes note of the State Department's advice to its Tehran representative in 1920.

The State Department note reveals the deep interest of US authorities in oil in general and in Iran's oil reserves in particular:

It is assumed that you have directly and orally conveyed to the Persian Foreign Office information to the effect that the Department believes that American companies will seek concessions in the northern provinces and that the Department hopes that American companies may obtain such concessions. The Department has taken the position that the monopolization to the production of an essential raw material, such as petroleum, by means of exclusive concessions or other arrangements, is in effect contrary to the principle of equal treatment of the nationals of all foreign countries (p. 79).

On the other side, the Iranian government looked for American capital as well as American expertise in different sectors. For the public sector, one of the main economic policies of the Iranian government was to request American advisers in 1921. The government intended to benefit from the presence of American advisers in the Ministries of Finance and Public Works and the Municipality of Tehran (Millspaugh, 1973). The Iranian government was also eager to grant oil concessions in the northern provinces to an American company.

In fact, with the increase of oil consumption by the world's superpowers after the First World War, the nations that proved to have oil reserves became the focus of the world's attention. Such special attention paid, to the countries of the Middle East in

general and to Iran in particular, became routine for Britain. Evidently the British had a strong footprint in the Iranian oilfields by the Anglo-Persian Oil Company (APOC) that had begun its operations in 1909. Other great powers including the United States were also intensely interested in the oil of Iran (Bill, 1988). In this respect, two American oil companies pioneered US interests in the Iranian oil reserves. These two companies were the Standard Oil Company (now known as Exxon) and Sinclair Oil. The former began to negotiate for an oil concession in northern Iran in 1921 and the latter began its negotiations two years later (Bill, 1988). The efforts of these two companies failed due to the pressure of the Soviets and indirect pressure from Britain that was not happy about the American involvement in the Iranian oil sector. American Oil and Standard Vacuum Oil (now known as Mobil) did the same in 1937 and 1940 respectively with no success. "Although these efforts failed, they demonstrated deep American interest in Iranian oilfields" (Bill, 1988, p. 27).

The United States had a good reputation in Iran and was considered as a neutral adviser and Americans were popular with Iranian leaders and members of the Majlis (Blanchard, 1996). With respect to the general policy of the United States Government, the following instruction issued by the Department of State to the American Representative in Tehran in 1922 is revealing:

You may inform the Persian (Iranian) Government that the Government of the United States is deeply interested in the Open Door policy and that it would insist upon this principle in its exchange with the British or any other Government. The American Government attaches the greatest importance to the preservation in

Persia of such opportunity for American interests as is enjoyed by the interest of any other nation (Millspaugh, 1973, p. 316).

In the period under study, the Iranian government reiterated its request to the US State Department for American advisers. The US State Department recommended Dr. Millspaugh, who was in charge of oil affairs in the department, to travel to Iran and help the Iranian government in its financial policies. Upon his arrival in Tehran, Millspaugh and his American colleagues signed a contract with the Iranian government that gave them full authority to control the Iranian financial system (Keddie, 2003; Millspaugh, 1973). The Iranians also agreed that all concessions would be granted upon Millspaugh's approval. Millspaugh's main contribution to taxation system in Iran was the introduction of indirect taxes (Keddie, 2003; Millspaugh, 1973).

Foreign investment was an important issue for the Iranian government. The Iranian government and Millspaugh were both eager to attract American investment to Iran. They did not succeed in doing so, mainly due to Britain's still dominant position in Iran. In fact, Britain opposed any foreign investments in Iran other than those that belonged to the British companies (Keddie, 2003). In practice, Millspaugh's mission in Iran was unsuccessful. His failure was due the fact that he did not achieve his objectives, on the one hand, and his disagreement with Reza Shah and his intentions, on the other hand. He finally resigned and left Iran in 1927.

Reza Shah had come to power with British support in 1921 and went into exile by British decision starting in 1940. Indeed, he was overthrown in 1941 due to an abrupt change in British policy towards Iran. In fact, the British and the Soviet armies invaded

Iran in 1941 to secure the Trans-Iranian Railroad as one the main routes for the Soviet war effort. British and Soviet officials who were concerned about the German influence in Iran, had become suspicious about Reza Shah's intentions in the Second World War and decided to remove him from power and exile him to Mauritius (Gasiorowski, 1991). Later he moved to South Africa and he died there in 1944. Mohammad Reza Pahlavi, Reza Shah's son and his crown prince, who was twenty-one at the time, succeeded his father in 1941. During the Second World War, the United States gradually spread its influence in Iran, while British influence continued. Reza Shah's young successor, however, did not gain strong control over government until the fall of Mossadeq in the 1953 CIA engineered coup.

Period of Allied Invasion, Nationalism, and the CIA Engineered Coup (1941 – 1953)

With Reza Shah's departure from Iran and his replacement with his son, Mohammad Reza Shah, Iran once again became the battlefield of its longtime foreign invaders – Britain and Russia, now labeled the Soviet Union. The growing importance of oil in international industrial competition made 'black gold' the primary motive for the foreign interventions in Iran at this time. Britain was the major player in the scene, later to be replaced by the United States. The Soviet Union was also seeking a bigger stake in Iran to serve its interests, especially towards its longtime desire to reach the Persian Gulf.

The Iranian political scene once again returned in some ways to the turbulent aftermath of the Constitutional Revolution. The same conflicts that can be traced in the era of the Constitutional Revolution grew among political groups over issues such as democracy, independence, and foreign relations. The main difference between this era

and the era of the Constitutional Revolution was the strong presence of the Majlis (parliament) and of political parties. The struggle among the different parties, which represented the interests of different social classes, was to gain the control of the Majlis. This time, the modern middle class was in a stronger position and challenged the traditional upper class for “establishing hegemony over the state” (Gasiorowski, 1991, p. 43).

Relations between the United States and Iran were friendly at this time. This relationship was, however, not strong enough, mainly due to two main reasons. The first reason relates to the United State’s isolationist policy according to which Iran was far away and therefore not considered a priority in United States’ foreign policy. The second reason relates to British policies in the region, which considered Iran as one of its semi-colonial states and was not content with the United States and other Western countries’ involvement in Iran (Gasiorowski, 1991). However, US involvement increased considerably both militarily and economically during the Second World War.

American and British agreement over Iran in the 1940s did not mean that no tension existed between the two countries in this regard. As an example, Bill (1988) reveals how the leaders of the two powers related their interests to the resources that belonged to others. Bill (1988) notes that in response to Winston Churchill’s questions about America’s interest in Iranian oil, Franklin Roosevelt wrote in 1944 that “I am having the oil question studied by the Department of State and my oil experts, but please do accept my assurances that we are not making sheep’s eyes at your oil fields in Iraq or Iran”. Churchill responded: “Thank you very much for your assurances about no sheep’s

eyes at our oil fields in Iran and Iraq. Let me reciprocate by giving you the fullest assurance that we have no thought of trying to horn in upon your interests or property in Saudi Arabia.” (Bill, 1988, p. 28).

When Allied forces invaded Iran in 1940, the United States sent around thirty thousands soldiers to Iran. Economic relations between the two countries also began to grow in this era. Bill (1988) notes that American oil companies were among those that were willing to increase the economic relations and indeed pushed for those. He distinguishes General Hurely, who was an adviser of Sinclair Oil in 1942, as one of those who pushed hard for American involvement in Iran. “Anxious because Russian communism and British imperialism threatened Iran, a good dose of American capitalism would cure Iran’s ills.” (Bill, 1988, p. 28).

A sign of interest of the Iranian government to further increase its cooperation with the United States was its 1942 request for an American financial mission to come to Iran to “bring order into Iran’s finances and the troubled economic situation” (Keddie, 2003, p. 106). Arthur Millspaugh, the American adviser who had served in Iran during Reza Shah’s reign, was brought back to Iran as an economic adviser in 1942. “He was given broad authority to set prices, raise taxes, and manage the state’s budget” (Gasiorowski, 1991, p. 52). According to Millspaugh, the US State Department urged him to accept the position because: “The United States after the war was to play a large role in that region with respect to oil, commerce, and air transport, and that a big program was under way” (Millspaugh, 1973, p. 75). Millspaugh entered as the administrator general of finances in 1942. Some Iranians, the Prime Minister Mossadeq as an example,

believed that Millspaugh's team of Americans was not composed of highly qualified professionals. Mossadeq considered these missions as third-raters whose performance was not guaranteed by the US government. According to Mossadeq, instead of these external missions, Iranians were the best persons to manage the interests of their home country (Bill, 1988, p. 26).

The early American involvement in Iran was not limited to economic issues. The US also sent another mission to Iran under the command of General Clarence Ridley and Colonel Norman Schwartzkopf to train the Iranian army and gendarmerie in 1942. From this time, American influence in the Iranian army and gendarmerie began and continued throughout the postwar period, and the contract for military and gendarmerie advisers was renewed several times (Keddie, 2003).

One of the main US involvements in Iran was its role in economic planning leading to the establishment of the Iranian Plan Organization as well as offering consultations and involvement in preparing Iran's development plans. Max W. Thornburg, oil executive, consultant, and an adviser in Iran, was one of the most influential American figures in this respect. In 1948 Thornburg was involved in preparing the Seven Year Plan through US based Overseas Consultants, Inc. (OCI). This company was a United States oil-related consortium. OCI conducted a survey of Iran's needs and helped administer the plan (Baldwin, 1967). What the plan missed or ignored was the social specificities of Iranian society. In fact, the underlying assumption of US-backed planning in Iran was that "the existing social structure could bring about economic reform and development to Iran" (Keddie, 2003, p. 123). Such understanding meant that

development plans can be prepared and carried out without a basic change in the social structure.

To further strengthen the American involvement in Iran, Truman's Point 4 agreement was signed in 1950 in Tehran by the American ambassador and the Iranian prime minister. This agreement, which was a part of Truman's postwar initiative to share American technical advances with other nations, called for American experts in agriculture, health, and education to work with Iranians to train the peasants and villagers in Iran (Warne, 1956). This was in line with the United States' policy after the Second World War in which the US claimed that it had decided "to work at the art of peace – to prepare its defense and to send out its soldiers in a campaign on fields where peace must be won or lost in the hearts of peoples" (Warne, 1956, p. 23).

According to Warne who was the American head of the Point 4 Program in Iran, the Americans who were active in Point 4 were dedicated to individual freedom and national self-determination. "We are not imperialists, yet we can nevermore live alone on this shrunken planet" (Warne, 1956, p. 305). Iranians were, however, curious about the motives for Point 4. They wondered, Warne (1956) notes, if the United States might have the potential to become "another big fish with a new way of swallowing the smaller one" (Warne, 1956, p. 306). Despite Warne's optimism, Iran revealed that the United States of America really was the big fish. Warne – who seems to be a Truman administration loyalist – believed that America had been blessed by God. He claimed that:

American people have inherited their culture, energy, ingenuity, and ability to live peacefully side by side from those who immigrated to America from all parts of

the world. America, therefore, is taken for her gratitude, is giving some of herself to help others to help themselves, believing that when other people can witness that they, too, are going ahead to a better future, greater hopes will come to common men, and peace will be buttressed within every village throughout the world. America is striving to help the people of Iran to help themselves through improved, agriculture, more education, and better health (Warne, 1956, p. 306).

Warne (1956) remembered his conversation with Mossadeq, who was a Majlis representative at that time. He recalled that Mossadeq considered the Point 4 Program to be a politically motivated program. Warne, who believed that Western civilization was the world leader, informed Mossadeq that the US technical cooperation program was designed to help people in underdeveloped areas to help themselves. In his memoir, Warne noted Mossadeq's response to him "oh, but, Mr. Warne, if it weren't for our neighbour to the north you would not be here" (Warne, 1956, p. 306).

In the same line and in accordance with the apparent good will of the American intervention in Iran, the US Secretary of State in 1943, Cordell Hull, communicated his understanding of the necessity of US involvement in Iran to President Franklin D. Roosevelt. Hull justified the moral and humanitarian arguments for an American presence in Iran to offset the British and the Soviet ambitions. According to his view it is in the United States' interests that "no great power be established on the Persian Gulf opposite the important American petroleum development in Saudi Arabia" (Bill, 1988, p. 19).

The 1950s were a turning point in US policy toward Iran. To this end, the State Department carried out a thorough review of US policy in relation to Iran. The outcome was a number of steps to promote US involvement in Iran. The new initiatives included issues such as providing an average of twenty-three million dollars a year in military aid through 1956, sending a special economic survey mission to Iran to assess the country's economic needs, granting a twenty five million dollar Export-Import bank loan, and a modest Point 4 aid program was begun. The United States also supported Iran's request for a ten-million dollar loan from the World Bank. The embassy staff in Iran was expanded and more CIA officers were added (Gasiorowski, 1991). When Dr. Mossadeq became the prime minister of Iran in 1951, the United States was prepared to play a major role in Iranian domestic politics.

Prime Minister Mossadeq, as a nationalist who had served actively in the Majlis during the Reza Shah's reign, led the nationalization efforts of the Iranian oil industry. The Iranian parliament approved the bill for the nationalization of the Iranian oil industry which was dominated by British companies. This event happened during the Truman administration. During the oil dispute between Iran and Britain, the Truman administration pursued two objectives: to keep Iran in the Western camp at all costs and to maintain stability in the oil market (Gasiorowski, 1991). Based on this policy, the Truman administration did not oppose Mossadeq and tried to prevent British efforts to use military force against Iran. The United States also continued to provide the Mossadeq government with a moderate amount of military and economic aid (Gasiorowski, 1991). The United States made extensive diplomatic efforts to bring an end to the oil dispute.

In his effort to protect Iran's interests, Mossadeq traveled to the United State in 1951 to address the United Nations about the oil dispute. In his visit to the United States, Mossadeq went to Washington where he was received warmly by President Truman (Gasiorowski, 1991). During this time, United States agents were active in Iran, without the consent of the Iranian government, performing covert political operations, which were mainly anti-Soviet and anti-Tudeh (a pro-Soviet party in Iran). These propaganda activities included anticommunist articles and cartoons published in Iranian newspapers, and the distribution of books and leaflets critical of the Soviet Union. One of the tactics used by the CIA against the pro-Soviet Tudeh party involved hiring street gangs to disrupt Tudeh rallies and financing anti-communist groups (Bill, 1988; Gasiorowski, 1991). These street gangs were later paid and employed against Prime Minister Mossadeq which led to his overthrow. The CIA activities were conducted at the same time that the Truman administration publicly supported the Iranian government (Keddie, 2003).

Iranians celebrated the break of diplomatic relations between Britain and Iran when the British embassy was closed in 1952 and its staff left Iran. This event meant an end to the British semi-colonial involvement in Iran. Iranians, however, did not know that the British semi-colonial involvement in Iran would soon be replaced with American imperialistic desires. The British Government that could not tolerate the nationalization of Iranian oil attempted unsuccessfully several times to overthrow Mossadeq and his government during 1951 and 1952. The Iran – Britain oil dispute increasingly concerned the United States. US concerns were especially focused on the possibility of a communist takeover in Iran (Katoozian, 1992; Keddie, 2003; Ramezani, 1982).

Iranians who still hoped for the Truman administration's assistance were distraught when they witnessed the inauguration of the anticommunist Eisenhower administration in 1953. With the transfer of power in the United States, its policies towards Iran and Prime Minister Mossadeq changed (Keddie, 2003). This change of policy is fully demonstrated in a letter from Eisenhower to Mossadeq in response to Mossadeq's request for economic aid from the United States. Eisenhower responded that the American people felt:

it would not be fair to the American taxpayers for the United States government to expand any considerable amount of economic aid to Iran so long as Iran could have access to funds derived from the sale of its oil and oil products if a reasonable agreement were reached. Similarly many American citizens would be deeply opposed to the purchase by the United States Government of Iranian oil in the absence of an oil settlement (Keddie, 2003, p. 128).

Mossadeq who was a democratic and nationalist prime minister of Iran was portrayed in the West as a fanatic and a dangerous character. His willingness to implement a neutral foreign policy was perceived as anti-Western and he was accused that his policies would deliver Iran to the Soviets. In fact, Mossadeq was an anti-imperialist nationalist who intended to keep Iran from being controlled by any foreign country. When Iranian oil was nationalized, Mossadeq expected the United States to purchase oil from Iran. The United States, however, did not choose a neutral policy and sided with Britain in the Iran – Britain oil dispute. In practice, the Truman administration attempted to mediate between Iran and Britain but failed. As a result the United States

became increasingly hostile towards the Iranian government in the nationalization dispute. Meanwhile, the American oil companies joined a worldwide boycott of Iranian oil (Bill, 1988; Keddie, 2003).

The US reaction, however, was exactly against what lots of Iranians expected from the American government at that time. To demonstrate how the US administration lobbied for the worldwide boycott of Iranian oil, a part of a letter from Max Thornburg to Clare Booth Luce, the American ambassador to Italy in 1953, is noteworthy. The incentive for writing the letter was Italy's interest in buying Iranian oil. Thornburg writes: "My own comments on oil import request are summarized as follows:

- While Italian companies are inhibited from selling oil without a government license, no such bar exists in the US where there are thousands of independent oil companies, and which is a net importer of oil. Nevertheless, they have not chosen to buy Persian oil. This fact should throw some light on the American attitude.
- For Italy to clear this oil and take additional cargoes would definitely indicate that it had taken the side of the oil nationalizers, despite the hazard it represents to American foreign investments and vital oil supply sources. This of course is Italy's right. It is only the prudence of the course that is in question.
- The American people made generous contributions to Italy's rehabilitation after the war, and might regard this proposed act as ungracious.
- Major oil companies, British and American, would be likely to resent it strongly and remember it (Thornburg, as cited in Keddie, 2003, P. 127).

Meanwhile, the Eisenhower administration was eager to overthrow the elected prime minister of Iran and began to develop plans to do so. Top CIA officials had convinced the administration of the necessity of a coup in Iran. The Dulles brothers who were in power at that time – the Secretary of State John Foster Dulles and the CIA director Allen Dulles – discussed the plan several times. American and British officials decided to implement the coup, overthrow Iran’s nationalist Prime Minister Mossadeq, and install Zahedi who was a pro-Shah army general as the prime minister. One of the CIA agents, Kermit Roosevelt, was appointed to lead the operation in Iran. The coup was finally put into effect in August 1953. The Shah was back in power and Mossadeq was jailed and later exiled. (Albright, 2006; Gasirowski, 1991; Keddie, 2003).

At his trial in September 1953, Mossadeq introduced a document showing that the day before the coup US agents had distributed a large amount of money among Tehran’s anti-social mobs to protest against Mossadeq. “Bus and taxi drivers who transported the yelling mob to wherever was the place for action to shout ‘Down with Mossadeq’ proudly displayed their dollar bills” (Richards, 1975, P. 6). Ten years after 1953 coup, retired CIA director Allen Dulles, tried to justify and moralize his involvement in a coup to overthrow a legitimate government. Dulles, who was accused of receiving one million dollars from the Pahlavi Foundation (Richards, 1975), blames Mossadeq for not crying for US help while being under what he calls imminent communist takeover:

In Iran a Mossadeq and in Guatemala an Arbenz came to power through the usual processes of government and not by any Communist coup as in Czechoslovakia.

Neither man at the time disclosed the intention of creating a Communist state. When this purpose became clear, support from outside was given to loyal anti-Communism elements in the respective countries, in the one case to the Shah's supporters, in the other, to a group of Guatemalan patriots. In each case the danger was successfully met. There again no invitation was extended by the governments in power for outside help (Dulles, 1963, p. 223).

The overthrow of Mossadeq by the CIA engineered coup was a turning point in modern Iranian history. "The coup has been the first peacetime use of covert action by the United States to overthrow a foreign government" (Gasirowski, 1991, p. 83). The US – Iran relationship, after the coup, was based on the New Look strategy that was introduced by the Eisenhower administration to strengthen the pro-western countries along the entire periphery of the Soviet sphere of influence. To this end, the United States began its uncritical support of Mohammad Reza Shah who established a totalitarian and repressive regime in Iran. During the next twenty-four years after the coup, Iran witnessed the period of totalitarian American-backed pseudo-modernization that will be described in the next chapter.

CHAPTER FOUR: THE IRANIAN CONTEXT II: THE AUTHORITARIAN AMERICAN-BACKED PSEUDO - MODERNIZATION (1954 – 1978)

Introduction

The 1953 CIA engineered coup in Iran revealed the intention of the American government to install Mohammad Reza Pahlavi as the Shah of Iran in place of an elected but anti-Western prime minister, Mohammad Mossadeq. "Once enthroned, the Shah proved himself both a rigid autocrat and an enthusiastic modernizer" (Albright, 2006, p. 38). The coup turned out to be the cornerstone of the Iranian 1979 Revolution. A revolution that shocked the West and paraphrasing the former US Secretary of State, Madeline Albright, it was a political earthquake (Albright, 2006).

US officials characterized the 1953 coup as in line with US national interests and described the US – Iran relationship after the 1953 CIA engineered coup as friendly. In practice, this friendship meant friendship with and unlimited support for the Shah. American officials constructed a progressive and modernist figure of the autocratic monarch. The Shah favoured the westernization of Iran and intended to "develop Iran's rich oil resources to construct a Westernized country as well as new financial, educational, medical, and military institutions" (Blanchard, 1996, p. 22).

The Shah's regime, however, proved to be committed to various acts of brutality, media censorship, and suppression of any form of political opposition. His grandiosity made him believe that Iran was much more democratic than Europe. The Shah considered Iran a democratic state where the opposition was so negligible that it would not win even one seat in Parliament (Fallacci, 1976). In this repressive system, the Shah had the Majlis

(whose members could not be elected without the Shah's approval) effectively reduced to an apparatus for ratification of his decisions (Blanchard, 1996).

The Shah surrounded himself with a limited group of his supporters as well as his secret police who continually disconnected the Shah from the people, resulting in him having no real basis of political support among the people. In the case of a visit by a prestigious foreign authority such as the American President, the visitor was welcomed by people gathered in the sidewalks waving flags. The visitor, Blanchard (1996) notes, would never suspect that SAVAK, the Shah's secret intelligence service, was behind this official welcome. The 1961 Shah's White Revolution that was intended to change the status of women, land ownership, and public participation in the country was in fact engineered by the Kennedy administration to westernize Iran. The United States' uncritical support of the Shah was so miscalculated that the Johnson administration classified Iran as a developed country in 1965 (Blanchard, 1996). This wrong perception raised the Shah to a position where his international critics gradually dropped their complaints about the lack of political freedoms in Iran.

The dramatic increase in oil prices in 1973 changed Iran's revenues and as a result the power and influence of the Shah increased considerably. He spent most of the increase in Iran's revenues to purchase sophisticated and advanced military equipment from the United States. The Shah's increased power coincided with the Nixon Doctrine of the early 1970s in which Nixon sought to place more responsibility for military defense on regional powers to contain the Soviet Union. To this end, the Shah became the gendarme of the Middle East. After his 1972 meeting with Nixon and the US Secretary of

State, Henry Kissinger, the Shah became responsible for protecting Western interests in the region by filling the power vacuum caused by the British withdrawal from the area of Suez and the Persian Gulf (Blanchard, 1996; Ghods, 1989; Keddie, 2003).

The concern for a strong relationship between Iran and the United States was the main building block of Iran's foreign policy in the 1960s and 1970s. The bond between the two countries remained very strong and they carried out joint military maneuvers and other kinds of joint security-oriented activities. At the same time, the United States was one of Iran's largest trade partners, buying large amounts of Iranian oil and exporting consumer goods and other products to Iran. The two countries also engaged in various kinds of cultural interactions, such as student and artist exchange and close media ties. "These interactions brought tens of thousands of Americans to Iran, which fostered its Westernization" (Gasiorowski, 1991, p. 208).

In his forced pseudo-modernization, the Shah and his secret police, SAVAK, repressed most forms of political dissent and did not even allow the formation of organized groups such as trade unions, political parties, professional associations, civic organizations, employer associations, and trade associations (Baldwin, 1967). For those interest groups that were permitted to exist with government approval, the government sponsored and thus controlled all these groups. SAVAK agents penetrated those groups that were thought to present a potential threat to the regime.

Corruption was another characteristic of the Shah's regime. Due to widespread corruption, it was not possible for businessmen "to get a loan or license, or make a sale to government, or secure a government contract, or receive payment on a bill presented, or

move goods out of customs without either securing the intervention of a friend in high places or persuading his objective through bribery, or both” (Baldwin, 1967, p. 18). This was the state of Iranian politics and its government during the rule of the American backed Shah. Such a situation gradually brought the Shah’s legitimacy under doubt and shaped a negative consensus against him and his regime among Iranians. “The political mood, therefore, became that of an expectant society, a society in waiting” (Baldwin, 1967, p. 18).

The Shah’s brutality, on the one hand, and his influence outside Iran, on the other hand, was so strong that when Iranian students in the United States attempted to contact the press and publicize the instances of torture and arrest without trial under the Shah’s regime, they were ignored and their voices were not heard (Ghods, 1989; Ramezani, 1982). Amnesty International’s 1975-1976 report “indicated an increase in the repression of opposition within Iran and an extension of the activities of SAVAK to countries in which Iranians were living” (Baldwin, 1967, p. 28). Despite all the evidence of the Shah’s brutality, the American government continued to support him because he was considered to be an important actor in protecting American interests in the region.

In addition, the American government had long viewed “the Shah as the cement that held Iran together” (Kheibary, 1981, p. 581). To this end, the US administrations ignored the Shah’s brutality and his repressive system. Being anxious about any opposition, the Shah ordered all political parties in the country to be closed down and established a single party, the Rastakhiz Party. He expected all Iranians to enter the new

party. He considered any objections to his rule as a danger to Iran's national security. In his words in 1975:

A person who does not enter the new political party will have only two choices. He is either an individual who belongs to an illegal organization, or is related to the outlawed Tudeh Party, or in other words a traitor. Such an individual belongs to an Iranian prison, or if he desires he can leave the country tomorrow, without even paying exit fees and can go anywhere he likes, because he is not an Iranian, he has no nation, and his activities are illegal and punishable according to the law (As cited in Bill, 1988, p. 196).

The United States tied its national interests in the region to the Shah's autocratic monarchy on a scale unprecedented in American history. In the last years of his reign, Iran and the United States had established close ties which covered economic, cultural, military, and security dimensions. The CIA and SAVAK had long-standing collaboration to an extent that in 1976 the Shah admitted that SAVAK was permitted to be active within the United States (Bill, 1988). "On the Nixon shortlist of the great leaders, the Shah was always included as one of the top three or four" (Bill, 1988, p. 212).

The Shah's personal influence extended to political and economic interest groups in New York and Washington. The Shah's long-term relationship with the Rockefeller family and his powerful financial-political center in the United States was surprising. The commitment of the Rockefeller-Kissinger group to the Shah was so strong that according to some commentators "the Rockefeller-Kissinger group was in fact the Rockefeller-

Kissinger-Pahlavi group” (Bill, 1988, p. 339). The Shah, Bill (1988) argues, had close personal and social relations with the Rockefeller family for approximately three decades.

The Shah’s friendly relations with the United States and the increasing oil revenues that led to increasing purchases of American military equipment and other American goods made Iran a heaven for waves of Americans who came to Iran to improve their standard of living. They lived far better than they could have lived in the United States. “Between 1970 and 1978 alone, the number of Americans living in Iran increased from 8000 to nearly 50000” (Bill, 1988, p. 381). Unfortunately, despite the wealth that they earned in Iran, some of these Americans referred to Iranians as “sand-niggers, ragheads, rags, stinkies, and Bedouins, and their culture was referred to as a camel culture” (Bill, 1988, p. 382).

While a strong pro-Pahlavi bias dominated the highest levels of American politicians, the policy of the Shah was to keep American officials in isolation from much of Iranian society. Knowing the existing situation of the country, a group of businessmen told Ambassador Sullivan in 1977, “the greatest service you could perform is to really speak frankly to the Shah, but you can’t. You’d be declared *persona non grata* at once” (As cited in Ramezani, 1982, p. 67). The autocratic Shah, with the help of his American friends, had constructed an image of success whose indicators were increases in Iran’s GNP, various industrial, agricultural, and infrastructural projects, and a number of social welfare activities while the voice of those whose voices could not be heard due to excessive pressure, repression, and censorship were missing.

In fact, opponents of the Shah believed that the social and economic changes and projects undertaken by the Shah's regime and supported by the American authorities may be seen as contributing to a dependent capitalism with a natural emphasis on state capitalism. The state earned its wealth through autocratic control and monopoly in oil revenue. The unprecedented increase in oil prices that occurred during his reign, especially after the 1973 oil crisis, paved the way for the build up of a state capitalism in Iran. In fact, the Shah undermined semi-feudal forms of land ownership because it was perceived to be a barrier to development programs in the country as well as a barrier to the central government's control of the countryside. At the same time, private capitalists were encouraged and subsidized (Katoozian, 1981; Ramezani, 1982).

While the Shah was busy with his large investments in Iran's military strength, the country had to grapple with social and economic problems due to unplanned urbanization, unemployment, waste, corruption, and poverty. These social and economic difficulties affected both agriculture and industry, which had become heavily dependent on inputs of foreign capital, personnel, and imports due to the regime's official policies. Despite all these difficulties, in the 1970s, the Shah voiced his claim that Iran would become "one of the world's five top powers in the twentieth century" (Ramezani, 1982, p. 158). This claim was consistent with the interests of multinational corporations. American banks and American enterprises had a large stake in Iran and the Shah's large oil revenues.

Western business interests in Iran and the American desire to use Iran strategically in the Persian Gulf, against the Soviet Union and against possible trouble

with the radical movements in the bordering Muslim countries coincided with the Shah's uncritical acceptance of what the West expected from him provided that nobody questioned the brutal and repressive policies implemented by his secret police, SAVAK. To this end, "it is no surprise that the United States representatives in Iran predominantly went along with the Shah's reported desire that they should not contact the opposition, and with his rosy assessment that the opposition consisted of small and unimportant groups of Marxists and religious fanatics" (Ramezani, 1982, p. 165).

In the years of his rule following 1953, the Shah had a masterful ability not only to survive but also to maintain political control and to create a foreign image of himself as a courageous liberal determined to reform both the Iranian government and its society. As Baldwin (1967) notes:

Without doubt, the Shah led most of his countrymen in the art of Persian politics – balancing off contending pressures and personalities by putting people under obligation through favors; silencing potential critics through implicit blackmail, because one knows something unsavory about them; refusing to crystallize issues to the point where definite choice is made, thus disappointing or offending someone; never allowing any individual to become too powerful or too popular (p. 19).

The Shah was personally in control of the military, the gendarmerie, the municipal police, and the secret police. In fact, he was the commander in chief of all these forces and used his position as the basis for implementing whatever policy no matter how brutal he considered necessary for controlling the nation.

In the rest of this chapter, I will summarize the policies of different US administrations that were elected the post 1953 coup. I will further deepen my explanation of the economic, cultural, and military ties between the United States and Iran in accordance with this dissertation's theoretical framing to employ developmentalism and postcolonialism to explain the Americanization of management education at IMI.

In his analysis of US – Iran relations after the 1953 CIA engineered coup, Gasiorowski (1991) has contrasted and outlined the approaches taken by different administrations toward Iran. For the Eisenhower administration, Iran was expected to occupy an important place in the administration's perimeter defense strategy. In this respect US policy makers began to develop a new approach in early 1955 which sought to transform Iran from a weak nation traditionally seeking a neutralist position in world affairs into an anti-Communist pro-Western country (Gasiorowski, 1991). This approach guided Eisenhower's administration for the remainder of its office.

The Kennedy administration's foreign policy followed the same basic view of US strategic interests in Iran. Kennedy, however, came to the office when the world was experiencing a new environment and a series of major crises had occurred in the Third World. To this end, the Kennedy administration adopted a new strategy for US foreign policy towards the Third world. The new strategy differed considerably from that of the Eisenhower administration and asked for major changes in the internal scene of Third World countries. This new strategy, together with growing domestic problems in Iran, produced major changes in the US policy toward Iran in the 1960s (Ramezani, 1988).

In the Iranian case, the Kennedy administration realized the potential for political unrest in Iran by early 1962 and put pressure on the Shah to implement new social and economic reforms in Iran. As a result, the Shah's so-called White Revolution was announced to modernize Iran through land reforms, participation of Industrial workers in the ownership of industrial organizations, and reform in women's status in the country (Bill, 1988; Gasiorowski, 1991; Katouzian, 1981; Keddie, 2003; Ramezani, 1988).

After the Kennedy administration, the Johnson administration's global strategy differed little from that of its predecessor. The Johnson administration, however, became increasingly preoccupied with the Vietnam War and later with the Arab-Israeli conflict. These engagements distracted attention from Iran and further reducing the salience for perimeter defense (Gasiorowski, 1991).

The Nixon administration's global strategy was a response to US experience in Vietnam and the cost of this war for the United States. Led by the Secretary of State, Henry Kissinger, the Nixon administration introduced the Nixon Doctrine under which the United States sought to avoid direct involvement in proxy wars with the Soviet Union by heavily arming some of its Third world's friends and encouraging them to combat the Soviet proxy forces. "Because of its strategic location and its neutrality in the Arab – Israeli conflict, Iran became an important focus of the Nixon Doctrine" (Gasiorowski, 1991, p. 100). Based on this policy and the Shah's own interest in acquiring advanced weapons, the United States sold large amounts of sophisticated weaponry to Iran and encouraged the Shah to act as the gendarme in the regional conflicts between the US and the Soviet's allies. The Nixon Doctrine, however, placed the Shah in a stronger position

and the Shah even forced the US to reduce its intelligence gathering activities inside Iran and rely completely on him with regard to the Shah's opposition groups. Commentators believe that this event was the main reason for the unpreparedness of the United States for the 1979 Iranian Revolution (Gasiorowski, 1991).

The Carter administration's policy toward Iran was initially that of the Nixon administration. The Carter administration sold to Iran large quantities of sophisticated weapons, and it consistently "blocked the efforts of human rights advocates of the State Department and Congress to pressure the Shah to undertake political liberalization" (Gasiorowski, 1991, p. 100). In this climate, the first manifestation of the Iranian revolution began to emerge. The US national security adviser at the time, Brzezinski, sent an explicit message of support to the Shah and offered him the full assurance that the American government would back him to the hilt. Brzezinski later told that "the Shah should never have any doubts about American support, and that American approval for the military government and all that implied was unreserved" (Kheibary, 1981, p. 581).

In conclusion, it is evident that between the overthrow of the Mossaddeq government and the outbreak of the Iranian Revolution, the American – Iranian relationship covered a large spectrum that could be categorized under three titles. The three interrelated and interconnected ties are economic development based on oil; security and arms; and political and cultural ties. These are explained in detail below.

Economic Development

After the 1953 coup, the United States sharply increased its economic aid to Iran and tried to support the country's effort in establishing development plans. The

Eisenhower administration, which would not send aid to Mossadeq, sent over \$600 million to the Shah in a three-year period from 1953 to 1956 (Gasiowski, 1991). This impressive expansion was not the result of a well-written plan. Rather, it was the product of experimentation and differentiation and a series of ad hoc projects and programs (Baldwin, 1967). The presence of large numbers of foreign advisers, in every conceivable branch of education and training, was decisive. In addition, "foreigners and particularly the Americans, pushed hard at purely quantitative expansion" (Baldwin, 1967, p. 145).

The US sponsored Point 4 Program was the largest source of technical assistance in Iran. Baldwin notes some interesting points in this regard:

The largest, most pervasive source of technical assistance on manpower problems was the United States foreign aid program, both civilian and military. There was hardly an agency or program of the Iranian government concerned with training or education that did not have its Point IV experts or US contract groups. There were US advisers in all the ministries active in education and labor. There have been American advisers and teachers in technical schools (though fewer than French and German teachers). One of the most successful US training efforts was in the field of police training, which included everything from directing traffic to riot-control and security investigation techniques. There has been US university contract teams in residence at the Agricultural College in Karaj, at the National teachers college in Tehran, and at the Institute of Administrative Affairs and the University of Tehran. This list is far from complete (Baldwin, 1967, p. 145).

Iran was a country that received huge amounts of economic assistance as well as technical assistance during the 1950s and 1960s. In fact, economic aid to Iran in this period was more than any aid that went to any country in Africa, or to any other country in the Middle East except Turkey. Iran also benefited from the US Point 4 Program. As an example, the number of foreign experts working in projects in Iran until the program closed in 1965 was around 400 to 600 at any specific time. "There is scarcely any area of institution-building that has not had the benefit or at least the presence of one or more foreign experts" (Baldwin, 1967, p. 201).

After the 1953 coup, the Shah tried to focus Iran's economic progress based on development plans. In its early years, Iran's development planning process was supported by the World Bank, the US Embassy, the Ford Foundation, and Harvard University. To this end a number of well-trained Iranians, many of whom were living in the United States, were persuaded to return to Iran after their studies to join the process of preparing and implementing development plans. Their activities were guided and supported by a group of American advisers organized by Harvard University. This group, called The Harvard Advisory Group, was formed early in 1958 to help organize a staff that could bring to the development effort whatever economics has to contribute to such an enterprise (Katouzian, 1981).

The Harvard Group was organized and directed by Professor Edward Mason of Harvard, assisted by David E. Bell and Gustav F. Papenek of the project's home office in Cambridge. The advisory group's work was financed by a grant from the

Ford Foundation to Plan Organization under a contract that ran for more than four years (Baldwin, 1967, p. viii).

Iran's advisors gradually set oil revenues as the cornerstone of the development plans. The Harvard Advisory Group believed that oil itself gave the whole Iranian population as much foreign exchange "as the 100 million neighbouring Pakistanis earn on all their exports put together" (Baldwin, 1967, p. 3). To further deepen the development process in Iran, the Harvard Advisory Group proposed the establishment of the Plan Organization.

The Harvard Advisory Group and its unofficial but influential American adviser, Max Thornburg, suggested that a specific consortium of American engineering firms, originally formed to work in Japan, could be persuaded to work in Iran. This group known as Overseas Consultants Incorporated (OCI) was invited to come to Iran and work on the Iranian development plan. Interestingly, Thornburg became the leader of the OCI advisory group employed by the Plan Organization during the first year of the organization's existence (Baldwin, 1967).

In practice, the new Plan Organization became the center of economic development and a center for spreading the development discourse in the country. The American OCI advisory group members as well as the American Harvard Advisory Group were the main source of ideas and know-how in the field of administrative procedures (Katouzian, 1981; Ramezani, 1988). These American experts and advisers provided top management with detailed recommendations on all the major areas of administration with which any large operating organization had to be concerned. These

fields included but were not confined to budgeting, auditing, personnel, purchasing, project preparation and review, and reporting on work in progress (Baldwin, 1967).

The use of American experts and American companies gradually became the norm in the process of economic development in Iran and was pursued by the Iranian Plan Organization. To establish a steel factory in the country, for example, Kaiser Engineers and Constructors of California were invited to conduct an implementation survey; to establish a PVC plant, American Development and Resources Inc. was nominated; and the same American company became in charge of the Khuzistan development program on behalf of Plan Organization (Baldwin, 1967).

Reporting on behalf of the Harvard Advisory Group in Iran, Baldwin (1967) noted that the Iranian political regime skillfully maintained itself in power despite its apparent rejection by most of the educated younger generation and despite frequent predictions, over several years, of its imminent fall. Baldwin constructs an image of Iranians with whom the Harvard Advisory group worked while they were in Iran. According to him, the group was anxious about social conditions in Iran. The group found working in Iran difficult and sometimes next to impossible. According to the group, "nearly everything the planner weaves by day somehow comes unraveled by night" (Baldwin, 1967, p. 4). The group, however, believed that it was wrong for the foreigners to blame the Iranians for everything as if they were somehow weaker stuff than the Western man. The proper perspective, Baldwin (1967) argues, is one that looks beyond national behavior to the culture that underlies it at a given point in history.

Going back to development plans in Iran, the First Development Plan (1949 – 1955) was a list of projects. And with the political environment that existed in the country during this period, the plan could not achieve anything notable. The first significant steps toward economic development, however, were taken under the Second Development Plan that began in 1956 and ended in 1962. This plan was financed with oil revenues and with loans from the United States and the World Bank (Katouzian, 1981). In this plan the process of industrialization of the country started with import substitution in accordance with the modernization and development discourse. Specialized development banks were established to support the process (Gasiorowski, 1991). The first steps to establish the Industrial Management Institute were taken in this period.

The Third Development Plan (1963 – 1967) was prepared with a comprehensive approach to planning. The aim was to guide Iran's development efforts until the mid-1970s. The plan was formulated with the help of the US advisers and financed by oil revenues. The plan was based on a coordinated development strategy that contained "guidelines not only for Plan Organization spending but also for development-related spending by other state agencies and by the private sector" (Gasiorowski, 1991, p.). Rapid import-substitution industrialization was one of the main goals of the plan. Public investment grew under this plan and was directed mainly into infrastructure and heavy industry, including steel and metals, petrochemicals, and machine tools (Katouzian, 1981). This approach continued under the Fourth Plan that began in 1968 and ended in 1972 (Gasiorowski, 1991).

When the Fifth Development Plan began in 1973, it was designed to pursue the same general development strategy as the previous plans. The plan, however, changed due to the extraordinary increase in oil prices in 1973 and 1974. This event encouraged the Shah to order the Plan Organization to expand the scope of the Fifth Plan. "As a result, development expenditures in the first three years of the Fifth Plan exceeded those in the entire five years of the Fourth Plan by considerable amounts in all categories" (Gasiorowski, 1991, p. 133).

These development efforts were mainly based on government expenditure and therefore transformed the country into a state-driven capitalism. In fact, during these plans the mode of production in Iran changed from the relatively primitive agriculture in the 1950s into an increasingly industrialized oil-based, rentier form of capitalism in the 1970s (Gasiorowski, 1991). In practice, as the state's oil revenue grew in the 1970s, the government that had a monopoly of oil acquired a dominant role in the economy giving both itself and the economy a rentier character. The state used its dominance not only to promote rapid development "but also to co-opt and control various societal groups, further increasing its autonomy" (Gasiorowski, 1991, p. 135). The state's growing power resulted in a much deepened dependent development of Iran leading to an uneven distribution of wealth in the nation which finally produced frustration among the urban and rural lower classes, creating tensions that produced growing political unrest.

Iran – US commercial ties strengthened during these development plans and increased continuously both in size and in volume. With the expansion of Iran's oil revenue in 1973, Iran and the United States established a joint economic commission to

accelerate commercial relations of all kinds between the two countries. Katouzian (1981) explains how US-based companies tried to benefit from the Shah's development plans:

Between January 1973 and September 1974, United States companies signed contracts and joint ventures with Iran that totaled \$11.9 billion. In 1977-78, the Americans ranked third (after West Germany and Japan, as they had done for a number of years) in their share of Iran's non-classified imports: this amounted to \$2200 million worth of goods, or 16.5 percent of Iran's total imports. However, Iran's total classified imports in that year were worth \$4300 million, in which America must have had the largest share (p. 319).

Iran's strategy of economic development automatically fostered greater imports of food, consumer durables, modern capital equipment, Western advanced technology, finance, transport, and tourist services and the Shah's despotism and pseudo-nationalism led to cumulative imports of military hardware (Katouzian, 1981). From this point of view, Iran pursued the so-called Western type of development and as a result the country's pseudo-modernist economic strategy was active while on the political side everything revolved around with the Shah's despotic approach (Katouzian, 1981; Ramezani, 1982).

The unprecedented increase in oil prices in 1973 paved the way for the Shah to satisfy his grandiosity by declaring that Iran was on its way to become one of the world's five great powers. Keddie (2003) argues that the Shah did not realize that the high amounts of money thrown into Iran's economy would seriously damage the country in terms of inflation and shortages. According to Keddie (2003):

This put stress on large industries and agriculture as well as overrapid migration and shortages of housing and other goods and services. In cities shortages of food items and power blackouts, traffic jams, overcrowding, and pollution made life difficult, and loud arguments and physical fights in the streets were one sign of the strain (p.163).

This environment not only had little negative effect on the Shah's position among US politicians and business circles but rather, major United States business interests became more closely tied to, and even dependent on, the Shah's regime. The US armaments industry, US oil industry, and US banking system were three major sectors that benefited most from the Shah's policies. The American oil companies who together held 40 percent of Iran's oil exports, the second largest in the world, profited from Iran. Several American banks helped invest huge amounts of Iranian money, both from the Iranian government and from funds sent abroad by the Shah, the royal family, and other rich Iranians (Keddie, 2003). Meanwhile, the producers of high technology machinery, agricultural equipment, and consumer goods also had large sales to Iran. "Iran's huge advance orders were more than once responsible for bailing out an American arm manufacturer, some of whom spent vast sums, often illegally, lobbying Iran for business" (Keddie, 2003, p. 165).

In conclusion, the Shah's economic policy that was shaped by the US advisers led to a dependent capitalism in a rentier state, where the economy was dependent on oil, on the one hand, and on the United States and the West, on the other hand. The Shah's regime could not achieve his dependent development's intentions without a stable

environment. The stability, according to the Shah's taste, could not be maintained without an active secret police and a well-equipped and well-trained army.

Secret Police and Army

After the 1953 coup, the Shah established a repressive security apparatus which gradually became the main pillar supporting his regime. This repressive apparatus had four main components: SAVAK, the national Police, the Gendarmerie, and the armed forces. SAVAK, the Shah's secret service, was by far the most effective component of the repressive apparatus. SAVAK maintained a very brutal image because it tortured and executed opponents of the Shah. It proved to be successful in creating a climate of fear and intimidation among the Shah's opponents (Gasiorowski, 1991; Ramezani, 1982). In fact, the Shah consulted with US officials before organizing his intelligence service, known as SAVAK in 1956. The Shah established SAVAK to be a modern, efficient intelligence agency that would be capable of monitoring and combating both domestic and foreign threats to his rule. The training of SAVAK officers was organized by CIA agents stationed in the US embassy in Tehran (Gasiorowski, 1991). "Mossad (Israeli intelligence) also acted in an advisory capacity" (Blanchard, 1996, p. 17).

Radical Shiite clergy, intellectuals, and leftist groups were all harshly repressed, imprisoned, exiled, or executed. Ayatollah Khomeini, the 1979 Revolutionary leader for example, was imprisoned and later sentenced to exile (Gasiorowski, 1991). These events happened while the Shah had achieved a personal capability that according to Stansfield Turner, the ex-CIA Director, the Shah had prohibited the CIA from talking to any

potential opponents of the regime (Albright, 2006). In fact, US officials ignored the brutality of the Shah and his secret police, SAVAK in favour of other US interests.

The Shah's military armed forces benefited from the US military assistance program. In practice, large amounts of general budgetary support played a major role in "strengthening internal security, keeping the communists out, and providing the power-base which the regime needed to remain in power in the short run" (Gasiorowski, 1991, p. 204). The Shah's purchase of arms from America between 1972 and 1978 was so huge that such levels were never known before in international political history. "Between 1972 and 1977 alone, the value of US military sales to Iran amounted to \$16.2 billion. By 1977 military and security establishments in Iran were absorbing over 40 percent of the Iranian budget" (Bill, 1988, p. 202). American eagerness to sell billions of dollars of military equipment to Iran each year was reinforced by the economic drain on the West caused by the OPEC price rise; arm purchases seemed a fine way to recycle petrodollars back into the United States.

The purchase of armaments by the Shah from the United States and his influence among the US policy makers was so deep that Henry Kissinger, the US Secretary of State, stated in 1972 the US president believed that the decision on the acquisition of military equipment should be left to the government of Iran. If the government of Iran has decided to buy certain equipment, "the purchase of US equipment should be encouraged tactfully where appropriate, and technical advice on the capabilities of the equipment in question should be provided" (Bill, 1988, p. 201).

The Shah realized an agreement with Washington that facilitated the cooperation of the US technical advisors to help the Iranians operate and repair the more sophisticated weapons. The Grumman Corporation, for example, was one of the American companies that used to bribe Iranian officials to get a contract to produce the F-14 aircraft for the Iranian Air force and establishing bases for maintenance and operations of the equipment sold to Iran. "This massive increase in US personnel may have been a necessary consequence of the Nixon Doctrine, but it made the American presence more visible at a time when anti-Americanism was growing in Iran" (Blanchard, 1996, p. 27). The large number of foreign advisers and instructors and their families who went to Iran, also contributed to inflation and their "behavior often justified indignation among Iranians" (Keddie, 2003, p. 164).

Based on the Nixon Doctrine, the Shah involved Iran in regional conflicts such as those in Oman and the Horn of Africa in the 1970s and the 1980s. These involvements were regarded by many Iranians as further examples of Iran's involvement in US imperialism. The Dhofar uprising in Oman was particularly alarming signal to Iranians because Iranian soldiers were fighting and dying in an effort to suppress an uprising against a dictatorial monarch (Gasirowski, 1991).

In conclusion, the Shah aligned Iran and his policies with the foundation of America's policy in the Persian Gulf that was a commitment to ensure the security of its allies and protecting the flow of oil, as an essential part of US national interests (Brzezinski & Scowcroft, 1997). The Shah intended to assure the United States and its allies about the security and the stability in the area as his global duty. By getting

involved in Oman and the Horn of Africa, the Shah tried to prove both to “his Western allies and to the sheikhs of the Persian Gulf that he would fulfill his obligation as the policemen and Big Brother” (Katouzian, 1981, p. 317). The Shah, Katouzian (1981) argues, also wanted to warn the Chinese and those who provided support for the guerrillas, that he would not tolerate any threat to the United States’ interests in his zone of influence.

Cultural Hegemony

While the US – Iran relationship primarily involved economic and security matters, the United States conducted cultural programs in Iran too. The programs which were overt as well as covert were conducted through different US agencies such as the United States Information Aid Agency (USIA), the State Department, and the CIA. “These programs were intended to generate support for the Shah’s regime, to enhance the image of the United States in Iran, and to undermine the image of the Soviet Union” (Gasiorowski, 1991, p. 126). The Fulbright Exchange Program was one of the most active cultural programs introduced to Iranians. This program was sponsored by the United States Information Aid Agency (USIA). Based on this program which was introduced in Iran in 1949, around 1368 Iranian individuals found the opportunity to study and teach in the United States while the program also enabled 293 Americans to come to Iran for the same activities. Another initiative by the USIA was the Voice of America that had broadcasted programs to Iran in Farsi ever since the Second World War on a daily basis (Gasiorowski, 1991).

The USIA sponsored another program that focused on book translation. Under its Book Translation Program, at least ninety books were translated and distributed in Iran in the 1960s (Gasiorowski, 1991). Parallel to the book translation and distribution activities, the USIA also operated several public libraries in Iran and provided “informational materials to Iranian newspapers, published a Farsi language magazine, and helped run the Iran-America Society, which sponsored English-language courses and a variety of cultural events” (Gasiorowski, 1991, p. 127).

The US State Department was also involved in cultural activities. The most important program sponsored by the State Department was the Peace Corps. Under this program the State Department sent more than two thousand volunteers to Iran between 1962 and 1976. These volunteers engaged in such activities as English language and vocational instruction, agricultural development, engineering, and architecture (Gasiorowski, 1991). The US embassy in Tehran was also active in this regard and the economic officers in the US embassy helped promote commercial ties between the United States and Iran by providing economic information to American and Iranian businessmen. “The US embassy also sponsored frequent parties and celebrations and sought to generate support for the Shah and project a positive image of the United States through its public statements and activities” (Gasiorowski, 1991, p. 127).

The US Central Intelligence Agency (CIA) was also active in cultural aspects. One of its programs was to open the American Friends of the Middle East (AFME) in Iran. AFME was a philanthropic organization founded in 1951 to improve relations between the United States and the people of the Middle East. The organization employed

active or retired CIA officers to run its programs. The CIA covertly provided financial assistance to AFME through its International Organizations Division (Bill, 1988).

The CIA had established AFME to counter Soviet efforts to influence student groups. The most important program of this organization helped students from these countries gain entrance to colleges and universities in the United States and then facilitated their studies through financial support, counseling, and other means. "In 1967 AFME stopped its operation when its CIA affiliation was publicly exposed in *Ramparts* magazine" (Gasiorowski, 1991, p. 128). In its operation in Iran, AFME set up a program to help US-educated Iranians find employment in Iran. The organization also supported Iranian organizations such as the Iran-America Society, the Tehran Boy Scout troops, the International Businessmen Luncheon Club, and the Rotary Club (Gasiorowski, 1991).

The most important dimensions of the cultural programs of the three prominent US organizations in Iran were the programs that enabled the Iranians to study in the United States. In fact, this measure helped foster the formation of a technocratic, modern middle-class fraction that staffed the state bureaucracy and was fairly supportive of the Shah's regime. In practice, the United States employed these cultural programs to create a positive public image for the Shah, persuade Iranian elites that had been educated in US to return and help the Shah's technocratic and bureaucratic organizations, and diffuse American cultural values and way of life in Iran (Gasiorowski, 1991; Keddie, 2003).

In 1977, while the Shah was dreaming of his constructed Great Civilization, Iran was facing an economic recession. Inflation, urban overcrowding, government policies that hurt bazaar classes, glaring income gaps, the lack of political freedom or

participation were all widely felt by the Iranian people. The Shah's secret police, SAVAK, had suppressed all opposition groups, especially the secular opposition, whether from the left or the right. Due to the widespread presence of religion in every corner of the country, religious opposition found space for spreading its words through a network of mosques in the country. In Foucault's words, Islam became the spirit of a people without spirit in Iran:

People always quote Marx and the opium of people. The sentence that immediately preceded that statement which is never quoted says that religion is the spirit of a world without spirit. Let's say, then, that Islam, in that year of 1978, was not the opium of the people precisely because it was the spirit of a world without spirit. (Foucault, 1978, p. 65).

In fact, what happened in Iran in 1978 and 1979 was a natural reaction to the Pahlavi period, especially during Mohammad Reza Shah, when "a two-culture phenomenon" (Keddie, 2003, p. 170) evolved in Iran. The two culture phenomenon meant different cultures for the elite and the masses leading towards a sharp break between the elite and popular cultures. "The break could be seen in such elementary spheres as dress, homes, styles of furnishing, means of locomotion, and mosque attendance" (Keddie, 2003, p. 170). To this end, pre-1979 Iran can be characterized as uneven development. Contrary to an economic reading of the concept, uneven development is not and should not be limited to economic relations; rather it also includes political, social, and cultural relations and institutions, or in short, a combination of all stages of civilization. "This approach is capable of avoiding simplistic assumptions and

erroneous implications of both the modernization and dependency schools of thought” (Farsoun & Mashayekhi, 1992, p. 5).

The developmentalist strategy of the Shah, organized around the alliance of the state, foreign capital, and domestic comprador bourgeoisie, accelerated capitalist economic development and the Westernization of the culture (Farsoun & Mashayekhi, 1992). This strategy gradually developed anti-American sentiment among Iranians. People began to reveal their opposition to the widespread and aggressive Americanization of Iran. In short, the steady and precipitous erosion of the previous image of the US as a supporter of the Iranian people’s aspiration for self-determination, coupled with increasing support for the despotic Shah was central to the emergence of anti-Americanism among Iranians (Farsoun & Mashayekhi, 1992).

The continuous growth of discontent among most sections of Iranian people led to an outbreak of demonstrations beginning in 1977. The appearance of open opposition to the Shah would likely have occurred sooner, but its form and timing were to some degree a consequence of President Carter’s human rights policy in 1977. Carter’s policy implied that countries guilty of basic human rights violations might be deprived of American arms or aid. In practice, however, United States politicians refused to pressure the Shah on human rights (Keddie, 2003).

With the outbreak of Iranian protest and street demonstrations, Ayatollah Khomeini became the uniting voice of people’s anti-Shah and anti-American sentiments. It appeared to the US State Department that there was no feasible way to stop the popular revolt in Iran and so Americans tried to contact and encourage its moderates in the hope

of lessening its anti-American tone. The Iranian movement was gradually becoming a historical turning point in the crisis of modern secular politics in Iran. Impeded by the autocratic rule of the Pahlavi state for more than two decades (the 1960s and 1970s), secular democratic politics were effectively marginalized in Iran and a new theocratic power ascended to lead the Revolution in the absence of any other viable political alternative (Mirsepassi, 2000).

Finally, by late 1978 many in the US embassy and State Department were convinced that there was no way to save the Shah and were in contact with secular and religious leaders who might enter a governmental coalition with which Americans could deal (Keddie, 2003). Despite all these efforts, it seemed that the United States was paying the price of decades of supporting a totalitarian monarch and ignoring the voice of a population. On February 11, 1979 the Iranian Revolution achieved its victory.

CHAPTER FIVE: THE IRANIAN CONTEXT III: FROM AN ISLAMIC
ALTERNATIVE TO MODERNITY (1979-1989) TO ISLAMIC PSEUDO-
MODERNIZATION (1990–2008)

Introduction

Many here (in the West) and some in Iran are waiting for and hoping for the moment when secularization will at last come back to the fore and reveal the good, old type of revolution we have always known. I wonder how far they will be taken along this strange, unique road, in which they seek, against the stubbornness of their destiny, against everything they have been for centuries, something quite different. (Foucault. As cited in Kritzman, 1988).

Considering the Iranian Revolution as a revolt against the rigidity of modern imagination, Michel Foucault welcomed the Iranian Revolution and its Islamic spirit. In fact the Iranian Revolution reveals an ongoing tension between modernity as a totalizing Western construct that dichotomizes non-Western cultures and modernity as a mode of social and cultural experience that is open to all forms of contemporary experiences and possibilities (Mirsepassi, 2000). While this argument seems to be true, in the case of the Iranian Revolution, I argue that Ayatollah Khomeini attempted to change the scene profoundly and introduce an Islamic alternative to modernity. To this end, the Iranian revolution had three options: to introduce an Islamic alternative to modernity, to present Islamic modernity alternatives, and to submit to the universal Eurocentric modernity.

In the first decade after the Iranian Revolution, Ayatollah Khomeini was seeking an Islamic alternative to modernity based on his own interpretations of Islam. In fact,

after decades of experiencing pseudo-modernization, the first decade of the Iranian Revolution exemplifies a battleground for introducing an Islamic alternative to modernity. This unsuccessful period is followed by the Islamic governments' attempt to rejoin the modern world through a new kind of pseudo-modernization, which I refer to as Islamic pseudo-modernization. This chapter explains how after a decade of Khomeini's attempts to introduce an Islamic alternative to modernity, Iran moved away from this mode to practice different kinds of religious pseudo-modernization.

The time span of this chapter is the post-revolution era beginning from 1979 up to 2008. Two different periods are distinguished after the revolution. The first period covers the period from the victory of the revolution in 1979 until the death of Ayatollah Khomeini, the religious leader of the revolution, in 1989. I argue that during this period the Islamic activists who had struggled against the Shah under the leadership of Ayatollah Khomeini gradually, and sometimes violently, detached themselves from their non-Islamic revolutionary allies to establish an Islamic state – which later came to be known as the Islamic Republic of Iran. Later, these victors even detached themselves from Islamists who believed in interpretations of Islam other than the dominant view. From this time until the death of the Ayatollah the country's main project was to build a distinct Islamic world view based on the Shiite fundamentals, as interpreted by Khomeini, and to become a role model for the Islamic world. This is what I call the attempt to introduce an Islamic alternative to modernity.

The second period began after the death of the Ayatollah in 1989. This period is identified as a period of different versions of Islamic pseudo-modernization. I argue that

in this period different Iranian Islamic governments have attempted to implement a kind of religious pseudo-modernization or what might be called Islamic modernity alternatives. In 2008, this challenge is still ongoing. These governments have attempted to find common grounds between Islam and the modern world. I argue that different versions of this approach are evident in this period and still no dominant version has emerged. In the rest of this chapter, after a brief general explanation about the 1979 Iranian revolution, these two periods are explained.

With regard to the factors that can explain the 1979 Iranian Revolution, Abrahamian (1982) offers two different interpretations. The first interpretation belongs to the camp that criticizes the Shah for his rapid modernization in a traditional society that was incapable of digesting such profound transformations. The second interpretation belongs to those who argue that the revolution occurred because the Shah did not modernize thoroughly “enough to overcome his 1953 handicap of being a CIA installed monarch” (Abrahamian, 1982, p. 427). Both interpretations, Abrahamian (1982) argues, reveal part of reality. In fact, the Shah modernized the social and economic dimensions of Iran and expanded the modern middle class, but intentionally did not modernize the country’s political systems. The Shah failed to modernize on the political level and ignored the local in his quasi-modernization process.

In fact, in 1977 the gap between the developing socioeconomic system and the underdeveloped political system was so wide and ignoring the local was so strong that an economic crisis could lead to the collapse of the whole regime. In short, “the revolution took place neither because of overdevelopment nor because of underdevelopment but

because of uneven development” (Abrahamian, 1982, p. 427). Instead of modernizing the political system, the Shah based his power on the three Pahlavi pillars: US-equipped armed forces and intelligence services, US dominated dependent development, and US cultural hegemony all leading to pseudo-modernization.

The first couple of years after the victory of the 1979 Iranian Revolution provided an opportunity to open up the political system in an attempt to free the country from US hegemony and establish a democratic and independent society. In practice, however, the decade that began with the victory of the revolution and ended with the death of Ayatollah Khomeini demonstrated how the ayatollah, his clergy, and his followers seized power by forcing their allied anti-Shah activists out of their camp, declaring Iran as a republic ruled on the basis of the Islamic religion. This phenomenon influenced Iranian political, social, economic, and cultural life in an attempt to introduce what I describe as an Islamic alternative to modernity.

Period of Islamic Alternative to Modernity (1979 – 1989)

The changes that occur in the Third World, Manor argues (as cited in Farsoun & Mashayekhi, 1992), are not only concerned with political structure and economic development, but also often include efforts to shape or suppress civil society and popular reactions. These changes entail an encounter between different worldviews to transform reality. The same was true and is still true in the aftermath of the 1979 Iranian Revolution; a popular revolution whose roots are a deep, complex, and interrelated set of attributes that shaped the revolution and its direction after victory. Such complexities continued after the revolution. “Centuries of invasion from without and oppression from

within have conditioned the Iranians to see politics as interplay between peril and refuge from peril” (Farsoun & Mashayekhi, 1992, p. xi). To this end, the 1979 Iranian Revolution with all its popularity at the time of victory not only did not succeed in changing the politics of fragmentation, exclusion, and imposition in Iranian society, but also created new forms of social discrimination. How did this happen in a popular revolution?

The discourse of the opposition to the Shah's regime, according to Farsoun and Mashayekhi (1992), was based on four principal concepts: nationalism and democracy, populism, social justice, and Third Worldist strategy. Each opposition group put more emphasis on one principle compared to the rest. The first principle is nationalism and democracy, a preoccupation with the question of democracy and national independence exemplified by anti-imperialism. The second one is populism, an ideological belief in the common people as the subject of history and social change. The third principle is social justice, a mobilization ideology to give economic security to those disenfranchised by the Shah's regime. The fourth and the last principle is the 1960s-based Third Worldist strategy of revolutionary violence to achieve liberation, independence, change, and social justice for and by the masses (Farsoun & Mashayekhi, 1992). Emphasizing the anti-American sentiment of the Iranians and their struggle for justice, Ayatollah Khomeini who had mobilized the masses during the revolution introduced Islam as an ideology that has the potential for Iranians to achieve social justice for the masses and independence from foreign involvement. In fact, Ayatollah Khomeini pursued a policy of “neither East

nor West” seeking to dissociate Iran from the influences of the United States as well as keeping away from the ideological policies of the Soviet Union (Vakili, 2006).

As one of the early outcomes of the 1979 Revolution, the United States and Iran – countries that had enjoyed longstanding political, military, and cultural partnership – became enemies. The partnership they formed in the 1970s to safeguard their mutual interests in the Persian Gulf and later extended to other regions such as Horn of Africa has dissolved in bitterness. Iran, a country that was the main pillar of US power in the Middle East, now after the victory of the 1979 Iranian Revolution had become a dangerous enemy. For the new Iranian leaders, the United States, the most influential country to Iran, was “denounced as a satanic and imperialist threat to the Islamic revolution under Ayatollah Khomeini” (Ramezani, 1982, p.vii).

On the revolutionary side, the pre-revolutionary unity among the opposition forces broke down after the victory of the revolution and the taking power of Khomeini. He was popular because of his opposition to the Shah, his anti-US attitude, his populist rhetoric, his simple lifestyle, his simple language, and his religious status was understood by the masses (Keddie, 2003, p. 244). Khomeini was a charismatic figure with religious populism. “Populism is a non-class structure with a charismatic leadership that acts as a political, ideological, and centralized radical mass movement” (Alamdari, 2005, p. 1286). Khomeini, as a religious charismatic in a religious culture like that of Iran, led a popular movement against the Shah who had repressed all voices in Iran, other than those that were in his support. Khomeini’s anti-Shah populist slogans, during the revolution, were supported by all opposition groups. After the victory of the revolution, relying on his new

populist base, Khomeini gradually marginalized all of his rivals and political opponents (Alamdari, 2005). Ayatollah Khomeini did not see himself as simply the head of a state but as the leader of an entire community of believers. His revolution was to be a "revolution without borders," seeking to emancipate Islam's realm from the transgressions of American imperialism and Israeli Zionism (Takeyh, 2007).

Khomeini, I argue, intended to utilize his populist Islamic rule, to introduce an alternative to modernity using his interpretation of Islam. Khomeini was in constant tension with the modern world due to his political, cultural, and social thoughts that were inconsistent with those of the modern world. On the other side, the modern world, led by the United States, was concerned about his thoughts that had the potential to threaten the modern world, and employed all means to defeat him. As a result, Iranian society was pushed into a permanent revolution. The war with Iraq (1981 – 1988) was an incident that was imposed on Iran by the modern world to weaken Khomeini. The war, however, empowered the populist Islamic authority to mobilize the masses and to ignore or suppress any political opponents (Alamdari, 2005).

The revolutionary groups that were united against the Shah during the revolution had no choice but to accept Khomeini's leadership due to his popularity among Iranians. These groups were from different classes and different parties with different ideological perspectives. The victory of the revolution on February 11, 1979, however, brought an end to their unity. In fact, the common thread that linked all these groups together did not exist anymore; there was no Shah in power.

The clerics who were the prime associates of Khomeini during the 1979 Iranian Revolution were in a favourable position within the new power structure of the country. Gradually, those non-cleric opposition groups who were optimistic before the victory of the revolution that Khomeini and his cleric followers would not rule directly in case of victory were now witnessing their active participation in ruling the country. This resembled hijacking the revolution by Khomeini and his associates. “The ultimate triumph of Khomeinists was not only due to domestic factors but was aided by the impetus for national unity by the United States hostage crisis of 1979 – 81 and the Iran – Iraq war of 1980 – 1988” (Keddie, 2003, p. 241). Finally, Khomeini introduced his Islamic government’s principle of “velayat-e faqih” according to which Iran started to be ruled by a single “faqih” whose direction for the country is regarded prior to other laws in the country.

During his decade-long rule, Khomeini attempted to introduce new concepts for governing not a nation but an “Uma” – those who are fiddle to their Imam (leader). In fact, Khomeini attempted to introduce an Islamic alternative to modernity. His Islamic alternative to modernity integrated the past and the present, a compromise between God and the people, between the Imam and the Uma, and between the clerical-rule and the popular rule. Apart from his principle of Velayat-e faqih, his thoughts were gradually emerging in response to what was going on in the country.

Khomeini and his followers eliminated all their opponents. They enforced ideological and behavioral controls on the population. Iran did not become an absolute dictatorship due to different worldviews among the Khomeini followers who had

different centers of power under their control. However, the intellectual desire for greater freedom and social equity were not fulfilled. While some might characterize Khomeini's Iran as an authoritarian state, Keddie (2003) notes, the country employed some democratic elements such as an elected parliament and presidency, which often clashed with the clerical authoritarians (Keddie, 2003). It should be noted, however, that even in the democratic elements of the state, candidates had to meet ideological requirements otherwise they would not participate in the elections as candidates.

Khomeini and his followers had strong anti-American sentiments and opposed liberals and even moderates whom they considered to be the tools of Western influence and intervention in Iran. Khomeini's non-cleric prime minister in his first government, Bazargan, was an Islamic moderate focused on improving Iran's political and economic relations with the United States. But when Rockefeller, Kissinger, Brzezinski, and other American supporters of the Shah got Carter's approval for the Shah to enter the United States for medical treatment the situation changed in Iran and Bazargan came under attack. In November 1979, when the students fiddle to Khomeini seized the US embassy in Tehran and took the embassy personnel hostage, their action was publicly supported by Khomeini. Prime Minister Bazargan resigned after he failed to convince the students to give up the US embassy and release the captives (Keddie, 2003). It was evident that Khomeini was content with Bazargan's resignation because in practice he got rid of the liberal government, radicalized the revolution, and increased his own power. From this time until the death of Ayatollah Khomeini, he and his associates strengthened their position in returning to Islamic fundamentals.

In his attempt to strengthen his position and move towards an Islamic alternative to modernity, Khomeini ordered closure of universities, which were a location for ideological and political debates. Opposition was forced out of the universities and some of them were killed or wounded. The closure of universities was later identified as part of the Cultural Revolution of the 1980s. The Cultural Revolution aimed to transform university disciplines, especially those of the social sciences that were intended to become Islamized (Keddie, 2003; Menashri, 1992). Management education was one of these disciplines that came to a halt in order to de-Americanize it and move it towards Islamic management. With regard to the IMI, its EMBA program came to a halt during the Cultural Revolution. Attempts to Islamize social science in general and management education in particular, however, failed after the reopening of universities which were closed for three years during the Cultural Revolution.

The United States continued its attacks on Khomeini. The United States unsuccessful rescue plan to release US hostages by sending military planes and helicopters to Iran in 1980, the failure of the Americans in two coup plots against the Islamic regime, and the US support of Iraq during its war with Iran strengthened the Khomeini's dominant position in Iran while US sanctions weakened Iran's economic situation. The hostage crisis, which ended in 1981, isolated Iran in the international scene and as a result Iran lost any support against Iraqi aggression (Gasirowski, 1991).

A main concern of the Islamic state after the revolution, which has continued until the present time, remained the regulation of behavior, especially issues related to women. Apart from forbidding liquor, "gender segregation and dress code were perhaps the most

important part of behavioral regulation; coeducation was abolished except in universities, where men and women sat on different sides of the class” (Keddie, 2003, p. 257). Internal concerns, the continuation of the Iran-Iraq war, the attack of US warships destroying a number of Iranian ships and oil platforms, and the economic pressure resulting from US sanctions, put the Islamic government under increasing pressure. So, when on July 3, 1988 the American warship, the Vincennes, shot down an Iranian passenger airplane, killing 290 people, Khomeini and his colleagues had no choice but to accept UN Resolution 598, which was ratified to bring an end to the Iran-Iraq war (Keddie, 2003).

Khomeini’s attempt to introduce an Islamic alternative to modernity finally ended with his death in 1989. His was a unique and controversial character. He was a religious leader who believed that his religion was inseparable from his politics. His charismatic personality and his spirituality made him the leader of millions of people who followed his beliefs in search of an ideal society. After his death, the Council of Experts composed of high ranking clerics selected Ayatollah Khamenei as Iran’s new leader or as “vali-faqih”. “With Khamenei in place as velayate-faqih on June, 1989, Rafsanjani, whose contribution in Khamenei’s appointment as the leader was great, became the president a month later” (Keddie, 2003, p. 261). This was the beginning of a new era in Iran.

Period of Various Islamic Pseudo-Modernizations (1990 – 2008)

With the death of Ayatollah Khomeini in 1989, his vision to construct an Islamic alternative to modernity based on his interpretations of Islamic principles came to an end. His successor, Ayatollah Khamenei, came into power when the country was in isolation, its economy collapsed, and the internal pressure for change was high. During his

leadership through 2007, three presidents have been elected in Iran. Both of the first two presidents, Refsanjani and Khatami, were elected for two terms (8 years). The third president, Ahmadinejad, took office in 2005 for his first term. The three presidents, I argue, have tried to rejoin Iran to the modern world and in practice they have implemented different versions of what I call Islamic pseudo-modernization. In the remainder of this chapter, I explain how after a decade of Khomeini's unsuccessful attempt to introduce an Islamic alternative to modernity, Iran is struggling to return to the modern world and offer, what I call Islamic modernity alternatives.

The idea of Islamic modernity alternatives is based on Berman's vision that modernity has the potential to leave some room for local interpretation of modernization (1988). In fact, while the dominant vision of modernity as characterized in Said's *Orientalism* considers Western culture as an essential part of modernization, a more radical vision of modernity envisions modernization as a practical experience that cuts across nationalities and religions to liberate societies from their oppressive conditions (Mirsepassi, 2000).

The main focus of Iranian society in the last decade has been the challenge of reconciling modernity with Iranian culture. After Ayatollah Khomeini's attempt to introduce an Islamic alternative to modernity, in the nearly two decades since Khomeini's death, the Iranian political system has introduced modernity alternatives of Islamic pseudo-modernization. Whether religious or secular, the predicament of modernity in Iran is circumstantial to its peripheral situation. "Ours is the modernity of once semicolonized" (Jahanbagloo, 2004, p. xi). Iranians have learned from the historical

process that they have to accept the positive values of modernity as well as the outcomes of what has made them the victims of modernity. In practice, today in Iran we witness moments of democratic hope with times of great despair (Jahanbagloo, 2004).

The post-Khomeini era is not constructed around a central pillar in which the system collapses by removing the central pillar. It is rather constructed around many parallel pillars and rival interest groups, which seem to be independent from each other while they are interrelated and rely on one another. This complex and heterogeneous system is the cement that holds the Islamic Republic together, especially after the vacuum felt due to the death of Ayatollah Khomeini. The heterogeneous system of the Islamic Republic includes several tendencies including the conservative clerics and their supporters in the bazaar, the Islamic reformers and moderates, and those who advocate an Islamic identity but want the government to function under an Islamic democracy.

With respect to the heterogeneous Islamic political spectrum, the post-Khomeini era can be divided into three major periods: From mid-1989 to spring 1997 President Rafsanjani led a government that achieved some economic reconstruction and somewhat improved Iran's foreign relations. He was not, however, able or willing to implement changes that would dramatically improve Iran's domestic and foreign policies. In fact, President Rafsanjani's main interest was neo-liberal economic reforms rather than cultural transformation.

From 1997 to 2005, the reformist Mohammad Khatami took office as the second post-Khomeini president. His main achievement was an increase in freedom of the press and undertaking cultural reform in people's everyday lives. During his terms in office,

however, there was a powerful conservative backlash, a reassertion of many controls on speech, writing, and behavior. In the presidential election held in 2005, Ahmadinejad, from the Islamic hardliners, replaced Khatami and took office. His election demonstrated the complexities of the existing challenges in Iran's power structure. What all these three presidents have had in common is their desire to implement a kind of Islamic pseudo-modernization as a kind of Islamic modernity alternative.

President Rafsanjani took office when Iran was facing widespread discontent due to the damage of the eight-year Iran Iraq war and its resulting economic decline.

Rafsanjani's main policy was to reconstruct the country and liberalize the economy by reversing the leftist economic policies of the 1980s. The introduction of market-driven economic policies as well as the reduction of state control of the economy was one his objectives. Perceived to be a pragmatist, President Rafsanjani valued and promoted technocrats in the country. He got the country back on the development discourse track. The Tehran stock exchange was revived, privatization of state-owned enterprises was pursued, loan acquisitions were sought from the International Monetary Fund and the World Bank (by adopting their economic liberalization requirements) and foreign investment – even investment by American companies – was welcomed (Keddie, 2003).

During his terms in office, universities were reestablished in their mainstream track. This was true for the social sciences too. As a result, management education in general, and the IMI in particular, attempted not only to restart their standard programs, but also their efforts included bringing back American style management education. Of course, due to constraints in US-Iran relations, mainly set by the US government, IMI's

efforts were directed to attracting Canadian as well as European institutions that offered American-dominated management education.

Rafsanjani's attempts to invite back American oil companies was a turning point in the Islamic Republic's revolutionary history. The United States, once called the Great Satan by Ayatollah Khomeini, was invited to help Iran's oil industry in the country's re-emergence into the world economy. As an important case in this respect, Iran asked the US oil company Conoco to develop oil fields in 1995 (Vakili, 2006). This invitation coupled with an increase in trade between Iran and the United States demonstrated the intention of Iranians to improve their relations with the United States. However, when Conoco, the American oil company, announced a billion dollar deal to develop Iran's oilfields, the Clinton administration, which was under pressure from different sources, declared a total sanction on Iran in 1995. Finally, with the 1996 US Iran-Libya Sanctions Act, any optimism for better US-Iran relations came to an end (Keddie, 2003).

The Rafsanjani administration's era was an attempt to return Iran to the modern world. The outcome of his two terms in office was some economic progress for Iranians, but his administration was incapable of establishing an environment conducive to democratic values demanded by Iranians. Rafsanjani's attempts may be categorized as an Islamic pseudo-modernization effort.

Recognizing the unmet need of Iranians for more social and political freedom, Khatami who succeeded Rafsanjani in 1997 moved the Islamic Republic towards greater freedom for individuals. Khatami gave his support to greater freedom and rights for women as well as emphasizing the rights of all minorities in the country. He also

introduced civil society that was still unpopular in the Islamic world (Keddie, 2003). Khatami's victory demonstrated popular discontent in Iran and a will towards more moderate directions (Gasiorowski, 2007). His presidency brought hope of a "Tehran Spring" (Vakili, 2006, p. 57) to the Iranian political and social scene. With his reformist policies, Khatami succeeded in opening up the country's political and cultural systems to some extent (Vakili, 2006).

Khatami's foreign policy was based on improving Iran's relations with all nations, especially with the West. His attempt to improve Iran's relation with the United States, however, was not as successful as his efforts to improve Iran's relations with Europeans. He called for a Dialogue of Civilizations, a concept that was welcomed later by the United Nations in 2001. His friendly words about American people and American democracy were also welcomed by US Secretary of State, Madeleine Albright (Keddie, 2003). The relationship between Tehran and Washington did not expand more than an exchange of sport teams as well as the lifting of the embargo on Iranian carpets and pistachios. The relations between the two countries remained hostile. On the Iranian side, Islamic conservatives still considered the US as hostile to Iran and benefited from this hostility in the internal scene. On the American side, the United States insisted on changes in the Iranian policy toward Israel, its nuclear programs, and support of those who were considered as terrorists by the US administration.

With regard to Khatami's economic policies, he intended to continue liberalization, privatization, and promoting foreign investment in the country. His economic policies, however, faced the same obstacles as the previous president. In fact,

Iranian economic transformations are always resisted by the ruling bureaucracy, bazaar, and conservative clerics who maintain different economic privileges in the country and who are unwilling to give up such privileges. Iran's economy during Khatami was still dependent on oil revenues and there was no significant shift in this respect in comparison to the previous era.

"Khatami's greatest achievement has been to help to popularize the idea of democracy and to make government somewhat more open" (Keddie, 2003, p. 280). During his two terms in office, book publishing was promoted with various books being published each year presenting different views. The number of newspapers, journals, and other cultural products increased to a large extent in the country. Civil society became the buzzword of the day. Khatami tried to demonstrate that Islam has the capacity to appreciate civil society and democracy as a peaceful religion that should be distinguished and differentiated from a violent interpretation of Islam.

However, "Khatami never claimed to want to bring about a Western-style secular democracy but has talked about Islamic democracy, without clarifying its meaning" (Keddie, 2003, p. 282). Khatami even called his civil society utopia "Madinat-o Nabi" or "City of the Prophet" to avoid being accused of spreading Western values. Khatami helped to keep the opposition nonviolent. Despite all this, the hardliners of the regime closed down various newspapers, arrested several people especially university students, and terrorized a few non-violent opposition figures in the country. In fact, Iran remained a country that is politically closed and in the economic scene only a portion of the population benefited from the rentier state. Khatami's partial political success coupled

with his unsuccessful economic policies to narrow the income gap between Iranian rich and poor, together with the US unwillingness to ease the situation for him, paved the way for a new hard-line president to emerge on the Iranian political scene.

Khatami's replacement with a hardliner raised concerns in the United States about the effectiveness of US sanctions. Bill (2001) notes the Atlantic Council's report prepared by sixty policy makers, academics, think tanks, and knowledgeable observers to develop a new US approach to Iran proposes the removal of counterproductive sanctions, in particular the 1996 Iran Libya Sanction Act (ILSA). According to the report, the lifting of the embargo would clearly serve US interests (2001). The way the United States handled the Iranian situation has been simplistic and two fold. First, American propaganda constructed the Iranian government as an enemy that is close to collapse, and second, the United States is planning to attack Iran very soon. None of these propagandas have been realized. What has been realized was a US unwillingness to support Iran's moderate president Khatami, which has helped a new shift in Iran towards hardliners. To this end, in the 2005 Iranian presidential election, Ahmadinejad, took office.

The 2005 Iranian presidential election was another turning point in the Islamic Republic's history. In the third presidential election after the death of Ayatollah Khomeini, a new interpretation of religious government emerged. As I have argued elsewhere, the common theme among the three presidents after the death of the leader of Iranian Revolution has been their effort to introduce an Islamic modernity alternative, as an institution in which religion and modernity converge.

In his presidential campaign, Ahmadinejad focused on the large Iranian underclass who had not benefited economically during the presidency of Rafsanjani and Khatami. Ahmadinejad highlighted social justice as the basic principle of his presidential campaign. He was critical of the previous administrations for their weakness in dealing with and healing the suffering of the underclass. The underclass had developed in size after the revolution due to the Iran-Iraq war and the unfavourable political and economic situation in the country. Ahmadinejad's campaign employed populist themes, some of which resembled those of Khomeini's era. Populism had helped Khomeini rule the country for a decade (Alamdari, 2005). However, I argue that while Khomeini's attempt was to employ his populist themes to introduce an Islamic alternative to modernity, Ahmadinejad intends to implement an Islamic modernity alternative based on what he calls social justice.

With regard to his foreign policy, Ahmadinejad employed a much more hard-line policy in comparison to his predecessor. In fact, this was due to the collapse of the moderate foreign policy of the reformist movement in the last few years of Khatami's presidency. The failure of Khatami's moderate foreign policy was due the US response to his moderate policies. It may be argued that the United States finds a hardliner government more consistent with US neo-conservative government interests. This reminds us of the 1953 CIA engineered coup where the United States preferred to overthrow an elected prime minister and support an autocrat monarch in the name of the US national interest.

After being elected as president, Ahmadinejad championed Iran's nuclear program and tried to acquire legitimacy by criticizing the United States and Israel. "Ahmadinejad's emergence suggests to many that Iran is lurching back toward the radicalism of the 1980s, when it sought to export its revolution and combat Western influence in the region" (Gasiorowski, 2007, p. 128). However, Ahmadinejad's lighting up of international tensions by intensifying anti-Israel and anti-American rhetoric can also be interpreted as an attempt to deflect attention from his inability to deliver on his promises to the electorate.

Ahmadinejad's harsh anti-American rhetoric is spreading at a time when the Taliban in Afghanistan and Saddam Hussein in Iraq, as two main enemies of Islamic Republic of Iran, have been removed from power by the United States and its allies (Gasiorowski, 2007). This situation and the country's incapability of benefiting from such opportunities reveals that Iran's national security policy is not designed around its real interest. The country's national security is a victim of the factional debates and disagreements that characterize the Islamic Republic's political system. Kamrava (2007) argues that the three rival factions in Iran that realize Iran's national security policy are the radicals, the traditionalist conservatives, and the reformists. Each faction maintains its own approach and agenda in relation to the country's national-security policy. The difference in factions' approaches demonstrates "the suspended equilibrium" in the Iranian political system (Kamrava, 2007). "The result is often mixed signals from Tehran or, worse yet, indecision and lost opportunities" (Kamrava, 2007, p. 95).

Electing Ahmadinejad as president in 2005 was result of the people's choice between a radical hardliner (Ahmadinejad) and a moderate conservative ex-president (Rafsanjani). In Kamrava's words, "people who were threatened by tough rhetoric from Washington opted for the former, who has since managed to match the Bush administration with a tough rhetoric of his own" (2007, p. 99). Ahmadinejad's and Bush's rhetoric are based on a symbolic discourse around which each leader constructs the "other" nation as an idealized enemy.

Ahmadinejad's pronouncements and his Islamic imagining, however, are confined within Iran's borders. While he tries to offer the nation a perception that he is reproducing Khomeini's rhetoric, "he has neither the power nor the authority to impose such a vision on his country" (Takeyh, 2007, p. 47). Ahmadinejad is a paradoxical political phenomenon. On the one hand, he has gone through higher education in modern science and carries western titles of doctor and professor before his name, and on the other hand, he is also a neo-fanatic (Amuzegar, 2007).

Ahmadinejad's economic policies are shaped around challenges such as unemployment, economic growth, wealth distribution, corruption, and injustice in providing opportunities (Amuzegar, 2007). To tackle these problematic issues, Ahmadinejad proposed a populist agenda based on what he calls social justice. "The celebrated slogan that he subsequently tried to downplay was to put the oil money on everyone's dinner table" (Amuzegar, 2007, p. 43). In short, Ahmadinejad intended to employ a government-led development discourse compared to economic and sociopolitical liberalization of the two previous administrations.

In practice, Ahmadinejad follows a kind of Islamic pseudo-modernization this time different to that of the previous two presidents. It is widely believed, however, that as Ahmadinejad's populist economic promises of his presidential campaign are practically impossible to realize, he is diverting popular attention away from economic problems by focusing on issues such as nuclear energy and adventurous foreign rhetoric. "As though ignoring almost everything troubling that currently goes on around him and his government, he has once again self-indulgently boasted: We are rapidly becoming a superpower" (Amuzegar, 2007, p. 46). Such rhetoric is reminiscent of the Shah's 1977 rhetoric that Iran will soon become the fifth power of the world while his government was gradually being jeopardized by a popular revolution.

Realizing that economic sanctions alone are ineffective, Washington has increased its pressure on Iran through diverse political and cultural initiatives. Each year, the US Congress has approved funding requested by Secretary of State Rice for what the US government calls reaching out to the Iranian people (Burns, 2006). In one of the 2006 programs, for example, the US Congress allocated \$75 million to support what the US claims to be the cause of freedom and human rights in Iran and to support activities that will promote peaceful change and democratization in Iran (Burns, 2006).

In this context, fifty-five million dollars was dedicated to communicating the US message to the Iranian people, offering Iranians, what Burns (2006) claims to be unbiased information and to penetrate Iran's government dominated media (Burns, 2006). The two US sponsored Government media, Voice of America and Radio Farda, as well as

private broadcasting organizations that were supported financially by the US Government and funds given to local activists were all directed toward empowering:

local activists and thus further human rights, support and strengthen civil society, help Iranians acquire the skills of citizenry and advocacy, support alternative political centers of gravity, improve justice and accountability, and increase tolerance and freedom of speech, assembly, and other basic rights for the Iranian people (Burns, 2006, p. 2).

There is, however, no evidence to prove such claims by US officials. Despite US policies, Ahmadinejad's government is pursuing its version of Islamic pseudo-modernization. Thanks to the unprecedented increase in oil prices, Iran has vast financial resources to invest in its development plans. Ahmadinejad employs the Iranian government's huge oil income investing in governmental projects, paying subsidies to the Iranian underclass during his populist visits to different provinces.

Nearly thirty years after the victory of the 1979 Iranian Revolution and around two decades after the death of the founder of the Islamic Republic, Ayatollah Khomeini, Iran is far from what it used to be in the first years after the victory of the revolution. Ayatollah Khomeini's desire to develop an Islamic alternative to modernity has faded away. Seeking a compromise between Iranian culture, Islam, and modernity, the three presidents who have been elected since the death of Ayatollah Khomeini have attempted to bring about such compromise based on their own interpretations of these complex issues. They have all attempted to establish their own versions of Islamic pseudo-modernization apparently with little success due to internal as well as external barriers.

The first president focused on economic liberalization, the second on Islamic democracy and civil society, and the last president advocating strong government involvement in political, social, economic, and cultural dimensions.

After the Ayatollah's death, social sciences have conducted their business as usual in Iranian educational institutions. Management education, in general, and the IMI, in particular, is no exception in this regard. The IMI established its roots in a couple of decades before the 1979 Iranian Revolution and has continued its existence in the turbulent post-revolution era. The next chapters explain the whys and hows of the establishment, survival, and continued Americanization of the Iranian Industrial Management Institute (IMI).

PART III

AMERICANIZATION OF MANAGEMENT EDUCATION AT the IMI

PRO- & POST-1979 IRANIAN REVOLUTION PERIODS

This dissertation is my story about the Americanization of management education at the Iranian Industrial Management Institute (IMI). In the first part of the dissertation, I introduced the theoretical framing based on a trilogy including developmentalism, postcolonialism, and institutionalism. Based on the theoretical framing, the second part of the dissertation explained the Iranian context as the context in which IMI has emerged and has operated during half a century of its existence. This part of the dissertation – part three – focuses on the IMI as the case under investigation and attempts to explain the Americanization of management education at the IMI.

The outcome of the first two parts revealed that the dominant discourse in Iran before the 1979 revolution was developmentalism. The development process in Iran relied heavily on US support. As a result, Iran developed, but it was a dependent development. In fact, the development of Iran, as a periphery country, was dependent on the United States, as the center. The same dependency was also evident in the cultural dimension. In fact, Iran's attempts to develop and modernize turned into a kind of pseudo-modernization in which the country tried to intentionally assimilate US economic and cultural aspects and differ from US from political perspective. The 1979 Iranian Revolution led by Ayatollah Khomeini changed this situation and was intended to transform Iran into a laboratory where an Islamic alternative to modernity was expected to be enforced.

Khomeini's efforts eventually failed with his death in 1989, a decade after the victory of the revolution. The post-Khomeini era in Iran has once again been characterized by Iran's attempt to re-join the modern world. The previous chapters of this dissertation discussed how the successors of Khomeini, notably the three presidents who took office since then have tried to reach this objective utilizing different tactics. All together the post-Khomeini era can be characterized as Islamic pseudo-modernization. In this period, American companies could not maintain a major role in Iranian economic activities. This lack of involvement was not due to anti-American political positions of the Iranian government; rather it was due to US government sanctions imposed on Iran. US cultural and educational domination, especially in higher education, was revitalized in Iran in this period. Management education, as one of the areas dominated by US, was no exception.

In the three chapters that follow this preface, I will explain why and how management education was Americanized at the IMI during its operations before the 1979 Iranian Revolution and after the death of Ayatollah Khomeini until the present time. Chapter Six sets the stage for the following two chapters – chapter Seven and chapter Eight – which are devoted to IMI operations before the 1979 Iranian Revolution and the IMI operations after revolution respectively.

CHAPTER SIX: AMERICANIZATION OF MANAGEMENT EDUCATION AT THE IMI: SETTING THE STAGE

Introduction

The objective of this qualitative research, as stated previously, is to explain the whys and hows of Americanization of management education at the IMI. In responding to this objective my case study research traces the IMI's evolution over time from its formation in 1962. Primary and secondary documents as well as direct observation of the events being studied and interviews with the persons involved in the IMI are the major sources of data collection at the IMI. As a contemporary phenomenon, the Americanization of the IMI cannot be explained without addressing its Iranian context, which is so intertwined with the formation and functioning of the IMI that it occupies a major position in explaining the Americanization of the IMI. The objective of the last three chapters was to delineate the Iranian context in which the IMI has operated since its formation. My intention was to reveal how the Iranian context facilitated the Americanization of management education at the IMI.

The next two chapters address the remaining driving questions of the dissertation. These questions are:

1. How might the IMI's institutional and organizational context explain the similarities and differences among the IMI and its American counterparts?
2. Why and how has management education at the IMI continued to be Americanized after the apparently anti-American Islamic Revolution in Iran?

3. How might the Information and Communication Technology (ICT) contribute in transforming management education in general and at IMI in particular?

Chapter Two of this study explained the theoretical framing of the study including a trilogy composed of three theories – developmentalism, postcolonialism, and institutionalism. Based on the first two theories – developmentalism and postcolonialism – Chapters Three, Four, and Five explained the Iranian context in which the IMI has operated since its establishment and in which the IMI still continues its operation. It was concluded that the process of Americanization of management education at the IMI depended, to a large extent, on Iran’s contextual situation that was characterized as a US-driven pseudo-modernization.

Using the crystallization metaphor (Janesick, 2005) and looking through the developmentalism and postcolonialism theoretical lenses, I concluded that Iranian pseudo-modernization was shaped as a fluid mix of dependent development and cultural hegemony before the Iranian 1979 Revolution. In other words, Iran experienced a dependent development. This is to say that Iran developed but it was a dependent development, on the one hand, and the Iranian ruling elite submitted to the US cultural hegemony, on the other hand. Both of these features were administered by an authoritarian US-backed government in Iran consistent with Huntington’s (1968) proposed idea of a concentration of power in the US-backed developing countries. In fact, American direct and indirect influences in all aspects of economic, cultural, and political involvement in Iran, complemented by internal agencies, paved the way for

Americanization of economic, social, cultural, and political life in Iran including management knowledge and management education.

The Iranian context, however, changed in the first decade after the victory of the Iranian 1979 Revolution. This period was the period of returning to Islamic principles and Islamic traditions in an attempt led by Ayatollah Khomeini to introduce an Islamic alternative to modernity. This attempt, however, did not achieve its desired goals and ended with the death of Ayatollah Khomeini in 1989. From this time to the present, Iran is experiencing challenges developed in a religious dominated environment. The outcome of these challenges has been different versions of pseudo-modernization, this time a religious pseudo-modernization. My argument is that except in the turbulent decade under Ayatollah Khomeini, in which mainstream management education had come to a halt with no alternative, management knowledge and management education in Iran have been Americanized.

Americanization, in general terms, is defined by Nolan (2005) as the adoption of American forms of production and consumption, technology and techniques of management, cultural goods and institutions of mass culture, gender roles, and leisure practices. To this end, Americanization is shaped, "by the images and discourses that imagine and construct America as a model of economic, social, and cultural development, as one possible, extremely powerful, and appealing model of modernity" (Nolan, 2005, p. 91). In this perspective, the United States is considered as the beacon of modernization and consequently, every country finds itself in an environment where it has no choice other than adopting the solutions that have resulted from the American

experiment. As a result, American businesses have been the active exporters to passive foreign recipients (Nolan, 2005). Such definition of Americanization, however, ignores the agency of recipients.

Americanization in the Iranian case was not merely the passive-receptive cultural flow to which most of the world was subjected during the last six decades. Iran like some other countries, as argued by Caldas and Alcadipani (2003) in the Brazilian case, was subject to an intentional and purposeful Americanization. The American cultural and economic raid on Iran began in the early 1950s. The aim of the process in this case was not only to dominate the country economically, militarily, and politically, but to conquer hearts, minds, and souls culturally. In fact, the United States was considered as a 'partial reference' and an idealized future for Iran, regardless of its inconsistencies within the Iranian context. By 'partial reference,' I mean the intention to open up Iran's economy to the United States and the West in a closed political system which excluded democracy and political freedom.

From a postcolonial perspective, Frenkel and Shenhav (2003) examine how Americanization can be traced as a continuation of colonial encounters in the post-colonial era. This approach offers a broader cultural and historical scheme within which the Americanization of processes, management processes as an example, can be understood and analyzed. These two researchers attempt to show empirically how processes of Americanization were preceded by earlier colonial practices, which set the stage for later processes. As a matter of fact, Frenkel and Shenhav (2003) argue that the literature has now turned its attention mostly to the continuing unequal relations between

the West and the rest, conceptualizing current American domination as yet another wave of neo-colonialism.

From this perspective, the Americanization of management knowledge after the Second World War and its dissemination worldwide should be analyzed as part of neo-colonial project that is a continuum of colonial paradigm. As a result, American management knowledge, and management education in particular, can not be analyzed as a neutral process limited to content and form and free of issues of power differences. In practice, instead of reviewing the outcomes of the Americanization of management only in terms of industrial and organizational changes, the postcolonial literature leads us to look at the ways that the encounter with neocolonial knowledge and practice act as a medium for cultural transformation.

From the institutionalism perspective, as the third theoretical lens described in previous chapters, I explain how Americanization of management education at the IMI might be legitimized through isomorphism, a concept defined broadly as the propensity of organizations in a population to resemble organizations that operate under similar environmental conditions (DiMaggio & Powell, 1983, 1991; Scott, 1995). To this end IMI attempts to conform to contextual expectations of appropriate organizational forms in order to gain legitimacy through mimetic, normative, and coercive mechanisms. The appropriate and dominant organizational form that legitimizes the IMI is the dominant American management education.

In dealing with the Americanization of management education in Iran, I address the challenge of the transfer of management education noting the study by Mazza, Sahlin-

Anderson, and Strandgaard Pedersen (2005) about transferring the American dominated Master of Business Administration (MBA) to different contexts looking for both commonalities and specificities. Mazza et al (2005) suggest imitation, hybridization, transmutation, and immunization as four different kinds of mechanisms that shape global and local models for MBA transfer. In the Iranian case, however, my findings suggest that those who have been active in the IMI during its existence can be categorized as imitators, hybridizers, harmonizers, and traditionalists. This categorization will be described later in the next section that sets the stage for the subsequent chapters, which are devoted to the IMI during two different periods, pre and post- 1979 Iranian Revolution.

Setting the Stage

In his contribution to *Education and the making of modern Iran*, Menashri (1992) addresses the extensive use of education in casting new Iran in two apparently radically different visions that dominated before and after the 1979 Revolution by the Shah and Khomeini. Menashri (1992), however, argues that for all their profound differences, the Shah and Khomeini had one thing in common:

their appreciation for education. Both leaders viewed it as a major vehicle for implementing their ideology, advancing their people, and perpetuating their rule.

Both made extensive use of education to cast modern Iran in the mold of their vision. Yet each led it along an entirely different path: one toward rapid westernization, the other toward Islamization (Menashri, 1992, p. 3).

The same reasoning is also valid for management education and the way it relates to the advancement of Iran. To this end, two distinct waves are distinguishable in Iran's transition towards the formation of modern or rather pseudo-modern Iran before the 1979 Iranian Revolution. The first wave goes back to a decade before the Second World War. This decade is characterized by government investment in specific manufacturing projects to fulfill the basic needs of society (Bayat, 2006). The textile industry, cement industry, and sugar industry were the main industries in which government invested. This process, however, came to a halt with the outbreak of the war when Iran was occupied by the allied forces during the Second World War. In the decade after the war, the Iranian political, social, and economic scene turned into a battleground between the nationalistic will of a nation, on the one hand, and the imperialistic policies of Great Britain and the United States, on the other. This chaotic environment came to an end with the 1953 CIA engineered coup in which the Iranian democratically elected Prime Minister, Mossadeq was overthrown and the Shah came back in power and began his forced modernization.

The second wave of pseudo-modernization in Iran focused on the development of the private sector as well as revitalizing state owned industries (Nili, 2004). Supported by the US Point 4 Program, three different initiatives came into effect. The first initiative addressed the financial dimension and included the establishment of two specialized banks to support Iranian industries. The second initiative focused on technical aspects with the establishment of the Industry and Mines Development Center (Nili, 2004). These initiatives, however, could not achieve the desired goal without addressing the managerial dimension that was essential for modernization and industrial development.

To this end and as the third initiative, two management development institutions – the Government Management Training Center and the Industrial Management Institute – were established. Later, a third institute – the Iran Center for Management Studies – complemented the other two management institutions.

The establishment of management education institutions in the pre-revolution era was consistent with the dominant view that Western education unlocks the door to modernization and the shortcomings in education systems were considered as one of the principal reasons for underdevelopment. In a country such as Iran in which the Shah considered westernization as the only path to development, education in its Western mode became an important objective of development. Meanwhile, the developed nations often conditioned their technical and financial support to developing states subject to the approval of their education plans and programs according to Western standards. “The United States’ 1961 Act of International Development”, for example, stated that until the requisite knowledge and skills have been developed in the countries aided by the United States, “capital facilities for purposes other than the development of educational and human resources shall be given a lower priority” (Manshari, 1992, p. 11). In this perspective, universities and other higher degree education institutions including professional training centers occupied an important position in the process of Western prescribed development, ignoring the historical, social, and material conditions that made Western progress possible.

With respect to management education, Tehran University was the leading university in the establishment of management education programs in Iran. It initiated the

first academic rather than professional management education program in cooperation with University of Southern Carolina in 1955 (Tehran University, 1966), a couple of years after the CIA-engineered coup in Iran. One of the interviewees in this dissertation notes that:

The first management program in Iran was a six-week management training organized by Tehran University and conducted in Gachsar, around a hundred kilometers from Tehran. The participants in this program were Iranian managers from different sectors, especially from oil industries. The instructors of this program were mainly from the US Stanford University. This program has been recognized as the first attempt to initiate management education in Iran. A complete degree-oriented management program, however, was organized by Tehran University with the help of the University of Southern California. The involvement of the University of Southern California in developing management education in Iran was due to its concentration on public sector management and the fact that Iran had focused on a US-dominated and government-led development process.

According to another interviewee in this study:

The involvement of the University of Southern California in management education in Iran was not accidental. This university and some of its professors, for example Professor Reining and Professor Shredder, were invited by the US mission in Iran to help the Iranian government in its administrative issues after the 1953 CIA-engineered Coup.

Parallel to the establishment of the management program in Tehran University, the growing need for professionals compelled the government to establish the Government Management Training Center (GMTC) as part of the US Point 4 Program to develop the managerial skills in Iranian governmental organizations (Bayat, 2006). GMTC benefited from its cooperation with the US based University of Southern California (USC) and later the UK based Henley College. According to one of the interviewees, "GMTC's support came from the US Point 4 Program in the first steps of its establishment and later it benefited from the full support of the Iranian government".

The IMI – the case which is described in this dissertation – was established in 1962. Its establishment followed a period in which the main shortcoming of Iran's industrial sector was perceived to be technical. With the managerial inefficiencies that gradually became evident in Iranian enterprises, this perception shifted towards managerial dimensions as well as technical aspects. The IMI was a response to the managerial ills in the country, especially in the private sector.

Later, the Iran Center for Management Studies (ICMS) was established as a joint effort by the Imperial court and a few influential private sector entrepreneurs in Iran (Bayat, 2006). ICMS was established with the direct support and cooperation of Harvard University. ICMS started its operations in 1972 and offered an MBA program. The ICMS president was nominated by Harvard University and was normally one of the Harvard faculty members. Most of the instructors in this institute were American and mainly from Harvard. Each year 50 persons were admitted to ICMS and up to the 1979 Iranian Revolution seven groups of 50 were admitted to the institute. The MBA program offered

by ICMS was case-based and followed the same pattern as the Harvard Business School. The cases were American and did not relate to the Iranian economic and cultural context. One of the interviewees notes that:

The Iran Center for Management Studies was headed by one of the Harvard University professors. The instructors of ICMS were either from Harvard or were the Iranian professors who had graduated from Harvard. The textbooks and the cases used in the school were all provided by Harvard. ICMS was supported by large Iranian private business. The school, however, benefited from Imperial court support and could not develop without such supports.

A few months after the victory of the Iranian 1979 Revolution, ICMS, due to its direct link with Harvard University, was dissolved and GMTC and IMI operations came to a halt in order to adapt their activities to Islamic values and norms as perceived by the victors of the Iranian revolution. The Iranian Revolution was later hijacked by the Islamist wing of the revolution and was renamed the Islamic Revolution, to uphold a pure Islam and offer a new way of life to the world rather than imitation of the West. In effect, this process would restore Islam to its natural place of leadership in human history. To this end, the educational system was perceived to be a major, if not the major, instrument for advancing Islamization in Iran.

Ayatollah Khomeini, the leader of the Islamic Revolution, was clear in his message that in order to advance the country, a fundamental revolution in all the universities and other higher degree institutions was essential. For the victors of the Iranian revolution, the universities and their graduates were the main cause of all the

miseries of society and the backwardness of Iran. In practice, the Islamic Revolution and its leader Ayatollah Khomeini could not change the universities in their desired manner while the universities were running. To this end, they concluded that the universities cannot transform themselves from within and a radical change was necessary through a brutal process which was labeled as the Cultural Revolution in 1980. The Cultural Revolution was planned to Islamicize and purify the educational system especially higher education. Ayatollah Khomeini's Cultural Revolution, however, did not achieve any tangible result other than expelling the faculty members and students who were not committed to the ruling Islamic principles, canceling programs that were considered not be in accordance with Islam as perceived by the ruling regime, and Islamization of social sciences that were originated in the West and were not adapted to religion and local needs. Management, as a branch of social science, was one of those areas that should be Islamized in Iran's Islamic regime. To this end, most of activities conducted by the IMI, especially its Executive Master of Business Administration (EMBA) program came to a halt in order to profoundly change and adapt them to Islamic rules. This situation did not last for a long period and with the cease fire in the Iraq – Iran war and the death of Ayatollah Khomeini in 1989, a new environment characterized by Islamic pseudo-moderation emerged in Iran.

After the end of the Iraq – Iran war, reconstruction of the country became the new order of the day. Iran's economy was ruined during the war and the country required new infrastructure, new investment, and new employment opportunities. Rafsanjani, the first president of the Islamic Republic of Iran after the death of Ayatollah Khomeini,

emphasized that Iran was in a new situation that was different from that of early Islam. He insisted that government should meet the needs of the people even with experts from abroad (Menashri, 1992). In the same way, the next two presidents that succeeded Rafsanjani, Khatami, and Ahmadinejad, followed and continued the process of rejoining Iran to the modern world.

In such an environment the IMI revitalized its previous activities, especially its Executive Master of Business Administration program (EMBA). A major difference between IMI's new activities and its operations before the Iranian 1979 Revolution was IMI's foreign counterparts. While before the revolution, the main IMI's foreign counterpart was the United States, its new counterpart after the victory of revolution was no longer the United States due to the US sanctions imposed on Iran and end of the official diplomatic relations between Iran and the United States after the hostage taking crisis. IMI's new foreign counterparts were those Canadian, French, German, and Swedish management institutions that were established according to the dominant American management education patterns. Those who have been active at the IMI, however, have not followed the same approach during its existence.

The findings of this dissertation, based on the interviews and analyzing the data, reveal that four different groups have been influential in shaping the IMI and its management education from its establishment up to the present time. I call these groups as the imitators, hybridizers, harmonizers, and traditionalists. Imitators are those who believe in a kind of carbon copy transfer of management knowledge and management education. Hybridizers attempt to add some local elements to the imported management

knowledge and management education. The third group, harmonizers, includes the Islamists who not only do not see any contradiction between the transferred management knowledge and management education but also see a harmony between the two in the practical scene, on the one hand, and go further and argue that in the philosophical dimension, the Islamic view is richer than the dominant American one. I call the fourth and the last group the traditionalists, Islamists who oppose the dominant American management knowledge and management education and seek an Islamic alternative to that model.

The imitators normally believe in the universality of management knowledge and management education. They do not deny the context in which the transfer of management knowledge and management education occurs. However, they reduce the importance of contextual conditions, on one hand, and insist on the necessity of transformation of the context in favour of the contextual environment in which American management knowledge and management education have evolved. Some of the advocates of this group argue that in countries such as Iran, the increasing gap between this country and those that are developed or are pursuing strongly the path towards development is so huge that there is no time left for developing new ideas. The fastest track toward development in these countries, the advocates of this group argue, is to imitate what has been developed by those who have succeeded in their development efforts. To this end, management knowledge and consequently management education is often paralleled with managerial tools. Due to the shortage of time, these countries should

not waste their time on issues other than filling the existing development gap between them and developed world or at least not to let the existing gap widen more.

The second group, I argue, are hybridizers. These people agree that management knowledge and management education are dominated by Americans. However, they do not ignore the contextual environment and argue that some contextual elements should be considered in the process of transfer of management knowledge and management education. This group includes a wide spectrum of individuals ranging from those who advocate local organizational elements be combined in the dominant American management discourse to those who intend to glaze the existing forms and practices with new meanings and conducts. In fact, the advocates of this perspective believe that pure imitation does not happen in practice and some kind of hybridization occurs intentionally or unintentionally. The desire of the hybridizers is to view management education through an Iranian lens. In practice, however, this does not translate into a profound change in the dominant American management knowledge and management education. The final outcome of the process of transfer is American, but not quite American. Some local elements have translated minor dimensions of the transferred American management knowledge and management education.

The third group, harmonizers, accept that management knowledge and management education are American dominated. These people are religious individuals, Islamists, who believe in or pretend that there is no contradiction between Islam and American management education. They differentiate between the philosophy of management knowledge and management education, on the one hand, and management

knowledge and management education as tools employed in practical tasks, on the other hand. To them, there are differences in philosophy. However, these differences reside outside management education and business schools and do not interfere in the practical aspects of managerial life. They go further and claim that in the philosophical dimensions, Iranian managers are much more prepared than their American counterparts. In adapting the new human, moral, and ethical dimensions in managerial practice, for example, it is easier for Iranian managers who have grown up in a religious environment to conceptualize and accept these dimensions. The advocates of this group view American management knowledge and management education through a lens that absorbs only the practical aspects that are relevant to managerial daily tasks and are not contradictory to Islam.

The fourth group, I argue, are traditionalists. They also believe that the existing dominant management knowledge and management education is American. The advocates of this perspective are Islamists who believe in radical change. They argue that in an Islamic country we should return to our religious traditions and religious principles and construct the required management knowledge management education on those traditions and those principles. They seek an alternative to the dominant American management knowledge and management education. This alternative, according to this group, should obviously be Islamic. They call the kind of management that should replace the existing American management Islamic Management. To the advocates of this group the United States is using its managerial knowledge to educate managers all over the world to exploit them towards the US government political, military, cultural,

and economic dreams to be the only superpower of the world. To them the existing management discourse should be replaced by an Islamic management discourse, otherwise the cycle of imperialism will continue.

There are some commonalities among the four groups. The major commonality is that all the groups agree on the fact the dominant management knowledge and management education are Americanized. They also agree about the widespread transfer of American management education all around the world. However, they have different perspectives about the way this transfer has happened ranging from transfer as an imperialistic approach to transfer as a technocratic approach due to the universality of management knowledge and management education. They all agree with professionalism and institutionalism. For all of them professionalism and institutionalism brings similarity and legitimization to organizations. However, for some groups the outcome of managerial practice, rather than the origins of similarity among organizations and the nature of legitimacy, is the governing factor in thinking about management knowledge and management education. While for the fourth group, ignoring the routes and the origins of management knowledge and management education ultimately leads to domination.

The four above-mentioned groups, imitators, hybridizers, harmonizers, and traditionalists, have played an important role during the less than half a century of IMI's existence. Among the four groups, two of them – imitators and hybridizers – were active before the victory of the Iranian 1979 Revolution. All the four groups, however, have played important roles after the revolution. The fourth group, traditionalists, were the

main and the dominant group in the first decade after the victory of the Iranian 1979 Revolution. The dominance of this group, however, faded away after the death of Ayatollah Khomeini in 1989, which was a new chapter in Iranian revolution.

Management education at the IMI, I argue, has gone through three different paradigms that have shaped American management education since the Second World War. These three paradigms are namely the scientific paradigm, the cultural paradigm, and the entrepreneurial paradigm (Locke & Schone, 2004). The manifestations of each of these paradigms at the IMI can be traced in its relevant curriculum, American textbooks used in the courses offered in each paradigm, and American case studies employed at the IMI.

The scientific paradigm dominated through and after the Second World War. This paradigm was challenged by two counter-currents in the last quarter of the twentieth century. These two counter-currents are epistemological doubts and cultural factors that shaped the cultural dimension of management and changed its dominant mode that was a universalist/ acultural/ahistorical mode of management knowledge and management education (Locke & Schone, 2004). The third paradigm is the entrepreneurial paradigm that emerged with the information revolution and integration of the Internet and cyberspace into management knowledge, management practice, and management education. The information revolution in the United States and the risks associated with it brought entrepreneurship onto the scene. In fact, entrepreneurship has always been an integral part of business activities, but the introduction of information technology persuaded new start-ups in business activities in a neo-liberal economic environment that

changed the situation profoundly. Locke and Schone (2004) entitled the new environment as an entrepreneurial paradigm. This phenomenon shifted the state of management knowledge and management education to a new level in which American management education strengthened its dominance once again in the last decade of the twentieth century: "The Americanization process during the information revolution, however, is so recent that most historians have not discovered it yet" (Locke & Schone, 2004, p. 12).

In fact, the re-emergence of mainstream American management education in Iran after the death of Ayatollah Khomeini in 1989 was accompanied with the introduction of Information and Communication Technology (ICT). This phenomenon is happening in the era of globalization in which cyberspace has gained great importance. In fact, the world's technological and political trends have created an environment that is confusing. On the one hand, there is the optimistic view of the mainstream thinkers such as Friedman (2005) who argues that the world has become flat politically and technologically with the fall of the Berlin wall, the widespread introduction of the Internet, and Information and Communication Technology (ICT). From a pessimistic perspective, on the other hand, the American security discourse (Duffield, 2001) maintains the potential for a new kind of colonialism initiated by ICT in the form of cybercolonialism (Morbey, 2002, 2006) and cyberimperialism (Rusciano, 2000). The former has manifested itself in the form of direct occupation of Iraq by the US forces, which reminds us of the era of direct colonialism, and the latter in the form of a new kind of dependent development, which ultimately leads to both technological and cultural dependency.

Cyberspace maintains emancipatory potential too. Its emancipatory potential can establish a medium for dialogue that may reflect the values and the systems of thought other than the dominant one (Briccum, 2005). Indeed, cyberspace is a medium with hybridity and ambivalence in which a heterogeneous environment emerges where both colonizer and colonized have their say. Cyberspace is dominated by dominant powers, but not quite, and it is colonized by colonizers, but not quite. In chapter Seven, I reveal this hybridity in the IMI where cyberspace has provided the IMI with a technological tool that has facilitated its operation, on the one hand, and has added a technological dimension to the IMI's dependence on the United States.

The next two chapters – chapter Seven and chapter Eight – describe the IMI and reveals how American interests, Iranian governments, and the agencies of those involved in IMI have shaped and still shape this organization. Chapter Seven explains the Americanization of IMI from the establishment of the Industry and Mines Development Center in 1956 up to the victory of the Iranian 1979 Revolution. This timeline is broken into three different periods. The first period (1956 – 1961), labeled as the period of US post-1953 technical assistance to Iranian industries, explains the shift from recognizing technical issues as the main cause of the inefficiencies of Iranian industries to managerial skills. This shift made the establishment of the IMI possible. The development period was a period in which the IMI extended its activities to training, consulting, and research with the support of US advisers, instructors, and experts. In its maturity period under US cultural hegemony, as the third period of IMI's operation before revolution, IMI's long-term training programs, such as the EMBA program, were introduced.

The aim of chapter Eight is to describe the IMI after the Iranian 1979 Revolution. This is done in two parts. The first part includes the years of Iran under Ayatollah Khomeini (1979 – 1988). The Iranian context in this decade was described in chapter Five and was characterized as the era of returning to Islamic principles. This was the era of Khomeini's attempt to introduce an alternative to modernity. In such an environment, the IMI, together with other Iranian universities and institutions involved in management education, attempted to define Islamic management. The intention was to Islamize management knowledge as an alternative to Western management knowledge. These efforts were not successful in introducing a new alternative to Western management knowledge. In fact, Islamic management could not reveal anything other than some ethical thoughts. Even these thoughts could not later be integrated in the mainstream management knowledge.

In the second part of chapter Eight, I explain the reemergence of American mainstream management education at the IMI. To this end, my intention is to reveal how the IMI, once again, returned to its American dominated management education style. The main feature of the IMI in this period was its cooperation with American dominated management institutes located abroad, for example in Canada, France, and Sweden rather than cooperating directly with American management institutes due to the US sanctions and the interruption in relations between the two countries after the US hostage crisis. To this end, the IMI is described in its present situation, which is consistent with Iran's overall attempt to rejoin the modern world in an Islamic pseudo-modernization mode.

CHAPTER SEVEN: AMERICANIZATION OF MANAGEMENT EDUCATION AT THE IMI: PRE-1979 IRANIAN REVOLUTION PERIOD

Introduction

This chapter explains the Americanization of the Industrial Management Institute (IMI) for the period beginning with the development of the idea for its creation in the late 1950s until the victory of the 1979 Iranian Revolution. In this case study, as described in the methodology and method section of chapter Two, the available documents about the IMI, its establishment, and its development as well as the outcome of interviews with fifteen IMI instructors have been the main sources for preparing this chapter, which includes the period before the Iranian 1979 Revolution. Some of the interviewees have been at the IMI from the very beginning of the organization. The next chapter addresses the period after the revolution up to the present time.

The focus of this chapter is on explaining why and how the IMI was established and how it evolved before the 1979 Iranian Revolution. To achieve this end, I intend to analyze American involvement at different periods and in different activities of the IMI. I explain how the IMI was established and evolved with direct and indirect involvement of US government and US institutions. By direct American involvement, I mean the way American experts, consultants, and academic individuals and institutions were engaged in shaping the IMI and its future. Indirect American involvement entailed American dominated management education, consulting, and research style; using American textbooks, and inviting American faculty members or Iranian instructors who had

graduated in the US to teach at the IMI. This analysis is informed by postcolonialism and institutionalism perspectives.

In previous chapters, I explained the historical context in which the IMI came into being, evolved, and is still operating. It was stated that the final outcome of the Shah and his American advisors' attempts towards development led to pseudo-modernization rather than modernization. Iran's pseudo-modernization was characterized by economic dependency and American cultural hegemony. In this sense, Iran was a periphery country in relation to the United States as the center. This dependency led to Cardeso and Faletto's (1979) notion of dependent development. Iran developed but it was a dependent development. From a postcolonialism lens, the Iranian ruling elite under the US-backed Shah submitted to the US cultural hegemony. As stated in the introduction to this part of dissertation, education, in general, and management education, in particular, was a key element in all these attempts.

The IMI was the product of such an environment. As I argued in the preface of this part of the dissertation, those who have been influential since the formation of the IMI up to the present can be categorized into four groups. I called these groups imitators, hybridizers, harmonizers, and traditionalists. Imitators are those who believe in a kind of carbon copy transfer of management knowledge and management education. Hybridizers are people who attempt to add some local elements to the imported management knowledge and management education. Harmonizers are the Islamists who see no contradiction between the transferred management education and the Islamic principles. They also see a harmony between the two in the practical scene. They go further and

argue that in the philosophical dimension, the Islamic view of management is richer than the dominant American one. I call the fourth and last group traditionalists as Islamists who oppose the dominant American management knowledge and management education and seek an Islamic alternative to that. In the period before the victory of 1979 Iranian Revolution (1962-1979) the first two groups, imitators and hybridizers, were active at the IMI.

Both imitators and hybridizers normally believe in the universality of management knowledge and management education. They do not deny the significance of the context in which the transfer of management knowledge and management education occurs. Imitators actually fault the indigenous context for lack of development and insist on the necessity of transforming the Iranian context towards an environment in which American management knowledge and management education can be implemented smoothly.

In contrast, the hybridizers do not ignore the contextual environment and argue that some contextual elements should be co-opted in the process of transfer of management knowledge and management education. This group includes a wide spectrum ranging from those who advocate local organizational elements be combined in the dominant American management discourse to those who intend to glaze the existing forms and practices with new meanings and conducts. In fact, the ultimate goal of the advocates of this group is to incorporate some elements of Iranian context into management education. Hybridizers note that the final outcome of the process of transfer is American, but not quite American. Consequently, some local elements have

transformed minor dimensions of the transferred American management knowledge and management education.

The commonalities among imitators and hybridizers are more than their differences. Both groups agree that the dominant management knowledge and management education are Americanized. They both agree with professionalism and institutionalism and their effects on organizational aspects of management education. Both of them agree that professionalism and institutionalism bring similarity and legitimization to management education organizations. These two groups were dominant in the IMI before the 1979 revolution and tried to transfer American management education directly from the American sources to Iran.

Based on the points mentioned above, this chapter covers the period from the early days when the need for promoting the management profession in Iran was gradually recognized as a crucial factor in the American dominated development process in the 1950s until the victory of the Iranian Revolution in 1979. The establishment of the IMI and its evolution in this period may be classified into three distinct periods – namely the period of the post-coup American technical support to Iranian industries (1955 – 1961), the period of development of US-supported management education (1962 – 1968), and the period of maturity under US cultural hegemony (1969 – 1979).

Until the beginning of first period – the period of the post-coup American technical support to Iranian industries – scientific management and managerial competence were not introduced in Iranian enterprises to a great extent. All industrial issues were reduced to technical tasks and were dealt at that level. The same

interpretation was adopted by American experts who were active in Iran in different projects, especially in projects that were supported by the American Point 4 Program. Based on this interpretation, US-supported technical assistance was considered to be the solution to the ills of Iranian industries and the engine that could accelerate Iran's development. To this end, US experts established the Industry and Mines Development Center (IMDC) in Iran in 1955 as a response to the technical shortcomings in Iranian industries. While this initiative achieved some results, it could not respond to the inefficiencies of Iranian industries. It was gradually recognized that the main issue in Iranian industries was managerial as well as technical. To overcome managerial concerns, the IMI was born in 1962.

In the period of development of US-supported management education, the IMI's objectives were outlined and the IMI was described as an institution established to disseminate the US dominated modern principles and methods of scientific management, and support the renovation of Iran's industry to achieve productivity and optimum use of production factors. To achieve this objective, IMI's intention was to develop a professional team of academics equipped with modern scientific management knowledge and skills; able to research basic problems and challenges of production enterprises in the country; provide consulting services to solve the problems faced by different enterprises; disseminate modern management concepts and principles through organizing conferences, seminars, and cooperating with other Iranian and foreign educational institutions; and provide consultancy services to national and international financial institutions. IMI developed in this period as a self-sufficient institution.

The period of maturity under US cultural hegemony began in 1969. This period was a natural continuation and evolution of the previous period. In this period, the IMI focused on its external environment. As the IMI succeeded in preparing the Iranian environment for accepting management as an independent profession through its activities of the first two periods, the organization adopted new objectives. In this respect, the IMI sought to promote its philosophy, methodology, organization, quality of services, and variety of its services to the level of high ranking international institutions in this field. It was during this period that the IMI introduced its EMBA program. The remaining parts of this chapter explain the three periods which continued until the victory of the 1979 Iranian Revolution in detail.

Period One: Period of the Post-Coup American Technical Support to Iranian Industries (1955 – 1961)

The IMI was not born in a vacuum. The establishment of the IMI has its roots in the creation of the Industry and Mines Development Center (IMDC) which appeared on the Iranian economic scene in 1955. After the 1953 CIA-engineered coup in which the United States removed an Iranian elected Prime Minister from power in support of its authoritarian alternative, the Shah, US involvement in Iran's economy began to increase (Albright, 2006). The American policy makers' intention was to construct Iran as an outpost of the West at the Southern frontier of the Soviet Union during the Cold War.

To this end, supporting state-owned enterprises that had been established during Reza Shah's reign and could not function properly in the new environment. The necessity

for new private investment in industry and mines became major requirements for development in Iran. According to one of the interviewees:

After the early 1950s political turmoil in Iran which ended with the victory of the Shah in the CIA engineered coup, major Iranian industries at that time which were all government-owned and were established by Reza Shah prior to the World War II were at the edge of bankruptcy. These industries, known as “Reza Shahi” (belonging to the Reza Shah era) needed urgent support. US Point 4 program in Iran operated based on the premise that these companies needed technical support due to lack of qualified technical Iranian staff. To this end a few American companies were invited to Iran to help these companies to solve their problems. In textile industries, as an example, it was the American firm, United Merchant Manufacturers (UMM), which came to Iran to help this industry in its attempt to improve its technology.

At the beginning of this period, however, the concept of management in Iran was a vague and unknown term. There was no separation between corporate ownership, as the ownership, and corporate management, as a profession among Iranians in the private sector. Among the owners of a few industrial enterprises that were present in the country, only a few were familiar with management as a profession and realized its importance. In fact, the majority of Iranian industrial owners were unaware of scientific management and its role in administering different enterprises in an efficient manner. As a result, Iran’s industry was underdeveloped despite its apparent development. To deal with this situation, the Americans and Iranians who were active in the Iranian economic scene

favoured technical solutions to deal with the shortcomings of the Iranian enterprises (IMDC, 1960). It was, however, known that without an appropriate institutional framework, it was not possible to deal with the ills of Iranian industries properly. In this respect, a new institution emerged in Iran's economic scene. The Industry and Mines Development Center (IMDC) was a response to one aspect of the new environment in an effort to deal with technical challenges of Iranian industries.

The IMDC was established with the support of the American Point 4 program to help Iranian industrialists through technical assistance, engineering, laboratory tests, new designs, foreign expert assistance, and a few managerial courses (IMDC, 1960). In fact, in this period, technical expertise rather than managerial capabilities was considered the major obstacle in promoting new industries and supporting existing industries in Iran. The structure and operations of IMDC were directed to meet the major technical obstacles. This trend, however, gradually shifted toward managerial issues and concerns.

The establishment and operations of the IMDC were fully influenced and directed by US expertise as well as US financial support. In his 1958 – 1959 annual report, the IMDC director appreciates deeply the American experts who had helped the center in its tasks (IMDC, 1960). In fact, the center was inspired, proposed, and supported technically and financially by the Americans, especially the American Point 4 Program in Iran. One of the important tasks conducted by the American experts was to visit most of the factories in Iran to help them technically. The factory visit was complemented by the technical data received from Washington D.C. which were necessary for the improvement of the Iranian industries. The center transferred its technical questions to

Washington D.C. for the complete answers. With regard to the Audio-Visual and Film, the IDMC library arranged to receive related films from the United States periodically (IMDC, 1960). One of the interviewees stated that:

American experts visited Iranian firms, which were mostly governmental, to examine their technical problems. In their visits, these experts were accompanied by a translator. Later an attempt was followed by the IMDC to replace the translators with Iranian experts who were familiar with English. American expertise was perceived to be superior, or often as the only solution, to different problems and English, as the language of the holder of this best solution, gradually became the dominant second language in the country.

The IMDC also arranged training courses aiming at connecting Iranian industrial owners to the perceived universal technicalities of management knowledge. These courses had either originated in the United States or were Americanized later if developed elsewhere. The courses were conducted three sessions per-week with the cooperation of the Institute of Public Administration of Tehran University supported by the University of Southern California. In these courses the owners of Iranian industries were given lectures and briefings on the subject of industrial management and its techniques. According to the report of the manager of the IMDC, these programs followed the same pattern of those conducted in the United States. The course materials were all American and English. Almost twenty participants took part in each lecture for a period of almost three months (IMDC, 1960).

Another objective of the IMDC was to promote the English language, as the language of the dominant development discourse in Iran among Iranian industrialists. In fact, teaching English, as the language of the dominant American discourse to the Iranian industrialists was another step to integrate them into the universal American-dominated global club of managers and industrialists. To this end the center conducted English classes to teach the language to employees of the Ministry of Industry and Mines and some factory managers. The center believed that due to the necessity of using foreign texts, Iranian technical employees require a good knowledge of written English. The techniques and the textbooks used in the IMDC English classes were the same as those used at the Iran-America Society, which was a highly recognized and well-known institute in Tehran to promote English language among the Iranian young generation with the support from the American embassy in Tehran (IMDC, 1960).

The IMDC considered the establishment of the Karaj technical laboratories as one of the important steps taken towards the extension of technical aid to Iranian industries. In this respect, six technical laboratories were constructed in Karaj, about 40 kilometers west of Tehran. In a special ceremony on February 1957, the Minister of Industry and Mines, Engineer Sharif Emami, and Mr. Clark S. Gregory, director of US Point 4, laid the foundation of these laboratories. The budget for the laboratory equipment was provided by the American Point 4 Program in Iran and credit for building construction was made available by the Iranian Plan Organization (George Fry, 1960). One of the interviewees notes that “the laboratories that were established by US Point 4 in Karaj

became the foundation for the establishment of Iranian Institute of Standards and Industrial Research”.

The technical support offered by the IMDC later expanded to cover the concept of design. In fact, the IMDC tried to provide new designs for Iranian industries. This was to improve some of the Iranian industrial designs and modernize some of the old patterns that were very well known in the country. This effort could not be realized without the support and expertise of Americans. In this respect, the IMDC benefited from the expertise of a Chicago-based design firm – Dave Chapman Design Inc and financial support from the US Point 4 program (IMDC, 1960).

The IMDC American dominated initiatives were mainly technical and ignored or did not give enough weight to the managerial aspects of Iranian industries’ ills. To compensate for the shortcomings, an American consulting firm, George Fry and Associates, studied the establishment of another center to replace IMDC and focus on management development in Iran. The new institution was later labeled the Industrial Management Institute. In fact, the American experts from George Fry who were working with the head of the Iranian Plan and Budget Organization moved to the Ministry of Industries and Mines in 1958 and began exploring institutional frameworks to support Iranian state-owned enterprises and promote private sector investment in industry. George Fry and Associates was the group who did the studies that led to the establishment of the IMI. The next section explains how the IMI was established and how it was developed.

Period Two: Period of the Development of US Supported Management Education (1962 – 1968)

The IMDC that was established with the US Point 4 Program support and was intended to help Iranian industries technically did not achieve its desired objectives. The IMDC was involved in managerial aspects of Iranian industries to some extent by conducting short managerial courses. These involvements, however, were not comprehensive enough to deal with the Iranian industries' managerial shortcomings, which were gradually considered as a major obstacle for Iranian enterprises. One of the interviewees argues that:

During the last years of the 1950s and the first years of the 1960s, Iran was facing a severe economic recession in which a large number of Iranian industries were almost going out of business. As a first response to this problem, the Iranian Plan and Budget Organization tried to help these companies by allocating government sponsored loans to them. The aim was to help these organizations go through these difficult days. In practice, however, it was recognized by both American experts and their US educated Iranian counterparts that the main shortcoming of Iranian industries was the lack of managerial knowledge and managerial skills among those who were running these organizations.

The US advisers to the Iranian government suggested another initiative to overcome the Iranian industry's managerial ills. To this end, it was decided that all technical activities of the IMDC were transferred to Karaj where the IMDC laboratories had been established previously. This decision turned the Karaj laboratories into the Iran

Standards and Industrial Research Organization (Darvish, 1989). For the managerial part, George Fry and Associates were designated to conduct a thorough study and propose an institutional framework to promote scientific management in Iran.

It was Harry A. Brenn, the Director of United States Operation Mission to Iran, that requested George Fry and Associates to propose a program for the establishment of a management development center in Iran in 1960. In response to the US mission's request, George Fry and Associates prepared a memorandum report, which outlined the program for the establishment of a Management Development Center in Iran. Harland A. Ricker, the team director of George Fry and Associates claimed that the report prepared by his teams was based on the company's several years of experience with problems of Iranian industry and on their observations and conclusions during the first year of their work on Project 109, a project sponsored by the US Point 4 Program in Iran. George Fry and Associates informed the US Operation Mission in Iran that their proposal included the managerial problems and needs in the Iranian private sector industry, in particular, and a discussion on how such a center could serve these needs and how it would fit into an overall effort toward developing private sector industry in Iran (George Fry, 1960). As one of the interviewees states:

George Fry and Associates, as an American consulting firm, had been invited to Iran to help the Iran Plan and Budget Organization in parallel to the Harvard experts who had also come to Iran to develop Iran's middle-term and long-term Development Plans. With a change in the Iranian Cabinet at the time, the experts of George Fry and Associates moved to the Iranian Ministry of Economic Affairs.

These experts were the ones who later set the terms for the establishment of Industrial Management Institute in Iran.

George Fry and Associate's work complemented the American Operation Mission's Project 109 that was concerned with the management development needs of private industry in Iran, the opportunity to meet these needs through the vehicle of a Management Development Center, and the requirements for successfully establishing such an institution. In fact, Americans intended to mould a system in which their Iranian counterparts followed a pattern that was consistent with their planned policies to confront the Soviet threat. To this end, George Fry and Associates' main objective was to fulfill the Shah's and the US' goal for Iran to achieve rapid economic development at an accelerated rate while ignoring any need for political development (George Fry, 1960). Iran was the West's main southern front to the Soviet aggression and communist penetration and maintained an important position in US foreign policy.

To achieve development goals in Iran, the role of the private sector in the Iranian industrial development was crucial. This required a shift in Iranian industry in which government ownership was dominant compared to that of the private sector until the 1970s. Traditionally in Iran, the government had taken the leadership in industrial growth by creating and operating industrial enterprises in many fields (Nili, 2004). As a result, the Iranian private sector was not very active in industry. In this respect, one of the interviewees states:

The Iranian private sector was not pioneering industrial development in the country due to the paternalistic approach taken by the government towards

industry, on the one hand, and the West's postcolonial development discourse in which government had the major role in development process in the developing world.

George Fry and Associates argued that the development of private industry in Iran had lagged – not only in the actual formation and growth of business enterprise, but also in terms of its limited success in producing the range, quality, and price levels of products to meet the growing demands of the Iranian people (George Fry, 1960). This demand, according to one of the interviewees was “constructed by the Shah’s American supported economic policies”. In fact, the Shah was gradually succeeding in transforming Iran into a consumer society. To respond to the consumption phenomenon, the Shah initiated an import-substitution economic policy to export oil, earn foreign exchange, and turn part of its revenues into manufactured products for the consumption of the Iranian people. The support for the private sector came in effect when the Iranian government enjoyed a high amount of oil revenue. “A large amount of the increase in government revenue,” one interviewee argues, “was channeled to buying large amounts of arms from the United States”.

The main mission of the IMI that was finally established in 1962 was to recognize and introduce modern management knowledge and skills to Iranian entrepreneurs, and to demonstrate the effectiveness of the new knowledge in solving the country's industrial and commercial ills. In this context, the first six years of IMI activities were focused on preparing the country's environment to accept management as an independent profession. Introducing new management concepts to the general public, establishing a new business

school, providing educational and training services by the IMI, disseminating information technology, and emphasizing non-technical dimensions of management were the direct and indirect consequences of IMI operations in achieving its goals in this period (IMI, 1963).

To implement IMI's objectives, George Fry and Associates recognized the need for a more sympathetic political climate and greater understanding by the government of the needs of private industry; the need for improved knowledge of new industry opportunities in Iran, and more reliable statistics of economic and industrial activities (George Fry, 1960). While George Fry and Associates acknowledged the political ills in the country as a major obstacle in the process of development of IMI and Iranian private industries, it did not offer any solution to this obstacle and failed to mention the role of the United States in creating and supporting such a political environment. The new management development center, the IMI, was expected to address the obstacles by reproducing the US backed development discourse in Iran, as the dominant discourse, through direct support from US institutions and the Iranian elite engaged in this process who were mainly graduated in the United States as emerged from the interview analysis.

The establishment of an institute such as the IMI in Iran was expected to face considerable resistance – some of it conscious, some unintentional. On the macro-level, the resistance came from those groups who considered such uncritical imitation of the development discourse and its institutions and symbols as a submission to US imperialistic desires in the postcolonial or neo-colonial era. Another version of resistance related to the mainstream approach to problems facing Iran. In this perspective, resistance

related to a widespread and deep-rooted conviction in Iran that the main obstacles to industrialization were primarily technological and financial rather than managerial. George Fry and Associates, in their feasibility study, claimed that just the opposite was true. The technological and financial shortcomings were certainly factors, George Fry and Associates argued, however, they were often exaggerated because they were more tangible needs and because they were a very apparent feature of industrially advanced countries (George Fry, 1960).

To overcome the obstacles and to achieve the US and the Shah's goal for rapid economic development in Iran, George Fry and Associates (1960) set the basic purpose of the IMI as the encouragement of the formation and growth of private industry. The institute was conceived as a central management development and management consulting institution. Its program, in part, was designed to be educational in nature; it was intended to develop, strengthen, and upgrade the management of private industry. George Fry and Associates also constructed the needs as well as the solutions to those needs for Iranian managers regardless of the contextual specificities of management problems in Iran.

To this end, George Fry and Associates considered the management needs in Iran ranging from the strengthening of management's basic business philosophy to its needs to master the specific methods and techniques of establishing and managing an industrial enterprise. In fact, IMI was expected to attempt to shift the traditional vision, knowledge, and skills of Iranian managers towards the universal American-dominated management philosophy, management knowledge, and management skills. IMI's intention was to

build an understanding of the concept of a modern industrial organization ranging from the strategic dimension of the organization up to the basic and professional techniques in a given field of specialty whether marketing, production, finance, personnel, purchasing, or other areas in a national environment in which political freedom was intentionally ignored.

In order to gain its legitimization through isomorphism, the IMI followed a program that included a wide variety of US dominated management techniques or approaches to management training to develop the Iranian private sector. In addition, as George Fry and Associates (1960) had predicted, the IMI employed an aggressive approach in order to take the “gospel” of management development to industry, rather than serve as a clearing house or library of knowledge. This gospel was undoubtedly American. The range of services for the IMI included management development courses, management consulting services, and management research. The institute was also active in feasibility studies for new industries and products, sponsoring professional and trade associations, and sponsoring professional publications. As the agent of the West, the main objective of these side activities was to develop a favorable working and business environment in Iran in its struggle with the Soviet bloc.

The IMI was established to disseminate American management knowledge and practice among Iranian top and middle managers. It welcomed foreign lecturers who were mainly from the United States. Lectures included training in modern techniques and methods of management, not only in the general management function but in various fields of specialization: marketing, production, finance, and personnel. To strengthen its

legitimacy, the IMI employed the US Harvard teaching case method in management as a valuable approach in the development of management's way of thinking about business problems, its knowledge of business functions and their inter-relations and its sense of responsibilities and approach to business. By offering management courses and building relationships with business leaders, the IMI attempted to become familiar with specific company problems as well as building capability in solving those problems.

In fact, the IMI management consulting services included projects in which IMI's staff worked with industrial firms to solve specific problems in general management or in any of the operating areas such as marketing, production, finance, or business planning. This work was envisioned to be client-centered. Some the projects were implemented with the financial support of the International Labour Organization (ILO) to hire foreign experts, which in practice happened to be American (IMI, 1968). This approach could not be fully employed, especially due to cultural inconsistencies between American methods and the Iranian cultural context and working environment. The financial support of the ILO brought IMI and the experts from Arthur D. Little, the famous American consulting firm, together. The cooperation between the IMI and Arthur D. Little in this period paved the way for their subsequent cooperation in the maturity period of the IMI in the establishment of the two-year Management Development Program leading to the granting of the Executive Master of Business Administration (EMBA) to Iranian managers who participated in the program.

In their study, George Fry and Associates (1960) had predicted that the establishment of the IMI in Iran, as in other developing countries, would be a formidable

task. The functions of management development, George Fry and Associates had stated, were needed, but not always wanted. Moreover, providing these services seemed to be a foreign concept – neither accepted nor understood by much of the business community or government officials. In fact, American consultants did not want to admit that the foreignness and the strangeness of such activities were evident since management, as a social activity, could not be fully copied or imitated from a foreign social context that is foreign to the recipient social context. These universal neo-colonial constructs, however, were so strong that their adoption to the recipient social contexts was taken for granted. The US-Shah's venture, which was supported by some of the Iranian elites who had been educated in the West, in general, and in the United States, in particular, made this otherwise formidable task possible. The US cultural hegemony as well as Iran's continued dependent development silenced internal resistance temporarily and Iran was submerged in the dominant discourse socially, culturally, economically, and politically.

In practice the IMI evolved as a consultancy, training, and research organization offering its educational, consulting, and research services to Iranian organizations. The IMI's consulting services were mainly related to the organizations' functional activities. Its training courses and seminars addressed different functions and the required managerial skills of organizations. The courses were identical to those of the IMI's American counterparts. Attempts were made to constantly review the IMI activities and update its programs with those of its counterparts in the United States as well as inviting distinguished American experts, instructors, and lecturers. According to one of the interviewees:

The three major activities of IMI – training, consulting, and research – were intended by some to develop a capability to solve the managerial problems of Iranian enterprises based on a model that is suitable for the Iranian context. This did not happen in practice. What happened was the continuation of a cycle of dependent development in which the managerial capabilities of the companies developed but it was dependent development. Management training courses were supposed to benefit from the IMI's consulting activities and be enriched by the IMI's research wing. In practice, training courses were implemented on American texts, materials, and cases without adapting them to the Iranian context; management consulting took place using methodologies developed in the United States; and the IMI's research activity was negligible. This cycle has continued since the establishment of the IMI.

In its attempt to follow the universal American management discourse and be an integral part of that discourse, the IMI maintained constant contact with appropriate bodies throughout the world. For example, the IMI was a member of the Conseil International pour l'Organisation Scientifique (CIOS), an international professional and scientific organization established in 1924. The IMI, apart from being a member, was also the representative of Iran in this organization. It was also a member of the Society for General Systems Theory which was a sub-division of the American Association for the Advancement of Science, concentrating its main efforts on the field of systems theory application. The IMI was the National Productivity Center for Iran in its capacity as a member of the Asian Productivity Organization. The Institute maintained a constant

association with appropriate United Nations agencies, particularly in relation to education and economic development (IMI, 1968).

The Industrial Management Institute (IMI) evolved gradually in its development stage from 1962 until 1968. This was the time when the American counterparts and Iranian staff of IMI found the institute capable and the environment ready enough to launch new initiatives to expand its management development activities. To this end, the IMI entered its maturity period and its link with Arthur D. Little, Inc., of Cambridge, Massachusetts became of the utmost importance and enabled the IMI to draw upon a wide range of institutions including the Harvard Business School, Northwestern University, and the Massachusetts Institute of Technology to introduce its two-year management development program. This period, the IMI's maturity period, is explained in the next part of this chapter.

Period Three: Period of Maturity under US Cultural Hegemony (1969 – 1978)

The IMI entered its period of maturity under US cultural hegemony in 1969. The main achievement of this period was launching the Executive Master of Business Administration (EMBA) program which was labeled as Management Development Program. This program was a response to Iran's new economic, social, and cultural environment. In fact, the last decade of the reign of the last Shah of Iran was characterized with the rise in oil prices leading to an unprecedented increase in Iran's oil export revenues. The petro-dollars encouraged the Shah to strengthen his plans to lead Iran towards what he called the "Great Civilization" (Katouzian, 1981), which, in practice, was an American-dominated pseudo-modernization. The intensification of

American-led economic activities in this period and the growing need for managerial skills further deepened management development programs in Iran.

In fact, the Fifth National Development Plan of the Government of Iran (1973 – 1978) had considerably more impetus than preceding plans, both in scope and magnitude. It forecasted a continuing high rate of industrial growth, heavy investment on capital projects, and rapid absorption and utilization of modern technology. It followed that the vast growth in size, complexity, and diversity set out in the plan would require a significant number managers to direct efficiently the overall utilization of national resources (Dubin, Navab, Samii, & ShahKhalili, 1975).

The intensification of the development potential made the managerial function more critical in the successful achievement of economic objectives. Thus, the demand for trained managers became a fundamental part of the development process. The Fifth Plan specifically proposed an annual increase of 5000 managers per annum in the category of directors, executives, and administrators during the 1973 – 1978 period. This target assumed that the skills and experience of top managers could be transmitted through the middle and lower ranks to the shop floor and give impetus to the establishment of new standards in a developing industrial society.

During its period of maturity under US cultural hegemony, the IMI changed its legal standing from a governmental institution under the Ministry of Economy into a private corporation under the Iran Industrial Development and Renovation Organization (IDRO). IDRO was a governmental organization responsible for Industrial development and renovation of the existing industries. Such a transformation was necessary for the

IMI in its entry into its maturity period as an educational, consulting, and research institute. The acquired independence and freedom was envisioned to give the IMI the flexibility necessary for responding to the changing market. With respect to its budget, the IMI budget was provided by the government from public funding during its development period in 1962 until 1968. This situation changed into a transition period from 1969 until 1971, when the IMI budget was coming partly from public funding and partly from IMI revenues from the services that it provided to industries. From 1971 onwards, IMI became financially self-sufficient and its public funding came to a halt.

In the previous period, the IMI which had gone through its development period by offering management training courses, performing consultancy projects for different industries, and conducting research projects at the enterprise level during its first decade of its operation, was a good candidate for strengthening its management development programs. Ten years of dealing with Iranian managers' problems and challenges had made the IMI capable of entering its maturity phase by introducing an EMBA program to deal with the high demand for management professionals resulting from the Fifth Development Plan. In fact, the IMI education program had expanded to four different levels which included management development programs; long-term courses in such subjects as system analysis, computer programming, accounting, and cost accounting; short courses covering a variety of basic management techniques; and seminars. Once again, to launch its Management Development Program, it was an American consultant, Arthur D. Little, who coordinated and directed the process.

To ensure the success of the IMI management development program, the first two groups of participants in this program were sent to the United States as a pilot project for the program. The pilot program was conducted in Cambridge, Massachusetts. Each program lasted for ten months and 45 Iranian managers participated. The program was then transferred to Tehran, Iran. Professors from Harvard University and the Massachusetts Institute of Technology (MIT) as well experts from the American consultant Arthur D. Little firm were active in the IMI management development program (IMI, 1970).

During the entire program case method instruction had been combined with classical lectures in such a way as to provide the desired learning environment for managers. Other methods of instruction that were used in American management institutions, such as T-Group, role playing, and business games, were also extensively employed in the program. An MBA Degree, approved by the Iranian Ministry of Higher Education, was awarded to successful applicants who had completed the full program and displayed the requisite ability, knowledge, and application and had fulfilled the expectations required of them.

The instructors of the IMI's Management Development Program were more than twenty PhD faculty members. Out of these twenty professors, eight were Iranian and twelve were foreigners. From the eight Iranian professors all had received their PhD degrees from American universities. All foreign professors were American. These instructors had received their PhDs from different American universities. For example, the professors who collaborated with the IMI in the 1970s were graduated from Yale

University, University of Chicago, University of Hampshire, Northeastern University, Harvard University (five people), the Sloan School of Management at M.I.T., University of California, Berkeley, Cornell University (two people), the Georgia Institute of Technology, University of Wisconsin, Princeton University, Washington University, University of Pennsylvania, Boston University, and the Massachusetts Institute of Technology (three people) (IMI, 1973). These professors were the carriers of American management education to the IMI.

Apart from the professors who were American and had studied in the United States, a few Iranian professors were also active at the IMI and acted as important carriers of the dominant American management education paradigm. The US universities in which these Iranian professors had studied were the University of California at Berkeley (three people), Illinois Institute of Technology, Purdue University, University of Columbia, Harvard University (two people), and the University of Southern California (IMI, 1973).

The Management Development Program was a 16-month program, starting in May of each year for 25 participants who were Iranian managers that desired to benefit from this training opportunity to complement their previous trainings and experiences. The main objective of the program was to enable managers to continuously apply their classroom experience in the actual situation of their own enterprise. The objective was expected to be realized through American dominated management knowledge embedded in American texts used in the program and American management practices in the form of American case studies (Rafat, 1971). The character of the program ensured a serious

effort to utilize in a universal scientific spirit all the available alternatives of interdisciplinary management but ignoring the Iranian cultural, economic, and social context.

Minimum requirements for participants in the Management Development Program were to have a Bachelor of Arts (BA) or a Bachelor of Science (BS) degree, a fluent knowledge of English, a minimum age of 28 years, and at least three years of experience in a managerial position. With respect to the selection procedures, participants were required to take a written aptitude test followed by an individual interview. The results of these two processes provided the criteria for selection. The syllabus of the program included professional reading, management communication, marketing, operations management, organization and personnel administration, organization behavior, operations research, financial management, computers for managers and information technology, economics of the firm, systems theory, manpower planning, corporate law, management control, capital budgeting, international operations, business policy, integrated case series, and simulation (IMI, 1972).

Management texts used in this program were American-based and extracted from observations of management activities at the enterprise level. These enterprises were American. In fact, the laboratory for management knowledge is the location in which management is implemented in practice. Management scientists study management practice in different enterprises and seek patterns in the managerial practices of these organizations. Then theory building is done and transferred to different locations and institutions for use. Thousands of enterprises that operate in the United States are excellent laboratories where theory building is possible. What is usually taken for granted

is that mainstream management texts seek to legitimize a social order in which certain power relationships are naturalized and seen as a logical end of a historical development. Also the ideological basis of managerialism determines the nature of managerial discourse in which some interests are privileged whereas others are marginalized (Mir, 2003).

In fact, it is normally believed that the dominant style through which businesses are managed determines the models of management education. American hegemony in the style of administering of Iranian businesses led to the hegemony of American management education at the IMI. In practice, Iranian businesses followed American management uncritically and this led to the uncritical adoption of an American management education style. The IMI's Management development program and its EMBA degree were consistent with this view. As one of the interviewees notes:

In Iran, we intentionally or unintentionally have adopted management in its American model. As a result, our management education is an imitation of management education in the United States. We have ignored education philosophy, education context, and the role of culture in education and just followed the American way.

From its initiation in 1968 to its closure in 1979, the IMI organized 11 management development programs that led its participants to attain a masters degree.

Apart from the Management Development Program, the IMI continued and expanded its previous activities. To this end, the IMI extended its cooperation to the Wharton Business School of the University of Pennsylvania and continued its

cooperation with Harvard. Distinguished professors from the above-mentioned universities such as Russell Ackoff, Richard Churchman, and David Mac Leland came to the IMI to conduct consulting activities and offer courses and seminars. According to one of interviewees:

The IMI had become an institute that invited important lecturers from American universities to come to Tehran and offer their latest findings. In this regard, for example, Russell Ackoff, from Wharton Business School, worked with the IMI on a project related to participatory development planning and Mac Leland from Harvard offered his famous self-discovery workshops and seminars at the IMI in the years leading to the 1979 Iranian Revolution.

As feedback by those who had participated in the IMI Management Program, a study was conducted a couple of years before the 1979 Iranian Revolution. The study was performed by three IMI students who had graduated from the EMBA program. This study was conducted in 1975 and assessed not only the management development program offered by Arthur D. Little Inc., (ADL) under contract to the Industrial Management Institute; but also the MBA program offered by the Iran Center for Management Studies (ICMS), affiliated with the Harvard Business School. The objective of the study was to determine whether the programs offered by the two institutes met Iran's business and management needs. The time span of the study covered the views of graduates who took different courses at the two institutes – IMI and ICMS – between 1969 and 1974.

The findings of this research emphasized the importance of having an explicit philosophy of management as a fundamental requirement of any management

development program. This philosophy of management should be based on an ethical system of values which is appropriate and indigenous. The research notes that while the IMI does introduce a specific course to emphasize the philosophy of management and an identifiable set of values, but this philosophy, however, is not carefully exposed. The philosophy also is not incorporated in cases, field projects, management game situations, and the like. The research recommends the presence of managers who are good role models of managerial ethics to discuss their viewpoints and mode of operation informally with participants, faculty, and staff (Dubin, Navab, Samii, & ShahKhalili, 1975).

Being submerged in the dominant American management education discourse, the research also revealed the need for expanding the IMI's library and to convert the numbering system to the US Library of Congress nomenclature. The research also notes the high value of English language in management education and emphasizes one of the important criteria for selection of participants is their abilities for English language in reading, speaking, oral comprehension, and ability to participate in class discussions.

Another finding of this study was that many respondents saw the Management Development Program as having little relevance in practical terms. The research notes that the Management Development Program related to the general concept of management and management techniques and not so much to the environment of Iran. According to the interviewees in this research, "transactions in Iran are different – market techniques are not so relevant to Iran. In the business environment it is personal contact and not the knowledge of system and technique" (Dubin, Navab, Samii, & ShahKhalili, 1975, p. 27).

The research also notes that some of the non-Iranian instructors were immature and treated participants like undergraduates – the main trouble with 50% of the instructors was authoritarian attitudes. The interviewees in the research state that “non-Iranian instructors should have Iranian counterparts when analyzing Iranian cases or conducting simulation exercises. Great care should be taken to familiarize overseas faculty with current cultural and economic environmental constraints and bottlenecks” (Dubin, Navab, Samii, & ShahKhalili, 1975, p. 32).

The research also expressed the concerns of the participants in the Management Development Program about the cases that were offered in the program. The research finds that the cases used in the program were often obsolete, superficial, not adequately prepared, and did not represent the current Iranian business environment. To the participants in the research, the optimum balance between cases should be half Iranian and Middle-Eastern, and half American and other sophisticated economies. The instructors were also criticized for their lack of information about the Iranian environment (Dubin, Navab, Samii, & ShahKhalili, 1975). The overall outcome of the research revealed the important point that IMI’s management development was actually an imitation of the American program that was developed in the United States and was imported uncritically to Iran and offered to Iranian managers.

At the time of the victory of the Iranian Revolution in 1979, the IMI enjoyed the reputation of an American-dominated world-class institution that not only offered short term and special management training course, management consulting services, and managerial research services, but also offered an Executive Master of Business (EMBA)

program to Iranian managers, whose instructors were either American or had been educated in the United States, whose textbooks were American, and its method of instruction was that of the major American business schools. This situation did not last long and with the outbreak of the anti-American Iranian Revolution and its victory in 1979 most of the IMI activities, especially its EMBA program came to a halt. The anti-American and pro-Islamist victors of the Iranian revolution claimed that the intention of the Iranian revolution was to introduce an Islamic alternative to modernity. To this end, the IMI was one of the Iranian organizations that came under attack. The next chapter explains the new situation after the revolution which was both complex and non-homogenous.

CHAPTER EIGHT: AMERICANIZATION OF MANAGEMENT EDUCATION
AT THE IMI: POST-1979 IRANIAN REVOLUTION PERIOD

Introduction

Based on a theoretical framing composed of the trilogy namely developmentalism, postcolonialism, and institutionalism, chapters Three, Four, and Five explained the Iranian context in which the Industrial Management Institute (IMI) initiated its operations, evolved, and is still operating. After setting the stage in chapter Six, in the last chapter, chapter Seven, I explained how the IMI was established and evolved before the 1979 Iranian Revolution. My intention was also to reveal the role and influence of American business philosophy in the establishment and evolution of the IMI. It was concluded that the establishment and evolution of the IMI was the result of a process whose outcome could not be anything other than a management institute dominated by American style management education. This chapter describes the IMI after the 1979 Iranian Revolution to find out whether the IMI continued to operate under the American influence or whether a radical change transformed this organization and its activities.

In the preface to this part of the dissertation, I argued that the role of influential people at the IMI during the last few decades can be categorized in four groups. I called these groups imitators, hybridizers, harmonizers, and traditionalists. Imitators were defined as those who believe in a kind of carbon copy transfer of management knowledge and management education. Hybridizers, as the second group, attempt to add some local elements to the imported management knowledge and management education. The next group, harmonizers, includes the Islamists who not only see no contradictions between

the transferred management knowledge and management education and the Islamic principles, but also see a harmony between the two in the practical sense. They go even further and argue that in the philosophical dimension, the Islamic view is richer than the dominant American one. I called the fourth and the last group traditionalists – Islamists who oppose the dominant American management knowledge and management education and seek an Islamic alternative. While the first two groups – imitators and hybridizers – were dominant at the IMI before the 1979 Iranian Revolution, all four groups have been active after the revolution. Traditionalists, based on data analysis and document search, was dominant in the first decade after the revolution under Ayatollah Khomeini (1979-1989). The dominance of this group, however, faded away after the death of Ayatollah Khomeini in 1989, which was a turning point in the Iranian Revolution. The other three groups – imitators, hybridizers, and harmonizers – have been active since the death of Ayatollah. In what follows I explain in detail the position of each group in shaping management education in Iran after the victory of the 1979 Iranian Revolution.

The first group believed that management knowledge is universal; therefore it can be transferred and used elsewhere. These people argue that management knowledge emerges from management practice. It is from management practice that knowledge is produced, patterns emerge, and theories are built. To this end, because in a country like Iran where management practice is not indigenous and has been borrowed from elsewhere (the United States), management education is also borrowed from the United States. As one interviewee notes:

The models of management education depend on how you manage your business. Iranian management style has been American from the very beginning before the revolution and we are still continuing the same style. This is why our managers tend to participate in the MBA program that is consistent with the American style of managing business. In Iran we follow American management uncritically and this is why we follow the MBA.

Based on the same argument imitators, blame those who support indigenous management knowledge and management education. They argue that in the case of developing countries, there is no modern managerial practice and therefore no indigenous management knowledge and consequently no indigenous management education. As one of the interviewees notes, “the critical point is that those who talk about indigenous management knowledge ignore the fact that indigenous management practice is prior to conceptualization and theory building. This is why management knowledge is coming directly from elsewhere.”

Most of the advocates of this position blame the government for its dominant role in management education. They especially criticize the integration of religion and state and the way this integration has influenced education. One of the interviewees states, “Our education system has been dominated by the government. The integration of the state and the religion is the cornerstone of our difficulties these days.” As opposed to the era prior to the victory of the 1979 Iranian Revolution in which the imitators had the dominant role, their position was significantly weakened after the revolution during Ayatollah Khomeini’s time in power.

The second group, hybridizers, advocated integrating some contextual elements to mainstream management knowledge and management education. These people, whether religious or nationalists, accepted mainstream management education as a dominant discipline which can be employed everywhere. They argued, however, that with the introduction of indigenous elements into mainstream management education the field becomes more efficient to local users. One of the interviewees notes:

The fact is management knowledge is an American knowledge which has spread worldwide since 1960s. The important point is that management as a social science discipline is affected by the context in which it is used. This is while natural sciences are immune from this effect. It is therefore preferable to acquire management knowledge from elsewhere and utilize the acquired knowledge based on your own value system. The point is how to use managerial tools and skills in different value settings. To this end, we have to look at American management through an Iranian lens.

The hybridizers do not support the integration of local content to mainstream management education unconditionally. They argue that local content should go through profound critique prior to its integration into mainstream management education.

According to one interviewee:

Local context can help in responding to issues that have not been solved by the Western modernity. The local context, however, is not useful if employed without going through critique and through refining process. We have to solve lots of profound problems to benefit from local context.

Talking about the context and local content, hybridizers argue, does not result in a profound change in management education. As one of the interviewees argues:

I believe that the managerial problems are the same in more than 60 percent of the cases in the United States and in Iran. In other cases maybe the handling of people in the US context is different from that of the Iranian one. We have to spend money on research for managerial issues to adapt the American evolved managerial science to the Iranian context.

The third group, the harmonizers, includes mainly those pro-Islamists who see no contradiction between a religion such as Islam and American dominated management knowledge and management education, or they underplay any contradiction. They differentiate between the philosophy of management knowledge and management education, on the one hand, and management knowledge and management education as tools employed in practical tasks, on the other hand. To them, there are differences in philosophical dimensions. However, these differences reside outside management education and business schools and do not interfere in the practical aspects of managerial life. Some of the harmonizers do not see any contradiction between Islam and mainstream management education but believe that the philosophical foundations in countries such as Iran is so strong that accepting management education as tools does not harm the country at all. To these people, even in areas such as ethics where the social dimension becomes dominant over managerial tools, the governing principles in these areas are intertwined with the daily life of managers from their childhood. As one interviewee argues:

In the philosophy of science you might encounter lots of ambiguities and differences. In the application there is no difference. Some people are concerned about this fact that the technology that comes from the West brings a specific culture with itself. I'm not concerned about this issue. To my understanding, our people are deeply religious. They are religious in heart and live with that. In Eastern philosophy, the values are determined by reason. This is while in the West, science had to override values in order to act well. This argument that science and values are two distinct things is not an issue in our culture.

The harmonizers seek ways to show how management education is dominated by tools that can help managers in administering their enterprises and these tools do not violate or contradict Islamic values. They also add that business schools are not involved with the philosophical dimensions of management education. They are mainly involved with tools and skills that enable managers in their managerial tasks. The same is true for the participants in management programs whose intentions are focused on the skills and tools teaching side of management education rather than its philosophical dimension. To this end, there is no conflict between Islamic thought and management knowledge. As one of the interviewees who supports mainstream management education argues:

At the IMI we are not facing the kind of challenge between tradition and modernity that our country is facing. This is due to the fact that our participants are managers who are involved in practical issues and are in contact with different cultures. We deal with managers who are sure that the program respects their values and does not violate them.

These harmonizers do not seek an Islamization of management education and argue that Iranian managers receive Islamic principles from elsewhere ever since their very childhood. This is why mainstream management education can be taught in business schools without fear of its value dimensions. According to one of the interviewees:

We have no such thing as Islamic courses at the IMI. Most of our instructors consider teaching as a kind of Godly activity. Our instructors are Muslims. They have been born as Muslims and have been raised in an Islamic culture. They consider their job as the job of prophets and consider their individual responsibilities as the responsibility of prophets. We are also obliged to respect the laws, regulations, and religious values. When we talk about women's Hijab or when we respect the fasting month of Ramadan, it is an individual belief as well as the country's law.

The harmonizers argue that the Islamic revolution in Iran did not oppose management education. It was the anti-American sentiment of the revolution that brought management education to a halt. These people claim that even the Harvard Business School branch in Iran (Iran Center for Management Studies) could continue its operation in Iran regardless of its affiliation with Harvard. As one interviewee notes:

To my understanding, the revolution was not opposing management knowledge whether from Harvard or elsewhere. Even those who had graduated from the ICMS (Harvard branch in Iran) intended to revitalize the ICMS. Harvard was the reference point for management education and even these days the tendency towards Harvard has increased extensively in Iran.

Harmonizers argue that managerial tools in management knowledge and management education are so dominant that other dimensions are reduced to a degree that the perceived contradiction of management knowledge and management education becomes negligible. The argument of an interviewee in this regard is noteworthy.

To my understanding, while in disciplines such as political science issues such as pluralism, democracy, and alike are so dominant that these disciplines might have extensive challenges to religious principles, in management discipline this is not the case. One cannot find important points in Islam with regard to management that might be contradictory to modern management knowledge.

The fourth group is the traditionalists. The traditionalists seek an Islamic alternative to mainstream management education. They share the idea that the existing dominant management knowledge and management education is American. This group, however, comprises Islamists who believe in radical change. They argue that in an Islamic country, people should benefit from their religious traditions and religious principles and construct the required management knowledge and management education on those traditions and those principles. They believe in Islam as a religion that can respond to any concern, dilemma, and issue in the present world. This why they believe what they label as Islamic management has its own distinct Islamic answer to managerial problems. The advocates of this group argue that the West, especially the United States, maintains its supremacy over the world through different mechanisms, one of them being education. In this perspective, management education is not value-free and brings American values to the recipient country. As one interviewee states:

It's not proper to just reproduce Western knowledge. We have become colonized by the Western knowledge. We not only have the technology of producing science but also the technology of consuming Western science. This is why we have to build on our own.

To this group, the United States is using its managerial knowledge to educate managers all over the world to colonize their minds in order to exploit them towards the US government's political, military, cultural, and economic dreams to be the only superpower in the world. To them the existing management discourse should be replaced by an Islamic management discourse, otherwise the process of imperialism and postcolonialism will continue. However, this group who had a dominant position during the rule of Ayatollah Khomeini did not achieve any tangible results.

In practice, the 1979 Iranian Revolution was intended to be a rupture with the West and a halt to the American influence in Iran, including its American dominated management education. Under the umbrella of the 1978-1979 Iranian massive movement, a vast variety of schools of thought ranging from religious thought to communism, nationalism, and liberalism were active. After the victory of this massive revolt, however, the Islamic clergy and their supporters gradually (and sometimes violently) seized power and became the only dominant power in the country. To this end, the 1979 Iranian Revolution was labeled as Islamic Revolution under Ayatollah Khomeini. Under his leadership whatever was perceived to be Western came under attack. The IMI was no exception in this regard. As with any other institution in Iran, the IMI was expected to transform itself in accordance with the ruling Islamic way of thought, laws, and

regulations. The new anti-American environment, however, was not homogeneous and has taken different shapes in the period from the victory of the revolution up to now. Two distinct periods are evident after the victory of the Islamic Revolution. I label the first period as the Islamization period (1979 – 1989), during which Ayatollah Khomeini attempted to introduce an alternative to modernity leading to an Islamic alternative to American management education. And the second period that I label the period of return to pseudo-modernization (1990 – 2008), during which the ruling system in Iran attempted to rejoin the modern. The rest of this chapter explains these two contradictory periods.

Period One: Islamization Period (1979 – 1989)

In January 1979 and just around a month before the victory of the 1979 Iranian Revolution, the management guru, Russell Ackoff, who was leading a team of experts at the Busch Centre affiliated with the Wharton School at the University of Pennsylvania at the time published a report entitled “*Development Planning in Iran*”. Ackoff was cooperating with the IMI for the last few years leading to the 1979 Iranian Revolution as part of a project between the Wharton School and the IMI. In the introduction to his report, Ackoff (1979) argued that Iran, in the last years of the Shah’s reign, was torn apart by a revolution stemming precisely from deep-seated differences in how the country should develop. Noting how Iran has both benefited and suffered greatly from the influences of the Western ideology and technology, Ackoff (1979) argued that there is strong agreement about the two main antagonists in Iran.

The first antagonist was a government headed by an absolute monarch attempting to introduce and strengthen the re-organization of the country on a western liberal model.

The second one, according to Ackoff (1979), was a particularly conservative and highly influential form of Islamic religion proposing a return to traditional modes of religion-state relations by eliminating as much as possible of the influences of liberal western ideology and technology. What the two extremes have in common, Ackoff (1979) argues, was the conviction that each side knows what is best for Iran and its peoples and what their countrymen really want. Little attention was paid by all parties to the inherent self-contradiction that is apparent in both the ideas of a liberal absolute monarchy and a conservative reformist.

In fact, the 1979 Iranian Revolution – which in practice was labeled as the Islamic Revolution with the domination of the clergy and their supporters – took advantage of a wave of resentment against and rejection of the West. Tired of decades of imitation from the West, the victors of the revolution claimed that Islam presented a response to all the shortcomings of Iranian society. To this end, education was recognized as a major instrument in strengthening the Shah and his American influenced ideology. In the same line of reasoning, education could undoubtedly have the potential for advancing Islamization in Iran. As a result, education as a whole, and higher education in particular, became one of the central issues of the new Islamic regime in Iran.

In his message to Iranian people in 1980, Ayatollah Khomeini, the leader of the Islamic Revolution, made it clear that in order to advance the country, a fundamental revolution in all the universities was essential. For Khomeini, Iranian universities were first in the hands of a group of Anglophiles and later in the hands of admirers of the Americans (Menashri, 1992). To this end and as Khomeini was seeking an alternative to

modernity based on Islam, the western-educated intellectuals were one of the main groups that came under his direct fire. For Khomeini, the Iranian universities were imperialist universities and those whom they educated and trained were infatuated with the West. The Cultural Revolution that was announced in 1980 by Khomeini was a response to this situation in order to change the educational institutions profoundly and induce Islamic values, norms, and thoughts in Iranian higher education institutions in a revolutionary manner.

The Cultural Revolution brought higher education in Iran to a halt for three years. Management education, in general, and the IMI's Management Development Program, in particular, were no exception. Management education at the IMI, which was Americanized before the 1979 Iranian Revolution, was expected to transform profoundly based on Islamic principles. In practice, the EMBA program was stopped indefinitely and other management training courses, even those that were considered as managerial tools, were expected to become Islamized. Indeed ideological approaches became the dominant factor in management education for a decade after the 1979 Iranian Revolution. This was the ideology of the dominant Islamist group after the revolution which considered their ideology as the true Islam. In practice, this ideological approach did not result in any tangible outcomes. According to one interviewee, who was educated in the United States and is an advocate of modern management education:

Khomeini's Cultural Revolution, for management education, was a return to a kind of scholastic period featured by anti-West sentiment. Comparing this period with the pre-revolution period, the latter can be considered as the Enlightenment

period of management education in Iran. The post-revolution anti-West sentiment was vast and included whatever that has its origin in the West. In such an environment, Islamic management was introduced. The third period that began after the death of Ayatollah Khomeini can be labeled as return to modern management education. We are hopefully going back to modernity and joining modern world.

The post-revolutionary environment, however, influenced the IMI operations deeply. In fact, the IMI activities and performance were shocked by both external as well as internal transformations. IMI's three primary activities – education, consulting, and research – were all affected by this environment. The internal factors, however, were themselves dependent on the external factors especially by the overall nostalgic revolutionary environment in the country and the Cultural Revolution that had widely brought Iran's higher education institutions to a halt.

In this situation, the IMI suffered a huge shock that influenced the institute quantitatively and qualitatively. In fact, some of IMI's experienced consultants and instructors left the organization due to the turbulent environment that dominated the IMI after the revolution. At the same time a few other IMI experts were expelled from the organization because they were either considered in line with the ex-regime or were considered as individuals who did not adapt themselves to Islamic values and norms that had become dominant after the revolution. In fact, it could be argued that the IMI's main activity in the first years of the revolution was to deal with the professionalism and ideological commitment conflicts.

This turbulent environment deepened with frequent changes in the IMI board of directors and its managing director. This situation was the result of external pressures. Extensive changes in IMI's expertise and its managing system, for example, were due to the radical changes in Iran's political, economic, and cultural environment after the victory of the revolution and the role of Industrial Development and Renovation Organization (IDRO), as IMI's parent company. According to the IMI managers, in the first years after the victory of the 1979 Iranian Revolution, IMI's available resources were so limited that the IMI could hardly manage its routine operations (IMI, 1981). This limitation was due to the relative global depression and the economic situation in Iran following the revolution.

In the first year after the revolution the situation was so tense that the IMI Board of Directors tried to offer its services to different public organizations free of charge due to the low demand. In fact, different governmental organizations and corporations could not benefit from IMI's services due to the lack of budget and their unwillingness to use consulting services in a revolutionary era in which the activities of institutions such as the IMI were considered to be non-Islamic. In these circumstances, the existing human resources at the IMI could not be employed in consulting, education, and research activities effectively.

With the advent of the Cultural Revolution in 1980, the IMI Board of Managers noted the need for promoting the level of its expertise in order to increase IMI's efficiency and effectiveness in the new Islamic environment that had emerged in the country. In its declaration in this regard, the IMI Board of Directors suggested:

The priority of IMI's activities is to employ its intellectual capital as well as its expertise to revitalize the IMI services in different industrial organizations in the context of sacred goals of Islamic Republic. IMI's response is to employ low-experienced but Islamically committed experts. To our understanding, the new IMI experts will very soon turn into capable experts for the IMI. In practice, the IMI will operate precisely in the direction drawn by the government of the Islamic Republic now and in future (IMI, 1981).

To evaluate IMI's expertise potential in the first years after the revolution, it is proper to compare the number of IMI experts that have been active in the organization in different years. It is noteworthy that the number of IMI's experts in 1978 (the year before the revolution) was 81. This number decreased to 72 in 1979 and 70 in by the end of 1979. The number of the IMI experts reduces drastically to 43 persons in 1980 and then to 32 in 1981. This number remained the same until 1983 (IMI, 1984).

The IMI education services followed the same pattern. In 1979, the year of the victory of the revolution, the IMI attempted to continue its Management Development Program by substituting its foreign professors with Iranian instructors and by adding a couple of courses with Islamic and revolutionary flavour to its curriculum such as "Islamic concepts" and "the role of multinational corporations in the world" to its curriculum (IMI, 1982). The Management Development Program, however, was closed down in this year based on the order of the government and according to the policies set after the Cultural Revolution. From 1979 to 1986, the IMI focused its educational activities on short courses and special programs.

The IMI experienced a hard time financially during the first years of the revolution. At the end of 1979, the IMI Board of Directors stated that the IMI had earned no profit. The IMI revenues in this year reduced by 39% compared to 1978, and 56% in relation to 1977 revenues. In 1980 the same trend prevailed and the IMI revenues decreased by 41% compared to that of 1979. In its 1981 evaluation of the IMI situation, the IMI Board of Directors expressed its concern about the human capital of the organization after expelling those experts whose lines of thought were different from that of dominant Islam as interpreted by those in power (IMI, 1983). The board was also concerned about the prevailing depression in Iran's economic activities and the low demand in the country for the IMI's services, dealing with the Cultural Revolution environment and the prevailing Islamic norms and values that were perceived to be inconsistent with some of the IMI activities, and frequent changes in the IMI Board of Directors that destabilized policy-making and decision making (IMI, 1983).

The Cultural Revolution had a general influence on all higher education disciplines including management education, on the one hand, and a particular effect on management knowledge, on the other hand. This meant that with the initiation of the Cultural Revolution, all higher education institutions had to transform all dimensions of their activities to be consistent with the Islamic principles and the values of the Islamic revolution. Universities and institutions offering management education, including the IMI, were not an exception in this regard. They had to bring their American influenced management education to a halt and develop an Islamic alternative to the mainstream

management education. The new management education was entitled Islamic Management (IMI, 1982).

The Islamization effort focused on four areas including the students, the faculty, the curriculum, and the general Islamic atmosphere to be created in schools and in classes. With respect to students, the goal was to shape a new generation of Islamic managers in line with the principles of the revolution. To this end, ideological norms and faith in the regime became dominant in choosing faculty and admitting students. In purging the academic staff, the prime motive was clearly political, aiming to prevent any obstacle to the consolidation of clerical rule and to the Islamization of education (Menashri, 1992). The curricula patterned on Western models and textbooks that were mainly in English had to change profoundly. And finally, schools and classes were required to maintain an Islamic environment.

For a few years after the revolution, attempts to develop what was called Islamic Management became a widespread phenomenon in Iran. According to Sadri, Managing Director of the Industrial Development and Renovation Organization (IDRO) in 1980:

The management knowledge taught before the revolution cannot follow the same path after the revolution due to its shortcomings. Since the old system cannot continue as is, we decided to seek and explore Islamic management in order to be able to adapt management knowledge with Islamic principles (IMI, 1982, p. 36).

Different committees were organized and established to document the content of Islamic Management (IMI, 1982). The IMI was also active in this regard too. In practice, however, this process did not result in any visible output despite various projects,

sessions, and conferences. The high expectations of the early days that conceived Islamic Management as an alternative to mainstream management did not materialize and Islamic management was reduced to some ethical principles, which in practice did not translate into presentable courses in professional management education. One interviewee says:

In the first years after the victory of the revolution, extensive attempts were made to explore management principles in the Islamic documents and Islamic references. Several commissions and working groups were established to work on Islamic Management principles. IMI was one of those institutions involved in this attempt.

In fact, technical aspects of management, such as procurement, inventory, import, and export were considered technical rather than ideological concepts. These technical dimensions of management were supposed to be universal and neutral with no contradiction to ideological concepts. One interviewee notes:

Islamization attempts did not yield to any tangible result. When it came to technical aspects of management, such as accounting, inventory, procurement, and commercial activities, it was concluded that these activities were not inconsistent with Islamic principles. These findings gradually led to a new perception that the executive aspects of management do not interfere and do not violate religious principles.

Issues such as human dimensions of management practices were considered as concepts that could benefit from ideological and religious principles. In practice, this attempt did not prove to be fruitful either. As one interviewee notes:

It was believed that concepts such as human resource management, motivation, and other managerial aspects related to the human side of management could be derived from religion. In practice, it was not an easy task and this perception faded away gradually.

In order to align management knowledge and management education with the guidelines of the Cultural Revolution, the IMI as well as other institutions which were active in management education started an initiative to Islamize management education. The result of the process of the Islamization of management knowledge and management practice – Islamic Management – was supposed to be a distinct alternative to mainstream management knowledge and management practice. As part of the initiative of Islamic Management, the IMI organized a team of experts who were familiar with management knowledge, on the one hand, and with Islamic thoughts and principles that were relevant to management, on the other hand, to delineate Islamic Management (IMI, 1982). The group tried to explore the leading principles that could distinguish Islamic Management from mainstream management. To this end, responsibilities of managers were compared to that of the Imams who were the Islamic leaders. As Imams, managers have to spread the religion in society, perform social reforms in favour of those who were oppressed in the previous regime, and implement all Islamic principles and values that were ignored before (IMI, 1982).

The study group of experts envisioned Islamic Management as a field that is based on visions, values, and approaches that are considered Islamic. In this respect, offering management education was meant to develop managers with Islamic vision, to

equip them with Islamic knowledge, and to empower them with skills that were not contradictory to Islamic principles. The study group organized four committees to study and introduce different aspects of Islamic Management. The first committee focused on Islamic principles that govern the concept of Islamic Management. The main task of this group was to go through different Islamic texts in order to derive those principles that govern Islamic Management. The group was intended to contact concerned Islamic clergy and ask for their opinions with regard to the Islamic Management principles. The other three committees engaged in technical aspects of Islamic Management and were the committee of structure and decision making, the committee of human resources, and the committee of evaluation and supervision (IMI, 1982). One interviewee notes:

The Islamic revolution claimed that the revolution is cultural-based and cannot borrow cultural and social concepts from the West. More than 90 percent of managerial materials are American and most of those who involve in this issue have been educated in the United States. It was expected that all these transform profoundly.

One of the main attempts made by the IMI group in developing Islamic Management was to outline the main Islamic principles that govern management. In fact the committee's main belief was that Islamic Management differs from the American management in content and objectives. This meant that in Islamic management, there is a radical shift in content and outcome with respect to mainstream management knowledge. For example, the committee noted that while in mainstream management the worker's compensation is individually-based, in Islamic Management the workers' compensation

is family-driven, that is the Islamic Management discipline makes managers responsible for satisfying the needs of the family of the worker rather than solely the compensation of the worker as an individual (IMI, 1982). To this end, the committee defined Islamic Management as “the process of planning, organizing, leadership, control, and evaluation towards growth and elevation of humanity based on Islamic values” (IMI, 1982, p. 54).

The IMI Study Group was not successful in developing Islamic principles for management practice and management education. Other groups and organizations continued to work on Islamic Management principles that were published at a later time. The main principles governing Islamic Management derived by these groups were some general principles such the supremacy of God and his prophet over human desires, belief in the after death Day of Judgment, the principle of oneness of God, the principle of prudence in decisions that relate to others, the principle of consulting in the process of decision-making, and the principle of leadership based on the patterns derived from the prophet and Imams’ conduct (Naghipoor, 2003). The Islamic Management principles were thus vague and ethical rather than operational. As a result, the principles did not become operationalized at the IMI.

As already stated, studies conducted by the IMI Study Group and other groups outside the IMI did not result in any tangible outcome and the idea of developing Islamic management as an alternative to mainstream management gradually vanished or was limited to considering a few ethical principles that differentiated managing in an Islamic manner compared to conventional mainstream management practice. In the case of the IMI, these principles could not be integrated into short courses that were offered by the

IMI. In fact, while the EMBA program that was introduced by the IMI before the victory of the revolution was still inactive, some short management training courses that were more technical in nature, rather than social, were organized and implemented.

Parallel with the unsuccessful attempts to develop Islamic management as an alternative to mainstream management and management education those who were playing an active role in management education in Iran were gradually looking for spaces and opportunities to re-introduce the complete spectrum of the Western style management education in Iran. For example, the IMI introduced a program in 1986 that resembled the pre-revolution management development program. The new program was labeled the “High Level Executive Program”. It benefited from the support of the IDRO, and its participants were mainly executives of manufacturing organizations affiliated with the IDRO (IMI, 1989). The main initiatives did not result in the desired outcome until the end of the Iran-Iraq War and following the death of Ayatollah Khomeini in 1989 when this era came to an end. In the following era, Iran attempted to rejoin the modern world. I call this new era, the period of a return to pseudo-modernization. The position of management education in this new era is described in the following section.

Period Two: Return to Pseudo-Modernization (1990 – 2008)

As noted in the preceding section, during the years before the death of Ayatollah Khomeini, his revolutionary and radical strategies to introduce an alternative to modernity gradually lost momentum. In fact, pragmatic interests gradually grew in the country at different levels and the radical philosophy of the revolution proved inefficient in areas that were not consistent with the dominant discourse. In the field of education,

the Cultural Revolution did not achieve its desired goals and failed to come up with an alternative to the dominant higher education. Rather its achievement was a political one and that was the victory of the Islamists and pro-Khomeinists who succeeded in expelling those instructors and students who did not accept the Islamic discourse of those in power. Thus, the project of Islamization of higher education as an alternative to the dominant modern higher education was reduced to a political struggle leading to the dominance of followers of Ayatollah Khomeini in universities. According to one interviewee:

The Cultural Revolution stopped universities from their normal activities for three years. The aim was to change radically what was in the domain of social sciences. In practice, however, nothing was changed profoundly and nothing new was born out of this Khomeini's so-called Cultural Revolution.

While Iran had suffered extensively from the war with Iraq, high expectations developed in the country with the ceasefire. It was expected that all the ills of the country would be cured with the reconstruction of the ruins of the war. To this end, the call for moderation in the country's policies and its international relations was raised gradually. This expectation, however, did not materialize until the death of Ayatollah Khomeini, which happened a couple of months later in 1989. In fact, the death of Ayatollah Khomeini was the turning point for Iran to change its direction from Khomeini's desire to introduce an Islamic alternative to modernity. The election of Rafsanjani as Iran's president, as the first president after the death of Ayatollah Khomeini, and the appointment of Khamenei, as the successor of Khomeini, marked the beginning of reconstruction following the huge damage to the infrastructure of the country due both to

the lack of capital investment and the war with Iraq. In practice, the reconstruction program was complemented by moderation in politics and the social life of Iranians. From this period to the present time, Iran began an extensive attempt to rejoin the modern world (Keddie, 2003). Once again, the outcome of this attempt, I argue, has not been modernization; rather, as the era prior to the victory of the revolution, it has been a kind of pseudo-modernization, this time a religious pseudo-modernization. In practice, with the support of Ayatollah Khamenei who replaced Khomeini as the leader of the revolution, the three presidents who have been in office since the death of Khomeini have one thing in common: establishing a path towards religious pseudo-modernization. Each has had his distinct interpretation and his distinct approach.

Khamenei, the successor to Ayatollah Khomeini, explicitly stated the interest of the Islamic Republic in cooperating with other countries. Gradually the voice of the technocrats and the people with a modern education, many of them educated in the West, gained prominent positions in the government administration. This marked a trend toward greater professionalism and the importance of modern education, and modern educational backgrounds of those active in public sector. This trend even influenced the minimum educational requirements for candidates for the parliament (Keddie, 2003).

As mentioned earlier, the three presidents who have been in office since the death of Ayatollah Khomeini moved Iran towards joining the modern world but with different tactics and approaches. In comparison to Khomeini whose desire was to introduce an alternative to modernity, the three presidents, I argue, have attempted to introduce a modernity alternative, in fact a kind of religious modernity alternatives. The first,

President Rafsanjani, focused on the economy, endorsing neo-liberal economic policies supported by the World Bank. In his perspective, Iran should modernize but adopt a modernization dominated by religion. The second, President Khatami, followed a religious democratic approach to modernization. And the third, President Ahmadinejad, who is still in office, is following a religious social justice approach to modernization.

It was Rafsanjani, the first president after the death of Ayatollah Khomeini, who pioneered the turn from traditional Islamic ideals to new ways of looking at Islamic government consistent with the modern world. He invited the nation to embrace a pragmatic approach towards politics, reconstruction of the extensive damage of the war, as well as reconstruction of economic, social, and cultural life, a return to the international scene, and a shift towards social welfare. For him, the country was in a new environment in 1988 which was very different from that of the early days after the victory of the revolution. "We should maintain ideals, but also meet the needs of the people." (Rafsanjani, as stated in Menashri, 1992, p. 329). Rafsanjani took office in 1989 and his cabinet became famous for being a cabinet of technocrats, many of them Western-educated, rather than revolutionary ideologues. Rafsanjani made it clear that he wished to have a government of experts, not of politicians, as is needed in a period of reconstruction.

Khatami (1997-2004), who led the reform movement in the Islamic republic, also supported professionalism. His attempt to introduce an Islamic democracy was a new initiative in the Islamic Republic. His intention was to justify consistency between Islamic principles and those of the modern democratic world (Keddie, 2003). While his

initiative made some progress he could not achieve his desired objectives due to internal radical opposition groups, on the hand one, and external barriers resulting from the political ambitions of the US government, especially neo-conservative policies, on the other. Khatami's initiatives did, however, strengthen modern education in Iran including management education.

The most recent president of the Islamic Republic is Ahmadinejad (2005-2008) who is still in office and is well-known for his anti-American policies globally. I argue, however, that Ahmadinejad's intention is not to introduce an alternative to modernity, as Ayatollah Khomeini intended. His intention, to my understanding based on his presidential campaign, is to follow an Islamic alternative to modernity based on what he calls social justice. His background as a university instructor and his desire to invest in different modern projects make him a strong advocate for the continued conversion of the Islamic Republic towards pseudo-modernization.

This change of attitude in the leader and the presidents of the Islamic Republic to shift from an Islamic alternative to modernity paradigm to Islamic modernity alternative paradigm revitalized mainstream management education in Iran. Consequently, the IMI studied the feasibility of re-opening its management development program. Before launching this initiative and in order to prepare the environment for EMBA program, the IMI implemented a training program on strategic management with collaboration with a Canadian-based Management Training Certification School. As an interviewee recalls:

After the revolution, ICMS (Harvard Business School branch in Iran) was closed down. On the same line, the IMI could no longer continue its cooperation with

Pennsylvania University and other American schools. To prepare the environment and due to the anti-American sentiment in the country, the IMI initiated a strategic management program with Canadian Banff School of Management.

The feasibility study report to justify the new EMBA program that was prepared by the IMI resembled, to some extent, the report prepared four decades prior by George Fry and Associates to justify the establishment of the IMI. This new Management Development Program at the master level that was labeled as the Advanced Executive Management Program was actually the same as the American dominated EMBA program implemented by the IMI before the victory of the 1979 Iranian Revolution. In fact, the IMI attempt to establish its formal MBA program was a return to the past, 1969 to be exact. At that time Iran's economy was dominated by the public sector and there was a growing desire to promote private sector investment in the country based on the advice of American advisers to the Shah's regime from a developmentalism perspective.

The Advanced Executive Management Program, the IMI argues in its feasibility report (IMI, 1989), was developed according to the recognized managerial needs of top and middle rank managers. The content of the program was a selection of the programs offered at modern American management schools. The content of the program included the theories and skills that a high ranking manager such as the managing director of a company, should know. The program included 45 credits, two-thirds of which were theories and the rest was focused on case studies that helped resolve the problems by employing managerial skills (IMI, 1989). The case studies, however, are normally taken from American texts. The IMI had always expressed its intention to develop Iranian case

studies, but in practice it has not been successful due to a lack of managerial will or financial resources.

In addressing the need for a Management Development Program after the revolution, the IMI (1989) stated that after the revolution most of the programs conducted by independent higher education institutes including management development programs had been closed down. With the nationalization of most of the large Iranian industries and other economic enterprises by the government after the revolution, the need for educating young and inexperienced managers who were appointed by the revolutionary government to run these organizations was felt increasingly in the country (IMI, 1989). On the government side, the revolution replaced previous government managers with new young inexperienced revolutionary managers. To meet this increasing demand, the Government Management Education Center (GMEC) and the Industrial Management Institute (IMI), as the two organizations that were the most experienced institutes in this regard were expected to offer management training courses and management development programs. GMEC was responsible for government staff and managers while the IMI offered management education and management consultancy to the public and private sector managers.

GMEC was the first institute to launch its management development program in the public sector. The graduates of this institute worked in governmental organizations and GMEC had the legal authority to require these organizations to send their employees to these programs. The certificate issued by GMEC was accepted by government organizations as equivalent to a master's degree. The IMI, on the other hand, informally

launched its two year management program called the Higher Executive Management Program, which was also equivalent to a master's degree. The participants in the IMI Higher Executive Management Program were executives of companies affiliated to the Iran Development and Renovation Organization (IDRO), a governmental organization that acted as the holding company of a large number of companies that were either owned by the government or were nationalized after the revolution and were under government supervision (IMI, 1989). As one of the interviewees states:

After the revolution we followed the idea of the Management Development Program and decided to initiate an unofficial EMBA for the Industry Development and Renovation Organization (IDRO). The IMI felt that the national environment is still not prepared to accept an official EMBA program. This is why we labeled the new program as the Advanced Executive Management Program.

The content of this unofficial program, however, was still American. One of the interviewees who had been involved in developing the new program notes:

To develop the new program, we studied different American business schools as well as business schools located in other countries which followed the American model for management education programs. This time, new concepts such as Strategic Management had been integrated in American management education programs. This unofficial American dominated EMBA program was the first initiative of this kind after the victory of the 1979 Iranian Revolution.

The IMI's attempt to rejoin the mainstream management education camp after the death of Ayatollah Khomeini was based on its new analysis about the dominant status of American management education. Based on the IMI's analysis in 1989, international trends in management education revealed that the dominant management program remained the Master of Business Administration (MBA) in which nearly 80,000 students graduate annually worldwide. The number of MBA graduates had increased 25 fold during twenty years. This increasing trend, based on the IMI analysis, was a response to the changing business environment characterized as the age of radical environmental changes, the age of uncertainty, and the age of complexity (IMI, 1989). One of the interviewees who has been involved in designing of the IMI EMBA program states:

After the revolution, the management development programs came to a halt. After a few turbulent years in management education in Iran in which people were trying to incorporate Islamic principles into the management education discipline, a new attempt was made to revitalize the management education program. Our new package for the EMBA was based on Henley College of England, which itself was based on American style management education.

The audiences for the IMI programs are managers who are looking for more practically oriented programs. This was intended to be a two-way involvement whereby apart from the offerings of the instructors, the participants expect that the program values their vast experience and benefit from these experiences during the program. The main objective of these programs was not just to increase the managerial knowledge of the participants. The main objective was to increase the skills and the capability of managers

to solve their daily problems. In this kind of program, management theories were employed as instruments to enable managers to analyze and solve their organizations' problems. While universities attempt to educate management experts and not managers, institutes such as the IMI intend to develop managerial skills and capabilities in managers (IMI, 1989).

The IMI's target was to address the needs of more than 6000 managers in the country who were active in different large enterprises (IMI, 1989). The background of these people was mostly engineering and they had become involved in the management profession after nationalization of industries after the 1979 Iranian Revolution. The Management Development Program was considered as a sub-system of the application of management knowledge. The concept of the application of management knowledge was an integral part of installing a special system to employ knowledge to fulfill society's requirements. By installing such a system, the flow of knowledge from its main source (a research institute that creates knowledge) to the consumer (the knowledge consumer, in this case industrial organizations) becomes a permanent process. The main components of this system for knowledge management were the American developed disciplines such as basic research, comparative research, applied research, new systems and methods, consulting services, applied education, management development programs, selecting and installing capable managers and experts, and monitoring systems for management knowledge.

Management education in Iran in general, and in the IMI in particular, I argue, has gone through different paradigms that have shaped American management education

after the Second World War. These three paradigms were the scientific paradigm, the cultural paradigm, and the entrepreneurial paradigm. The main mode of adopting these paradigms at the IMI has been through introducing them in the curricula, importing American published textbooks related to each paradigm, and offering American case studies relevant to each paradigm. While the cultural paradigm focuses on the importance of the local in comparison to universal, this focus is translated and adapted to Iranian cultural specificities.

With regards to the texts, cases, and instructors, once again the IMI was involved in the dominant American discourse. Textbooks that were expected to be translated into Persian were not successful and American published course books became prevalent. One interviewee states:

Our textbooks are American. Most of the cases are also American. In the first stages of our new attempts, we tried to have a Persian translation of English texts due to sensitivity of using English language, on the one hand, and the weak English capability of Iranian managers after revolution, on the other. This situation, however, changed later and original English texts were employed in different courses.

In the same way as the pre-revolution era, the IMI is the consumer of management knowledge that is mainly produced in the United States. The status of businesses in Iran and the shortage of finances, time, and the frequent changes in course texts do not allow localization of management knowledge. As one interviewee notes:

Management textbooks are based on management knowledge and management knowledge is not produced in Iran. This knowledge is American. Thousands of organizations that function in the United States provide input for management knowledge. Iran is not in such a situation. American management researchers study American organizations and look for patterns and common themes in management practice to develop management theories. In post-revolution Iran such conditions do not exist. As a result, the IMI becomes the consumer of American management knowledge, management textbooks, and management case studies.

While the instructors at the IMI before the victory of the 1979 Iranian Revolution were American or educated in the United States, this situation changed after the revolution, mainly due to the sanctions imposed on Iran by the United States. Today four groups of instructors are active at the IMI. The first group includes those instructors who are foreign born individuals from the United States, Canada, France, Sweden, and Germany. The second group consists of American Iranians who teach in American universities and business schools and travel to Tehran to conduct courses and seminars at the IMI. One interviewee notes:

Some of our professors are American-Iranians or Canadian-Iranian who come from the United States and Canada. Nowadays, the IMI is working with four universities from Sweden, two universities from Germany, and three universities from France at the MBA, DBA, and PhD levels. Due to sanctions, we do not work

with the American universities. We started working with Simon Fraser University in Canada, but this cooperation came to a halt due to political issues.

The third group includes Iranians who have graduated either in the United States or other international universities that follow the American management education model. According to one of the interviewees, “the IMI’s Management education professors who are Iranian are also educated in the US or in a university based on the American model of management teaching”.

Comprising the fourth group, however, are a few Iranian instructors who have graduated from Iranian universities. The cases used in the IMI’s programs are American because the course books are American and the financial problems do not allow the IMI to develop case studies based on Iranian corporations practices. As one interviewee notes, “Our case studies are coming from the US because we normally do not produce cases. Today we are not under any pressure to integrate Islamic principles in our courses”.

After the death of Ayatollah Khomeini, the IMI gradually developed its international cooperation with different international bodies such as the Asian Productivity Organization (APO), the United Nations Industrial Development Organization (UNIDO), and the United Nations Development Program (UNDP) as well as different universities worldwide. IMI’s willingness to cooperate with American business schools, however, did not materialize due to the United States’ sanctions. To this end, English language American model business schools from Sweden (Uppsala Business School), France (Bordeaux University and Nice University), and Germany (Hochschule

Kempen University) cooperate with the IMI either through providing faculty or implementing joint EMBA and DBA programs. According to one interviewee:

At the IMI, we cooperate with foreign universities in two different ways. One is through visiting scholars who are mainly from the United States, Canada, and Sweden. The other aspect is to organize joint programs with foreign universities. Unfortunately, American universities are not active in this regard. This is why we work with European universities. Up to now we have cooperated with Swedish, German, and French universities. However, our educational materials are mainly from the United States.

While the IMI had organized 11 EMBA programs before the revolution, it has conducted 14 programs since the reopening of its EMBA in the post-revolution era. This endeavor is still ongoing. American mainstream management has regained its supremacy in Iran's management education, in general, and in the IMI in particular. The mainstream management terms such as value-based management, value chain, mission, vision, learning organizations, 360 degree assessment, SWOT analysis, five force analysis, BCG matrix, core competencies, ISO, EVA, fifth discipline, BRP, re-engineering, downsizing, right sizing, de-layering, MRP II, ERP, JIT, TPM, TQM, QC, SQC, 5S, benchmarking, and best practice are widely used in management education and management practice in Iran, a country that is known for its government's anti-American policies. Most of these terms are American-based and if a few are developed elsewhere, they cannot diffuse globally unless they became a part of American management discourse. In fact, after the failure of Ayatollah Khomeini in introducing an alternative to modernity, his successors

re-opened the country to another era of pseudo-modernization in which the American dominated management education discourse was uncritically adopted once again. This stream is continuing and will continue for the foreseeable future.

The reemergence of American dominated management education at the IMI after the death of Ayatollah Khomeini in 1989 coincided with the extension of cyberspace in mainstream management education. Cyberspace, empowered by ever expanding ICT, is increasingly becoming a medium in which communication, dialogue, and connection are made possible regardless of time and space. This new medium is also Americanized with respect to US influence in high technology hardware, software, and language. Apart from using ICT in supporting administrative, financial, commercial, and informative activities of the IMI, its EMBA programs also benefit from cyberspace in their online activities. At the same time, the IMI is developing its e-learning programs as well. The potential of cyberspace potential is facilitating IMI's activities. The increasing widespread use of cyberspace is happening while more than a decade ago during the Islamization period, the IMI was under pressure not to use audio-visual equipment. According to one interviewee:

After the revolution when the radicals and hardliners had occupied managerial positions at the IMI, the main challenge was the challenge between professionalism and ideological commitment. In the first years after the revolution, using videos was seen as a type of Westernization, but nowadays we know that we cannot escape from e-mail, the www, and other IT based developments.

In practice, information technology is fused to almost all activities, programs, and courses offered by the IMI. In all programs, courses such as management information systems, knowledge management systems, business process reengineering, e-commerce, e-business, and research methods, information technology is either the main theme or plays an essential role in the course. The new American dominated entrepreneurial paradigm that has resulted from the information revolution (Locke & Schone, 2004) has been the main cause for introducing new IT-based programs at the IMI. As a result, a part of IMI's audience are now entrepreneurs of new IT-based ventures. For example, apart from the EMBA program, the IMI is offering another master level program called the Master of Information Technology Management (MITM), which focuses on this new American dominated technology. Information technology is gradually shaping the way instructors offer their courses, give assignments to their students, and contact each other and students. The Internet, virtual group work, and e-learning are the new terms heard throughout the IMI.

The increasing use of ICT and cyberspace has been supported by all active participants at the IMI – the instructors, the students, the administrators, and other staff. The interviewees not only consider the role of ICT and cyberspace as vital, in their perception, adopting this kind of technology is a must. One interviewee notes, “Web logs and the Internet are instruments that governments cannot stop people from thinking about that. The thread that is linking all these technologies is controlled by the United States and its large high-tech corporations. We are not in control of this situation. We are followers”.

The potential of cyberspace, however, is imposing a new type of Americanization at the IMI, but this time, it is cyber dependency. Today, the IMI is increasingly filled with American software, whether online or offline, throughout the organization. American software products – such as Microsoft, SPSS, SQL, Blackboard, Lotus, Microsoft Server, Oracle, Emerald, and Project Management Software to name a few – are spread all over the IMI. The main hardware providers that support the IMI networks are also American, mainly provided by HP and Cisco. The American hardware and dominance in management education resembles the conventional American dominated management education model.

Going back to chapter Two where I explained the theoretical framing, three views were identified. The first view envisions cyberspace providing opportunities for dialogue and interactive communication. In fact, this view considers cyberspace as a two-way or multiple-way medium in which people interact. In this respect, the IMI has employed the Washington DC-based Blackboard LMS to connect its EMBA students. Some courses are offered in a blended way in which some parts of the courses are offered online and other parts are offered face-to-face in classes. Here, the IMI employs the potential of cyberspace to connect people virtually.

Blackboard, an online learning application software and the most widely course management system used at US and global postsecondary institutions (Blackboard, 2008), that is used by the IMI for to connect its students in cyberspace, cannot be considered as a neutral tool. It is American, it persuades users to buy other US Blackboard software applications, and its main pages are dominated by English. In fact,

while the IMI was dependent on American instructors, curriculum, and textbooks before the 1979 Iranian Revolution, today the IMI is not only dependent on American educated instructors, curriculum, and textbooks; it is now dependent on the America-based Blackboard LMS as its medium of communication.

In his book entitled "*The world is flat*", Thomas Friedman (2006) notes that when the Berlin wall fell in 1989, Windows went up. I argue that with the fall of the Berlin wall which was a symbol of the Cold War, American Microsoft Windows have emerged everywhere as a symbol of globalization. American Windows and Blackboard construct frames through which the IMI maintains its management education active. This is consistent with Escobar's (2000) notion that cyberspace is an extension of modernity, Morbey's (2002, 2006) notion of cybercolonialism and American ideological influence, and Rusciano's notion of cyberimperialism through dominant American discourse.

In his deliberation on cyberimperialism, Rusciano (2000) refers to the three types of imperialism distinguished in "*Empires*" by Doyle (1986). These three types of imperialism are systemic, metrocentric, and pericentric systemic imperialism. In systemic imperialism both core and peripheral nations interact. Due to unequal power, the result is the domination of core nations to expand their influence on the peripheral nations. In metrocentric imperialism core nations initiate relations with peripheral nations in order to exploit them economically. Finally, in pericentric imperialism the peripheral nations are dominated due to classes within their borders who find profit in collaborating with the core powers of other nations (Doyle, 1986).

Rusciano (2001) looks for the equivalent of each type of imperialism in cyberspace to define cyberimperialism. In systemic imperialism each state attempts to export its culture by whatever means it has at its disposal. Evidently, while the two parties have access to the net, it is the core states that dominate cyberspace and disseminate their cultural norms in comparison to peripheral states. Hardware, software, dominant modern knowledge, and language give a favourable position to core states. This is the case with the IMI and its use of hardware, software, and in particular the use of Blackboard and Emerald (an American database that contains the articles of over 140 journals covering different subjects including management). In fact the United States, as the core state, attempts to control the cyberwaves as it controls the sea and the land. Theoretically, the IMI has the potential to use cyberspace and diffuse the knowledge created in its activities. In practice, however, it is the knowledge constructed in the United States that is pumped through Emerald and Blackboard and the IMI becomes the consumer of this knowledge. As one interviewee notes:

Management knowledge is mainly produced in United States. We are the consumers of this knowledge and the Internet and cyberspace are the means to transfer this knowledge. At this moment, we are not concerned about questioning such knowledge. We have to consume the vast managerial knowledge of the West efficiently and effectively.

Rusciano (2001) refers to metrocentric imperialism as hegemonic cultural discourse and pericentric imperialism as a form of economic imperialism. In fact, the US control over the Internet and cyberspace becomes control over the global cultural and

economic discourse. In such an environment, the IMI seeks its institutional legitimacy by incorporating cyberspace and the Internet in management education and cyberspace, and the Internet assists in constructing American managerial perspectives in IMI's EMBA students. To this end and in accordance with the security discourse, control over cyberspace and the Internet has become an important issue in American defense policies. A study conducted by the New American Century, as a community of the US governing Hawkish neo-conservatives, illustrates this point perfectly.

The Project for the New American Century (PNAC) claims the control of what it identifies as the new international commons of space and cyberspace, as an important concern of this period (PNAC, 2000). In this study entitled "*Rebuilding America's Defenses*," a new mission for the American defense system is emphasized. This new mission should be realized through the creation of a new military service called Space Force, with its mission of space and cyberspace control to safeguard the national security and protect international commerce (PNAC, 2000). The study considers cyberspace, and in particular the Internet, holding promise and threat simultaneously. In fact, while access to and use of cyberspace and the Internet are emerging elements in global commerce, politics, and power, in order for the United States to assert itself globally, it must take account of the new global commons of cyberspace and the Internet. However, most of the IMI faculty members that were interviewed accept that such domination is prevalent but argue that institutes such as IMI are users of cyberspace and the Internet; we cannot expect philosophical critic from these organizations. According to one interviewee:

A wide science and technological gap exists between our country and the developed world. In such an environment our role is to think about opportunities in order to prevent the existing gap to deepen. We do not have to think about the threats the might emerge from the control of cyberspace and the Internet by those who have power.

The potentials and threats of cyberspace have led to an environment in which hope and fear, cyberemancipation and Cybercolonialism (Morbey, 2002, 2006), and Utopia and Dystopia (Jordan, 1999) coexist. It is too early to evaluate the future direction of cyberspace in management education, however, one thing is clear: American hegemony is gradually being complemented by a new form of e-hegemony that is shaping management education.

Today, the IMI is an organization that offers management education, especially EMBA programs. Recently the organization is offering Doctorate of Business administration (DBA) programs as well. The programs are offered either directly by IMI's own faculty or with cooperation from French, Swedish, and German universities and business schools that follow American management education model. In fact, the IMI has shifted toward European business schools due to the sanctions imposed on Iran by the United States. What is common in all the IMI education activities is: the IMI management education programs are dominated by the American management education discourse; the instructors as carriers of American management education style have been educated either in the United States' universities or business schools or in a school dominated by the American management models; textbooks are American; and when the

IMI faculty, staff, and students go online, the source, software, and major equipment are American.

CHAPTER NINE: MAJOR FINDINGS AND CONCLUSION

This dissertation contributes to one area of management education studies, which is concerned with the worldwide Americanization of management education. This dissertation has attempted to explain the story of the Americanization of management education at the Iranian Industrial Management Institute (IMI). The study is the first of its kind for the Iranian IMI, in particular, and in a developing world's management education context, in general. The idea that initiated this study three years ago was my intellectual concerns about Americanization of management education, on the one hand, and its intersection with the 1979 Iranian Revolution. I established that management education was Americanized at the IMI before the 1979 Iranian Revolution due to the extensive US influence in Iran during that period. I was interested in investigating the possibility of continued Americanization of management education at the IMI in the aftermath of the 1979 Iranian Revolution that was grounded to a significant extent in anti-Americanism. In this chapter, I will briefly overview the major findings and conclusions of this study.

The study distinguished three distinct periods in the last six decades of the Iranian history. These three periods are: the pre-revolution period (1953-1978), the Khomeini period (1979-1989), and the post-Khomeini period (1990-2008). With regard to the first period, the dissertation explains how the Shah transformed Iran into a country characterized by dependent development under which it submitted to American cultural hegemony. Iran's geopolitical position in the region, as the Southern frontier of the West with the ex-Soviet Union, was crucial for the West, especially the United States, and they

sought to maintain their dominance over Iran to contain the spread of communism. Consequently, the United States invested heavily in the Shah's dictatorial regime, effectively ignoring the human and democratic rights of Iranians. The 1979 Iranian Revolution was a response to the Shah's totalitarianism and his unconditional American support.

Tired of a long period of submission to authoritarianism and imperialism, Iranians were seeking their independence and liberty through anti-authoritarian and anti-imperial struggles. The 1979 Iranian Revolution was the moment in Iranian contemporary history when an anti-hegemonic (anti-American) popular movement succeeded in overthrowing the Shah's regime as a strong American ally in the Middle East. With the overthrow of the Shah, a long chapter of Iranian history characterized by monarchical authoritarianism came to an end.

Khomeini and his supporters took power in Iran after the victory of the Iranian Revolution. The dissertation argued that Ayatollah Khomeini's desire was to initiate an Islamic alternative to modernity to replace the pseudo-modernization pursued by the Shah. Khomeini's attempt, however, failed due to the lack of a comprehensive Islamic alternatives to existing institutions and the pressure from outside, especially from the US sanctions and the imposed Iran-Iraq war (1980-1988). The study observes that Khomeini's attempt to introduce an Islamic alternative to modernity came to an end with his death in 1989.

The Post-Khomeini period (1990-2008) could be characterized as a period of introducing an Islamic modernity alternative or an Islamic pseudo-modernization. To this

end, while all governments that have emerged in the Iranian political scene since the death of Ayatollah Khomeini have shared an anti-American policy, in practice they have returned to the dominant American discourses in a wide range of activities. Management education is one of those areas where the American dominant discourse has re-emerged and the IMI and other Iranian institutions that provided management education have once again adopted Americanized management education.

The study also distinguishes different periods in the IMI, both in the pre- and post- revolution periods. The main feature of the first period – the post-coup period of technical support to Iranian industries (1955–1961) – was the dominance of a perception which related the shortcomings of Iranian enterprises to technical gaps. This perception, however, changed in the second period – the period of development of American supported management education (1962–1969). This was a period in which the IMI developed its management education initiatives and set the foundation for its future activities. The period of maturity under the American cultural hegemony (1970–1979) – was the time when the IMI introduced its US-backed EMBA program. This study describes in detail the American direct and indirect presence and influence in the IMI in all its pre-revolution periods.

In the post-revolution era two distinct periods could be distinguished at the IMI. The first period – the Islamization period (1979–1989) – coincided with the leadership of Ayatollah Khomeini and his attempt to introduce an alternative to modernity. In this period and in line with the process of Islamization at the IMI, the concept of Islamic Management was introduced as an alternative to American management education.

Despite several attempts to develop Islamic Management in form and content, the study concludes, the IMI did not achieve any tangible result and all the endeavours to introduce Islamic Management faded away. Finally, in the last period – the period of a return to pseudo-modernization (1989-2008), American dominated management education was revitalized at the IMI in an Iranian context that began moving toward a new pseudo-modernization.

The study delineated the major role of the IMI faculty members in maintaining the dominant American management education discourse. Using institutionalism as a part of the dissertation's theoretical framework, the study explained how American management education discourse was perceived to be the universal-ahistorical-accultural and legitimized option for the IMI during its whole life span except for the Khomeini era. The study distinguished four groups among the IMI faculty members – the imitators, the hybridizers, the harmonizers, and the traditionalists. The imitators advocated carbon copy transfer of management knowledge and management education. The hybridizers attempted to add some local elements to the imported management knowledge and management education. The harmonizers included the Islamists who not only see no contradictions between the transferred management knowledge and management education and the Islamic principles, but also see a harmony between the two in a practical sense. They even argue that in the philosophical dimension, the Islamic view was richer than the dominant American one. Traditionalists, as the fourth group, were Islamists who oppose the dominant American management knowledge and management education and continue to seek an Islamic alternative.

The study found that the traditionalists led the IMI in the first decade after the victory of the 1979 Iranian Revolution. During this period, the other three groups were excluded from the IMI or if they maintained their positions they were either silent or cooperated with the traditionalists hoping to bring moderation to their actions. Based on the study, the traditionalists failed to introduce Islamic Management as an alternative to American management education. The dissertation concludes that the imitators and hybridizers were dominant before the revolution. These two groups together with the harmonizers were the main actors within the IMI after the death of Ayatollah Khomeini.

Except for the traditionalists, the study revealed the following themes as some of the main points that emerged in data analysis:

1. All groups agree that management knowledge and management education are predominantly Americanized.
2. Interviewees do not deny the context specificity of management knowledge and management education. The importance of context, however, is different for different groups.
3. The IMI instructors in different periods have been either American or have graduated from US institutions or schools that operated based on American management education models.
4. While most groups believe that the IMI lacks time to develop new indigenous alternatives to mainstream American management education, traditionalists did attempt to introduce Islamic management as an alternative to mainstream management education.

5. All groups agree that the American management style has been accepted as the dominant paradigm by Iranian managers and management educators.
6. With regard to management textbooks, there is consensus that nearly all management education textbooks used at the IMI are American.
7. All groups agree that Iranian managers seek managerial tools when they study management. To this end, it is believed that business schools should not be concerned about the philosophy of management education.
8. The groups have no objection to using English as the language of instruction in management education;
9. The groups argue that the use of cyberspace and Information and Communication Technology (ICT) in management education is not a choice any more, but a must.

This study has made several contributions to the area of Americanization of management education in the context of a developing country. First, the research offers a detailed look at the establishment, development, and evolution of the IMI and its EMBA program. Second, it explains the contextual environment that made the emergence of the IMI possible prior to the 1979 Iranian Revolution and the post-revolution conditions in which the IMI continued its operations. Third, the study highlights American economic, cultural, political, and institutional influences in Iran. Finally, the dissertation illustrates the emergence and worldwide diffusion of Information and Communication Technology revolution and its interjection within management education with special focus on the IMI.

Utilizing the developmentalist point of view, the study concludes that Iran, as the context in which the IMI evolved, pursued a dependent development program prior to the victory of the 1979 Iranian Revolution. To maintain this dependent development, the IMI was established to educate managers in order to ensure their conformity with the dominant American management discourse. The conformity of managers was not limited to the economic dimension. From a cultural perspective, the study concludes that Iranian managers became the internal expression of dependence. US cultural hegemony acted as the facilitator for continued economic dependence. Economic and cultural forces in the IMI required institutional stability and legitimacy. To this end, from an institutional perspective, the IMI attempted to mimic its American benchmarks to justify its legitimacy.

After the victory of the 1979 Iranian Revolution and during Khomeini, the Iranian government claimed that Iran should get rid of the American dominated development discourse, on the one hand, and it should also free itself from American cultural hegemony, on the other hand. In this environment, in the case of the IMI, with the traditionalists in control of the IMI, they decided to denounce the Americanized institutionalism and develop an Islamic alternative to mainstream management education entitled Islamic Management. In practice, Khomeini's Islamic alternative to modernity failed because it existed outside the boundaries of the dominant discourse in a position of exteriority to the power of the dominant paradigm, which effectively made it impossible for Khomeini to devise practical steps to implement fundamental changes. As a result, the

development of Islamic Management as an alternative to American management education failed as well.

The post-Khomeini period, the dissertation concludes, was characterized by Iran's attempt to introduce an Islamic modernity alternative. The study notes that in this period Iran attempted to rejoin the modern world. This process, however, was intended to be different from the pre-revolution period when the country submitted itself to the dominant development discourse. Here, Iranian leaders still resisted the dominant discourse but their resistance was situated within the boundaries of the dominant discourse in interior power relations. In fact, during the Khomeini period, he introduced an Islamic alternative to modernity as a resistance outside the dominant discourse in an exterior location to the dominant relations; a decade later the post-Khomeinists changed gear and brought their resistance inside the dominant power relations.

The study describes how the IMI experienced three paradigms that have dominated management education since its development, namely the scientific management paradigm, the cultural paradigm, and the entrepreneurial paradigm. The three paradigms emerged in the United States and have been dominated by US hegemonic power. The first two paradigms – the scientific paradigm and the cultural paradigm – were dominant before the 1979 Iranian Revolution, and the third paradigm – the entrepreneurial paradigm – emerged in the post-Khomeini period.

The major theme in the scientific paradigm was an emphasis on the universalist/acultural/ahistorical mode of management education. This was while the cultural paradigm, which acknowledged cultural elements in management practice and as a result

of management education, emerged as a result of the Japanese management style and its consequent adaptation in American management education. The IMI welcomed both paradigms and adopted their courses, textbooks, and case studies in its EMBA program. However, the IMI was unable or had not the will to produce case studies related to the Iranian cultural context and as a result had no alternative but to adopt the knowledge produced in the United States.

The study describes how the entrepreneurial paradigm was employed at the IMI with an emphasis on information technology in the post-Khomeini period. The introduction of the entrepreneurial paradigm to the IMI followed two directions. The first direction, or the entrepreneurial direction, focused on entrepreneurship in the digital age. This direction, the research concluded, was dominated by American courses, textbooks, and case studies as in the previous paradigms. The second direction was the employment of information technology and cyberspace in the IMI's activities. The study concludes that while signs of a new type of colonialism are evident in the use of the Internet and cyberspace at the IMI, it is too early to draw concrete conclusions on the colonial dimension of the utilization of cyberspace at the IMI.

Finally, the last conclusion relates to considering the IMI as a part of dominant American dispositif to facilitate the governmentality of those managing business spheres in Iran. To this end, the IMI, by mimicking the American management education style, educates the Iranian managers in a way that their mentality can be governed. It is a kind of colonization of the minds of the Iranian managers in such a way that they become a part of the dominant global governing apparatus. To this end, the IMI, as a management

education institution, becomes an instrument in constructing mentalities that can be governed. In effect, the IMI, as a management education organization that operates in a developing world context, not only educates people to take the role of controlling and disciplining their subordinates but the managers themselves become compliant to the dominant American management paradigms.

While this dissertation focused on the Americanization of management education at the Iranian Industrial Management Institute as an institution operating in a developing world context, further research may extend the subject of this study to areas that are not included in this research. One area for future research is a comparative study of the Americanization of management education at the IMI and other developing world's management education institutes, on the one hand, and business schools functioning in Europe, on the other hand. Further research can focus on the ex-centrally planned economies that have entered American dominated management education in the age of digitization. In fact, business schools in these countries have not examined the scientific management paradigm and the cultural paradigm and directly began with the entrepreneurial paradigm.

Other areas of interest for further research relate to the Iranian post revolution period. The unsuccessful attempt of Ayatollah Khomeini in introducing an Islamic alternative to modernity and its subsequent Islamic Management requires further investigation. In fact, Khomeini's resistance to the dominant modernity discourse outside the existing power relations and the aggressive reaction of the modern world to his initiatives is an interesting area for research. The post-Khomeini period, as the period of

introducing an Islamic modernity alternative, is another period in which American dominated mainstream management education regained its position at the IMI. This transition in the post-revolution era in Iran offers an interesting area for future research. Another salient point to explore is why in a country where anti-Americanism is so prominent, the IMI and its EMBA program have acquired their legitimization from assimilating the American dominated mainstream management education style. Finally, this dissertation and its suggested future research can contribute to deepening our understanding of Americanization of management education at business schools established in developing countries.

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Appendix A: Interview Protocol and Guidelines

In this case study, I used semi-structured interviews. In order to make the interview sessions more effective, I kept a few things in mind as follows:

1. At the beginning of each interview, I briefly mentioned the goal of the study in a broad sense as: explaining the establishment and evolution of management education at the IMI with particular attention to Iranian.
2. My emphasis was on obtaining narratives or accounts in the person's own terms. My expectation from the interview was that the interviewees tell their own story about the IMI from its establishment in 1962.
3. I know that the interviewee may not have been at the IMI from its very beginning. To this end, I expected to have three groups of interviewees: i) Those who have been at the IMI prior to the 1979 Iranian Revolution; ii) Those who have joined the IMI later but have been curious enough to explore the whole story of the IMI and its history; and iii) Those who only are familiar with a part of the story.
4. Apart from the main open-ended question, a series of guiding questions were designed and included in the protocol. I intended to use these questions to engage the interviewee with the issues not mentioned or only slightly disclosed earlier.
5. I expected each interview to last for around three hours. However, due to my access to the interviewees, I did not expect to encounter any difficulty in extending the time and if necessary repeating the session.
6. I recorded the interviews. In order to regard the anonymity of the interviewees, I coded the interview when they were transcribed.

The central open-ended question of the research was:

“Would you please share with me your complete story about the IMI to the extent that you have experienced it yourself, observed it, or you are aware of it?”

Besides the central question and listening to the interviewee, I intervened whenever appropriate with probing questions to deepen the interview and ask questions to keep track of the chronology of the events. Some of these guiding questions were as follows:

a) Interviewee’s personal information:

- What is your background?
- Where did you graduate from?
- What is your age and sex?
- When did you join the IMI?

b) Management education at the IMI:

- What do you teach at the IMI?
- Have there been any paradigmatic changes in your course content during your teaching activities at the IMI?
- How do you evaluate the role of the context in preparing and offering management courses?
- What textbook do you use? Their origin?
- How about case studies? Their origin?

c) Contextual environment:

- Do you observe any relations between the IMI and the Iranian context?

- With respect to the Iranian contextual environment that has experienced radical changes, how has these changes affected the IMI and its activities?
- How do you describe the interaction between the IMI and the outside world (with other institutions, international agencies, etc.)
- If the IMI has been influenced by the outside world content-wise, which institutions or countries have had major influence and how?
- What has been the role of the Iranian government in the IMI's activities during different periods?

d) Cyberspace:

- With the spread of Information Technology and the Internet in management education, do you benefit from these tools and spaces in your courses?
- Do you remember some of the software and virtual spaces that you use in offering your courses at the IMI?
- Do you have any idea about the original sources of these software and virtual spaces?
- How do you evaluate the use of new technologies in management education as compared to the previous situation?

At the end of the interview, I invited the interviewee to add whatever they wished to their story of the IMI. Then, I thanked the interviewee and asked them to allow me contact again if required.